
HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OVERVIEW

Our healthcare business has operated as a stand-alone business unit of JD Group since February 2014, and we launched our online consultation services in December 2017. Through a series of reorganizations, our Company was incorporated as an exempted company with limited liability in the Cayman Islands on November 30, 2018 as the holding company of our current businesses, which mainly comprise our retail pharmacy business and online healthcare business.

Following the completion of the Spin-off, our businesses will be separate and independent from the businesses of JD Group.

KEY BUSINESS MILESTONES

The following table sets forth our key business development milestones:

<u>Year</u>	<u>Event</u>
2014	Since February, our healthcare business has been operating as a stand-alone business unit of JD Group.
2017	In July and August, we entered into the “Healthy Taizhou” (健康泰州) strategic cooperation agreement with the government of Taizhou, Jiangsu province and “Healthy Suqian” (健康宿遷) strategic cooperation agreement with the government of Suqian, Jiangsu province, respectively. In December, we launched our online consultation services.
2018	In March, Yinchuan JD Online Hospital obtained the Practicing License for Medical Institution, which allowed us to issue prescriptions to the users of our online consultation and prescription renewal service.
2019	In January, our first online medical insurance payment was made on our Group’s platform. In November, we completed the non-redeemable series A preferred share financing with a group of third-party investors. The total amount of financing raised was over US\$900 million. In December, we established our online cardiology center.
2020	In June, we established our online ENT (ear, nose and throat) center and our traditional Chinese medicine center. In August, we established our online stomatology center and launched our family doctor service which offers various family-oriented health management packages. In August, we completed a non-redeemable series B preferred share financing with a group of third-party investors, including an affiliate of Hillhouse Capital. The total amount of financing raised was over US\$900 million.

MAJOR SUBSIDIARIES

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>
JD Health (HK) Limited	Our indirect subsidiary and a trading company	December 20, 2018, Hong Kong
Beijing Jingdong Jiankang Co., Ltd. (北京京東健康有限公司) (“WFOE”)	Our indirect subsidiary (held by JD Health (HK) Limited) and a wholly foreign owned enterprise that primarily engages in procurement and online retail of healthcare products	June 6, 2019, PRC

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Name of company	Principal business activities	Date and jurisdiction of establishment
Beijing Jingdong Hongjian Jiankang Co., Ltd. (北京京東弘健健康有限公司)	A subsidiary of WFOE which primarily engages in procurement and online retail of healthcare products	July 31, 2019, PRC
Guangzhou Jingdong Hongjian Trade Co., Ltd. (廣州京東弘健貿易有限公司)	A subsidiary of WFOE which primarily engages in online retail of healthcare products	March 26, 2020, PRC
Guangxi Jingdong Tuoxian E-commerce Co., Ltd. (廣西京東拓先電子商務有限公司)	A subsidiary of WFOE which primarily engages in technical services and marketing services	November 20, 2019, PRC
Guanghan Jingdong Hongjian Jiankang Co., Ltd. (廣漢京東弘健健康有限公司)	A subsidiary of WFOE which primarily engages in online retail of healthcare products	September 30, 2019, PRC
Shenyang Jingdong Hongjian Trade Co., Ltd. (瀋陽京東弘健貿易有限公司)	A subsidiary of WFOE which primarily engages in online retail of healthcare products	March 2, 2020, PRC
Suqian Jingdong Tianning Jiankang Technology Co., Ltd. (宿遷京東天寧健康科技有限公司) (“ Onshore Holdco ”)	An affiliated consolidated entity of WFOE and a holding company of other Consolidated Affiliated Entities	June 10, 2019, PRC
Yinchuan JD Online Hospital Co., Ltd. (銀川京東互聯網醫院有限公司) (“ Yinchuan JD Online Hospital ”)	A subsidiary of the Onshore Holdco which primarily engages in online hospital services	June 23, 2017, PRC
Jiangsu Jingdong Hongyuan Information Technology Co., Ltd. (江蘇京東弘元信息技術有限公司) (“ Jiangsu Jingdong Hongyuan ”)	A subsidiary of the Onshore Holdco which plans to engage in online marketplace services	August 2, 2019, PRC
Jingdong Pharmacy (Qingdao) Chain Co., Ltd. (京東大藥房(青島)連鎖有限公司) (“ Jingdong Pharmacy Qingdao ”)	An indirect subsidiary of the Onshore Holdco which primarily engages in online retail of pharmaceutical products	January 22, 2010, PRC
Jingdong Pharmacy Taizhou Chain Co., Ltd. (京東大藥房泰州連鎖有限公司) (“ Jingdong Pharmacy Taizhou ”)	A subsidiary of Jingdong Pharmacy Qingdao which primarily engages in online marketplace and online retail of pharmaceutical products	October 23, 2017, PRC
Jingdong Pharmacy (Huizhou) Co., Ltd. (京東大藥房(惠州)有限公司)	A subsidiary of Jingdong Pharmacy Qingdao which primarily engages in online retail of pharmaceutical products	April 28, 2017, PRC

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on November 30, 2018 with an authorized share capital of US\$50,000 divided into 50,000 share with par value of US\$1.00 each. On the same day, we issued one share of par value US\$1.00 to

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Maricorp Services Ltd., which was subsequently transferred to JD.com. On April 29, 2019, JD.com transferred the share in our Company to JD Jiankang.

On June 13, 2019, we conducted a share subdivision pursuant to which each share in our then issued and unissued share capital was subdivided into 1,000,000 shares with par value of US\$0.000001 each, and subsequently issued 1,073,626,866 ordinary shares with par value of US\$0.000001 each to JD Jiankang on the same day.

Between June 28, 2019 and November 29, 2019, we issued in aggregate 181,500,000 Series A Preference Shares with par value of US\$0.000001 each as a result of the pre-IPO financing, further details of which are set out in the section headed “—2. Principal terms of the Pre-IPO Investments” in this section. Please refer to the section headed “—2. Principal terms of the Pre-IPO Investments” in this section for subsequent shareholding changes in connection with the completion of the relevant pre-IPO investments.

On February 12, 2020, we conducted a share subdivision pursuant to which each share in our then issued and unissued share capital was subdivided into two shares of the corresponding class with par value of US\$0.0000005 each.

On June 9, 2020, our Company issued 9,552,238 Series A Preference Shares with par value of US\$0.0000005 each to Novacare Investment Limited.

