This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by and should be read in conjunction with, the full prospectus. You should read the whole document before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set forth in the section headed "Risk Factors" of this document. You should read that section carefully before you decide to invest in the Offer Shares.

OUR MISSION

Powered by Technology for a More Productive and Sustainable World.

OVERVIEW

We are a leading technology driven e-commerce company transforming to become a leading supply chain-based technology and service provider. We generated total net revenues of RMB362.3 billion, RMB462.0 billion and RMB576.9 billion (US$82.9 billion) in 2017, 2018 and 2019, respectively. We incurred net losses from continuing operations of RMB19 million and RMB2,801 million in 2017 and 2018, respectively, and generated net income from continuing operations of RMB11,890 million (US$1,708 million) in 2019.

Overview of Our E-commerce Business

We are the largest retail company in China by total revenues in 2019, according to Fortune Global 500. We believe our scale and market leadership are built upon our competitive edge in customer experience and operational efficiency, as well as our commitment to strategically invest in technology and logistics infrastructure for the long term.

Providing superior customer experience is our top priority. Our e-commerce business offers customers a wide selection of authentic products at competitive prices. We have built and operate our own nationwide fulfillment infrastructure that supports our e-commerce business. Our speedy, efficient and reliable fulfillment services ensure a high degree of customer satisfaction. We offer an enjoyable online shopping experience mainly through our content-rich, user-friendly and highly personalized mobile apps and website www.jd.com. We also provide comprehensive customer services and convenient payment options. Owing to the superior customer experience we provide, our loyal customer base has expanded rapidly. We had 292.5 million, 305.3 million and 362.0 million annual active customer accounts in 2017, 2018 and 2019, respectively.

We operate online retail and marketplace e-commerce businesses. In our online retail business, we purchase products from suppliers and sell them directly to our customers. We offer a wide range of product categories through our online retail business, including electronics products, home appliances and a large variety of other general merchandise categories. We have established strong relationships with our suppliers as our online retail business grows rapidly over time. As of December 31, 2019, we sourced products from over 24,000 suppliers.

Timely and reliable fulfillment is critical to our success. We believe we have the largest fulfillment infrastructure of any e-commerce company in China. Leveraging this nationwide fulfillment capability, we deliver a majority of the orders to customers by ourselves. In 2019, we further improved our efficiency in more cities, especially the less developed areas, as we continued to expand our same day and next day delivery service in these areas. Our fulfillment services have been proven to be highly reliable in response to customer needs, particularly in the event of business disruptions, such as during the recent COVID-19 outbreak.

We launched our online marketplace in October 2010, and have since then been continually adding third-party merchants and introducing new products and services, including premium international brands, to our customers. As of December 31, 2019, our online marketplace had over 270,000 third-party merchants, who are held to high standards for transacting with our customers. We aim to offer our customers with consistently high-quality online shopping experience regardless they purchase from us or third-party merchants. To this end, we require all third-party merchants to meet our strict standards for product authenticity and service reliability, and closely monitor their performance and activities on our online marketplace.

We provide a variety of digital marketing services to marketers on our e-commerce platform, including suppliers to our online retail business, third-party merchants on our online marketplace and other partners. Powered by AI technology, our digital marketing platform provides our marketing customers with comprehensive digital branding and performance-based marketing solutions and various effective measurement tools, which help them reach targeted audiences, attract and retain customers and improve their returns. Our digital marketing platform also features automatic marketing operation including online marketing message creation, targeting, bidding, deployment and budget allocation, which enables marketers to manage their digital marketing strategy and spending in a convenient and efficient manner.

We are exploring a variety of omni-channel initiatives to meet our customers' ever-growing demand. We believe we are well-positioned to empower traditional offline retailers by capitalizing on our strong online presence, industry know-how and omni-channel technology and systems. We collaborate with Walmart on e-commerce by launching Walmart and Sam's Club Flagship Stores on our platform and providing fulfillment solutions to them. Through our strategic partnership with Dada Nexus Limited, or Dada Group, a leading platform for local on-demand retail and delivery in China, Dada Group has been cooperating with JD Logistics to provide our customers with on-demand and last-mile delivery services of a wide selection of grocery and other fresh products through JD-Daojia. We are also exploring in the offline retail market through 7FRESH, our offline fresh food markets, experimenting on the omni-channel model.

Our proprietary and scalable technology platform enhances user experience, improves operating efficiency and supports the growth in our e-commerce business. Leveraging machine-learning technology and massive data sets amassed from online purchase behaviors, we curate personalized product recommendations and push targeted promotions. We utilize AI technology to refine our merchandise sourcing strategy, allowing us to efficiently manage our inventory and control cost. With consumer insights generated from big data analytics, we provide tailor-made products through customer-to-manufacturer production, which increase sales and enhance customer satisfaction.

Overview of Our Supply Chain-based Technologies and Services

Today, we are transforming to become a leading supply chain-based technology and service provider. We take a holistic view on the supply chain covering from upstream manufacturing and procurement, logistics, distribution and retail to end customers.

With our leading position in the retail industry, we have established strong relationships with numerous suppliers, brands and partners. We leverage such relationships and our retail technology capability to provide them with a variety of service solutions. Over the past decade, we have also built a highly scalable and reliable logistics infrastructure and technology platform for our retail business.

