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[INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF TENCENT HOLDINGS LIMITED \(incorporated in Cayman Islands with limited liability\).](#)

As filed with the Securities and Exchange Commission on March 19, 2014

Registration No. 333-193650

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

**AMENDMENT NO. 1
TO**

FORM F-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

JD.com, Inc.

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English)

Cayman Islands <i>(State or other jurisdiction of incorporation or organization)</i>	5990 <i>(Primary Standard Industrial Classification Code Number)</i>	Not Applicable <i>(I.R.S. Employer Identification Number)</i>
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**10th Floor, Building A, North Star Century Center
No. 8 Beichen West Street
Chaoyang District, Beijing 100101
The People's Republic of China
+86 10 5895-5500**

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

**Law Debenture Corporate Services Inc.
400 Madison Avenue, 4th Floor
New York, New York 10017
(212) 750-6474**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Z. Julie Gao, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
c/o 42/F, Edinburgh Tower, The Landmark
15 Queen's Road Central
Hong Kong
+852 3740-4700

James C. Lin, Esq.
Davis Polk & Wardwell LLP
c/o 18th Floor, The Hong Kong Club
Building
3A Chater Road, Central
Hong Kong
+852 2533-3300

Approximate date of commencement of proposed sale to the public: as soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price ⁽²⁾⁽³⁾	Amount of registration fee
Class A Ordinary Shares, par value \$0.00002 per share ⁽¹⁾	\$1,500,000,000	\$193,200 ⁽⁴⁾

- (1) American depositary shares issuable upon deposit of Class A ordinary shares registered hereby will be registered under a separate registration statement on Form F-6 (Registration No. 333-). Each American depositary share represents Class A ordinary shares.
- (2) Includes Class A ordinary shares that are issuable upon the exercise of the underwriters' over-allotment option. Also includes Class A ordinary shares initially offered and sold outside the United States that may be resold from time to time in the United States either as part of their distribution or within 40 days after the later of the effective date of this registration statement and the date the shares are first bona fide offered to the public. These Class A ordinary shares are not being registered for the purpose of sales outside the United States.
- (3) Estimated solely for the purpose of determining the amount of registration fee in accordance with Rule 457(o) under the Securities Act of 1933.
- (4) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion
Preliminary Prospectus dated _____, 2014

PROSPECTUS

American Depositary Shares



JD.com, Inc.

Representing _____ Class A Ordinary Shares

This is an initial public offering of American depositary shares, or ADSs, of JD.com, Inc. We are selling _____ ADSs. [The selling shareholders identified in this prospectus are selling an additional _____ ADSs.] Each ADS represents _____ of our Class A ordinary shares, par value US\$0.00002 per share. [We will not receive any proceeds from the sale of ADSs to be offered by the selling shareholders.]

Prior to this offering, there has been no public market for the ADSs or the Class A ordinary shares. It is currently estimated that the initial public offering price per ADS will be between US\$ _____ and US\$ _____. We intend to apply to list the ADSs on [the New York Stock Exchange/the NASDAQ Global Market] under the symbol "_____."

Investing in the ADSs involves risks that are described in the "Risk Factors" section beginning on page 18 of this prospectus.

	<u>Per ADS</u>	<u>Total</u>
Initial public offering price	US\$ _____	US\$ _____
Underwriting discount	US\$ _____	US\$ _____
Proceeds, before expenses, to us	US\$ _____	US\$ _____
[Proceeds, before expenses, to the selling shareholders	US\$ _____	US\$ _____]

The underwriters may also exercise their option to purchase up to an additional _____ ADSs from us, [and up to an additional _____ ADSs from the selling shareholders,] at the initial public offering price, less the underwriting discount, for 30 days after the date of this prospectus.

Neither the United States Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Following the completion of this offering, our outstanding share capital will consist of Class A ordinary shares and Class B ordinary shares. Richard Qiangdong Liu, our founder, chairman and chief executive officer, will be deemed to beneficially own all of our issued Class B ordinary shares and will be able to exercise approximately _____ % of the total voting power of our issued and outstanding share capital, both on behalf of himself and on behalf of Fortune Rising Holdings Limited, immediately following the completion of this offering. Holders of Class A ordinary shares and Class B ordinary shares have the same rights except for voting and conversion rights. Each Class A ordinary share is entitled to one vote, and each Class B ordinary share is entitled to twenty votes and is convertible into one Class A ordinary share. Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances.

The underwriters expect to deliver the ADSs against payment in U.S. dollars in New York, New York on or about _____, 2014.

BofA Merrill Lynch

UBS Investment Bank

The date of this prospectus is _____, 2014.