On August 21, 2020, we issued 130,319,819 Series B Preference Shares with par value of US\$0.0000005 as a result of an additional round of pre-IPO financing, further details of which are set out in the section headed “—2. Principal terms of the Pre-IPO Investments” in this section. Please refer to the section headed “—2. Principal terms of the Pre-IPO Investments” in this section for subsequent shareholding changes in connection with completion of the relevant pre-IPO investments.

SPIN-OFF

Subsequent to the secondary listing of JD.com, having considered, among other things, that our healthcare business has grown to a sufficient size that justifies a separate listing on the Stock Exchange and the current market conditions are more favorable to companies in the healthcare sector, JD.com decided to submit a spin-off proposal to the Stock Exchange pursuant to Practice Note 15 of the Listing Rules. The Stock Exchange has confirmed that JD.com may proceed with the Spin-off as proposed. Our Company will comply with the requirements under Practice Note 15 and the applicable requirements of the Listing Rules regarding the Spin-off, save with respect to paragraph 3(f) of Practice Note 15, in respect of which JD.com has applied for, and the Stock Exchange has granted, a waiver from the requirement for us to provide existing shareholders of JD.com with an assured entitlement to apply for Shares pursuant to the Global Offering.

JD.com considers that the Spin-off is in the interests of JD.com and the JD Shareholders taken as a whole for the following reasons:

- the Spin-off would enable investors to better value JD.com with its focus on JD Group’s business;
- the Spin-off could better reflect the value of our Group on its own merits and increase its operational and financial transparency through which investors would be able to appraise and assess the performance and potential of our Group separately and distinctly from those of JD Group;
- our business is expected to undergo relatively rapid business expansion and would be appealing to an investor base that pursues high growth opportunities in the healthcare

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business, different from the relatively more diverse business model of JD Group's operation;

- with our Company as a separated listed entity, JD.com can fully focus on, and deploy its funds towards, the development of JD Group's business without needing to consider our Group's funding requirements; and
- the value of our Group is expected to be enhanced through the Spin-off, which will in turn benefit JD.com as one of our Controlling Shareholders, given that a listing on the Stock Exchange will:
 - enhance our profile amongst its users, patients, doctors and other business partners, as well as our ability to recruit talents;
 - enable us to directly and independently access both equity and debt capital markets in the future on a stand-alone basis should the need arise, as well as further enhance our ability to secure bank credit facilities;
 - lead to a more direct alignment of our management's responsibilities and accountability with our operating and financial performance. This is expected to result in enhanced management focus, which should in turn lead to improved decision-making processes, faster response time to market changes and increased operational efficiency. Our management will be under heightened scrutiny from the investor community and it will be possible to measure their performance against the stock market performance of our Company. It will also be possible to link management incentives to such performance, thereby increasing management motivation and commitment; and
 - provide clarity of the credit profile of our Group for rating agencies and financial institutions that wish to analyze and lend against the credit of the healthcare business.

CORPORATE REORGANIZATION

In preparation for the Global Offering and in order to streamline our corporate structure, we underwent and continue to undergo the following reorganization (the "**Reorganization**"):

1. Incorporation of the Company

The following companies were incorporated in order to establish the Company and its holding company:

- (a) The Company was incorporated in the Cayman Islands on November 30, 2018 and became a wholly-owned subsidiary of JD Jiankang on April 29, 2019. Upon completion of the Reorganization and the Global Offering, the shareholders of the Company will be JD Jiankang, the Pre-IPO Investors, Novacare Investment Limited, Amazing Start Management Limited and the public shareholders who subscribe for Offer Shares in the Global Offering, excluding the shares to be issued under the Pre-IPO ESOP, Post-IPO Share Option Scheme and Post-IPO Share Award Scheme.
- (b) JD Jiankang was incorporated in the BVI as a wholly-owned subsidiary of JD.com on April 24, 2019.

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2. Incorporation of the Company's Sub-holding Companies

The following Group companies were incorporated to act as an intermediate holding company and sub-holding companies under the Company to hold its subsidiaries and consolidated affiliated entities:

- (a) JD Health (Cayman), Inc. was incorporated as an exempted company with limited liability in the Cayman Islands on December 5, 2018 with an authorized share capital of US\$50,000 divided into 50,000 shares with par value of US\$1.00 each. On December 5, 2018, one share of JD Health (Cayman), Inc. was issued and allotted to Maricorp Services Ltd. as subscriber's share. On the same day, the subscriber's share was transferred to our Company at par value.
- (b) JD Health (HK) Limited was incorporated as a limited liability company under the laws of Hong Kong on December 20, 2018 with a share capital of HK\$1 divided into one share of HK\$1 each. JD Health (Cayman), Inc. was the sole founding member and the holder of the one share.
- (c) The WFOE was established in the PRC as a wholly-foreign owned enterprise on June 6, 2019 with a registered capital of RMB100 million, which was wholly-owned by JD Health (HK) Limited.

3. Entry into the Contractual Arrangements

We entered into a series of contractual arrangements on June 11, 2019, which were terminated and replaced with a separate series of contractual arrangements on April 3, 2020 (except for the exclusive technology consulting and services agreement dated June 11, 2019), which were terminated and replaced with the current set of Contractual Arrangements on September 17, 2020. Please refer to the section headed "Contractual Arrangements" in this document for further details of the Contractual Arrangements.

4. Incorporation of Major Subsidiaries

Please also refer to the sections headed "—Major Subsidiaries" in this section and "—Corporate Structure" in this section for details relating the incorporation of the Major Subsidiaries and the corporate structure of the Group after the Reorganization.

5. Transfer of the retail pharmacy business into our Group

Retail pharmaceutical business

Prior to the Reorganization, Jingdong Shanyuan (Qingdao) E-commerce Co, Ltd. (京東善元(青島)電子商務有限公司) ("**Jingdong Shanyuan**"), as a holding company, and its subsidiaries (including but not limited to Jingdong Pharmacy Qingdao, Jingdong Pharmacy Taizhou and their subsidiaries) primarily operated our retail pharmaceutical business.

