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## HISTORY AND CORPORATE STRUCTURE

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### Overview

We are a holding company incorporated in the BVI on November 6, 2006 and subsequently redomiciled to and registered by way of continuation in the Cayman Islands on January 16, 2014 as an exempted company under the laws of the Cayman Islands. We conduct our business in China through our subsidiaries and variable interest entities, as well as in other countries and regions.

### Key Milestones

The following is a summary of our key business milestones:

<u>Date</u>	<u>Event</u>
2004	In January, our chairman and chief executive officer, Mr. Richard Qiangdong Liu, launched an online retail website.
2007	We began to build out the company's proprietary logistics network by managing every step of the supply chain, with the aim of ensuring a superior customer experience.
2008	In October, we began offering general merchandise, transforming the business from an electronics retailer to a full-fledged e-commerce platform.
2010	In October, we launched our online marketplace, aiming to introduce a wide variety of products and services to customers and offering high-quality and consistent shopping experience across online retail and marketplace.
2014	In March, we acquired certain e-commerce businesses and assets from, and entered into a strategic cooperation agreement and formed a strategic partnership with Tencent, under which Tencent offered us prominent access to its mobile apps Weixin and Mobile QQ and other support.  On May 22, we became China's first major e-commerce company to list on New York's Nasdaq Global Select Market, under the ticker 'JD.'
2016	In April, we completed the transaction with Dada Group, a leading platform of local on demand retail and delivery in China, and formed a strategic partnership with Dada Group. Dada Group cooperates with JD Logistics to provide our customers fast on-demand delivery services of a wide selection of grocery and other fresh products through JD-Daojia, which was our online to offline business and became a subsidiary of Dada Group after the transaction.  In June, we announced a strategic alliance with Walmart. As part of the agreement, we acquired ownership of Yihaodian marketplace platform assets, and Walmart acquired a 5% stake in us and we agreed to a number of different areas of cooperation covering e-commerce and omni channel initiatives across China.
2017	In April, we established JD Logistics to leverage our advanced technology and logistics expertise to provide integrated supply chain and logistics services to businesses across a wide range of industries, including those beyond e-commerce.  In June, we completed the reorganization of JD Digits and received approximately RMB14.3 billion in cash with an economic gain of RMB14.2 billion. We also obtain a profit sharing right from JD Digits and would be able to convert our profit sharing right into JD Digits's equity interest, subject to applicable regulatory approvals.

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## HISTORY AND CORPORATE STRUCTURE

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<u>Date</u>	<u>Event</u>
2018	<p>In February, JD Logistics raised a total amount of US\$2.5 billion from the third-party investors, who owned an aggregate of approximately 19% stake in JD Logistics on a fully diluted basis, and we have remained as the controlling shareholder of JD Logistics.</p> <p>We established JD Property, which owns, develops and manages our logistics facilities and other real estate properties, to support JD Logistics and other third parties.</p> <p>In June, Google LLC, or Google, invested US\$550 million in us as part of a new strategic partnership, under which Google and we would work together to explore a broad range of possibilities, leveraging our supply chain and logistics expertise and Google's technology strengths.</p>
2019	<p>In February, JD Property established the Core Fund together with GIC, Singapore's sovereign wealth fund, for a total committed capital of over RMB4.8 billion. We serve as the general partner and have committed 20% of the total capital of Core Fund as a limited partner.</p> <p>In May, we renewed the strategic cooperation agreement with Tencent for a period of three years starting from May 27, 2019. Tencent continued to offer us prominent level 1 and level 2 access points on its Weixin platform to provide traffic support, and the two companies also continued to cooperate in a number of areas including communications, advertising and membership services, among others.</p> <p>In November, our healthcare subsidiary, JD Health, completed its series A preferred share financing with a group of third-party investors, raising a total amount of US\$931 million, representing 13.5% of the ownership of JD Health on a fully diluted basis.</p>

### **Our Strategic Cooperations and Other Developments**

#### ***Strategic Cooperation with Tencent***

On March 10, 2014, we acquired certain e-commerce businesses and assets from, and entered into a strategic cooperation agreement and formed a strategic partnership with Tencent, a leading internet company serving the largest online community in China. Tencent offers a wide variety of internet services in China, including communications and social, online games, digital content, advertising, payment and cloud services. Tencent has a large mobile internet user base, as evidenced by the combined monthly active user accounts of 1,165 million on Tencent's Weixin and WeChat platforms as of December 31, 2019 based on company source.

Under the strategic partnership, Tencent offers us prominent access points in its mobile apps Weixin and Mobile QQ and provide us with traffic and other support from other key platforms, which has helped us generate mobile user traffic from Tencent's large mobile user base and enhance our customers' mobile shopping experience. The two parties agree to cooperate in a number of areas including mobile-related products, social networking services, membership systems and payment solutions. The strategic cooperation agreement applies within the territory of the Greater China, including Hong Kong, Macau and Taiwan. Under the strategic cooperation agreement, we are Tencent's preferred partner for all physical goods e-commerce businesses, and Tencent agrees not to engage in any retail or managed marketplace business model in physical goods e-commerce businesses in Greater China and a few selected international markets for a period of eight years, other than through its controlled affiliate Shanghai Icson E-Commerce Development Company Limited, or

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## HISTORY AND CORPORATE STRUCTURE

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Shanghai Icon. We expect to further leverage the strategic partnership with Tencent to enhance our customers' online shopping experience, reach Tencent's large mobile and internet user base and further expand our presence on mobile commerce.

On March 10, 2014, we entered into a series of agreements with Tencent and its affiliates pursuant to which we acquired 100% interests in Tencent's Paipai and QQ Wanggou online marketplace businesses, a 9.9% stake in Shanghai Icon E-Commerce Development Company Limited, or Shanghai Icon, logistics personnel and certain other assets. Paipai and QQ Wanggou, which we acquired from Tencent, were online marketplaces in China that brought buyers and sellers together online. Paipai was a consumer-to-consumer or C2C marketplace, whereas QQ Wanggou was a business-to-consumer or B2C marketplace. We re-launched the Paipai C2C marketplace in July 2014, but closed it down in 2016. In addition, we obtained the right to acquire the remaining equity of Shanghai Icon by March 10, 2017 at the higher of the then fair value of Shanghai Icon or RMB800 million. In April 2016, we exercised the right paying RMB800 million and acquired the remaining equity interest in Shanghai Icon. Shanghai Icon operated a B2C e-commerce platform in China.

Concurrent with the above transactions, the execution of the strategic cooperation agreement and for US\$215 million in cash to us, we issued a total of 351,678,637 ordinary shares to Huang River Investment Limited, a wholly-owned subsidiary of Tencent. We paid Tencent RMB181 million in cash as part of the consideration for the transaction during 2014. As part of the agreements, in a private placement concurrent with our initial public offering in May 2014, we issued an aggregate of 139,493,960 Class A ordinary shares to Huang River Investment Limited at the per share equivalent of the price to the public.

In October 2015, we expanded partnership with Tencent to provide third-party merchants with innovative mobile marketing solutions. On May 10, 2019, we renewed the strategic cooperation agreement with Tencent for a period of three years starting from May 27, 2019. Tencent will continue to offer us prominent level 1 and level 2 access points on its Weixin platform to provide traffic support, and the two companies also intend to continue to cooperate in a number of areas including communications, advertising and membership services, among others. It is estimated that such traffic support, advertising spending and other cooperation will amount to over US\$800 million, which will be paid or spent over the next three years. We agreed to issue to Tencent a certain number of our Class A ordinary shares for a total consideration of approximately US\$250 million at prevailing market prices at certain pre-determined dates during the subsequent three-year period, of which 8,127,302 and 2,938,584 of our Class A ordinary shares were issued in May 2019 and May 2020. The issuance of Class A ordinary shares of US\$250 million formed part of the total estimated amount of US\$800 million that will be paid or spent for the traffic support, advertising and other cooperation from Tencent under the strategic cooperation agreement. Huang River Investment Limited is currently one of our principal shareholders and held 17.8% of our total issued and outstanding shares as of the Latest Practicable Date.