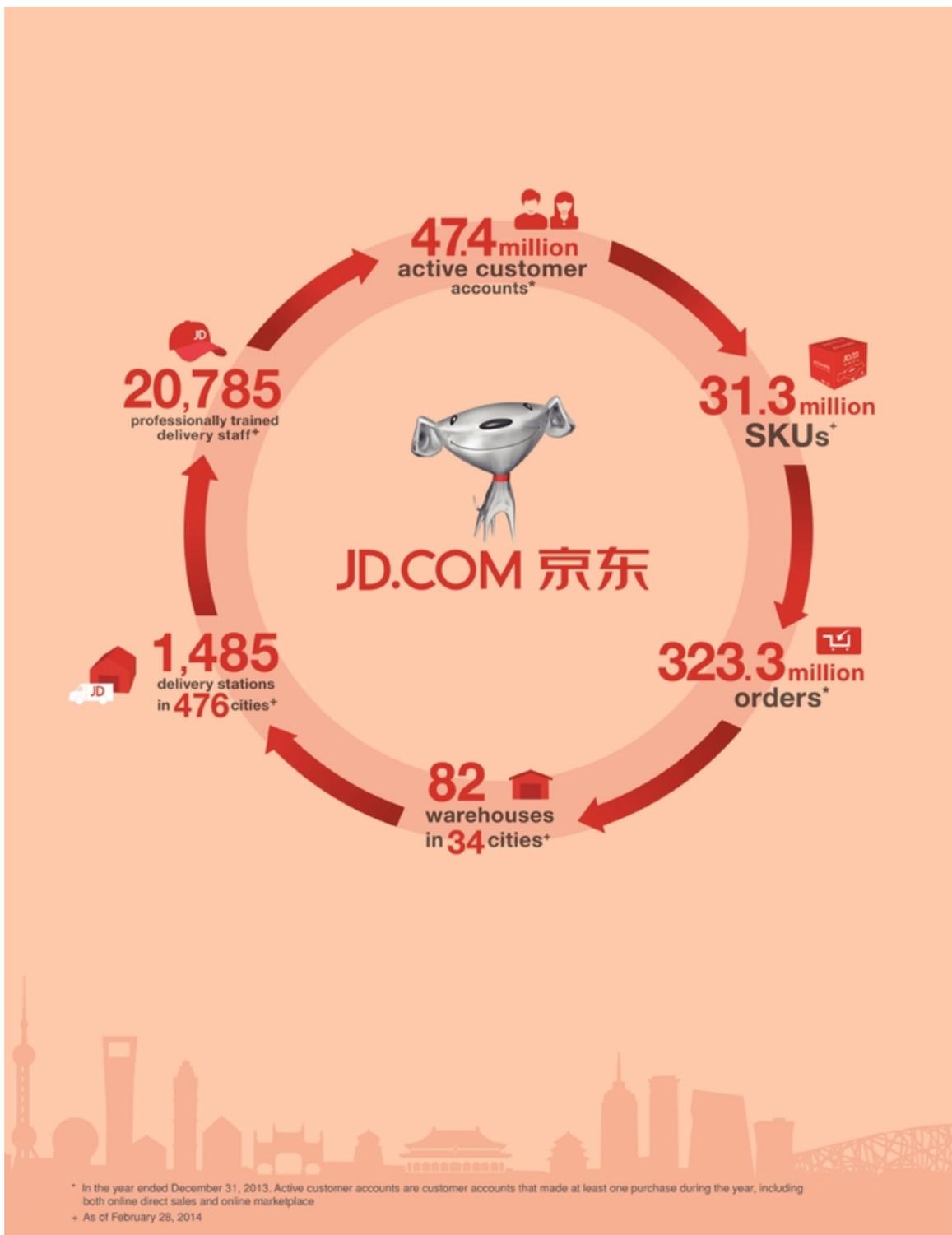


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No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus or any free writing prospectus filed with the SEC. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the ADSs offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

Neither we nor any of the underwriters has done anything that would permit this offering or possession or distribution of this prospectus or any filed free writing prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus or any filed free writing prospectus must inform themselves about, and observe any restrictions relating to, the offering of the ADSs and the distribution of this prospectus or any filed free writing prospectus outside of the United States.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements appearing elsewhere in this prospectus. In addition to this summary, we urge you to read the entire prospectus carefully, especially the risks of investing in our ADSs discussed under "Risk Factors," before deciding whether to buy our ADSs.

Our Business

We are the largest online direct sales company in China in terms of transaction volume in 2013, with a market share in China of 46.5%, according to iResearch, a third-party market research firm. Our gross merchandise volume, or GMV, increased from RMB32.7 billion in 2011 to RMB73.3 billion in 2012 and RMB125.5 billion (US\$20.7 billion) in 2013.

We believe we provide consumers an enjoyable online retail experience. Through our content-rich and user-friendly website *www.jd.com* and mobile applications, we offer a wide selection of authentic products at competitive prices which are delivered in a speedy and reliable manner. We also offer convenient online and in-person payment options and comprehensive customer services. In order to have better control over fulfillment and to ensure customer satisfaction, we have built our own nationwide fulfillment infrastructure and last-mile delivery network, staffed by our own employees, which supports both our online direct sales and our online marketplace businesses. We have established strong relationships with our suppliers as we develop our online direct sales business. Leveraging our strengths, we launched our online marketplace business in 2010, which has allowed us to significantly expand our selection of products and services.

As a result of our superior customer experience, our business has grown rapidly. The number of products we offer through our online direct sales and marketplace has grown from approximately 1.5 million stock keeping units, or SKUs, as of December 31, 2011 to approximately 7.2 million SKUs as of December 31, 2012 to approximately 25.7 million as of December 31, 2013 and further to approximately 31.3 million as of February 28, 2014. Electronics products and home appliances accounted for 80.1%, 65.3% and 63.6% of our total GMV in 2011, 2012 and 2013, respectively, and general merchandise and others for 19.9%, 34.7% and 36.4%.

We foster an interactive user community that discusses, rates and reviews our products and services. We believe we have the largest online product review database of any online direct sales company in China with approximately 284 million product reviews generated by our customers to date. We had 12.5 million, 29.3 million and 47.4 million active customer accounts and fulfilled approximately 65.9 million, 193.8 million and 323.3 million orders in 2011, 2012 and 2013, respectively.