On June 12, 2019, the Onshore Holdco acquired all the shares of Jingdong Shanyuan from Jiangsu Yuanzhou E-commerce Co., Ltd. (江蘇圓周電子商務有限公司) ("**Jiangsu Yuanzhou**"), a consolidated affiliated entity of JD.com, for a consideration of RMB2,000,000, in light of Jingdong Shanyuan's contributed capital of RMB2,000,000. The registration with local SAIC in relation to the acquisition of Jingdong Shanyuan was completed on July 25, 2019.

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Retail pharmacy business

Prior to the Reorganization, our retail business of healthcare products (excluding pharmaceutical products) was operated by JD.com and its subsidiaries and consolidated affiliated entities, and is being transferred to our Group by way of business and asset transfer largely through the following steps:

- (a) Our WFOE established several wholly-owned subsidiaries, and applied for those wholly-owned subsidiaries to obtain certain licenses necessary to conduct retail healthcare product business, such as medical device operation license (醫療器械經營許可證) and food operation license (食品經營許可證), in preparation for such wholly-owned subsidiaries to carry on retail healthcare product business prior to the Listing.
- (b) JD Group assigned contracts relating to the retail healthcare product business to our Group, including procurement contracts with suppliers and online platform agreements with third party merchants on our Group's online marketplace. As of the Latest Practicable Date, the vast majority of such contracts have already been assigned to our Group.
- (c) In June 2020, a series of intellectual property transfer agreements were entered into between JD.com (or its subsidiaries and consolidated affiliated entities) and our Group, pursuant to which more than 90 trademarks, domain names, software copyrights and patents are to be transferred to our Group for a total consideration of approximately RMB230,000 taking into account the cost of such intellectual property rights. Given that the transfer of such intellectual property rights requires a lengthy process (including registrations with the relevant governmental bodies), other than the domain names the transfer of which have been completed, it is expected that the remaining intellectually property rights under such intellectual property transfer agreements will be transferred to our Group after the Listing.
- (d) With respect to the employment contracts of employees of our Group, as of the Latest Practicable Date, employment contracts of more than 1,000 employees have been transferred from JD Group to our Group, and the vast majority of the employment contracts of the remaining employees are expected to be transferred to our Group by early 2021.
- (e) Our Group has incorporated JD Health (HK) Limited, a limited liability company under the laws of Hong Kong on December 20, 2018, which is primarily intended for, among others, procuring certain healthcare products from outside of China and selling such products through our online platform to customers in the PRC. See "Relationship with our Controlling Shareholders—Operational independence—Other Transactions—Procurement Services Framework Agreement" and "Connected Transactions—Non-Exempt and Partially Exempt Continuing Connected Transactions—7. Procurement Services Framework Agreement" for further details.

6. Transfer of the online healthcare services business into our Group

Prior to the Reorganization, Yinchuan JD Online Hospital primarily operated our online healthcare services business. On June 12, 2019, the Onshore Holdco acquired all the shares of Yinchuan JD Online Hospital from Jiangsu Yuanzhou for a nominal consideration of RMB1, and the registration of such acquisition with the local SAIC was completed on July 30, 2019.

7. Disposal of certain entities

On October 23, 2019, all the shares of Jingdong Pharmacy (Dongguan) Co., Ltd. (京東大藥房(東莞)有限公司), subsequently renamed as Jingyao Pharmacy (Dongguan) Co., Ltd. (京藥大藥房(東莞)有限公司), were transferred from Jingdong Pharmacy Qingdao to a third party, as such entity did not conduct any substantive business operation after its establishment and the revenue of such entity was insignificant.

On July 11, 2019 and August 8, 2019, Jingdong Pharmacy (Wuhan) Co., Ltd. (京東大藥房(武漢)有限公司) and Jingdong Pharmacy (Jinan) Co., Ltd. (京東大藥房(濟南)有限公司) were deregistered, as the two entities did not conduct any substantive business operations after their establishment.

As advised by our PRC Legal Adviser and to the extent completed up to the Latest Practicable Date, the incorporation of the Major Subsidiaries and the transfer of entities and businesses in connection with the Reorganization in the PRC have been duly effected in accordance with all applicable laws and regulations in the PRC.

PRE-IPO INVESTMENTS

1. Overview

On May 9, 2019, our Company and each of the Series A Preference Shareholders (or their respective affiliates), among others, entered into the Series A Share Subscription Agreement (as amended and supplemented from time to time), pursuant to which (after taking into account the share split on February 12, 2020 pursuant to which each share in our then issued and unissued share capital was split into two shares of the corresponding class with par value of US\$0.0000005 each):

- (a) CJD eHealthcare Investment Limited agreed to subscribe for a total of 80,000,000 Series A Preference Shares for a consideration of US\$200 million;
- (b) Triton Bidco Limited agreed to subscribe for a total of 80,000,000 Series A Preference Shares for a consideration of US\$200 million;
- (c) China Life Chengda (Shanghai) Healthcare Equity Investment Center (Limited Partnership) (國壽成達(上海)健康產業股權投資中心(有限合夥)) agreed to subscribe for a total of 60,000,000 Series A Preference Shares for a consideration of US\$150 million;
- (d) CICC e-Healthcare Investment Limited agreed to subscribe for a total of 60,000,000 Series A Preference Shares for a consideration of US\$150 million;
- (e) Eastar Medical Investment, L.P. agreed to subscribe for a total of 52,000,000 Series A Preference Shares for a consideration of US\$130 million;
- (f) Skycus China Fund, L.P. agreed to subscribe for a total of 16,000,000 Series A Preference Shares for a consideration of US\$40 million;
- (g) Danqing Fund II Investment L.P. (蘇州丹青二期創新醫藥產業投資合夥企業(有限合夥)) agreed to subscribe for a total of 8,000,000 Series A Preference Shares for a consideration of US\$20 million;
- (h) Danqing-JDH Investment L.P. agreed to subscribe for a total of 4,000,000 Series A Preference Shares for a consideration of US\$10 million; and

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- (i) Qianshan Health L.P. agreed to subscribe for a total of 3,000,000 Series A Preference Shares for a consideration of US\$7.5 million.