### ***Strategic Cooperation with Walmart***

In June 2016, we entered into a series of agreements with Walmart in relation to our strategic alliance, pursuant to which Walmart subscribed for 144,952,250 of our newly issued Class A ordinary shares, representing approximately 5% of our total issued and outstanding shares on a fully diluted basis at the time. As of the Latest Practicable Date, Walmart held Class A ordinary shares representing

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## HISTORY AND CORPORATE STRUCTURE

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approximately 9.8% of our total issued and outstanding shares. As part of our strategic alliance with Walmart, we acquired ownership of the Yihaodian marketplace platform assets, including the Yihaodian brand, mobile apps and websites. We have collaborated with Walmart on e-commerce, including launching Sam's Club Flagship Store and Walmart Flagship Store on JD.com, as well as Sam's Club Global Flagship Store, Walmart Global Flagship Store, and several category global stores to sell specific category products (for example Walmart Beauty and Personal Care Global Store) on JD Worldwide and a one-hour delivery service from Walmart Stores and Sam's Clubs in select cities through the JD-Daojia app. As part of the strategic alliance, we also entered into an eight-year non-compete arrangement with Walmart, subject to certain conditions and exceptions.

### *JD Logistics*

In April 2017, we established JD Logistics to leverage our advanced technology and logistics expertise to provide integrated supply chain and logistics services to businesses across a wide range of industries, including those beyond e-commerce. JD Logistics provides business partners with comprehensive supply chain solutions, including warehousing management, transportation, delivery, after-sales service, and logistics technology solutions, including cloud-based service and data analytics, among others. In February 2018, we entered into definitive agreements with third-party investors for the financing of JD Logistics. We have raised a total amount of US\$2.5 billion from the third-party investors, who owned an aggregate of approximately 19% stake in JD Logistics on a fully diluted basis upon the completion of the transaction and we have remained as the controlling shareholder of JD Logistics.

### *JD Digits*

As of June 30, 2017, we had completed the reorganization of our finance business operated by Beijing Jingdong Financial Technology Holding Co., Ltd. (now known as Jingdong Digits Technology Holding Co., Ltd., or JD Digits). The purpose of the reorganization was to enable the management team of each company to focus on its specific strategies, including (i) structuring its business to take advantage of growth opportunities in its respective markets and industries; (ii) tailoring its business operation and financial model to its specific long-term strategies; and (iii) aligning its external financial resources with its particular type of business. Pursuant to the agreements we entered into with JD Digits and certain other parties in March 2017, immediately prior to the reorganization, we owned 68.6% of JD Digits. As a result of the reorganization, we disposed of all of our 68.6% equity interest in JD Digits and deconsolidated the financial results of JD Digits from ours since then. Pursuant to the agreements relating to the reorganization, we received approximately RMB14.3 billion in cash with an economic gain of RMB14.2 billion. As JD Digits is under the common control of Mr. Richard Qiangdong Liu through his equity stake and voting arrangements, the gain of RMB14.2 billion was recorded directly to additional paid-in capital in shareholders' equity. In exchange for certain licenses and services to be provided by us to JD Digits, we will receive 40% of the future pre-tax profit of JD Digits when JD Digits has a positive pre-tax income on a cumulative basis. During the Track Record Period, we did not receive any profits from JD Digits under the profit-sharing arrangement, as JD Digits had not had a positive pre-tax income during this period. When JD Digits has a positive pre-tax income in a fiscal year, we will record the Maximum Interest in the profits of JD Digits under "Others, net" in our consolidated financial statements. In addition, we may convert our profit-sharing right with respect to JD Digits into 40% of JD Digits's equity interest, subject to applicable regulatory approvals. The above percentage of profit sharing and maximum equity interest issuance to us, which we refer to as the Maximum Interest, is subject to potential proportional dilution as a result of any subsequent

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## HISTORY AND CORPORATE STRUCTURE

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equity financings or ESOP pool increases of JD Digits. In connection with JD Digits's additional round of financing in 2018, the Maximum Interest has been diluted to approximately 36%.

Since 2017, JD Digits has made remarkable progress in the field of digital technology. Leveraging the latest and most cutting-edge technologies, including big data, artificial intelligence (AI), the Internet of Things (IoT), and blockchain, JD Digits is now well-equipped to help the financial and real sectors reduce costs, improve efficiencies, enhance user experience and optimize business models. We have the right to convert the profit-sharing right into the Maximum Interest (approximately 36%) in JD Digits at any time, subject to satisfaction of the conditions set out in the Framework Agreement entered into with JD Digits. As of the Latest Practicable Date, we have not exercised such right to convert into equity interest in JD Digits. We, however, monitor the relevant conditions and assess the desirability of converting into equity interest in JD Digits on an ongoing basis, and may decide to exercise such right and convert the profit-sharing right into the Maximum Interest (approximately 36%) in JD Digits after the Listing. In the event that we decide to exercise such right, we will execute definitive agreements with JD Digits and its existing shareholders. Upon closing of the issuance of the Maximum Interest, the liquidity event payment and the profit-sharing arrangement under the Framework Agreement and JD Digits IPLA described in "Related Party Transactions—Agreements and Transactions Relating to JD Digits" will automatically terminate, and we will account for such equity interest in JD Digits by using the equity method, whereby our investment in JD Digits will be included in our "investment in equity investees" on our consolidated balance sheet, and we will pick up a corresponding portion (approximately 36%) of JD Digits' income or loss and reflect that in our "share of results of equity investees" in our consolidated income statement. Assuming we convert the profit-sharing right into the Maximum Interest (approximately 36%) in JD Digits as of January 1, 2019 and we account for JD Digits as our equity investment using equity method since that date, we do not expect our overall financial performance for the year ended December 31, 2019 would be materially impacted by JD Digits, based on the unaudited management accounts of JD Digits for the year ended December 31, 2019. In addition, as advised by our PRC Legal Advisor, if we were to convert its profit-sharing right into the Maximum Interest in JD Digits, they do not foresee any significant legal obstacles for us to obtain the relevant regulatory approvals (if required) in the PRC.

### *Strategic Cooperation with Google*

In June 2018, Google LLC, or Google, invested US\$550 million in us as part of a new strategic partnership, under which Google and we will work together to explore a broad range of possibilities, leveraging our supply chain and logistics expertise and Google's technology strengths. In early 2019, we joined Google Shopping to offer a curated selection of high-quality products to consumers in the United States, which is representative of our early efforts in the joint development of retail solutions in overseas markets.

### *JD Property*

In 2018, we established JD Property, which owns, develops and manages our logistics facilities and other real estate properties, to support JD Logistics and other third parties. In February 2019, JD Property established JD Logistics Properties Core Fund, L.P., or Core Fund, together with GIC, Singapore's sovereign wealth fund, for a total committed capital of over RMB4.8 billion. We serve as the general partner and have committed 20% of the total capital of Core Fund as a limited partner, and GIC has committed the remaining 80%. The investment committee of Core Fund, which comprise the

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## HISTORY AND CORPORATE STRUCTURE

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representatives from us and GIC, will oversee the key operations of Core Fund. Furthermore, in February 2019, we entered into a definitive agreement with Core Fund, pursuant to which we sold certain of our modern logistics facilities to Core Fund for a total gross asset value of RMB10.9 billion, to unlock meaningful value from our balance sheet and recycle capital for our future growth initiatives. In the second half of 2019, the closing conditions for the completed assets were met, and we recorded a total disposal gain of RMB3.8 billion for the completed assets in 2019. For the remaining logistics facilities under construction, we will derecognize these assets upon the completion and satisfaction of the hand over condition. In addition, subsequent to the disposition, we have leased back these facilities for operational purposes, and JD Property has started serving as the asset manager managing Core Fund's assets.

### ***JD Health***

In November 2019, our healthcare subsidiary, JD Health International Inc., or JD Health, completed the non-redeemable series A preferred share financing with a group of third-party investors. The total amount of financing raised was US\$931 million, representing 13.5% of the ownership of JD Health on a fully diluted basis upon the completion of this transaction. Over the past few years, JD Health is building a comprehensive “Internet + healthcare” ecosystem, providing pharmaceutical and healthcare products and internet healthcare services to the customers.