Timely and reliable fulfillment is critical to the success of an online retail business. Given the underdevelopment of third-party fulfillment services in China in terms of both warehousing and logistics facilities and last-mile delivery services, we made a strategic decision in 2007 to build and operate our own nationwide fulfillment infrastructure. We believe we have the largest fulfillment infrastructure of any e-commerce company in China. We operated 82 warehouses with an aggregate gross floor area of over 1.3 million square meters in 34 cities and 1,485 delivery stations and 212 pickup stations in 476 cities across China, staffed by 20,785 delivery personnel, 8,828 warehouse staff and 4,874 customer service personnel, as of February 28, 2014. Leveraging this nationwide fulfillment infrastructure, we deliver a majority of the orders directly to customers ourselves, over 70% of which were delivered on the day the order was placed or the day after. As of February 28, 2014, we provided same-day delivery in 40 cities under our 211 program and next-day delivery in another 248 cities across China.

We are a technology-driven company and have invested heavily in developing our own highly scalable proprietary technology platform that supports our rapid growth and enables us to provide

value-added technology services. Our technology platform currently has the capacity to process up to 30 million orders per day and record the status of 1.5 billion SKUs. In addition, our sophisticated business intelligence system enables us to refine our merchandise sourcing strategy to manage our inventory turnover and control costs and to leverage our large customer database to create customized product recommendations and cost-effective and targeted advertising.

We introduced our online marketplace to leverage our brand recognition, large and growing customer base, extensive transaction data, fulfillment infrastructure and proprietary technology platform. Our online marketplace allows us to provide customers a much greater selection of products. As of February 28, 2014, our online marketplace accounted for approximately 29.0 million of the approximately 31.3 million SKUs offered on our website. Our online direct sales and marketplace businesses together made us the second largest B2C e-commerce company in China, with an 18.3% market share based on transaction volume in 2013, according to iResearch. We attract and select third-party sellers to offer authentic products to our customers through our online marketplace. We monitor third-party sellers' performance and activities on our online marketplace closely to ensure that they meet our requirements for authentic products and high-quality customer service. In addition to basic transaction processing and billing services, we offer third-party sellers a suite of value-added fulfillment and other services.

Our business has grown substantially in recent years. Our total net revenues increased from RMB21.1 billion in 2011 to RMB41.4 billion in 2012 and RMB69.3 billion (US\$11.5 billion) in 2013. We had net losses of RMB1.3 billion, RMB1.7 billion and RMB0.05 billion (US\$8 million) in 2011, 2012 and 2013, respectively.

JD.com, Inc. is a holding company and does not directly own all of the entities through which we carry out our business operations. The PRC government regulates foreign ownership and imposes licensing and permit requirements for companies that offer value-added telecommunications services, distribute books and audio and video products and provide online payment services. To comply with these restrictions, we operate our website and mobile applications, sell books and audio and video products and provide online payment services through our variable interest entities in China. Our variable interest entities contributed 2.2%, 3.2% and 2.9% of our consolidated total revenues in 2011, 2012 and 2013, respectively. These variable interest entities hold the permits and licenses necessary for us to conduct our business in China. We face risks and uncertainties associated with our corporate structure, as our control over these variable interest entities is based on contractual arrangements rather than equity ownership. See "Risk Factors—Risks Relating to Our Corporate Structure" and "Corporate History and Structure."

Our Industry

China's retail industry has experienced substantial growth as a result of rising disposable income and increasing urbanization. Total retail sales grew from RMB6.2 trillion in 2008 to RMB9.8 trillion (US\$1.6 trillion) in 2012, according to Euromonitor International, representing a compound annual growth rate, or CAGR, of 12.2%. However, China's large size and population and differences in consumer behavior and purchasing power across the country have presented significant challenges for retailers to scale up and expand nationwide. As a result, China's retail industry is highly fragmented, with the top 20 retailers in aggregate only accounting for approximately 10% of the total market share in 2012, as compared with approximately 40% in the United States, according to Euromonitor International. The fragmented offline retail market in China presents an opportunity for online retailers.

According to iResearch, China's online retail market size measured by transaction volume was RMB1.3 trillion in 2012 and is expected to reach RMB3.8 trillion (US\$626 billion) in 2016, representing a CAGR of 30.2%, a growth rate significantly faster than that of the overall retail market.

Online direct sales and online marketplace are the two major online retail business models in China. Under the online direct sales business model, a company procures and manages its own inventories, sells products directly to consumers online, and provides delivery and after-sales services. Under the online marketplace business model, a company operates an intermediary platform that facilitates transactions between merchants and consumers. Some online marketplaces are operated by companies that also have their own online direct sales business. China's online retail market was originally dominated by online marketplaces, but companies operating under the online direct sales model with carefully managed procurement and fulfillment services as well as wide product selection have also been successful in the past several years, particularly as customers increasingly value product authenticity and better service.

With the shortage of quality storage space and the limited availability of reasonably priced last-mile delivery options, fulfillment remains a challenge for online retail companies attempting to reach more consumers on a nationwide scale while maintaining the quality and efficiency of customer service.

Competitive Strengths

We believe that the following competitive strengths contribute to our success and differentiate us from our competitors:

- our leading market position as China's largest online direct sales company;
- our superior customer experience;
- our own nationwide fulfillment infrastructure;
- our strong merchandise sourcing capabilities;
- our highly scalable proprietary technology platform;
- our fast growing online marketplace; and
- our visionary founder, experienced management team and strong corporate culture.