On and around August 17, 2020, our Company and each of the Series B Preference Shareholders entered into the Series B Share Subscription Agreements, pursuant to which:

- (a) SUM XI Holdings Limited agreed to subscribe for a total of 119,209,819 Series B Preference Shares for a consideration of US\$835,791,962;
- (b) CJD eHealthcare Investment Limited agreed to subscribe for a total of 3,780,671 Series B Preference Shares for a consideration of US\$26,506,662;
- (c) Triton Bidco Limited agreed to subscribe for a total of 3,780,671 Series B Preference Shares for a consideration of US\$26,506,662;
- (d) CICC e-Healthcare Investment Limited agreed to subscribe for a total of 2,835,503 Series B Preference Shares for a consideration of US\$19,879,995; and
- (e) Domking Medical Investment L.P. agreed to subscribe for a total of 713,155 Series B Preference Shares for a consideration of US\$5,000,001.

The considerations were determined based on arm's length negotiations between our Company and the Pre-IPO Investors after taking into consideration the timing of the investments and the status of our business and operating entities. The investments by and the allotment of all the Series A Preference Shares to the Series A Preference Shareholders were completed on November 29, 2019, while the investment by and the allotment of all the Series B Preference Shares to the Series B Preference Shareholders were completed on August 21, 2020.

The table below is a summary of the shareholding structure of our Company as at the date of this document and immediately prior to the Global Offering (excluding shares to be issued under the Pre-IPO ESOP):

<u>Shareholders</u>	<u>Shares⁽¹⁾</u>	<u>Shareholding in our Company as at the date of this document and immediately prior to the Global Offering⁽¹⁾</u>
JD Jiankang ⁽²⁾	2,149,253,732	78.29%
SUM XI Holdings Limited	119,209,819	4.34%
Triton Bidco Limited	83,780,671	3.05%
CJD eHealthcare Investment Limited	83,780,671	3.05%
CICC e-Healthcare Investment Limited	62,835,503	2.29%
China Life Chengda (Shanghai) Healthcare Equity Investment Center (Limited Partnership (國壽成達(上海)健康產業股權投資中心 (有限合夥))	60,000,000	2.19%
Eastar Medical Investment, L.P.	52,000,000	1.89%
Skycus China Fund, L.P.	16,000,000	0.58%
Novacare Investment Limited ⁽³⁾	9,552,238	0.35%
Danqing Fund II Investment L.P. (蘇州丹青二期創新醫藥產業投資合夥企 業(有限合夥))	8,000,000	0.29%
Danqing-JDH Investment L.P.	4,000,000	0.15%
Qianshan Health L.P.	3,000,000	0.11%
Domking Medical Investment L.P.	713,155	0.03%
Amazing Start Management Limited ⁽⁴⁾	93,056,322	3.39%
TOTAL	2,745,182,111	100%

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Notes:

- (1) Under the terms of the Pre-IPO Shareholders' Agreement, all the Preference Shares will automatically be converted to Shares on a 1:1 basis immediately upon the Listing subject to customary adjustments.
- (2) JD Jiankang is wholly-owned by JD.com.
- (3) Novacare Investment Limited is beneficially owned by Lijun Xin as to 93.09% with the remaining interest beneficially owned by 13 other employees of our Group who are not directors or senior management of the Company and is a company incorporated to hold Shares and provide incentives to employees of our Group.
- (4) Amazing Start Management Limited is wholly owned by The Core Trust Company Limited, the trustee holding the shares on trust for the benefit of the participants of the Pre-IPO ESOP. For further details, please refer to the section headed "Statutory and general information—D. Share Incentive Schemes—1. Pre-IPO ESOP" in Appendix IV to this document.

2. Principal terms of the Pre-IPO Investments

The below table summarizes the principal terms of the Pre-IPO Investments:

	Series A Preference Shares Investment	Series B Preference Shares Investment
Cost per share paid by the investors	US\$2.5	US\$7.0111
Date on which investment was fully settled ⁽¹⁾	November 29, 2019	August 21, 2020
Discount to the Offer Price ⁽²⁾	71%	18%
Use of Proceeds from the Pre-IPO Investments	The proceeds are for the general working capital of our Group and for the development and operation of the businesses of the members of our Group. As at the Latest Practicable Date, approximately 5% of the net proceeds from the Pre-IPO Investments by the Pre-IPO Investors were utilized.	
Lock-up	The Shares (converted from Series A Preference Shares) held by the Series A Preference Shareholders, and Novacare Investment Limited ⁽³⁾ , are subject to a lock-up period of 6 months after the Listing and shall not be transferred without the prior written consent of the Company (and in the case of Novacare Investment Limited, without the prior written consent of the Company and the Joint Representatives)	The Shares (converted from Series B Preference Shares) held by the Series B Preference Shareholders are subject to a lock-up period of 6 months after the Listing and shall not be transferred without the prior written consent of the Company
Strategic benefits of the Pre-IPO Investors brought to our Company	At the time of the Pre-IPO Investments, our Directors were of the view that our Company could benefit from the Pre-IPO Investors' commitment to our Company as their investment demonstrates their confidence in the operations of our Group and serves as an endorsement of our Company's performance, strength and prospects.	

Notes:

- (1) The investment by the Series A Preference Shareholders was settled on November 29, 2019, and 9,552,238 Series A Preference Shares were issued to Novacare Investment Limited on June 9, 2020 upon its investment being settled. Novacare Investment Limited is beneficially owned by Lijun Xin as to 93.09% with the remaining interest beneficially owned by 13 other employees of our Group who are not directors or senior management of the Company and was incorporated to hold Shares and provide share-based incentives to employees of our Group.
- (2) Assuming the Offer Price is fixed at HK\$66.69, being the mid-point of the indicative Offer Price range.
- (3) With respect to the lock-up undertaking provided by Novacare Investment Limited, the 1,910,448 Shares (converted from Series A Preference Shares) held by Novacare Investment Limited, representing approximately 20% of the total Shares held by Novacare Investment Limited upon Listing, will not be subject to any lock-up after the expiration of the stabilization period in connection with the Global Offering.

3. Rights of the Pre-IPO Investors

In addition to the terms described above, the Pre-IPO Shareholders' Agreement was entered into between our Company, JD.com, JD Jiankang, Novacare Investment Limited and each of the Pre-IPO Investors relating to, inter alia, the operation and management of our Company. Pursuant to the Pre-IPO Shareholders' Agreement, the Pre-IPO Investors and Novacare Investment Limited were granted certain special rights in relation to our Company, including, among others, customary rights of first refusal to participate in future funding rounds, information rights, and anti-dilution and veto rights (where applicable). The special rights under the Pre-IPO Shareholders' Agreement will terminate upon the Listing in accordance with the terms of the Pre-IPO Shareholders' Agreement. All Preference Shares will convert to Shares upon Listing on a 1:1 basis subject to customary adjustments.