### **Our Major Investments**

In addition to organic growth, we have made, or have entered into agreements to make, strategic investments, acquisitions and alliances that are intended to further our strategic objectives.

*Bitauto and Yixin.* In February 2015, we invested a combination of US\$400 million in cash and certain resources valued at US\$497 million, including exclusive access to the new and used car channels on our e-commerce sites including mobile apps and additional support from our key platforms, as consideration for newly issued ordinary shares of Bitauto Holdings Limited, or Bitauto, an NYSE-listed provider of internet content and marketing services for China's fast-growing automotive industry. In June 2016, we made an additional investment of US\$50 million in cash to purchase newly issued ordinary shares of Bitauto.

In February 2015, we invested US\$100 million in newly issued series A preferred shares of Yixin Group Limited, or Yixin, a subsidiary of Bitauto primarily engaged in e-commerce-related automotive financing platform business and currently listed on the Hong Kong Stock Exchange. In August 2016, we, together with Tencent, Baidu, Bitauto and other investors, entered into definitive agreements, pursuant to which we and the other investors invested an aggregate of US\$550 million in cash in Yixin.

As of December 31, 2019, we held approximately 24% of Bitauto's issued and outstanding shares and approximately 11% of Yixin's issued and outstanding shares. On September 12, 2019, a buyer consortium lead by Tencent submitted a preliminary non-binding proposal letter to Bitauto's board of directors to acquire all of the outstanding ordinary shares and American depositary shares of Bitauto, which would result in Bitauto becoming a private, wholly owned subsidiary of the buyer consortium. In addition, upon the completion of this going-private transaction of Bitauto, the buyer consortium and their affiliates will make an unconditional mandatory general offer to all the shareholders and other securities holders of Yixin for all the issued shares and other securities of Yixin. We have indicated that we will vote all of our shares in Bitauto in favor of these transactions. In addition, we plan to cancel a portion of the ordinary shares of Bitauto held by us in exchange for certain number of newly issued shares of a new company to be formed by the buyer consortium in connection with this going-private transaction, subject to execution of definitive agreements and the closing conditions therein.

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## HISTORY AND CORPORATE STRUCTURE

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*Tuniu.* In May 2015, we made further investment to acquire newly issued Class A ordinary shares of Tuniu Corporation, or Tuniu, a Nasdaq-listed and leading online leisure travel company in China, through a combination of US\$250 million in cash and certain resources valued at US\$108 million, including exclusive rights to operate the leisure travel channel for both our *www.jd.com* website and mobile apps, and Tuniu's being our preferred partner for hotel and air tickets booking services. Previously in December 2014, we purchased certain newly issued Class A ordinary shares of Tuniu by a cash consideration of US\$50 million. As of December 31, 2019, we held approximately 21% of Tuniu's issued and outstanding shares. Our leisure travel channel is currently operated by Tuniu. We plan to sell our equity investment in Tuniu.

*Yonghui.* In August 2015, we entered into definitive agreements with Yonghui Superstores Co., Ltd., or Yonghui, pursuant to which we subscribed for newly issued ordinary shares of Yonghui with a consideration of RMB4.23 billion. In May 2018, we made an additional investment of RMB1.2 billion to acquire additional ordinary shares from the existing shareholders of Yonghui. As of December 31, 2019, we held approximately 12% of Yonghui's issued and outstanding ordinary shares. In addition, we have formed a strategic partnership with Yonghui to strengthen supply chain management capability primarily through joint procurement, and will continue to explore development opportunities in online-to-offline initiatives and other areas of potential strategic cooperation.

*Dada.* In April 2016, we completed the transaction with Dada Nexus Limited, or Dada Group, a leading platform of local on-demand retail and delivery in China, pursuant to which our online-to-offline business, JD-Daojia, became a subsidiary of Dada Group and we contributed certain resources and US\$200 million in cash in exchange for newly issued equity interest in Dada Group. In December 2017, we exercised our warrant to acquire additional preferred shares of Dada Group. In August 2018, in conjunction of Dada Group's Series F round financing with Walmart, we further invested US\$180 million to acquire the newly issued preferred shares of Dada Group. As of December 31, 2019, we owned approximately 47.5% equity interest of Dada Group on a fully diluted basis.

*Farfetch.* In June 2017, we invested US\$397 million in cash as consideration to acquire certain number of ordinary shares and preferred shares of Farfetch.com Limited, or Farfetch, the leading global e-commerce platform for the fashion industry. As part of this partnership, we became one of the largest shareholders of Farfetch. The strategic partnership between us and Farfetch leverages our leading logistics and technology capabilities and social media resources, including our partnership with Tencent, with Farfetch's leadership in global luxury, to create a frictionless and seamless brand experience. In September 2018, concurrent with Farfetch's initial public offering and listing on the NYSE, we made an additional investment of US\$27 million to purchase its newly issued ordinary shares. In February 2019, we expanded our strategic partnership with Farfetch, pursuant to which our luxury e-commerce platform, Toplife, merged into Farfetch, and Farfetch gained traffic resources on the JD.com mobile app.

*China Unicom.* In August 2017, we entered into a conditional share subscription agreement with China United Network Communications Limited, or China Unicom, a Chinese telecommunications operator in relation to our investment of approximately RMB5 billion in cash to subscribe for certain privately issued shares of China Unicom. Concurrently, we, through a PRC affiliate, also entered into a strategic business cooperation agreement with China Unicom.

*Vipshop.* In December 2017, we, along with Tencent, entered into a share subscription agreement to subscribe for newly issued Class A ordinary shares of Vipshop Holdings Limited, or

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## HISTORY AND CORPORATE STRUCTURE

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Vipshop, an NYSE-listed online discount retailer for brands in China. In December 2017, we also entered into a business cooperation agreement and established a cooperative relationship with Vipshop, pursuant to which we granted Vipshop entries on both the main page of our mobile app and the main page of our Weixin Discovery shopping entry. We also purchased the ADSs of Vipshop from the open market. As of December 31, 2019, we had accumulatively invested approximately US\$600 million in cash to purchase Class A ordinary shares and ADSs of Vipshop.

*Wanda Commercial Properties.* In January 2018, we, along with Tencent and other investors, entered into a strategic partnership agreement with Dalian Wanda Commercial Properties Co., Ltd., or Wanda Commercial Properties, a leading developer, owner and operator of commercial properties in China, and its major shareholder, Dalian Wanda Group Co., Ltd. Pursuant to the agreement, we invested RMB5 billion to purchase the shares of Wanda Commercial Properties from its existing shareholders.

*Jiangsu Five Star.* In April 2019, we completed an investment in Jiangsu Five Star Appliance Co., Ltd., or Jiangsu Five Star, one of the leading offline retailers of home appliances and consumer electronics in China. We acquired 46% of Jiangsu Five Star's total shares from its existing shareholder for a total purchase price of RMB1.27 billion with a combination of cash and assumption of the seller's debt. Following this investment, we and Jiangsu Five Star leverage each other's industry expertise and strength to explore new growth opportunities in the area of omni-channel strategy and aim to provide consumers with a fully-integrated, smart online and offline shopping experience. In addition, we provided a loan of approximately RMB1.03 billion to the seller. We are also entitled to certain collateral and investor rights pursuant to the related definitive agreements.

*AiHuiShou.* In June 2019, we completed an investment of approximately RMB3.38 billion in AiHuiShou International Co. Ltd., or AiHuiShou, an online second-hand consumer electronics trading platform. In connection with this investment, we merged our Paipai Secondhand business with and into AiHuiShou with certain exclusive traffic resources for the next five years, and additionally invested certain amount of cash in exchange for additional preferred shares of AiHuiShou.