We are opening up logistics infrastructure and technology platform to third parties with comprehensive logistic services and technology solutions.

Technology is crucial to our achievements today and continued success in the future. It enables better customer experience, more customer cost savings and higher efficiency, while it also serves as a foundation to export our capabilities to enhance productivity and innovation across a multitude of industries in China.

Logistics Services

We made our strategic decision in 2007 to invest in and build our own nationwide fulfillment infrastructure. As of December 31, 2019, our nationwide fulfillment infrastructure covered almost all counties and districts across China, with a network of over 700 warehouses with an aggregate gross floor area of approximately 16.9 million square meters in 89 cities, including warehouse space managed under the JD Logistics Open Warehouse Platform. In addition, we had a team of over 132,200 delivery personnel and 43,700 warehouse staff as of December 31, 2019. Our fulfillment infrastructure is powered by proprietary smart logistics and automation technologies, such as intelligent hardware, robotics, voice recognition, computer vision and deep learning, which allow us to continuously improve our operational efficiency. With full control of the logistics network and associated data flow, we are able to optimize operations and modularize processes so as to ensure scalability and efficiency.

Over the past decade, we have consistently provided superior fulfillment services to our online retail customers, which has been well supported by our self-operated integrated logistics infrastructure and technology platform. We also open up our leading logistics infrastructure to our third-party merchants and partners beyond our e-commerce business. We are expanding our logistics services to partners across various industries, as well as individual users. We provide services relating to almost all aspects of logistics operation, including warehousing management, storage, long-haul transportation, express and on-demand delivery and cold-chain and cross-border services, among others. We offer integrated supply chain management solutions to customers in various vertical markets. We also provide technology solutions for logistics operations to enable customers to transparently and effectively monitor, manage and optimize their logistic workflows.

Our Retail Technology Services and Other Technology Initiatives

Capitalizing on our retail data, infrastructure and technology, we commercialize our retail capability into services we offer to brands and partners in the retail industry. Through such services, we believe we can create, together with our partners, a more advanced and comprehensive retail ecosystem to reach and serve more consumers, wherever and whenever they shop.

We operate a technology service platform Kepler which provides comprehensive services for our partners to conduct online retail leveraging traffic on third-party channels. For example, we help brands set up Mini Programs on Tencent’s Weixin and provide one-stop services including mini-program creation, product selection and pricing, digital marketing, inventory management, fulfillment and customer services. Such services are especially valuable for brands with less sophisticated online retail experience but wish to boost sales through emerging mobile internet channels. In addition, powered by predictive analytics utilizing AI and big data, we also offer services to traditional brick-and-mortar retailers to optimize offline stores’ operation by recommending product selection based on local consumers’ preferences while managing stocks at optimum inventory level.

We have developed robust supply-chain based technology in three key areas, namely AI, Big data analytics and Cloud computing. We have world-class scientists and a large team of AI engineers. Our technology achievements have been well recognized globally and we strive to deliver best-in-class services to our customers and become the most trusted technology service provider in the industry. For example, we built a smart supply-chain platform NeuHub in April 2018, which consists of cloud-based AI infrastructure. It also includes application-level products supporting many use cases that are applicable to our business and ecosystem, as well as customers across industries.

OUR COMPETITIVE STRENGTHS

"Customer-first" is our most important business philosophy. We believe our superior customer experience, cost saving and operational efficiency are the core of our strengths, which differentiate us from competitors in customers' minds and have helped us establish our market leadership over the years. These core strengths are fundamentally supported by our technology and team, and include:

- China's largest retailer with substantial economies of scale;
- Superior customer experience;
- Relentless focus on operational efficiency;
- Proprietary supply chain-based technology platform with strong service capabilities; and
- Experienced management team and strong corporate culture.

OUR GROWTH STRATEGIES

Our strategies are centered on sustainable and quality growth, which we expect to achieve by further solidifying the market leadership of our e-commerce business, and developing our supply chain-based technology service capabilities to empower the players across the industry value chain. Our team, organization structure and corporate culture undergird the successful execution of our growth strategies. These strategies include:

- Further grow our scale and reinforce economies of scale;
- Further boost customer experience through improved user engagement and grow our customer base;
- Enhance our supply chain-based technology service capabilities; and
- Strengthen our team, organization and culture.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following summary of our financial condition and results of operations (including the selected consolidated financial data set forth below) during the Track Record Period is based upon and should be read in conjunction with our consolidated financial statements and the related notes, extracted from the Accountants' Reports in Appendix IA and IB to this document. Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP.

The summary of historical financial information set forth below includes translations of financial data in Renminbi into U.S. dollars for the convenience of the reader. These translations were made at a rate of RMB6.9618 to US$1.00, the exchange rate in effect as of December 31, 2019 as set forth in the H.10 statistical release of the Federal Reserve Board.