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4. Public Float

The Shares held by the Pre-IPO Investors will be counted towards the public float for the purpose of the Listing Rules. To the best knowledge, information and belief of our Directors, all the Pre-IPO Investors are Independent Third Parties of our Group. The Shares held by JD Jiankang, Novacare Investment Limited and Amazing Start Management Limited will not be counted towards the public float for the purposes of the Listing Rules.

5. Information on the Pre-IPO Investors

Hillhouse Capital Management, Ltd. (“**Hillhouse Capital**”) acts as the sole management company of Hillhouse Fund IV, L.P., which owns SUM XI Holdings Limited, an exempted company incorporated under the laws of Cayman Islands. Founded in 2005, Hillhouse Capital is a global firm of investment professionals and operating executives who are focused on building and investing in high quality business franchises that achieve sustainable growth. Independent proprietary research and industry expertise, in conjunction with world-class operating and management capabilities, are key to Hillhouse Capital’s investment approach. Hillhouse Capital partners with exceptional entrepreneurs and management teams to create long-term value, often with a focus on enacting innovation and technological transformation. Hillhouse Capital invests in the healthcare, consumption and retail, TMT, advanced manufacturing, financial and business services sectors in companies across all equity stages. Hillhouse Capital and its group members manage assets on behalf of global institutional clients with long-term vision.

Triton Bidco Limited is an investment holding company incorporated under the laws of the Cayman Islands, and is indirectly wholly-owned by The Baring Asia Private Equity Fund VII, L.P. (“**Fund VII LP**”), The Baring Asia Private Equity Fund VII, L.P.1 (“**Fund VII LP1**”), The Baring Asia Private Equity Fund VII Co-investment, L.P. (“**Fund VII Co-invest**”) and The Baring Asia Private Equity Fund VII SCSP (“**Fund VII SCSP**”, and collectively with Fund VII LP, Fund VII LP1 and Fund VII Co-invest, “**BPEA Fund VII**”). Each of Fund VII LP, Fund VII LP1 and Fund VII Co-invest is controlled by its general partner Baring Private Equity Asia GP VII, L.P. which, in turn, is controlled by its general partner Baring Private Equity Asia GP VII Limited. Baring Private Equity Asia GP VII Limited is wholly-owned by Mr. Jean Eric Salata Rothleder. Mr. Jean Eric Salata Rothleder disclaims beneficial ownership of such entities, except to the extent of his economic interest in such entities. Fund VII SCSP is controlled by its general partner, Baring Private Equity Asia GP VII S.a.r.l., which is in turn wholly-owned by Baring Private Equity Asia GP VII Limited. BPEA Fund VII focuses on mid- and large-cap buyouts across the Asia Pacific region, as well as investing in companies globally that can benefit from further expansion into Asia Pacific. The target sectors for investments include healthcare, consumer, education, IT services & software, business services, financial services, and value-added manufacturing.

CJD eHealthcare Investment Limited is a business company incorporated under the laws of the British Virgin Islands. CJD eHealthcare Investment Limited is owned as to approximately 80.5% by CPEChina Fund III, L.P. (“**CPE Fund III**”) and 14.5% by CPE GLOBAL OPPORTUNITIES FUND, L.P. (“**GOF**”, collectively with CPE Fund III, the “**CPE Funds**”). The general partner of CPE Fund III is CPE Funds III Limited, an exempted company incorporated in the Cayman Islands with limited liability, which is wholly owned by CPE Holdings Limited. CPE Holdings Limited is wholly owned by CPE Holdings International Limited. CPE Holdings International Limited is owned by a number of shareholders that are natural persons none of whom controls CPE Holdings International Limited. The general partner of GOF is CPE GOF GP Limited, an exempted company incorporated in the Cayman

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Islands with limited liability, which is wholly owned by CPE Management International Limited. CPE Management International Limited is wholly owned by CPE Management International II Limited. CPE Management International II Limited is owned by a number of shareholders that are natural persons none of whom controls CPE Management International II Limited.

CICC e-Healthcare Investment Limited is a limited company incorporated in the Cayman Islands. CICC e-Healthcare Investment Limited is a special purpose vehicle, as to approximately 66.7% controlled by CICC Kangrui I (Ningbo) Equity Investment Limited Partners (Limited Partnership) and approximately 33.3% controlled by CICC Healthcare Investment Fund, L.P.. CICC Kangrui I (Ningbo) Equity Investment Limited Partners (Limited Partnership) is a private equity fund with more than RMB2.6 billion capital commitment and is controlled by its general partner, CICC Kangzhi (Ningbo) Equity Investment Management Limited which is controlled by China International Capital Corporation Limited. CICC Healthcare Investment Fund, L.P. is a private equity fund with more than US\$200 million capital commitment and is controlled by its general partner, CICC Healthcare Investment Management Limited, which is controlled by China International Capital Corporation Limited. Both CICC Kangrui I (Ningbo) Equity Investment limited Partners (Limited Partnership) and CICC Healthcare Investment Fund, L.P. focus on investment in healthcare industry which include medical service, equipment, biotech and other related businesses.

China Life Chengda (Shanghai) Healthcare Equity Investment Center (Limited Partnership) (國壽成達(上海)健康產業股權投資中心(有限合夥)) is a private equity fund incorporated under the laws of the PRC. China Life Chengda (Shanghai) Healthcare Equity Investment Center (Limited Partnership) (國壽成達(上海)健康產業股權投資中心(有限合夥)) is controlled by its general partner, China Life Chengda (Shanghai) Healthcare Private Equity Investment Management Co., Ltd., a limited liability company indirectly owned by China Life Insurance (Group) Company. China Life Chengda (Shanghai) Healthcare Equity Investment Center (Limited Partnership) (國壽成達(上海)健康產業股權投資中心(有限合夥)) is the first private equity fund backed by an insurance company approved by China Insurance Regulatory Commission, with total assets under management of RMB12 billion. Leveraging the strong support and resource of China Life Insurance (Group) Company, it aims to become the leading healthcare investment platform.