### Major Subsidiaries and Operating Entities

The principal business activities and date of establishment of each of our Major Subsidiaries, are shown below:

<u>Name of company</u>	<u>Principal Business Activities</u>	<u>Date and Jurisdiction of Establishment</u>
Beijing Jingdong Century Trade Co., Ltd. (北京京東世紀貿易有限公司) (“Jingdong Century”)	Our indirect subsidiary and a wholly-foreign owned enterprise and primarily engages in online retail business	April 20, 2007, PRC
Guangzhou Jingdong Trade Co., Ltd. (廣州晶東貿易有限公司)	A subsidiary of Jingdong Century and primarily engages in online retail business	July 31, 2007, PRC
Shanghai Yuanmai Trade Co., Ltd. (上海圓邁貿易有限公司)	A subsidiary of Jingdong Century and primarily engages in online retail business	August 22, 2007, PRC
Jiangsu Jingdong Information Technology Co., Ltd. (江蘇京東信息技術有限公司)	A subsidiary of Jingdong Century and primarily provides online retail related services	June 16, 2009, PRC



## HISTORY AND CORPORATE STRUCTURE

Name of company	Principal Business Activities	Date and Jurisdiction of Establishment
Beijing Jingdong Century Information Technology Co., Ltd. (北京京東世紀信息技術有限公司)	A subsidiary of Jingdong Century and primarily engages in online retail business	September 1, 2010, PRC
Shanghai Shengdayuan Information Technology Co., Ltd. (上海晟達元信息技術有限公司) (“Shanghai Shengdayuan”)	Our indirect subsidiary and a wholly-foreign owned enterprise and primarily engages in online retail business	April 2, 2011, PRC
Beijing Jingdong Shangke Information Technology Co., Ltd. (北京京東尚科信息技術有限公司)	A subsidiary of Jingdong Century and primarily provides technology services	March 13, 2012, PRC
Chongqing Jingdong Haijia E-commerce Co., Ltd. (重慶京東海嘉電子商務有限公司)	A subsidiary of Jingdong Century and primarily provides marketing services	June 18, 2014, PRC
Suqian Hanbang Investment Management Co., Ltd. (宿遷涵邦投資管理有限公司)	A subsidiary of Shanghai Shengdayuan and primarily engages in investment activities	January 27, 2016, PRC
Xi’an Jingxundi Supply Chain Technology Co., Ltd. (西安京迅遞供應鏈科技有限公司) (“Xi’an Jingxundi”)	Our indirect subsidiary and a wholly-foreign owned enterprise and primarily provides technology and consulting services relating to logistics services	May 18, 2017, PRC
Xi’an Jingdong Xuncheng Logistics Co., Ltd. (西安京東訊成物流有限公司)	A subsidiary of Xi’an Jingxundi and primarily engages in logistics services business	June 12, 2017, PRC
Beijing Jinghong Logistics Co., Ltd. (北京京鴻物流有限公司)	An indirect subsidiary of Xi’an Jingxundi and primarily engages in logistics services business	November 29, 2017, PRC
Beijing Wodong Tianjun Information Technology Co., Ltd. (北京沃東天駿信息技術有限公司)	A subsidiary of Jingdong Century and primarily provides technology services	May 3, 2018, PRC
Guangxi Jingdong Xinjie E-commerce Co., Ltd. (廣西京東新傑電子商務有限公司)	A subsidiary of Jingdong Century and primarily provides marketing services	December 25, 2018, PRC
Beijing Jingdong 360 Degree E-commerce Co., Ltd. (北京京東叁佰陸拾度電子商務有限公司) (“Jingdong 360”)	An affiliated consolidated entity of Jingdong Century and primarily engages in online marketplace business	April 4, 2007, PRC
Jiangsu Yuanzhou E-commerce Co., Ltd. (江蘇圓周電子商務有限公司) (“Jiangsu Yuanzhou”)	An affiliated consolidated entity of Jingdong Century and primarily engages in the business of selling books, audio and video products	September 26, 2010, PRC
Beijing Jingbangda Trade Co., Ltd. (北京邦達貿易有限公司) (“Jingbangda”)	A subsidiary of Xi’an Jingdong Xincheng and primarily engages in logistics services business	August 14, 2012, PRC
Jiangsu Jingdong Bangneng Investment Management Co., Ltd. (江蘇京東邦能投資管理有限公司) (“Jiangsu Jingdong Bangneng”)	An affiliated consolidated entity of Jingdong Century and primarily engages in investment activities	August 4, 2015, PRC
Xi’an Jingdong Xincheng Information Technology Co., Ltd. (西安京東信成信息技術有限公司) (“Xi’an Jingdong Xincheng”)	An affiliated consolidated entity of Xi’an Jingxundi and primarily provides technology and consulting services relating to logistics services	June 23, 2017, PRC

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## HISTORY AND CORPORATE STRUCTURE

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<u>Name of company</u>	<u>Principal Business Activities</u>	<u>Date and Jurisdiction of Establishment</u>
Jingdong E-Commerce (Express) Hong Kong Co., Ltd.	Our indirect subsidiary and primarily engages in international supply chain business	August 8, 2011, Hong Kong
Jingdong E-Commerce (Trade) Hong Kong Co., Ltd.	Our direct subsidiary and primarily engages in offshore online retail business	February 1, 2012, Hong Kong
JD.com International Limited	Our direct subsidiary and primarily engages in cross-border e-commerce and international supply chain business	February 1, 2012, Hong Kong

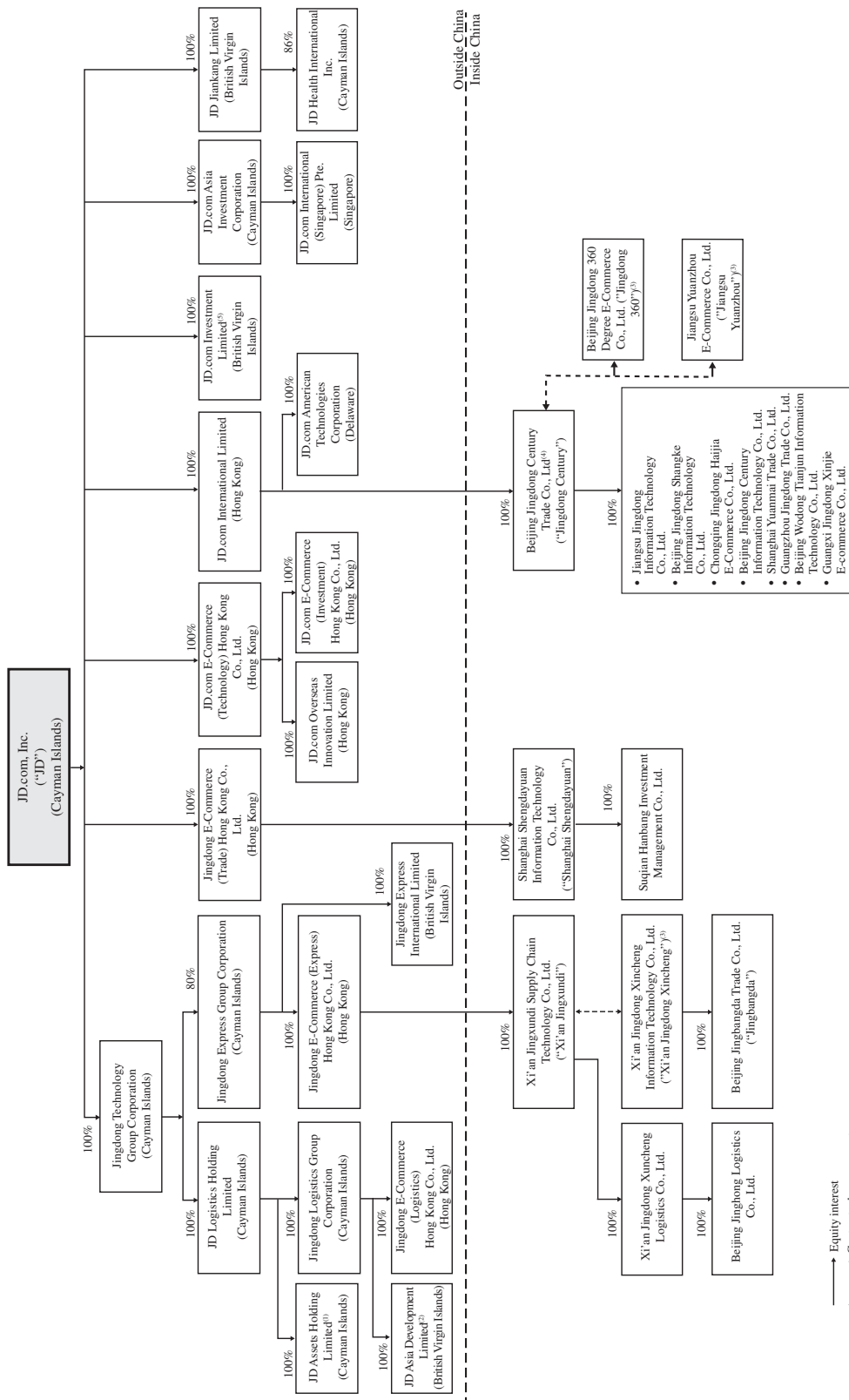
### **Listing on Nasdaq and Reasons for Listing**

On May 22, 2014, we completed an initial public offering and listing of our ADSs on Nasdaq under the symbol “JD”. Since the date of our listing on Nasdaq and up to the Latest Practicable Date, our Directors confirm that we had no instances of non-compliance with the rules of Nasdaq in any material respects and to the best knowledge of our Directors after having made all reasonable enquiries, there is no matter that should be brought to investors’ attention in relation to our compliance record on Nasdaq.