Selected Consolidated Statements of Operations

	For the Year Ended December 31,			
	2017	2018	2019	
	RMB	RMB	RMB	US$
	(in millions)			
Net revenues(1):				
Net product revenues	331,824	416,109	510,734	73,362
Net service revenues	30,508	45,911	66,154	9,503
Total net revenues	**362,332**	**462,020**	**576,888**	**82,865**
Cost of revenues	(311,517)	(396,066)	(492,467)	(70,738)
Fulfillment	(25,865)	(32,010)	(36,968)	(5,310)
Marketing	(14,918)	(19,237)	(22,234)	(3,194)
Research and development	(6,652)	(12,144)	(14,619)	(2,100)
General and administrative	(4,215)	(5,160)	(5,490)	(789)
Impairment of goodwill and intangible assets	—	(22)	—	—
Gain on sale of development properties	—	—	3,885	558
Income/(loss) from operations(2)(3)	**(835)**	**(2,619)**	**8,995**	**1,292**
Other income/(expense):				
Share of results of equity investees	(1,927)	(1,113)	(1,738)	(250)
Interest income	2,530	2,118	1,786	257
Interest expense	(964)	(855)	(725)	(104)
Others, net	1,317	95	5,375	772
Income/(loss) before tax	121	(2,374)	13,693	1,967
Income tax expenses	(140)	(427)	(1,803)	(259)
Net income/(loss) from continuing operations	**(19)**	**(2,801)**	**11,890**	**1,708**
Net income from discontinued operations, net of tax(4)	**7**	—	—	—
Net income/(loss)(5)	**(12)**	**(2,801)**	**11,890**	**1,708**
Non-GAAP Measures:				
Non-GAAP net income from continuing operations attributable to ordinary shareholders(6)	4,968	3,460	10,750	1,544
Non-GAAP EBITDA from continuing operations(7)	5,301	5,667	13,811	1,984

Notes:

(1) Our net revenues include net product revenues and net service revenues. Product sales is further divided into sales of electronics and home appliances products and sales of general merchandise products. Net revenues from electronics and home appliances products include revenues from sales of computer, communication and consumer electronics products as well as home appliances. Net revenues from general merchandise products mainly include revenues from sales of food, beverage and fresh produce, baby and maternity products, furniture and household goods, cosmetics and other personal care items, pharmaceutical and healthcare products, books, automobiles and accessories, apparel and footwear, bags and jewelry. Net service revenues are further divided into revenues from online marketplace and marketing and revenues from logistics and other services. The following table breaks down our total net revenues by these categories, by amounts and as percentages of total net revenues, during the Track Record Period:

	For the Year Ended December 31,						
	2017		2018		2019		
	RMB	%	RMB	%	RMB	US$	%
	(in millions, except for percentages)						
Electronics and home appliances revenues	236,269	65.2	280,059	60.6	328,703	47,215	57.0
General merchandise revenues	95,555	26.4	136,050	29.5	182,031	26,147	31.5
Net product revenues	331,824	91.6	416,109	90.1	510,734	73,362	88.5
Marketplace and marketing revenues	25,391	7.0	33,532	7.2	42,680	6,131	7.4
Logistics and other service revenues	5,117	1.4	12,379	2.7	23,474	3,372	4.1
Net service revenues	30,508	8.4	45,911	9.9	66,154	9,503	11.5
Total net revenues	362,332	100.0	462,020	100.0	576,888	82,865	100.0

(2) Includes share-based compensation expenses as follows:

	For the Year Ended December 31,			
	2017	2018	2019	
	RMB	RMB	RMB	US$
		(in millions)		
Cost of revenues	(28)	(72)	(82)	(12)
Fulfillment	(426)	(419)	(440)	(63)
Marketing	(136)	(190)	(259)	(37)
Research and development	(671)	(1,163)	(1,340)	(193)
General and administrative	(1,520)	(1,816)	(1,573)	(226)

(3) Includes amortization of business cooperation arrangement and intangible assets resulting from assets and business acquisitions as follows:

	For the Year Ended December 31,			
	2017	2018	2019	
	RMB	RMB	RMB	US$
		(in millions)		
Fulfillment	(164)	(168)	(165)	(24)
Marketing	(1,222)	(1,232)	(637)	(92)
Research and development	(84)	(98)	(99)	(14)
General and administrative	(308)	(308)	(308)	(44)

(4) As of June 30, 2017, we deconsolidated our finance business operated by Beijing Jingdong Financial Technology Holding Co., Ltd. (now known as Jingdong Digits Technology Holding Co., Ltd., or JD Digits), as a result of the reorganization of JD Digits. Accordingly, with respect to the Track Record Period, the historical financial results of JD Digits are reflected as discontinued operations in our consolidated financial statements for the period from January 1, 2017 to June 30, 2017. Please see "History and Corporate Structure—Our Strategic Cooperations and Other Developments—JD Digits" for more information.

(5) We had a net income of RMB11,890 million (US$1,708 million) in 2019, as compared to a net loss of RMB2,801 million in 2018. The change was primarily attributable to (i) the increase in our total net revenues (by 24.9%) outpacing the increase in our fulfillment, marketing, research and development, and general and administrative expenses (by 15.5%, 15.6%, 20.4% and 6.4%, respectively); (ii) the gain of RMB3,885 million (US$558 million) in 2019 on sale of development properties in 2019, as compared with nil in 2018 and (iii) an increase in others, net from an income of RMB95 million in 2018 to an income of RMB5,375 million (US$772 million) in 2019. In 2019, others, net mainly consisted of an unrealized gain from fair value change of long-term investments, the realized gain from disposals of our business, and government financial incentives.