Eastar Medical Investment, L.P. is a private equity fund registered in the Cayman Islands with more than US\$136 million in assets under management. Eastar Medical Investment L.P. focuses on investment opportunities in healthcare sector. Eastar Medical Investment, L.P. is controlled by its general partner, Eastar Capital Management Ltd, a Cayman Islands exempted company. Eastar Capital Management Ltd is controlled by Shilin SHI.

Domking Medical Investment, L.P. is an exempted limited partnership established in the Cayman Islands with more than US\$5 million in assets under management. Domking Medical Investment, L.P. focuses on investment opportunities in healthcare sector. Domking Medical Investment, L.P. is controlled by its general partner, Eastar Capital Management Ltd, a Cayman Islands exempted company. Eastar Capital Management Ltd is controlled by Shilin SHI.

Skycus China Fund, L.P. is a limited partnership established in the Cayman Islands with more than US\$500 million in assets under management. Skycus China Fund, L.P. is managed by its general partner, Skycus Asset Management Limited. No ultimate beneficial owner of any limited partner or general partner holds more than 30% equity of Skycus China Fund, L.P.. Skycus China Fund, L.P. focuses on investment opportunities being created in emerging industries driven by innovations, and

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

traditional industries being transformed and upgraded. Skycus China Fund, L.P. intends to primarily invest in strategic emerging industries (including TMT, culture, sports and healthcare industries), covering growth-stage and mature-stage portfolios, and in leading enterprises with a vision to collectively lead or participate in depth in the integration and expansion of industry value chain.

Danqing Fund II Investment L.P. (蘇州丹青二期創新醫藥產業投資合夥企業(有限合夥)) is a private equity fund registered under the laws of PRC with more than RMB3 billion in assets under management. It is dedicated to exploring investment opportunities in healthcare industry including, among others, pharmaceutical/ biotech, IVD and medical services. Danqing Fund II Investment L.P. is controlled by Ningbo Meishan Bonded Area Qiyu Investment and Management L.P., its general partner. Ningbo Meishan Bonded Area Qiyu Investment and Management L.P. is controlled by Ningbo Meishan Bonded Area Shiyu Investment and Management Co., Ltd., its general partner. Ningbo Meishan Bonded Area Shiyu Investment and Management Co., Ltd. is wholly owned by Shenzhen Shiyu Investment and Management Co., Ltd., a private fund management company registered by the Asset Management Association of China.

Danqing-JDH Investment L.P. is a private equity fund registered in the Cayman Islands with US\$10 million in assets under management. Danqing-JDH Investment L.P. is a single-project investment fund and all of its funds have been invested in our Company. Danqing-JDH Investment L.P. is controlled by Shiyu Investment Ltd., its general partner registered in the Cayman Islands. Shiyu Investment Ltd. is wholly owned by Shiyu Holding Ltd., an investment holding vehicle incorporated in the BVI. Given that the majority shareholder of Shiyu Investment Ltd. and one of the joint actual controllers of Shenzhen Shiyu Investment and Management Co., Ltd. is the same person, Danqing Fund II Investment L.P. (蘇州丹青二期創新醫藥產業投資合夥企業(有限合夥)) and Danqing-JDH Investment L.P. are connected persons of each other under the Listing Rules.

Qianshan Health L.P. is a fund with over US\$8 million in assets under management and managed by its general partner, Qianshan Capital (Cayman) Fund Management Co., Ltd., a Cayman limited company. Qianshan Capital (Cayman) Fund Management Co., Ltd., focuses on venture capital investments in technology, media, and logistics industry.