We believe that the Listing on the Hong Kong Stock Exchange will present us with an opportunity to further expand our investor base and broaden our access to capital markets.

## Corporate Structure

As of December 31, 2019, we conducted our business operations across over 800 subsidiaries and consolidated entities incorporated in China and other jurisdictions. The chart below summarizes our corporate legal structure:

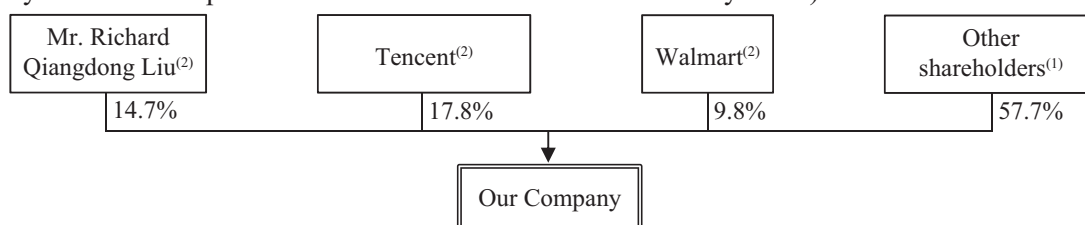


## HISTORY AND CORPORATE STRUCTURE

- (2) JD Asia Development Limited has 267 subsidiaries holding, directly or indirectly, logistics properties.
  - (3) Jingdong 360, Jiangsu Yuanzhou and Xi'an Jingdong Xincheng are our principal consolidated variable interest entities. Each of Jingdong 360, Jiangsu Yuanzhou and Xi'an Jingdong Xincheng is 45% owned by Mr. Richard Qiangdong Liu, our chairman of board of directors and chief executive officer, 30% owned by Ms. Yayun Li, our chief compliance officer, and 25% owned by Ms. Pang Zhang, our employee. We effectively control these entities through contractual arrangements.
  - (4) Jingdong Century has 89 subsidiaries that engage in retail business. Jingdong Century also has contractual arrangements with another principal consolidated variable interest entity, Jiangsu Jingdong Bangneng Investment Management Co. Ltd. or Jiangsu Jingdong Bangneng. Jiangsu Jingdong Bangneng is 45% owned by Mr. Richard Qiangdong Liu, 30% owned by Ms. Yayun Li, and 25% owned by Ms. Pang Zhang. Jiangsu Jingdong Bangneng owns Suqian Jingdong Sanhong Enterprise Management Center (L.P.), Suqian Jingdong Mingfeng Enterprise Management Co., Ltd., Suqian Jingdong Jinyi Enterprise Management Co., Ltd. and Hengqin Junze Management and Consulting Co., Ltd., each of which constitutes a significant subsidiary of Jiangsu Jingdong Bangneng.
  - (5) JD.com Investment Limited has 63 subsidiaries that hold, directly or indirectly, the companies invested by us.
- \* The diagram above omits our equity investees that are insignificant individually and in the aggregate.

### Shareholding Structure

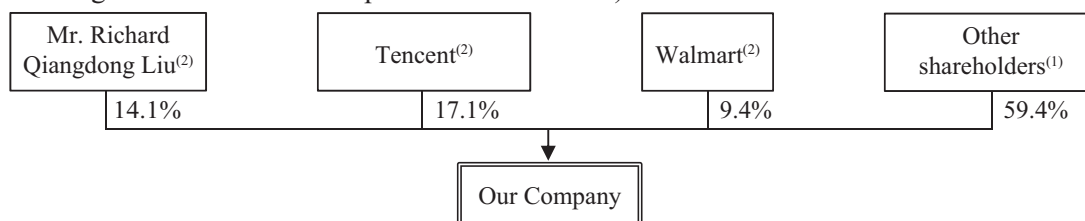
The following diagram illustrates our shareholding structure as of the Latest Practicable Date (without taking into account the Shares to be issued pursuant to the Share Incentive Plan, including pursuant to the exercise of options or other awards that have been or may be granted from time to time and any issuance or repurchase of Shares and/or ADSs that we may make):



*Notes:*

- (1) Includes other public shareholders and directors and executive officers of the Company other than Mr. Richard Qiangdong Liu.
- (2) See "Major Shareholders" for further details on the voting rights and the beneficial ownership of each of Mr. Richard Qiangdong Liu, Tencent and Walmart. 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.

The following diagram illustrates our shareholding structure immediately upon the completion of the Global Offering (assuming all major shareholders' shareholding remain unchanged as of the Latest Practicable Date and without taking into account the Shares to be issued pursuant to the Share Incentive Plan, including pursuant to the exercise of options 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 and assuming the Over-allotment Option is not exercised):



*Notes (1) to (2): Please refer to the details contained in Notes (1) to (2) above.*

### Contractual Arrangements

Foreign ownership of certain of our businesses including value-added telecommunication services is subject to restrictions under current PRC laws and regulations. For example, foreign investors are not allowed to own more than 50% of the equity interests in a value-added telecommunication service provider (excluding e-commerce, domestic multi-party communications, data collection and transmission services and call centers) and the main foreign investor in the foreign-invested telecommunication enterprise must have experience in providing value-added telecommunications services overseas and maintain a good track record.

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## HISTORY AND CORPORATE STRUCTURE

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We are a Cayman Islands exempted company and our PRC subsidiaries Jingdong Century, Shanghai Shengdayuan and Xi'an Jingxundi are considered foreign-invested enterprises. Accordingly, none of these PRC subsidiaries is eligible to provide value-added telecommunication services or provide certain other restricted services related to our businesses, such as domestic document delivery services. As a result, we conduct or will conduct such business activities through our variable interest entities and their subsidiaries in PRC, including Jingdong 360, Jiangsu Yuanzhou, Xi'an Jingdong Xincheng and Jingbangda. Jingdong 360 holds our ICP license as an internet information provider and primarily engages in our online marketplace business. Xi'an Jingdong Xincheng primarily provides technology and consulting services relating to logistics services. Jiangsu Yuanzhou primarily engages in the business of selling books, audio and video products.

Jingdong 360, Jiangsu Yuanzhou, Xi'an Jingdong Xincheng and all of our other variable interest entities that have business activities in PRC are 45% owned by Mr. Richard Qiangdong Liu, our chairman and chief executive officer, 30% owned by Ms. Yayun Li, our chief compliance officer, and 25% owned by Ms. Pang Zhang, our employee and our Group's vice president. Mr. Liu, Ms. Li and Ms. Zhang are PRC citizens. We entered into a series of contractual arrangements with Jingdong 360, Jiangsu Yuanzhou, Xi'an Jingdong Xincheng and other variable interest entities in China and their respective shareholders, as described below.

We obtained control over Jingdong 360 through Jingdong Century in April 2007 by entering into a series of contractual arrangements with Jingdong 360 and the shareholders of Jingdong 360, which we refer to as the Jingdong 360 Agreements. The Jingdong 360 Agreements were subsequently amended and restated, with the latest amendments and restatements in June 2016. As a result of our ownership of Jingdong Century, we became the primary beneficiary of Jingdong 360 in April 2007. We treat Jingdong 360 as our variable interest entity and have consolidated its financial results in our consolidated financial statements in accordance with U.S. GAAP.