We had a net loss of RMB2,801 million in 2018, as compared to a net loss of RMB12 million in 2017. The change was primarily attributable to (i) the increase in our fulfillment, marketing, research and development, and general and administrative expenses (by 23.8%, 28.9%, 82.6% and 22.4%, respectively) on average outpacing the increase in our total net revenues (by 27.5%) and (ii) a decrease in others, net from an income of RMB1,317 million in 2017 to an income RMB95 million in 2018. In 2018, others, net mainly consisted of loss from fair value change of long-term investments and the realized gain from disposals of long-term investments.

As shown above, gain on sale of development properties and others, net significantly affected our results of operations during the Track Record Period. We recorded a gain of RMB3,885 million (US$558 million) on sale of development properties in 2019, as compared with nil and nil in 2018 and 2017. Others, net during the Track Record Period primarily consisted of the following:

	For the year ended December 31,			
	2017	2018	2019	
	RMB	RMB	RMB	US$
		(in thousands)		
Gain from business and investment disposals	74,965	1,320,266	1,199,407	172,284
Government financial incentives	843,447	614,658	2,222,223	319,202
Impairment of investments	(139,823)	(593,138)	(1,954,031)	(280,679)
Foreign exchange gains/(losses), net	213,482	(192,491)	124,070	17,822
Gains/(losses) from fair value change of long-term investments	—	(1,512,979)	3,495,709	502,127
Others	324,337	458,859	287,931	41,359
Total	1,316,408	95,175	5,375,309	772,115

See "Financial Information—Results of Operations" for a detailed analysis of our results of operations during the Track Record Period.

(6) We define non-GAAP net income/(loss) from continuing operations attributable to ordinary shareholders as net income/(loss) from continuing operations attributable to ordinary shareholders excluding share-based compensation, amortization of intangible assets resulting from assets and business acquisitions, effects of business cooperation arrangements and non-compete agreements, gain/(loss) on disposals/deemed disposals of investments, reconciling items on the share of equity method investments, loss/(gain) from fair value change of long-term investments, impairment of goodwill, intangible assets and investments, gain and foreign exchange impact in

relation to sale of development properties and tax effects on non-GAAP adjustments. See "Financial Information—Non-GAAP Financial Measures" for details.

(7) We define non-GAAP EBITDA from continuing operations as income/(loss) from operations from continuing operations excluding share-based compensation, depreciation and amortization, effects of business cooperation arrangements, gain on sale of development properties and impairment of goodwill and intangible assets. See "Financial Information—Non-GAAP Financial Measures" for details.

Selected Consolidated Balance Sheets Data

	As of December 31,			
	2017	2018	2019	
	RMB	RMB	RMB	US$
	(in millions)			
Cash and cash equivalents	25,688	34,262	36,971	5,311
Restricted cash	4,110	3,240	2,941	422
Short-term investments	8,588	2,036	24,603	3,534
Inventories, net	41,700	44,030	57,932	8,321
Accounts receivable, net	16,359	11,110	6,191	889
Property, equipment and software, net	12,574	21,083	20,654	2,967
Land use rights, net	7,051	10,476	10,892	1,565
Operating lease right-of-use assets	—	—	8,644	1,242
Investment in equity investees	18,551	31,357	35,576	5,110
Investment securities	10,028	15,902	21,417	3,076
Total assets	184,055	209,165	259,724	37,307
Accounts payable	74,338	79,985	90,428	12,989
Accrued expenses and other current liabilities	15,118	20,293	24,656	3,542
Nonrecourse securitization debt	17,160	4,398	—	—
Unsecured senior notes	6,447	6,786	6,912	993
Long-term borrowings	—	3,088	3,139	451
Operating lease liabilities	—	—	8,717	1,252
Total liabilities	131,666	132,337	159,099	22,853
Total mezzanine equity[8]	—	15,961	15,964	2,293
Total JD.com, Inc. shareholders' equity	52,041	59,771	81,856	11,758

Note:

(8) In February 2018, we raised financing for JD Logistics from third-party investors in the total amount of US$2.5 billion by issuing series A preferred shares of JD Logistics. Upon the completion of the financing, the third-party investors own approximately 19% of the equity interests of JD Logistics on a fully diluted basis. We determined that the series A preferred shares should be classified as mezzanine equity upon their issuance since they were contingently redeemable.

Selected Consolidated Cash Flows Data

	For the Year Ended December 31,			
	2017	2018	2019	
	RMB	RMB	RMB	US$
		(in millions)		
Net cash provided by continuing operating activities	29,342	20,881	24,781	3,560
Net cash used in discontinued operating activities	(2,486)	—	—	—
Net cash provided by operating activities	26,856	20,881	24,781	3,560
Net cash used in continuing investing activities	(21,944)	(26,079)	(25,349)	(3,641)
Net cash used in discontinued investing activities	(17,871)	—	—	—
Net cash used in investing activities	(39,815)	(26,079)	(25,349)	(3,641)
Net cash provided by continuing financing activities	5,180	11,220	2,572	370
Net cash provided by discontinued financing activities	14,055	—	—	—
Net cash provided by financing activities	19,235	11,220	2,572	370
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(642)	1,682	406	57
Net increase in cash, cash equivalents and restricted cash	5,634	7,704	2,410	346
Cash, cash equivalents and restricted cash at beginning of year	24,164	29,798	37,502	5,387
Cash, cash equivalents and restricted cash at end of year	29,798	37,502	39,912	5,733
Free cash flow from continuing operations[9]	17,697	(7,857)	19,453	2,794

Note:

(9) We define free cash flow from continuing operations as operating cash flow from continuing operations adjusting the impact from JD Baitiao receivables included in the operating cash flow from continuing operations and capital expenditures, net of proceeds from sale of development properties. Capital expenditures include purchase of property, equipment and software, cash paid for construction in progress, purchase of intangible assets and land use rights. See "Financial Information—Non-GAAP Financial Measures" for details.