Our Strategies

Our goal is to become the largest e-commerce company in China. We plan to achieve this goal by implementing strategies to optimize customer experience, deepen our market penetration and enhance our brand recognition while continuing to improve our margins and operating leverage. These strategies include:

- attracting new customers and cultivating customer loyalty;
- further expanding our product offerings;
- enhancing our fulfillment infrastructure;
- strengthening our technology platform;
- improving operating leverage and increasing margins; and
- exploring new business initiatives to broaden our service offerings.

Our Challenges

Our ability to achieve our goal and execute our strategies is subject to risks and uncertainties, including those relating to our ability to:

- manage our growth and execute our strategies effectively;

- achieve and maintain profitability;
- provide superior customer experience;
- protect our JD (京东) brand and reputation;
- offer a broad selection of products at competitive prices;
- further expand our fulfillment infrastructure and improve operational efficiency in a cost effective manner;
- compete effectively; and
- successfully integrate and manage our recently acquired businesses and assets into our existing business.

In addition, we face risks and uncertainties related to our corporate structure and doing business in China, including:

- risks associated with our control over Jingdong 360 and Jiangsu Yuanzhou, which is based on contractual arrangements rather than equity ownership;
- uncertainties associated with the interpretation and application of PRC regulations and policies, including those relating to the online retail industry and internet related business in China; and
- risks related to our ability to use the proceeds of this offering to make additional capital contributions or loans to our PRC subsidiaries as a result of PRC regulations and governmental control of currency conversion.

Please see "Risk Factors" and other information included in this prospectus for a discussion of these and other risks and uncertainties that we face.

Recent Developments

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 Holdings Limited, or Tencent, a leading internet company serving the largest online community in China. As part of the strategic partnership, Tencent will offer us prominent level 1 access points in its mobile applications Weixin and Mobile QQ and provide internet traffic and other support from other key platforms to us. The two parties agreed to cooperate in a number of areas including mobile-related products, social networking services, membership systems and payment solutions. The strategic cooperation agreement has a term of five years and applies within the territory of the Greater China, including Hong Kong, Macau and Taiwan. Under the strategic cooperation agreement, we will become Tencent's preferred partner for all physical goods e-commerce businesses, and Tencent agrees not to engage in any direct sales 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, whether through a direct sales or marketplace business model, other than through its controlled affiliate Shanghai Ison E-Commerce Development Company Limited, or Shanghai Ison. We expect to leverage this strategic partnership 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 the same date, we entered into a series of agreements with Tencent and its affiliates pursuant to which we have acquired 100% interests in Tencent's Paipai and QQ Wanggou online marketplace businesses, a 9.9% stake in Shanghai Ison, logistics personnel and certain other assets. Concurrent with the above transactions, the execution of the strategic cooperation agreement and for US\$214.7 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, representing 15% of our total issued and outstanding shares as of the closing of the transaction, calculated on a fully diluted basis under the treasury method. We have agreed to pay Tencent RMB631 million (US\$104 million) in cash during 2014, subject to substantial completion of the post-closing covenants by Tencent and its affiliates. Huang River Investment Limited has also agreed to purchase a number of Class A ordinary shares from us in a concurrent private placement at the per share equivalent of the price to the public in this offering that represents 5% of our total issued and outstanding shares on a fully diluted basis immediately following the completion of this offering (including an option to further subscribe if the underwriters' over-allotment option is exercised). Huang River Investment Limited has agreed not to sell or transfer any of our shares it holds now or will acquire in the concurrent private placement during the three-year period commencing from March 10, 2014, subject to limited exceptions.

Paipai and QQ Wanggou, which we acquired from Tencent, are online marketplaces in China that bring buyers and sellers together online. Paipai is a consumer-to-consumer or C2C marketplace whereas QQ Wanggou is a business-to-consumer or B2C marketplace. Paipai and QQ Wanggou offer customers a wide selection of physical goods including apparel, baby products, food and beverages, home furnishings and consumer electronics. We expect our acquisition of Paipai and QQ Wanggou will help us further expand our product and service offerings. In addition, we have the right to acquire the remaining equity of Shanghai Icton by March 10, 2017 at the higher of the the fair value of Shanghai Icton or RMB800 million (US\$132 million). Shanghai Icton operates a B2C e-commerce platform in China.

We expect to leverage our strategic partnership with Tencent to enhance our ability to increase internet and mobile user traffic to our website, to strengthen our direct sales and marketplace businesses on internet and mobile. Tencent has a large mobile internet user base, as evidenced by 355 million monthly active user accounts on Tencent's mobile applications Weixin and Wechat in December 2013 based on publicly available data. We expect our level 1 access points on Tencent's mobile applications will raise our profile among China's fast growing and large mobile internet users, many of whom frequently use Weixin in their daily lives. We will also tap Tencent's significant user traffic, such as the approximately 14.6 million average daily unique visitors of its e-commerce websites in December 2013. We will further strengthen our team with the expected addition of over 6,000 former employees from Tencent, including approximately 2,000 delivery staff. Finally, the acquisition of Paipai and QQ Wanggou establishes our presence in the C2C marketplace while increasing our market share in our core B2C business.

Corporate History and Structure

Our founder, Mr. Richard Qiangdong Liu, launched an online retail website in January 2004. He subsequently formed a company in Beijing and another company in Shanghai and conducted his online retail business through these two companies. In November 2006, we incorporated Star Wave Investments Holdings Limited under the laws of the British Virgin Islands as our offshore holding company in order to facilitate international financing. We later changed the name of this entity to 360buy Jingdong Inc. In January 2014, 360buy Jingdong Inc. was redomiciled in the Cayman Islands as an exempted company registered under the laws of the Cayman Islands, and was renamed JD.com, Inc.