We obtained control over Jiangsu Yuanzhou through Jingdong Century by commitments between the then shareholders of Jiangsu Yuanzhou, Jiangsu Yuanzhou and Jingdong Century at the time Jiangsu Yuanzhou was established. Jingdong Century entered into a series of contractual arrangements with Jiangsu Yuanzhou and its shareholders in April 2011, which we refer to as the Jiangsu Yuanzhou Agreements. The Jiangsu Yuanzhou Agreements were subsequently amended and restated, with the latest amendments and restatements in June 2016. We became the primary beneficiary of Jiangsu Yuanzhou in September 2010. We treat Jiangsu Yuanzhou as our variable interest entity and have consolidated its financial results in our consolidated financial statements in accordance with U.S. GAAP.

We obtained control over Xi'an Jingdong Xincheng through Xi'an Jingxundi in June 2017 by entering into a series of contractual arrangements with Xi'an Jingdong Xincheng and the shareholders of Xi'an Jingdong Xincheng, which we refer to as the Xi'an Jingdong Xincheng Agreements. As a result of our ownership of Xi'an Jingxundi, we became the primary beneficiary of Xi'an Jingdong Xincheng in June 2017. We treat Xi'an Jingdong Xincheng as our variable interest entity and have consolidated its financial results in our consolidated financial statements in accordance with U.S. GAAP.

In addition to Jingdong 360, Jiangsu Yuanzhou and Xi'an Jingdong Xincheng, we assisted in establishing additional consolidated variable interest entities, including Jiangsu Jingdong Bangneng. We have entered into a series of contractual arrangements with each of these variable interest entities and their respective shareholders. For more information relating to our contractual arrangements, please refer to the section "Risk Factors – Risks Related to Our Corporate Structure".

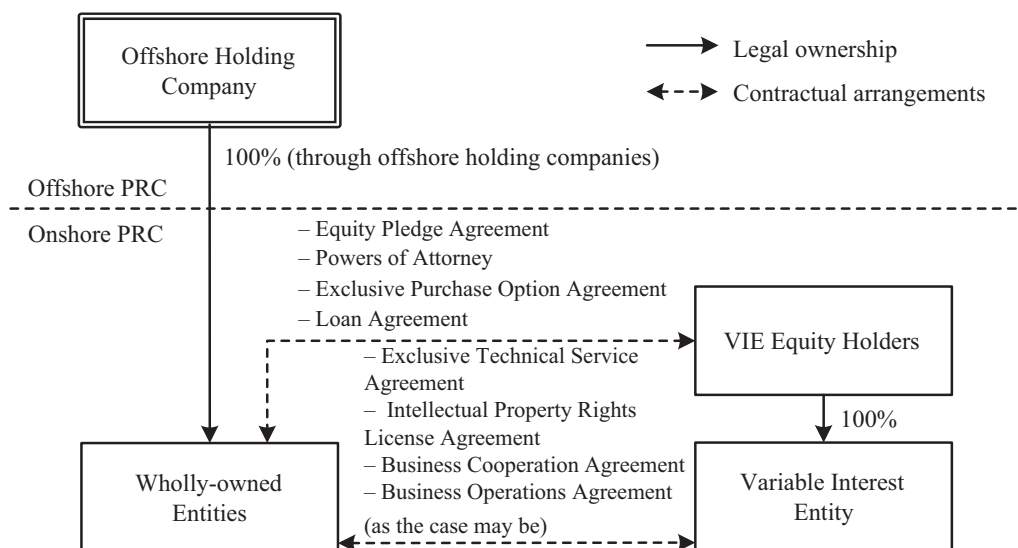
## HISTORY AND CORPORATE STRUCTURE

The contractual arrangements relating to our variable interest entities allow us to:

- (i) exercise effective control over our variable interest entities;
- (ii) receive substantially all of the economic benefits of our variable interest entities; and
- (iii) have an exclusive option to purchase all or part of the equity interests in our variable interest entities when and to the extent permitted by PRC law.

We have consolidated the financial results of our variable interest entities and their subsidiaries in our consolidated financial statements in accordance with U.S. GAAP. The external revenues of our consolidated variable interest entities and their subsidiaries collectively contributed 2.5%, 3.8% and 4.7% of our consolidated total net revenues for the years ended December 31, 2017, 2018 and 2019, respectively.

The following diagram is a simplified illustration of the ownership structure and contractual arrangements for variable interest entities of our Group:



In the opinion of Shihui Partners, our PRC Legal Adviser:

- (i) the ownership structures of our variable interest entities and the PRC subsidiaries that have entered into contractual arrangements with the variable interest entities, including Jingdong Century, will not result in any violation of PRC laws or regulations currently in effect;
- (ii) the contractual arrangements among the PRC subsidiaries, including Jingdong Century, the variable interest entities and their respective shareholders governed by PRC law are valid, binding and enforceable, and will not result in any violation of PRC laws or regulations currently in effect; and
- (iii) the contractual arrangements between our material variable interest entities, the corresponding wholly-owned entities and the respective equity holders of our material variable interest entities governed by PRC laws will not be deemed as “concealment of illegal intentions with a lawful form” and void under the PRC Contract Law.

Furthermore, as of the Latest Practicable Date, we had not encountered any interference or encumbrance from any PRC governing bodies in operating our business through various variable interest entities under the contractual arrangements.

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## HISTORY AND CORPORATE STRUCTURE

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However, we have been further advised by our PRC Legal Adviser that there are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules. Accordingly, the PRC regulatory authorities may in the future take a view that is contrary to the above opinion of our PRC Legal Adviser. We have been further advised by our PRC Legal Adviser that if the PRC government finds that the agreements that establish the structure for operating our online retail and marketplace business do not comply with PRC government restrictions on foreign investment in e-commerce and related businesses, including but not limited to online retail and marketplace businesses, we could be subject to severe penalties including being prohibited from continuing operations. See “Risk Factors—Risks Related to Our Corporate Structure—If the PRC government deems that the contractual arrangements in relation to our variable interest entities do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.” And “Risk Factors—Risks Related to Doing Business in the People’s Republic of China—Uncertainties with respect to the PRC legal system could adversely affect us.”

### **Contractual Arrangements with Jingdong 360, Jiangsu Yuanzhou and Xi’an Jingdong Xincheng**

The following is a summary of the currently effective Jingdong 360 Agreements, Jiangsu Yuanzhou Agreements and Xi’an Jingdong Xincheng Agreements.

#### ***Agreements that Provide Us with Effective Control over Jingdong 360, Jiangsu Yuanzhou and Xi’an Jingdong Xincheng***

##### ***Equity Pledge Agreements***

On June 15, 2016, Jingdong Century, Jingdong 360 and each of the shareholders of Jingdong 360 entered into an amended and restated equity pledge agreement in replacement of the previous equity pledge agreement. Pursuant to the amended and restated equity pledge agreement, each of the shareholders of Jingdong 360 has pledged all of his equity interest in Jingdong 360 to guarantee their and Jingdong 360’s performance of his obligations under, where applicable, the amended and restated exclusive technology consulting and services agreement, loan agreement, exclusive purchase option agreement and power of attorney. If Jingdong 360 or the shareholders of Jingdong 360 breach their contractual obligations under these agreements, Jingdong Century, as pledgee, will have the right to dispose of the pledged equity interests. The shareholders of Jingdong 360 agree that, during the term of the equity pledge agreements, they will not dispose of the pledged equity interests or create or allow any encumbrance on the pledged equity interests, and they also agree that Jingdong Century’s rights relating to the equity pledge should not be prejudiced by the legal actions of the shareholders, their successors or their designates. During the term of the equity pledge, Jingdong Century has the right to receive all of the dividends and profits distributed on the pledged equity. The amended and restated equity pledge agreements will terminate on the second anniversary of the date when Jingdong 360 and the shareholders of Jingdong 360 have completed all their obligations under the amended and restated exclusive technology consulting and services agreement, loan agreement, exclusive purchase option agreement and powers of attorney.