Non-GAAP Financial Measures

In evaluating our business, we consider and use non-GAAP measures, such as non-GAAP net income/(loss) attributable to ordinary shareholders, non-GAAP EBITDA and free cash flow, as supplemental measures to review and assess our operating performance. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with U.S. GAAP. We define non-GAAP net income/(loss) from continuing operations attributable to ordinary shareholders as net income/(loss) from continuing operations attributable to ordinary shareholders excluding share-based compensation, amortization of intangible assets resulting from assets and business acquisitions, effects of business cooperation arrangements and non-compete agreements, gain/(loss) on disposals/deemed disposals of investments, reconciling items on the share of equity method investments, loss/(gain) from fair value change of long-term investments, impairment of goodwill, intangible assets and investments, gain and foreign exchange impact in relation to sale of development properties and tax effects on non-GAAP adjustments. We define non-GAAP EBITDA from continuing operations as income/(loss) from operations from continuing operations excluding share-based compensation, depreciation and amortization, effects of business cooperation arrangements, gain on sale of development properties and impairment of goodwill and intangible assets. We define free cash flow from continuing operations as operating cash flow from continuing operations adjusting the impact from JD Baitiao receivables included in the operating cash flow from continuing operations and capital expenditures, net of proceeds from sale of development properties. Capital expenditures include purchase of property, equipment and software, cash paid for construction in progress, purchase of intangible assets and land use rights.

We present non-GAAP financial measures because they are used by our management to evaluate our operating performance and formulate business plans. By excluding certain expenses, gain/(loss) and other items that are not expected to result in future cash payments or that are non-recurring in nature or may not be indicative of our core operating results and business outlook, we also believe that the non-GAAP financial measures provide useful information to management and investors about our core business operations, which can then be used to evaluate our operating results, evaluate strategic investments and assess our ability and need to incur and service debt.

Non-GAAP net income/(loss) from continuing operations attributable to ordinary shareholders and non-GAAP EBITDA from continuing operations reflect the company's ongoing business operations in a manner that allows more meaningful period-to-period comparisons. Free cash flow from continuing operations takes into account the impact of the expansion of our fulfillment infrastructure and technology platform on our financial resources and excludes the impact from JD Baitiao receivables included in the operating cash flow from continuing operations. The cash flow associated with JD Baitiao receivables represents the changes in JD Baitiao receivables on our reported operating cash flow. As JD Digits provides customers who use JD Baitiao with credit assessment services and repayment management services to facilitate the origination and repayment of the receivables, and essentially absorbs the credit risk of the Baitiao receivables, our management does not consider cash flow from those JD Baitiao receivables to be indicative of the performance of our core business operations or ongoing operating results. Excluding this item allows investors to better understand cash flow from our core business operations and provides a meaningful basis of comparison between periods.

The presentation of non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with U.S. GAAP. The non-GAAP financial measures have limitations as analytical tools. Our non-GAAP financial measures do not reflect all items of income and expense that affect our operations or not represent the residual cash flow available for discretionary expenditures. Further, these non-GAAP measures may differ from the non-GAAP information used by other companies, including peer companies, and therefore their comparability may be limited. We compensate for these limitations by reconciling each of the non-GAAP financial measures to the nearest U.S. GAAP performance measure, all of which should be considered when evaluating our performance. We encourage you to review our financial information in its entirety and not rely on a single financial measure. The following tables set forth the reconciliations of our non-GAAP financial measures for each of the periods shown to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP.

	For the Year Ended December 31,			
	2017	2018	2019	
	RMB	RMB	RMB	US$
	(in millions)			
Reconciliation of Net Income/(Loss) from Continuing Operations Attributable to Ordinary Shareholders to Non-GAAP Net Income from Continuing Operations Attributable to Ordinary Shareholders:				
Net income/(loss) from continuing operations attributable to ordinary shareholders	116	(2,492)	12,184	1,750
Share-based compensation	2,781	3,660	3,695	531
Amortization of intangible assets resulting from assets and business acquisitions	1,778	1,806	885	127
Reconciling items on the share of equity method investments	1,071	582	456	66
Impairment of goodwill, intangible assets, and investments	140	615	2,751	395
Loss/(gain) from fair value change of long-term investments	—	1,513	(3,496)	(502)
Gain and foreign exchange impact in relation to sale of development properties	—	—	(3,997)	(574)
Gain on disposals/deemed disposals of investments	—	(1,320)	(1,237)	(178)
Effects of business cooperation arrangements and non-compete agreements	(918)	(1,035)	(904)	(130)
Tax effects on non-GAAP adjustments	—	131	413	59
Non-GAAP net income from continuing operations attributable to ordinary shareholders	4,968	3,460	10,750	1,544