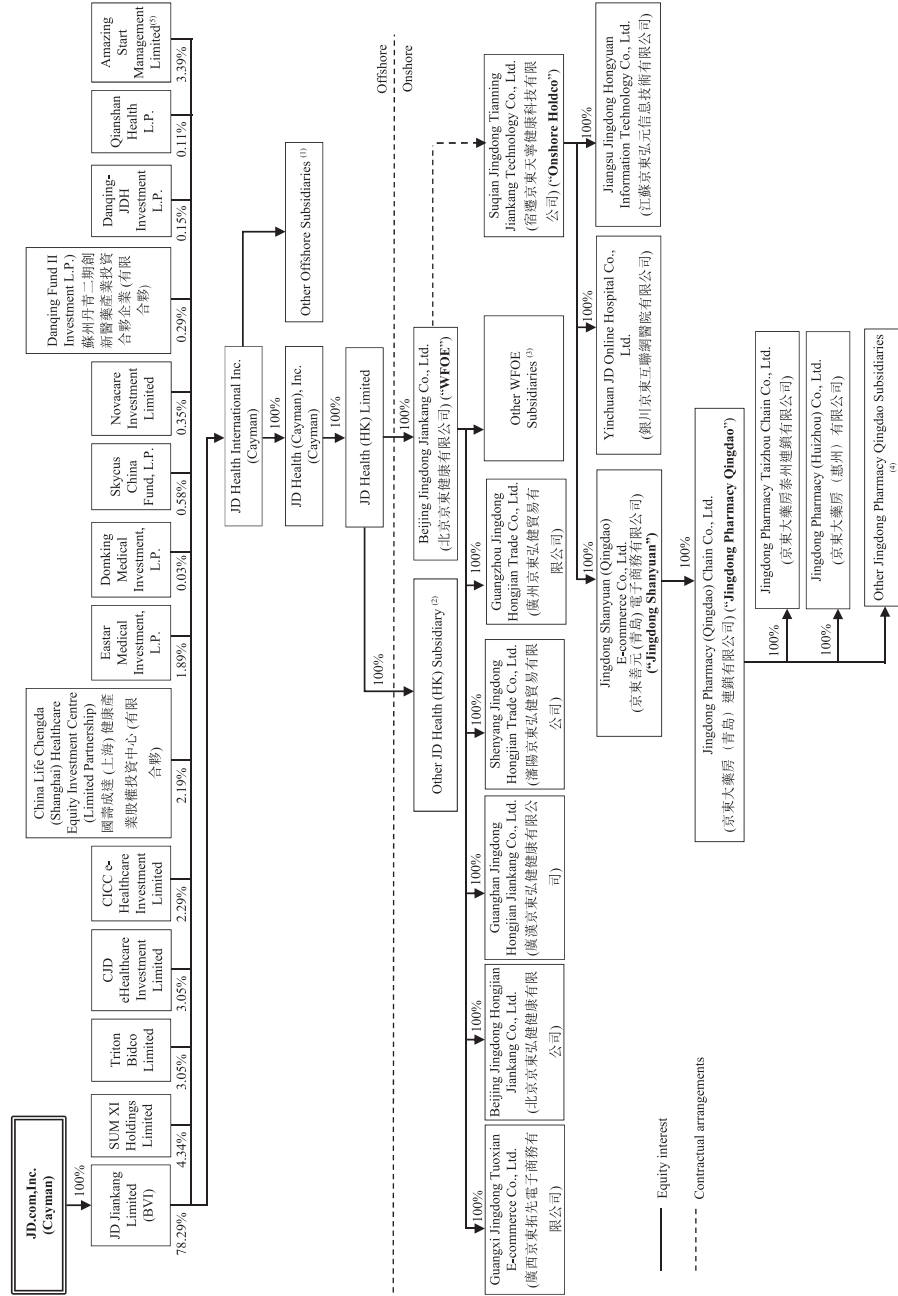
6. Compliance with Interim Guidance

On the basis that (i) the consideration for the Pre-IPO Investments was settled more than 28 clear days before the date of our first submission of the listing application to the Stock Exchange in relation to the Listing and (ii) the special rights granted to the Pre-IPO Investors and Novacare Investment Limited will terminate upon the Listing, the Joint Sponsors have confirmed that the Pre-IPO Investments are in compliance with the Guidance Letter HKEX-GL29-12 issued by the Stock Exchange in January 2012 and as updated in March 2017, the Guidance Letter HKEX-GL43-12 issued by the Stock Exchange in October 2012 and as updated in July 2013 and March 2017 and the Guidance Letter HKEX-GL44-12 issued by the Stock Exchange in October 2012 and as updated in March 2017.

CORPORATE STRUCTURE

Corporate structure after Reorganization and before the Global Offering

The following chart depicts the shareholding and beneficial ownership structure of our Group immediately prior to the completion of the Global Offering, excluding shares to be issued under the Pre-IPO ESOP, Post-IPO Share Option Scheme and Post-IPO Share Award Scheme:



Notes:

- (1) Other Offshore Subsidiaries include the following direct and indirect wholly-owned subsidiaries of the Company:
 - (a) JD Hospital Limited, incorporated in the BVI;