On June 15, 2016, Jingdong Century, Jiangsu Yuanzhou and each of the shareholders of Jiangsu Yuanzhou entered into an amended and restated equity pledge agreement in replacement of the previous equity pledge agreements. The amended and restated equity pledge agreement between Jingdong Century and the shareholders of Jiangsu Yuanzhou contains terms substantially similar to the amended and restated equity pledge agreement relating to Jingdong 360 described above.

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## HISTORY AND CORPORATE STRUCTURE

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On June 23, 2017, Xi'an Jingxundi, Xi'an Jingdong Xincheng and each of the shareholders of Xi'an Jingdong Xincheng entered into three equity pledge agreements. The equity pledge agreements between Xi'an Jingxundi, Xi'an Jingdong Xincheng and the shareholders of Xi'an Jingdong Xincheng contain terms substantially similar to the amended and restated equity pledge agreement relating to Jingdong 360 described above.

We have completed the registration of the equity pledge for our variable interest entities with the relevant office of the administration for market regulation in accordance with the PRC Property Rights Law.

### ***Powers of Attorney***

On June 15, 2016, each of the shareholders of Jingdong 360 granted an irrevocable power of attorney to replace the irrevocable powers of attorney previously executed. Pursuant to the irrevocable power of attorney, each of the shareholders of Jingdong 360 appointed Jingdong Century's designated person as his attorney-in-fact to exercise all shareholder rights, including but not limited to voting on their behalf on all matters of Jingdong 360 requiring shareholder approval, disposing of all or part of the shareholder's equity interest in Jingdong 360, and electing, appointing or removing directors and executive officers. The person designated by Jingdong Century is entitled to dispose of dividends and profits on the equity interest subject to the instructions of the shareholder. Each power of attorney will remain in force for so long as the shareholder remains a shareholder of Jingdong 360. Each shareholder has waived all the rights which have been authorized to Jingdong Century's designated person under each power of attorney.

On June 15, 2016, each of the shareholders of Jiangsu Yuanzhou granted an irrevocable power of attorney in replacement of the irrevocable powers of attorney previously executed. The powers of attorney contain terms substantially similar to the powers of attorney granted by the shareholders of Jingdong 360 described above.

On June 23, 2017, each of the shareholders of Xi'an Jingdong Xincheng granted an irrevocable power of attorney. The powers of attorney contain terms substantially similar to the powers of attorney granted by the shareholders of Jingdong 360 described above.

### ***Agreements that Allow Us to Receive Economic Benefits from Jingdong 360, Jiangsu Yuanzhou and Xi'an Jingdong Xincheng***

#### ***Exclusive Technology Consulting and Services Agreement***

In June 2016, Jingdong Century and Jingdong 360 entered into an exclusive technology consulting and services agreement, which supersedes the version entered into in May 2012. Pursuant to the 2016 agreement, Jingdong Century has the sole and exclusive right to provide specified technology consulting and services to Jingdong 360. Without the prior written consent of Jingdong Century, Jingdong 360 may not accept the same or similar technology consulting and services provided by any third party during the term of the agreement. All the benefits and interests generated from the agreement, including but not limited to intellectual property rights, know-how and trade secrets, will be Jingdong Century's sole and exclusive rights. Jingdong 360 agrees to pay service fees to Jingdong Century on a quarterly basis and the amount of the service fee is decided by Jingdong Century on the basis of the work performed and commercial value of the services, subject to annual evaluation and adjustment. The term of this agreement will expire on June 14, 2026 and may be extended unilaterally by Jingdong Century with Jingdong Century's written confirmation prior to the expiration date. Jingdong 360 cannot terminate the agreement early unless Jingdong Century commits fraud, gross negligence or illegal acts, or becomes bankrupt or winds up.



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## HISTORY AND CORPORATE STRUCTURE

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In June 2016, Jingdong Century and Jiangsu Yuanzhou entered into an exclusive technology consulting and services agreement, which supersedes the version entered into in May 2012. The 2016 agreement between Jingdong Century and Jiangsu Yuanzhou contains terms substantially similar to the exclusive technology consulting and services agreement relating to Jingdong 360 as described above.

Xi'an Jingxundi and Xi'an Jingdong Xincheng entered into an exclusive technology consulting and services agreement on June 23, 2017. The exclusive technology consulting and services agreement between Xi'an Jingxundi and Xi'an Jingdong Xincheng contains terms substantially similar to the exclusive technology consulting and services agreement relating to Jingdong 360 described above.

### ***Intellectual Property Rights License Agreement***

On December 25, 2013, Jingdong Century and certain of its subsidiaries entered into an amended and restated intellectual property rights license agreement with Jingdong 360 in replacement of the previous intellectual property rights license agreement. Pursuant to the amended and restated intellectual property rights license agreement, Jingdong Century and the subsidiaries grant Jingdong 360 a non-exclusive right to use certain of its trademarks, patents, copyrights to computer software and other copyrights. Jingdong 360 is permitted to use the intellectual property rights only within the scope of its internet information service operation and in the territory of China. Jingdong 360 agrees that at any time it will not challenge the validity of Jingdong Century's license rights and other rights with respect to the licensed intellectual property and will not take actions that would prejudice Jingdong Century's rights and the license. Jingdong 360 agrees to pay license fees to Jingdong Century annually, subject to annual evaluation and adjustment. Without Jingdong Century's written consent, Jingdong 360 cannot assign or sublicense its rights under the license agreement or transfer the economic interests arising from the license to any third party. The initial term of this agreement is 10 years and may be extended unilaterally by Jingdong Century with Jingdong Century's written confirmation prior to the expiration date.

On December 18, 2013, Jingdong Century and certain of its subsidiaries entered into an amended and restated intellectual property rights license agreement with Jiangsu Yuanzhou in replacement of the previous intellectual property rights license agreement. The amended and restated intellectual property rights license agreement with Jiangsu Yuanzhou contains terms substantially similar to the intellectual property rights license agreement with Jingdong 360 described above.

### ***Business Cooperation Agreement***

On May 29, 2012, Jingdong Century and Shanghai Shengdayuan entered into an amended and restated business cooperation agreement with Jingdong 360 in replacement of the previous business cooperation agreement between Jingdong Century and Jingdong 360. Pursuant to the amended and restated business cooperation agreement, Jingdong 360 agrees to provide to Jingdong Century and Shanghai Shengdayuan services, including operating our website, posting Jingdong Century's and Shanghai Shengdayuan's product and service information on the website, transmitting the users' order and transaction information to Jingdong Century and Shanghai Shengdayuan, processing user data and transactions in collaboration with banks and payment agents and other services reasonably requested by Jingdong Century and Shanghai Shengdayuan. Jingdong Century and Shanghai Shengdayuan agree to pay service fees to Jingdong 360 on a quarterly basis. The service fee should be 105% of Jingdong 360's operating costs incurred in the previous quarter. The term of this agreement will expire on May 28, 2022 and may be extended unilaterally by Jingdong Century and Shanghai Shengdayuan with their written confirmation prior to the expiration date.

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## HISTORY AND CORPORATE STRUCTURE

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### *Business Operations Agreement*

On November 20, 2017, Jingdong Century entered into an amended and restated business operations agreement with Jingdong 360 and its shareholders in replacement of the previous business operations agreement between Jingdong Century and Jingdong 360. Pursuant to the amended and restated business operations agreement, Jingdong 360's shareholders must appoint the candidates nominated by Jingdong Century to be the directors on its board of directors in accordance with applicable laws and the articles of association of Jingdong 360, and must cause the persons recommended by Jingdong Century to be appointed as its general manager, chief financial officer and other senior executives. Jingdong 360 and its shareholders also agree to accept and strictly follow the guidance provided by Jingdong Century from time to time relating to employment, termination of employment, daily operations and financial management. Moreover, Jingdong 360 and its shareholders agree that Jingdong 360 will not engage in any transactions that could materially affect its assets, business, personnel, liabilities, rights or operations, including but not limited to the incurrence of debt from any third party and the amendment of Jingdong 360's articles of association, without the prior consent of Jingdong Century's respective designees. Unless otherwise terminated early by Jingdong Century, the agreement will remain effective until Jingdong 360 is dissolved according to the PRC law.