	For the Year Ended December 31,			
	2017	2018	2019	
	RMB	RMB	RMB	US$
	(in millions)			
Reconciliation of Income/(Loss) from Operations from Continuing Operations to Non-GAAP EBITDA:				
Income/(loss) from operations from continuing operations	(835)	(2,619)	8,995	1,292
Share-based compensation	2,781	3,660	3,695	531
Depreciation and amortization	4,193	5,560	5,828	837
Effects of business cooperation arrangements	(838)	(956)	(822)	(118)
Gain on sale of development properties	—	—	(3,885)	(558)
Impairment of goodwill and intangible assets	—	22	—	—
Non-GAAP EBITDA from continuing operations	5,301	5,667	13,811	1,984

	For the Year Ended December 31,			
	2017	2018	2019	
	RMB	RMB	RMB	US$
		(in millions)		
Reconciliation of Net Cash Provided by Operating Activities from Continuing Operations to Free Cash Flow from Continuing Operations:				
Net cash provided by operating activities from continuing operations	29,342	20,881	24,781	3,560
Less: Impact from JD Baitiao receivables included in the operating cash flow	(289)	(7,369)	(4,233)	(609)
Add/(less): Capital expenditures				
Capital expenditures for development properties, net of related sales proceeds*	(3,849)	(8,857)	2,420	348
Other capital expenditures**	(7,507)	(12,512)	(3,515)	(505)
Free cash flow from continuing operations	17,697	(7,857)	19,453	2,794

Notes:

* Including logistics facilities and other real estate properties developed by JD Property, which may be sold under various equity structures. For the year ended December 31, 2019, approximately RMB7.9 billion proceeds from the sale of development properties were included in this line.

** Including capital expenditures related to our headquarters in Beijing and all other capital expenditures.

We recorded a net current liability position of RMB3.2 billion, RMB16.0 billion and RMB922.5 million (US$132.5 million), respectively, as of December 31, 2017, 2018 and 2019. For a detailed discussion on our cash position, being the balance sheet items that have material impact on our liquidity, as well as material changes in the various working capital items, see "Financial Information — Liquidity and Capital Resources." As of March 31, 2020, we had net current assets of RMB8.0 billion (US$1.1 billion).

For the three months ended March 31, 2020, our net cash used in operating activities was RMB1,542 million compared to the net cash provided by operating activities of RMB3,323 million in the three months ended March 31, 2019 and our free cash outflow was RMB2,974 million compared to the free cash inflow of RMB1,280 million in the three months ended March 31, 2019. The fluctuation of our operation cash flow and free cash flow from positive in the first quarter of 2019 to negative in the first quarter of 2020 was mainly due to the impact of COVID-19. See "Recent Development — Impact of COVID-19 on Our Operations" and "Financial Information — Impact of COVID-19 on Our Operations" for further information.

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Our Major Shareholders and Relationship with Controlling Shareholders

Mr. Richard Qiangdong Liu, our chairman and chief executive officer, is interested in and controls, through Max Smart Limited, a company beneficially owned by him through a trust and of which he is the sole director, 14,000,000 Class A ordinary shares in the form of ADSs and 421,507,423 Class B ordinary shares. In addition, as of the Latest Practicable Date, Fortune Rising Holdings Limited, of which Mr. Richard Qiangdong Liu is the sole shareholder and the sole director, holds 29,373,658 Class B ordinary shares for the purpose of transferring such shares to the plan participants according to awards under our Share Incentive Plan, and administers the awards and acts according to our instruction. As of the Latest Practicable Date, Mr. Liu controlled 78.4% of the aggregate voting power of our Company, including 5.1% of the aggregate voting power of our Company that he may exercise on behalf of Fortune Rising Holdings Limited.

For further details, please see "Major Shareholders" and "Relationship with the Controlling Shareholders".

Weighted Voting Rights Structure and WVR Beneficiary

Under our weighted voting rights structure, our share capital comprises Class A ordinary shares and Class B ordinary shares. Each Class A ordinary share entitles the holder to exercise one vote, and each Class B ordinary share entitles the holder to exercise 20 votes, respectively, on any resolution tabled at the Company's general meetings, except as may otherwise be required by law or provided for in our Memorandum and Articles of Association. For further details, please see "Share Capital—Weighted Voting Rights Structure."

Prospective investors are advised to be aware of the potential risks of investing in companies with a WVR structure, in particular that the interests of the WVR beneficiary may not necessarily always be aligned with those of our Shareholders as a whole, and that the WVR beneficiary will be in a position to exert significant influence over the affairs of our Company and the outcome of Shareholders' resolutions, irrespective of how other Shareholders vote. Prospective investors should make the decision to invest in the Company only after due and careful consideration. For further information about the risks associated with the WVR structure adopted by the Company, please refer to "Risk Factors—Risks Related to Our Corporate Structure".

Our VIE Structure

Due to legal restrictions on certain of our businesses including value-added telecommunication services, we operate certain of our businesses in which foreign investment is restricted or prohibited in the PRC through various contractual arrangements with variable interest entities that are incorporated in the PRC and 100% owned by PRC citizens. As a result, we conduct or will conduct such business activities through our variable interest entities and their subsidiaries in the PRC. We have entered into certain contractual arrangements, as described in more detail in "History and Corporate Structure—Contractual Arrangements" and "Risk Factors—Risks Related to our Corporate Structure", which collectively enable us to exercise effective control over the variable interest entities and realize substantially all of the economic benefits arising from the variable interest entities. As a result, we include the financial results of each of the variable interest entities in our consolidated financial statements in accordance with U.S. GAAP as if they were our wholly-owned subsidiaries.