JD.com, Inc. is a Cayman Islands holding company and we conduct our business in China through our subsidiaries and variable interest entities. We may rely on dividends from our wholly foreign-owned subsidiaries in China for our cash requirements. Under PRC laws and regulations, our wholly foreign-owned subsidiaries in China may pay dividends only out of their respective accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign-owned enterprise is required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund certain statutory reserve fund, until the aggregate amount of such fund reaches 50% of its registered capital. See "Risk Factors—Risks Related to Our Corporate Structure—

We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business."

In April 2007, we established a wholly owned PRC subsidiary, Beijing Jingdong Century Trade Co., Ltd., or Jingdong Century, and we acquired certain intellectual property rights from the two companies our founder had established earlier, which ceased business operations and were later liquidated and dissolved. Since then, Jingdong Century has established a variety of subsidiaries in China to engage in wholesale and retail sales, courier services, research and development, and internet finance.

We assisted in establishing Beijing Jingdong 360 Degree E-Commerce Co., Ltd., or Jingdong 360, in April 2007. Mr. Richard Qiangdong Liu and Mr. Jiaming Sun are the shareholders of Jingdong 360, with Mr. Liu owning 45% and Mr. Sun owning 55% as of the date of this prospectus. 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 in April 2011 and again in May 2012, and some of the Jingdong 360 Agreements were further amended and restated in December 2013. Jingdong 360 holds our ICP license as an internet information provider and operates our website www.jd.com. In October 2012, Jingdong 360 acquired, through its wholly owned subsidiary, an online payment service provider which currently holds our online payment license and provides online payment services.

We assisted in establishing Jiangsu Yuanzhou E-Commerce Co., Ltd., or Jiangsu Yuanzhou, in September 2010. Mr. Richard Qiangdong Liu and Mr. Jiaming Sun are also the shareholders of Jiangsu Yuanzhou, with Mr. Liu owning 45% and Mr. Sun owning 55% as of the date of this prospectus. We obtained control over Jiangsu Yuanzhou through Jingdong Century by commitments between Mr. Liu, Mr. Sun, 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 in May 2012, and some of the Jiangsu Yuanzhou Agreements were further amended and restated in November 2012 and in December 2013. Jiangsu Yuanzhou primarily conducts the sale of books and audio and video products.

The Jingdong 360 Agreements and the Jiangsu Yuanzhou Agreements include the following:

- *Exclusive technology consulting and services agreements.* Jingdong Century has the sole and exclusive right to provide specified technology consulting and services to Jingdong 360 and Jiangsu Yuanzhou. Jingdong 360 and Jiangsu Yuanzhou agree 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, the minimum amount of which is RMB10,000 (US\$1,652) per quarter subject to annual evaluation and adjustment. The initial term of the agreements is 10 years, which may be extended unilaterally by Jingdong Century with its written confirmation prior to the expiration date. Jingdong 360 and Jiangsu Yuanzhou cannot terminate the agreement early unless Jingdong Century commits fraud, gross negligence or illegal acts, or becomes bankrupt or winds up.
- *Intellectual property rights license agreements.* Jingdong Century and the subsidiaries grant Jingdong 360 and Jiangsu Yuanzhou a non-exclusive right to us certain of its trademarks, patents, copyrights to computer software and other copyrights. Jingdong 360 and Jiangsu Yuanzhou agree to pay license fees to Jingdong Century, in the amount of at least RMB10,000 (US\$1,652) per year, subject to annual evaluation and adjustment. The initial

term of these agreements is 10 years and may be extended unilaterally by Jingdong Century with its written confirmation prior to the expiration date.

- *Loan agreements.* Jingdong Century made loans to the shareholders of Jingdong 360 and Jiangsu Yuanzhou solely for the capitalization of Jingdong 360 and Jiangsu Yuanzhou, and the shareholders can only repay the loans by the sale of all their equity interest in Jingdong 360 or Jiangsu Yuanzhou to Jingdong Century or its designated person. The maturity date of the loans is the tenth anniversary of the date when the shareholders received the loans and paid the amount as capital contribution to Jingdong 360 or Jiangsu Yuanzhou. The term of the loans will be extended automatically for an additional 10 years, unless Jingdong Century objects, for an unlimited number of times.
- *Exclusive purchase option agreements.* 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. 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. The initial term of these agreements 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.
- *Equity pledge agreements.* Each of the shareholders of Jingdong 360 and Jiangsu Yuanzhou has pledged all of his equity interest in Jingdong 360 and Jiangsu Yuanzhou to guarantee their and Jingdong 360's or Jiangsu Yuanzhou's performance of his obligations under, where applicable, the exclusive technology consulting and services agreement, loan agreement, exclusive purchase option agreement and power of attorney. The equity pledge agreements will terminate on the second anniversary of the date when Jingdong 360 or Jiangsu Yuanzhou and the shareholders have completed all their obligations under the secured agreements mentioned above.
- *Irrevocable powers of attorney.* Each of the shareholders of Jingdong 360 and Jiangsu Yuanzhou has granted an irrevocable power of attorney, appointing Jingdong Century's designated person as his attorney-in-fact to exercise all shareholder rights. Each power of attorney will remain in force for so long as the shareholder remains a shareholder of Jingdong 360 or Jiangsu Yuanzhou.