On June 15, 2016, Jingdong Century entered into a business operations agreement with Jiangsu Yuanzhou and its shareholders. The business operations agreement with Jiangsu Yuanzhou contains terms substantially similar to the amended and restated business operations agreement with Jingdong 360 described above.

On June 23, 2017, Xi'an Jingxundi entered into a business operations agreement with Xi'an Jingdong Xincheng and its shareholders. The business operations agreement with Xi'an Jingdong Xincheng contains terms substantially similar to the amended and restated business operations agreement with Jingdong 360 described above.

### *Agreements that provide us with the Option to Purchase the Equity Interest in Jingdong 360, Jiangsu Yuanzhou and Xi'an Jingdong Xincheng*

#### *Exclusive Purchase Option Agreements*

On June 15, 2016, Jingdong Century, Jingdong 360 and the shareholders of Jingdong 360 entered into an amended and restated exclusive purchase option agreement in replacement of the previous exclusive purchase option agreements. Pursuant to the amended and restated exclusive purchase option agreement, the shareholders of Jingdong 360 irrevocably grant Jingdong Century an exclusive option to purchase or have its designated persons to purchase at its discretion, to the extent permitted under PRC law, all or part of their equity interests in Jingdong 360. In addition, the purchase price should equal the amount that the shareholders contributed to Jingdong 360 as registered capital for the equity interest to be purchased, or be the lowest price permitted by applicable PRC law. Without the prior written consent of Jingdong Century, Jingdong 360 may not amend its articles of associate, increase or decrease the registered capital, sell or otherwise dispose of its assets or beneficial interest, create or allow any encumbrance on its assets or other beneficial interests, provide any loans for any third parties, enter into any material contract (except those contracts entered into in the ordinary course of business), merge with or acquire any other persons or make any investments, or distribute dividends to the shareholders. The shareholders of Jingdong 360 agree that, without the prior written consent of Jingdong Century, they will not dispose of their equity interests in Jingdong 360 or create or allow any encumbrance on the equity interests. The initial term of the amended and restated exclusive purchase option agreement is 10 years and can be renewed for an additional 10 years on the same terms at Jingdong Century's option, for an unlimited number of times.

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## HISTORY AND CORPORATE STRUCTURE

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On June 15, 2016, Jingdong Century, Jiangsu Yuanzhou and the shareholders of Jiangsu Yuanzhou entered into an amended and restated exclusive purchase option agreement in replacement of the previous exclusive purchase option agreement. The amended and restated exclusive purchase option agreement contains terms substantially similar to the amended and restated exclusive purchase option agreement relating to Jingdong 360 described above.

On June 23, 2017, Xi'an Jingxundi, Xi'an Jingdong Xincheng and each of the shareholders of Xi'an Jingdong Xincheng entered into an exclusive purchase option agreement. The exclusive purchase option agreement contains terms substantially similar to the amended and restated exclusive purchase option agreement relating to Jingdong 360 described above.

### *Loan Agreements*

Pursuant to the amended and restated loan agreement dated November 20, 2017 between Jingdong Century and the shareholders of Jingdong 360, Jingdong Century made loans in an aggregate amount of RMB920 million to the shareholders of Jingdong 360 solely for the capitalization of Jingdong 360. Pursuant to the amended and restated loan agreement, the shareholders can only repay the loans by the sale of all their equity interest in Jingdong 360 to Jingdong Century or its designated person. The shareholders must sell all of their equity interests in Jingdong 360 to Jingdong Century or its designated person and pay all of the proceeds from sale of such equity interests or the maximum amount permitted under PRC law to Jingdong Century. In the event that shareholders sell their equity interests to Jingdong Century or its designated person with a price equivalent to or less than the amount of the principal, the loans will be interest free. If the price is higher than the amount of the principal, the excess amount will be paid to Jingdong Century as the loan interest. The maturity date of the loans is on the tenth anniversary of the date when the shareholders received the loans and paid the amount as capital contribution to Jingdong 360. The term of the loans will be extended automatically for an additional 10 years, unless Jingdong Century objects, for an unlimited number of times. The loan must be repaid immediately under certain circumstances, including, among others, (i) if the shareholders terminate their services with us, (ii) if any other third-party claims against shareholders for an amount more than RMB100,000 and Jingdong Century has reasonable ground to believe that the shareholders are unable to repay the claimed amount, (iii) if a foreign investor is permitted to hold majority or 100% equity interest in Jingdong 360 and Jingdong Century elects to exercise its exclusive equity purchase option, or (iv) if the loan agreement, relevant equity pledge agreement or exclusive purchase option agreement terminates for cause not attributable to Jingdong Century or is deemed to be invalid by a court.

Pursuant to the amended and restated loan agreement dated June 15, 2016 between Jingdong Century and the shareholders of Jiangsu Yuanzhou, Jingdong Century made loans in an aggregate amount of RMB22 million to the shareholders of Jiangsu Yuanzhou solely for the capitalization of Jiangsu Yuanzhou. The amended and restated loan agreement contains terms substantially similar to the amended and restated loan agreement relating to Jingdong 360 described above.

Pursuant to the loan agreement dated June 23, 2017 between Xi'an Jingxundi and the shareholders of Xi'an Jingdong Xincheng, Xi'an Jingxundi made loans in an aggregate amount of RMB1 million to the shareholders of Xi'an Jingdong Xincheng solely for the capitalization of Xi'an Jingdong Xincheng. The loan agreement contains terms substantially similar to the amended and restated loan agreement relating to Jingdong 360 described above.

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## HISTORY AND CORPORATE STRUCTURE

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### Additional Contractual Arrangements

In addition to the Jingdong 360 Agreements, Jiangsu Yuanzhou Agreements and Xi'an Jingdong Xincheng Agreements, we have also entered into contractual arrangements with each of our other variable interest entities, including Jiangsu Jingdong Bangneng, and their respective shareholders, including: equity pledge agreements, powers of attorney, exclusive technology consulting and services agreements, business operations agreements, exclusive purchase option agreements and loan agreements. Jiangsu Jingdong Bangneng primarily engages in investment activities. Our contractual agreements with these other variable interest entities contain terms substantially similar to those in the Jingdong 360 Agreements, Jiangsu Yuanzhou Agreements and Xi'an Jingdong Xincheng Agreements.

There are certain risks involved in our corporate structure and the contractual arrangements. A detailed discussion of material risks relating to our Contractual Arrangements is set forth in the section headed "Risk Factors—Risks Related to Our Corporate Structure." We have determined that the costs of insurance for the risks associated with our corporate structure and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. Accordingly, as of the Latest Practicable Date, we did not purchase any insurance to cover the risks relating to the contractual arrangements.

### SAFE Registration

Pursuant to the Circular of the SAFE on Foreign Exchange Administration of Overseas Investment, Financing and Round-trip Investments Conducted by Domestic Residents through Special Purpose Vehicles (關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知, "SAFE Circular 37"), promulgated by SAFE on July 4, 2014 and which replaced the Notice on Issues Relating to the Administration of Foreign Exchange in Fund-Raising and Round-Trip Investment Activities of Domestic Residents Conducted via Offshore Special Purpose Companies (關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知, "SAFE Circular 75"), (a) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests to an overseas special purpose vehicle (the "Overseas SPV") that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing, and (b) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of Overseas SPV's PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV's capital, share transfer or swap, and merger or division. Pursuant to SAFE Circular 37, failure to comply with these registration procedures may result in penalties.

Pursuant to the Circular of the SAFE on Further Simplification and Improvement in Foreign Exchange Administration on Direct Investment (關於進一步簡化和改進直接投資外匯管理政策的通知), "SAFE Circular 13"), promulgated by SAFE on February 13, 2015, the power to accept SAFE registration was delegated from local SAFE to local banks where the assets or interests in the domestic entity are located.

As advised by our PRC Legal Adviser, Richard Qiangdong Liu completed the required registration with the SAFE on July 2, 2014.