RISK FACTORS

Our business and the Global Offering involve certain risks and uncertainties, some of which are beyond our control and may affect your decision to invest in us and/or the value of your investment. See "Risk Factors" for details of our risk factors, which we strongly urge you to read in full before making an investment in our Shares. Some of the major risks we face include:

- If we are unable to manage our growth or execute our strategies effectively, our business and prospects may be materially and adversely affected;
- We incurred significant net losses in the past and we may not be able to maintain profitability in the future;
- If we are unable to provide superior customer experience, our business and reputation may be materially and adversely affected;

- Any harm to our JD brand or reputation may materially and adversely affect our business and results of operations; and
- If we are unable to offer products that attract purchases from new and existing customers, our business, financial condition and results of operations may be materially and adversely affected.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$30,988 million after deducting estimated underwriting fees and the estimated offering expenses payable by us and based upon an indicative offer price of HK$236.00 per Offer Share for both Hong Kong Public Offering and International Offering, and assuming the Over-allotment Option is not exercised, or HK$35,649 million if the Over-allotment Option is exercised in full. We plan to use the net proceeds we will receive from the Global Offering to invest in key supply chain based technology initiatives to further enhance customer experience whilst improving operating efficiency. The supply chain based technologies can be applied to our key business operations including retail, logistics, and customer engagement. For example, we will (i) continue to invest in a series of key operational systems, such as smart pricing and inventory management system, intelligent customer service solutions and Omni-Channel smart retail platform; (ii) endeavor to digitalize our logistic capabilities through building a wide range of in-house systems such as warehouse automation system, optimal route planning system, as well as intelligent hardware; and (iii) continue attracting and nurturing world-class software engineers, data scientists, AI experts and other R&D talents as well as expanding our intellectual property portfolio.

See “Use of Proceeds” for further details.

THE LISTING

Our ADSs have been listed and traded on Nasdaq since May 22, 2014. Dealings in our ADSs on Nasdaq have been conducted in U.S. dollars. We have applied for a listing of our Shares on the Main Board under Chapter 19C (Secondary Listings of Qualifying Issuers) as well as Chapter 8A (Weighted Voting Rights) of the Hong Kong Listing Rules. Dealings in our Shares on the Hong Kong Stock Exchange will be conducted in Hong Kong dollars. Our Shares will be traded on the Hong Kong Stock Exchange in board lots of 50 Class A ordinary shares. For additional information, see “Information about This Document and the Global Offering.”

EXCEPTIONS AND WAIVERS

As we are applying for listing under Chapter 19C of the Hong Kong Listing Rules, we will not be subject to certain provisions of the Hong Kong Listing Rules, including, among others, rules on notifiable transactions, connected transactions, share option schemes, content of financial statements as well as certain other continuing obligations. In addition, in connection with the Listing, we have applied for a number of waivers and/or exemptions from strict compliance with the Hong Kong Listing Rules, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the SFO and a ruling under the Takeovers Codes. For additional information, see “Waivers from Strict Compliance with the Hong Kong Listing Rules and Exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance” of this document.

Among the various waivers that we have applied for, we have applied to the Hong Kong Stock Exchange for a waiver from strict compliance with the requirements in paragraph 3(b) of Practice Note 15 to the Hong Kong Listing Rules such that we are able to spin-off a subsidiary entity and list it on the Hong Kong Stock Exchange within three years of the Listing. While we do not have any specific plans with respect to the timing or details of any potential spin-off listing on the Hong Kong Stock Exchange as at the date of this document, we continue to explore the ongoing financing requirements for our various businesses and may consider a spin-off listing on the Hong Kong Stock Exchange for one or more of those businesses within the three-year period subsequent to the Listing. As of the Latest Practicable Date, we have not identified any target for a potential spin-off; as a result we do not have any information relating to the identity of any spin-off target or any other details of any spin off and accordingly, there is no material omission of any information relating to any possible spin-off in this document. The waiver granted by the Hong Kong Stock Exchange is conditional upon us confirming to the Hong Kong Stock Exchange in advance of any spin-off that it would not render our Company, excluding the businesses to be spun off, incapable of fulfilling either the eligibility or suitability requirements under Rules 19C.02 and 19C.05 of the Hong Kong Listing Rules based on the financial information of the entity or entities to be spun-off at the time of the Company's Listing (calculated cumulatively if more than one entity is spun-off). We cannot assure you that any spin-off will ultimately be consummated, whether within the three-year period after the Listing or otherwise, and any such spin-off will be subject to market conditions at the time. In the event that we proceed with a spin-off, the Company's interest in the entity to be spun-off (and its corresponding contribution to the financial results of our Group) will be reduced accordingly.

We enjoy exemptions from certain obligations under U.S. securities laws and Nasdaq rules as a foreign private issuer as defined under the U.S. Exchange Act. Investors should exercise care when investing in our Shares and/or ADSs. See "Information about the Listing—Summary of Exemptions as a Foreign Private Issuer in the U.S."