These two sets of contractual arrangements allow us to:

- exercise effective control over Jingdong 360 and Jiangsu Yuanzhou;
- receive substantially all of the economic benefits and bear the obligation to absorb substantially all of the losses of Jingdong 360 and Jiangsu Yuanzhou; and
- have an exclusive option to purchase all or part of the equity interests in Jingdong 360 and Jiangsu Yuanzhou when and to the extent permitted by PRC law.

As a result of our ownership of Jingdong Century, we became the primary beneficiary of Jingdong 360 in April 2007 and of Jiangsu Yuanzhou in September 2010, and they became our variable interest entities under generally accepted accounting principles in the United States, or U.S. GAAP. We have consolidated the financial results of Jingdong 360 and Jiangsu Yuanzhou in our consolidated financial statements in accordance with U.S. GAAP. Jingdong 360 and Jiangsu Yuanzhou collectively contribute 2.2%, 3.2% and 2.9% of our consolidated total net revenues in the years ended December 31, 2011, 2012 and 2013, respectively.

We rely on contractual arrangements to control and operate the businesses and assets held by Jingdong 360 and Jiangsu Yuanzhou and their subsidiaries. The contractual arrangements may not be

as effective in providing operational control as direct ownership. If Jingdong 360 and Jiangsu Yuanzhou or the shareholders fail to perform their respective obligations under the contractual arrangements, we could be limited in our ability to enforce the contractual arrangements that give us effective control over Jingdong 360 and Jiangsu Yuanzhou. Furthermore, if we are unable to maintain effective control over Jingdong 360 and Jiangsu Yuanzhou, we would not be able to continue to consolidate the financial results of Jingdong 360 and Jiangsu Yuanzhou and their subsidiaries with ours. See "Risk Factors—Risks Related to Our Corporate Structure—We rely on contractual arrangements with our variable interest entities and their shareholders for a portion of our business operations, which may not be as effective as direct ownership in providing operational control." and "—Any failure by our variable interest entities or their shareholders to perform their obligations under our contractual arrangements with them would have a material and adverse effect on our business."

In April 2011, we established a wholly owned PRC subsidiary, Shanghai Shengdayuan Information Technology Co., Ltd., or Shanghai Shengdayuan. Currently, Shanghai Shengdayuan primarily operates our online marketplace business.

In April 2012, we established an additional wholly owned PRC subsidiary, Tianjin Star East Corporation Limited, or Star East, which is expected to provide primarily warehousing and related services.

In August 2012, we established an additional wholly owned PRC subsidiary, Beijing Jingbangda Trade Co., Ltd., or Jingbangda, which is expected to provide primarily courier services.

In January 2014, our wholly owned subsidiary, JD.com International Limited, which was previously established in Hong Kong, became the intermediate holding company owning 100% of Jingdong Century.

In March 2014, in connection with our acquisition of certain e-commerce businesses and assets from Tencent, four PRC entities formerly owned or controlled by Tencent became subsidiaries of our wholly owned PRC subsidiaries and our variable interest entity.

Corporate Information

Our principal executive offices are located at 10th Floor, Building A, North Star Century Center, No. 8 Beichen West Street, Chaoyang District, Beijing 100101, the People's Republic of China. Our telephone number at this address is +86 10 5895-5500. Our registered office in the Cayman Islands is located at the offices of Maples Corporate Services Limited at PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands.

Investors should submit any inquiries to the address and telephone number of our principal executive offices. Our main website is www.jd.com. The information contained on our website is not a part of this prospectus. Our agent for service of process in the United States is Law Debenture Corporate Services Inc., located at 400 Madison Avenue, 4th Floor, New York, New York 10017.

Conventions that Apply to this Prospectus

Unless otherwise indicated or the context otherwise requires, references in this prospectus to:

- "we," "us," "our company" and "our" are to JD.com, Inc., its subsidiaries and its consolidated variable interest entities;
- "ADSS" are to our American depositary shares, each of which represents Class A ordinary shares;
- "China" or the "PRC" are to the People's Republic of China, excluding, for the purposes of this prospectus only, Hong Kong, Macau and Taiwan;

- "ordinary shares" prior to the completion of this offering are to our ordinary shares, par value US\$0.00002 per share, and upon and after the completion of this offering are to our Class A and Class B ordinary shares, par value US\$0.00002 per share;
- "active customer account" for a specified period are to a customer account that made at least one purchase during the specified period, including both online direct sales and online marketplace;
- "GMV" are to the total value of all orders placed on our website and mobile applications, including orders for products and services placed in our online direct sales business and on our online marketplace, regardless of whether the goods are sold or delivered or whether the goods are returned;
- "Net GMV" are to the total value of all orders shipped for products and services sold in our online direct sales business and all orders delivered for products and services sold on our online marketplace, net of returns, during the specified period;
- "Orders fulfilled" are to the total number of orders delivered, including the orders for products and services sold in our online direct sales business and on our online marketplace, net of orders returned; and
- "SKUs" are to stock keeping units offered through our online direct sales and on our online marketplace. The number of SKUs does not represent the number of distinct products offered through our online direct sales and on our online marketplace. We may assign different SKUs to the same product if it is sourced from different suppliers or if it is sold both through our online direct sales and on our online marketplace or by more than one third-party seller on our online marketplace.

Unless the context indicates otherwise, all information in this prospectus assumes no exercise by the underwriters of their over-allotment option.