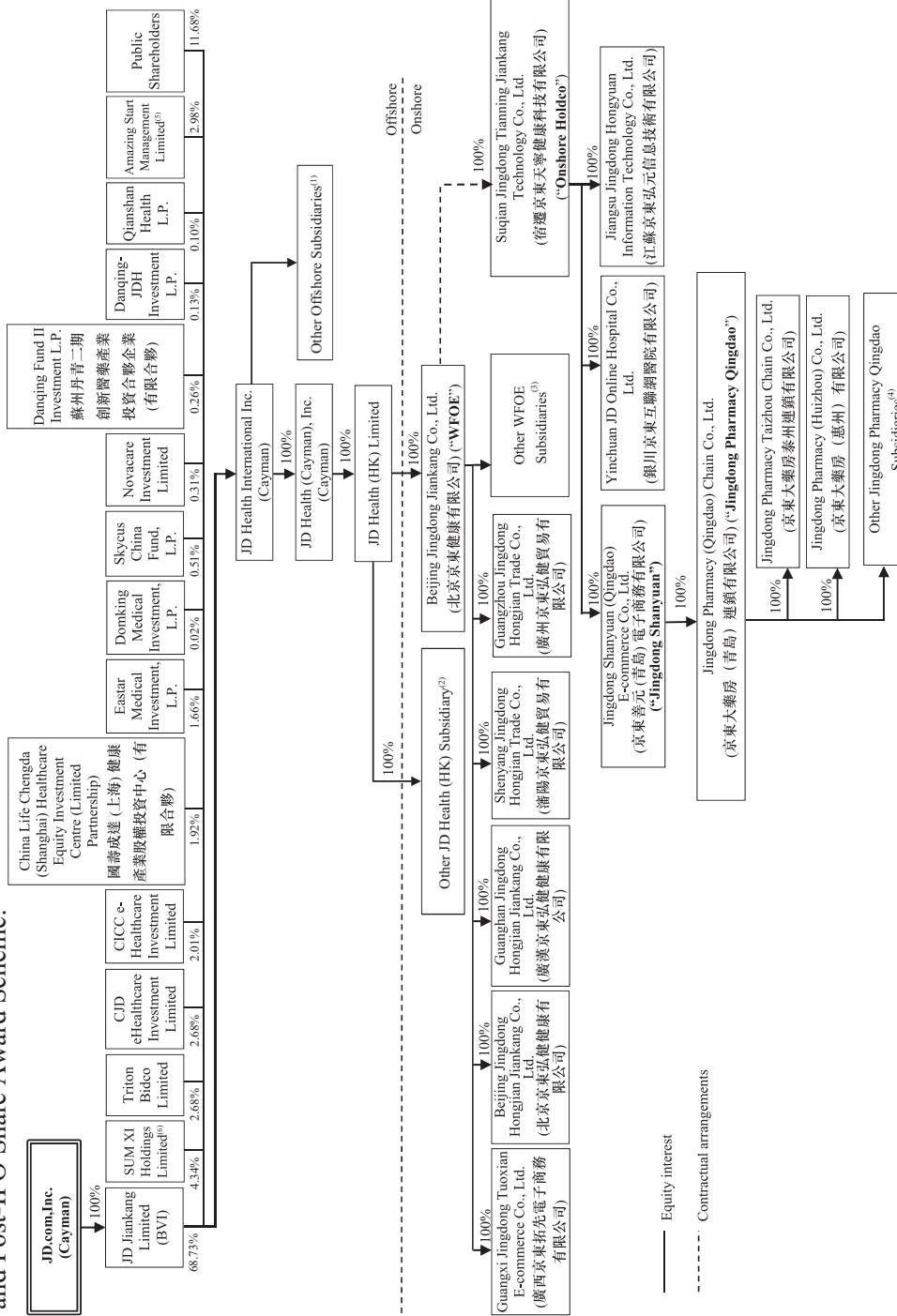
HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (b) Carever Healthcare Group Corporation, incorporated in the Cayman Islands;
- (c) Hongci Healthcare Group Corporation, incorporated in the Cayman Islands;
- (d) Hongci Healthcare HK Limited, incorporated in Hong Kong; and
- (e) Seven other dormant companies incorporated in the BVI, Cayman and Hong Kong.
- (2) Other JD Health (HK) Subsidiary means Sanya Jingdong Dibao Jianshang Co., Ltd. (三亞京東迪保健康有限公司).
- (3) Other WFOE Subsidiaries include the following direct and indirect wholly-owned subsidiaries of the WFOE, save for Jingdong Yiyao (Tianjin) Co., Ltd. (京東醫藥(天津)有限公司), all incorporated in the PRC:
- (a) Jingdong Yiyao (Beijing) Co., Ltd. (京東醫藥(北京)有限公司);
 - (b) Beijing Jingdong Hongyuan Information Technology Co., Ltd. (北京京東弘元信息技術有限公司);
 - (c) Suqian Jingdong Chengxian Information Technology Co., Ltd. (宿遷京東丞健信息技術有限公司);
 - (d) Beijing Jingdong Tuoxian Technology Co., Ltd. (北京京東拓先科技有限公司);
 - (e) Taicang Jingdong Jianshang Co., Ltd. (太倉京東健康有限公司);
 - (f) Dezhou Jingdong Hongjian Trade Co., Ltd. (德州京東弘健貿易有限公司);
 - (g) Xi'an Jingdong Hongjian Trade Co., Ltd. (西安京東弘健貿易有限公司);
 - (h) Wuhan Jingdong Hongjian Trade Co., Ltd. (武漢京東弘健貿易有限公司);
 - (i) Jingdong Yiyao (Tianjin) Co., Ltd. (京東醫藥(天津)有限公司), 70% of which is indirectly held by the WFOE and the remaining 30% is held by an Independent Third Party (not taking into account his 30% shareholding in Jingdong Yiyao (Tianjin) Co., Ltd. (京東醫藥(天津)有限公司)); and
 - (j) Taizhou Jingdong Medical Co., Ltd. (泰州市京東醫藥有限責任公司).
- (4) Other Jingdong Pharmacy Qingdao Subsidiaries include the following direct and indirect wholly-owned subsidiaries of Jingdong Pharmacy Qingdao, all incorporated in the PRC:
- (a) Jingdong Pharmacy (Shenyang) Co., Ltd. (京東大藥房(瀋陽)有限公司);
 - (b) Jingdong Yuanjian Pharmacy (Fujian) Co., Ltd. (京東元健大藥房(福建)有限公司);
 - (c) Jingdong Pharmacy Chain (Shandong) Co., Ltd. (京東大藥房連鎖(山東)有限公司);
 - (d) Taizhou Tai Jingdong Pharmacy Co., Ltd. (泰州市泰京東大藥房有限公司);
 - (e) Jingdong Weijin Pharmacy (Tianjin) Co., Ltd. (京東衛津大藥房(天津)有限公司);
 - (f) Jingdong Duhui Pharmacy (Tianjin) Co., Ltd. (京東都會大藥房(天津)有限公司);
 - (g) Jingdong Pharmacy (Fuzhou) Co., Ltd. (京東大藥房(撫州)有限公司);
 - (h) Jingdong Pharmacy (Tianjin) Co., Ltd. (京東大藥房(天津)有限公司);
 - (i) Jingdong Pharmacy (Guangzhou) Co., Ltd. (京東大藥房(廣州)有限公司);
 - (j) Beijing Jingdong Kechuang Pharmacy Co., Ltd. (北京京東科創大藥房有限公司);
 - (k) Jingdong Pharmacy Shanxi Co., Ltd. (京東大藥房陝西有限公司);
 - (l) Jingdong Pharmacy Chongqing Co., Ltd. (京東大藥房重慶有限公司);
 - (m) Luohe Jingdong Pharmacy Co., Ltd. (漯河京東大藥房有限公司);
 - (n) Jingdong Qingji Pharmacy (Tianjin) Co., Ltd. (京東青吉大藥房(天津)有限公司);
 - (o) Jingdong Funan Pharmacy (Guangzhou) Co., Ltd. (京東富南大藥房(廣州)有限公司);
 - (p) Jingdong Pharmacy (Zhejiang) Co., Ltd. (京東大藥房(浙江)有限公司);
 - (q) Sichuan Jingdong Pharmacy Co., Ltd. (四川京東大藥房有限公司);
 - (r) Jinan Kangxi Zhihui Yaofang Co., Ltd. (濟南市康熙智惠藥房有限公司);
 - (s) Longgang Binhai Pharmacy Co., Ltd. (龍港市濱海大藥房有限公司);
 - (t) Jingdong Pharmacy (Beijing) Co., Ltd. (京東大藥房(北京)有限公司);
 - (u) Guangxi Jingdong Pharmacy Co., Ltd. (廣西京東大藥房有限公司); and
 - (v) Jingdong Pharmacy (Wuxi) Co., Ltd. (京東大藥房(無錫)有限公司).
- (5) Amazing Start Management Limited is wholly owned by The Core Trust Company Limited, the trustee holding the shares on trust for the benefit of the participants of the Pre-IPO ESOP. For further details, please refer to the section headed "Statutory and general information—D. Share Incentive Schemes—I. Pre-IPO ESOP" in Appendix IV to this document.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Corporate structure immediately following the Global Offering

The following chart depicts the shareholding and beneficial ownership structure of our Group immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised and excluding any shares to be issued under the Pre-IPO ESOP, Post-IPO Share Option Scheme and Post-IPO Share Award Scheme:



Notes (1) to (5): Please refer to the details contained in the preceding pages.

(6) Shares held by SUM XI Holdings Limited (and its affiliates) immediately upon completion of the Global Offering include the Shares to be subscribed for by SUM XI Holdings Limited (through its affiliate) as a cornerstone investor in the Global Offering (assuming full exercise of its anti-dilution right). For more details, please see the section headed "Cornerstone Investors".

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 (國家外匯管理局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) (the “**SAFE Circular 37**”), promulgated by SAFE and which became effective on July 14, 2014, (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) (the “**SAFE Circular 13**”), promulgated by SAFE and which became effective on June 1, 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, Mr. Richard Qiangdong Liu (劉強東) completed the required registration with the local SAFE branch on July 2, 2014.