ARTICLES OF ASSOCIATION

We are an exempted company incorporated in the Cayman Islands with limited liability and our affairs are governed by our Articles of Association, the Cayman Companies Law, as well as the common law of the Cayman Islands. The laws of Hong Kong differ in certain respects from the Cayman Companies Law, and our Articles of Association are specific to us and include certain provisions that may be different from common practices in Hong Kong, such as the absence of requirement as set out in Rule 19C.07(3) of the Hong Kong Listing Rules that the appointment, removal and remuneration of auditors must be approved by a majority of a Qualifying Issuer's members or other body that is independent of the issuer's board of directors. Therefore, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 19C.07(3) of the Hong Kong Listing Rules. We have also applied for, and the Stock Exchange has granted, a waiver from strict compliance with the Rule 19C.07(7) of the Hong Kong Listing Rules, subject to the conditions that: (i) we put forth a resolution at or before our next annual general meeting after the Listing which is expected to be held around mid-2021 to revise our Articles of Association, so that the minimum stake required to convene an extraordinary general meeting and add resolutions to a meeting agenda will be 10% of the voting rights, on a one vote per share basis, in our share capital; and (ii) we will seek irrevocable undertaking from our Controlling Shareholder(s) prior to the Listing to vote in favor of the proposed resolution outlined above with view to ensuring that there may be adequate votes in favor of such resolution. See "Risk Factors—Risks Related to our Shares, ADSs and the Listing—Since we are a Cayman Islands exempted company, the rights of our shareholders may be more limited than those of shareholders of a company organized in the United States or Hong Kong." See

"Information about This Document and the Global Offering" and "Waivers from Strict Compliance with the Hong Kong Listing Rules and Exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance—Shareholder Protection" for further details.

In addition, under our current Articles of Association, our board of directors will not be able to form a quorum without Mr. Richard Qiangdong Liu for so long as Mr. Liu remains a director. See "Information about the Listing—Our Articles of Association" for further details about the proposed amendment to our Articles of Association after the Listing, so that the quorum necessary for the transaction of the business of the directors shall be a majority of the members of our board of directors.

Under our Articles of Association, the appointment of director to fill a casual vacancy arising from the resignation of a former director or as an addition to the existing board may be approved by the majority of the board (which shall include the affirmative vote of Mr. Richard Qiangdong Liu for so long as he is a director).

OFFERING STATISTICS

	Based on the indicative offer price per Offer Share of HK$236.00 for Both Hong Kong Public Offering and International Offering
Our market capitalization(1)	HK$729,328 million
Unaudited pro forma adjusted net tangible assets per Share(2)	RMB32.60 or HK$35.42

Notes:

(1) The calculation of market capitalization is based on 3,090,371,009 Shares that will be in issue immediately following the Global Offering, without taking into account any allotment and issuance of Shares upon exercise of the Over-allotment Option, the Shares to be issued pursuant to the Share Incentive Plan, including pursuant to the exercise of options or the vesting of RSUs or other awards that have been or may be granted from time to time and any issuance or repurchase of Shares and/or ADSs that we may make.

(2) The unaudited pro forma adjusted net tangible assets per Share is based on a total of 3,057,315,263 Shares that will be in issue assuming that the Global Offering have been completed on December 31, 2019, without taking into account any allotment and issuance of Shares upon exercise of the Over-allotment Option, the Shares to be issued pursuant to the Share Incentive Plan, including pursuant to the exercise of options or the vesting of RSUs or other awards that have been or may be granted from time to time and any issuance or repurchase of Shares that we may make.

DETERMINATION OF OFFER PRICE

We will determine the pricing for the Offer Shares for the purpose of the various offerings under the Global Offering on the Price Determination Date, which is expected to be on or about June 11, 2020 and, in any event, no later than June 17, 2020, by agreement with the Joint Representatives (for themselves and on behalf of the Underwriters).

The Public Offer Price will be determined by reference to, among other factors, the closing price of the ADSs on Nasdaq on the last trading day on or before the Price Determination Date (which is accessible to the Shareholders and potential investors at **www.nasdaq.com/market-activity/stocks/jd**), and the Public Offer Price will not be more than HK$236.00 per Hong Kong Offer Share.

We may set the International Offer Price at a level higher than the maximum Public Offer Price if (a) the Hong Kong dollar equivalent of the closing trading price of the ADSs on Nasdaq on the last trading day on or before the Price Determination Date (on a per-Class A ordinary share converted basis) were to exceed the maximum Public Offer Price as stated in this document and/or (b) we believe that it is in the best interest of the Company as a listed company to set the International Offer Price at a level higher than the maximum Public Offer Price based on the level of interest expressed by professional and institutional investors during the book-building process.

If the International Offer Price is set at or lower than the maximum Public Offer Price, the Public Offer Price must be set at such price which is equal to the International Offer Price. In no circumstances will we set the Public Offer Price above the maximum Public Offer Price as stated in this document or the International Offer Price.

LISTING EXPENSES

We expect to incur listing expenses of approximately RMB368 million after December 31, 2019 (assuming that the Global Offering is conducted at the indicative offer price per Offer Share of HK$236.00 for both Hong Kong Public Offering and International Offering and the Over-allotment Option is not exercised). We expect most of the listing expenses will be recorded as a deduction in equity directly.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, as of the date of and save as disclosed in this document, there has been no material adverse change in our financial or trading position since December 31, 2019 (being the date on which the latest audited consolidated financial information of our Group was prepared) and there has been no event since December 31, 2019 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Reports in Appendices IA and IB to this document.