The Offering

Offering price We currently estimate that the initial public offering price will be between US\$ and US\$ per ADS.

ADSs offered by us ADSs (or ADSs if the underwriters exercise their over-allotment option in full).

[ADSs offered by the selling shareholders ADSs (or ADSs if the underwriters exercise their over-allotment option in full).]

Concurrent private placement Concurrently with, and subject to, the completion of this offering, Huang River Investment Limited, our existing shareholder and a subsidiary of Tencent, has agreed to purchase from us such number of Class A ordinary shares that represents 5% of our total issued and outstanding share capital on a fully diluted basis immediately following the completion of this offering, which will be Class A ordinary shares if the underwriters do not exercise their over-allotment option to purchase additional ADSs in the offering, or Class A ordinary shares if the underwriters exercise their over-allotment option in full and Huang River Investment Limited exercises its option to further subscribe to Class A ordinary shares to maintain its 5% holding of Class A ordinary shares, at a price per share equal to the initial public offering price adjusted to reflect the ADS-to-ordinary share ratio. Our proposed issuance and sale of Class A ordinary shares to Huang River Investment Limited are being made through a private placement pursuant to an exemption from registration with the U.S. Securities and Exchange Commission under Regulation S of the Securities Act. Huang River Investment Limited has agreed not to, directly or indirectly, sell, transfer or dispose of any Class A ordinary shares acquired in the private placement for three years commencing from March 10, 2014, subject to certain limited exceptions.

ADSs outstanding immediately after this offering ADSs (or ADSs if the underwriters exercise their over-allotment option in full).

Ordinary shares outstanding immediately after this offering

We will adopt a dual class ordinary share structure immediately prior to the completion of this offering. ordinary shares, comprised of Class A ordinary shares, including Class A ordinary shares we will issue and sell in the private placement to Huang River Investment Limited concurrently with this offering, and Class B ordinary shares, including 93,780,970 Class B ordinary shares we will issue to Max Smart Limited immediately after the listing of our ADSs on [the NYSE/NASDAQ] (or ordinary shares if the underwriters exercise their over-allotment option in full, comprised of Class A ordinary shares, including Class A ordinary shares we will issue and sell in the private placement to Huang River Investment Limited concurrently with this offering, and Class B ordinary shares, including 93,780,970 Class B ordinary shares we will issue to Max Smart Limited immediately after the listing of our ADSs on [the NYSE/NASDAQ]) will be issued and outstanding immediately upon the completion of this offering. Class B ordinary shares issued and outstanding immediately after the completion of this offering will represent % of our total issued and outstanding shares and % of the then total voting power (or % of our total issued and outstanding shares and % of the then total voting power if the underwriters exercise their over-allotment option in full).

The ADSs Each ADS represents Class A ordinary shares, par value US\$0.00002 per share.

The depositary will hold Class A ordinary shares underlying your ADSs. You will have rights as provided in the deposit agreement.

We do not expect to pay dividends in the foreseeable future. If, however, we declare dividends on our ordinary shares, the depositary will pay you the cash dividends and other distributions it receives on our Class A ordinary shares after deducting its fees and expenses in accordance with the terms set forth in the deposit agreement.

You may turn in your ADSs to the depositary in exchange for Class A ordinary shares. The depositary will charge you fees for any exchange.

We may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs after an amendment to the deposit agreement, you agree to be bound by the deposit agreement as amended.

To better understand the terms of the ADSs, you should carefully read the "Description of American Depositary Shares" section of this prospectus. You should also read the deposit agreement, which is filed as an exhibit to the registration statement that includes this prospectus.

Ordinary shares

Our ordinary shares will be divided into Class A ordinary shares and Class B ordinary shares immediately prior to the completion of this offering. Holders of Class A ordinary shares and Class B ordinary shares will have the same rights except for voting and conversion rights. In respect of matters requiring a shareholder vote, each Class A ordinary share will be entitled to one vote, and each Class B ordinary share will be entitled to twenty votes. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof. Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon any transfer of Class B ordinary shares by a holder thereof to any person or entity which is not an affiliate of such holder, such Class B ordinary shares shall be automatically and immediately converted into the same number of Class A ordinary shares. For a description of Class A ordinary shares and Class B ordinary shares, see "Description of Share Capital."

Over-allotment option

We [and the selling shareholders] have granted to the underwriters an option, exercisable within 30 days from the date of this prospectus, to purchase up to an aggregate of _____ additional ADSs.

Use of proceeds

We expect that we will receive net proceeds of approximately US\$ _____ million from this offering, assuming an initial public offering price of US\$ _____ per ADS, which is the midpoint of the estimated range of the initial public offering price, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. In addition, we expect to receive net proceeds of approximately US\$ _____ million from the concurrent private placement.

We intend to use the net proceeds from this offering as follows:

- approximately US\$ _____ to US\$ _____ to expand our fulfillment infrastructure by acquiring land use rights, building new warehouses and establishing more delivery stations; and
- the balance for general corporate purposes, including funding potential investments in and acquisitions of complementary businesses, assets and technologies.

See "Use of Proceeds" for more information.

[We will not receive any of the proceeds from the sale of ADSs by the selling shareholders.]

Lock-up [We, our directors, executive officers and all of our existing shareholders have agreed with the underwriters not to sell, transfer or dispose of any ADSs, ordinary shares or similar securities for a period of 180 days after the date of this prospectus.] See "Shares Eligible for Future Sales" and "Underwriting." In addition, Huang River Investment Limited has agreed not to sell or transfer any of our shares it holds now or will acquire in the concurrent private placement during the three-year period commencing from March 10, 2014, subject to limited exceptions.

[Reserved ADSs At our request, the underwriters have reserved for sale, at the initial public offering price, up to an aggregate of ADSs offered in this offering to some of our directors, officers, employees, business associates and related persons through a directed share program.]

Listing We intend to apply to have the ADSs listed on [the NYSE/NASDAQ] under the symbol " ". Our ADSs and shares will not be listed on any other stock exchange or traded on any automated quotation system.

Payment and settlement The underwriters expect to deliver the ADSs against payment therefor through the facilities of The Depository Trust Company on , 2014.

Depository

Summary Consolidated Financial Data and Summary Operating Data

The following summary consolidated statements of operations data for the years ended December 31, 2011, 2012 and 2013, summary consolidated balance sheet data as of December 31, 2011, 2012 and 2013 and summary consolidated cash flow data for the years ended December 31, 2011, 2012 and 2013 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP. You should read this Summary Consolidated Financial Data and Summary Operating Data section together with our consolidated financial statements and the related notes and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section included elsewhere in this prospectus. Our historical results are not necessarily indicative of results expected for future periods.

	For the Year Ended December 31,			
	2011 RMB	2012 RMB	2013 RMB	2013 US\$
(in millions, except for share, per share and per ADS data)				
Summary Consolidated Statements of Operations Data:				
Net revenues:				
Online direct sales	20,888	40,335	67,018	11,071
Services and others	241	1,046	2,322	383
Total net revenues	21,129	41,381	69,340	11,454
Operating expenses⁽¹⁾:				
Cost of revenues	(19,977)	(37,898)	(62,496)	(10,323)
Fulfillment	(1,515)	(3,061)	(4,109)	(679)
Marketing	(479)	(1,097)	(1,590)	(263)
Technology and content	(240)	(636)	(964)	(159)
General and administrative	(322)	(640)	(760)	(126)
Total operating expenses	(22,533)	(43,332)	(69,919)	(11,550)
Loss from operations	(1,404)	(1,951)	(579)	(96)
Other income/(expense):				
Interest income	56	176	344	57
Interest expense	—	(8)	(8)	(1)
Others, net	64	60	193	32
Loss before tax	(1,284)	(1,723)	(50)	(8)
Income tax expense	—	(6)	0	0
Net loss	(1,284)	(1,729)	(50)	(8)
Preferred shares redemption value accretion	(1,660)	(1,588)	(2,435)	(402)
Net loss attributable to holders of permanent equity securities	(2,944)	(3,317)	(2,485)	(410)
Net loss per share of permanent equity securities:				
Basic	(2.23)	(2.18)	(1.47)	(0.24)
Diluted	(2.23)	(2.18)	(1.47)	(0.24)
Net loss per ADS ⁽²⁾ :				
Basic				
Diluted				
Weighted average shares outstanding: ⁽³⁾				
Basic	1,322,840,034	1,523,639,783	1,694,495,048	1,694,495,048
Diluted	1,322,840,034	1,523,639,783	1,694,495,048	1,694,495,048
Non-GAAP Financial Measure:⁽⁴⁾				
Adjusted net income/(loss)	(1,213)	(1,502)	224	36

- (1) Share-based compensation expenses are allocated in operating expense items as follows:

	For the Year Ended December 31,			
	2011 RMB	2012 RMB	2013 RMB	2013 US\$
	(in millions)			
Fulfillment	(38)	(78)	(81)	(13)
Marketing	(6)	(9)	(9)	(1)
Technology and content	(1)	(25)	(33)	(5)
General and administrative	(26)	(113)	(138)	(23)

- (2) Each ADS represents Class A ordinary shares.
- (3) On April 18, 2012, we effected a 5-for-1 share split whereby each of our issued and outstanding ordinary shares of a par value of US\$0.0001 each was converted into five ordinary shares of a par value of US\$0.00002 each, each of our issued and outstanding series A preferred shares of a par value of US\$0.0001 each was converted into five series A preferred shares of a par value of US\$0.00002 each, each of our issued and outstanding series B preferred shares of a par value of US\$0.0001 each was converted into five series B preferred shares of a par value of US\$0.00002 each, each of our issued and outstanding series C preferred shares of a par value of US\$0.0001 each was converted into five series C preferred shares of a par value of US\$0.00002 each, and the number of our authorized shares was increased from 500,000,000 to 2,500,000,000. The share split has been retroactively reflected for all periods presented herein. The number of our total authorized shares was further increased to 3,000,000,000 in January 2013 and further increased to 5,000,000,000 in March 2014.
- (4) See "—Non-GAAP Financial Measures."

	As of December 31,							
	2011 RMB	2012 RMB	2013 RMB	2013 US\$	2013 RMB	2013 US\$	2013 RMB	2013 US\$
	(in millions, except for share data)							
					Pro Forma ⁽¹⁾		Pro Forma As Adjusted ⁽²⁾⁽³⁾	
					(Unaudited)		(Unaudited) ⁽²⁾⁽³⁾	
Summary Consolidated Balance Sheet Data:								
Cash and cash equivalents	6,289	7,177	10,812	1,786	10,812	1,786		
Restricted cash	290	1,920	1,887	312	1,887	312		
Short-term investments	—	1,080	1,903	314	1,903	314		
Inventories, net	2,764	4,754	6,386	1,055	6,386	1,055		
Total assets	10,579	17,886	26,010	4,297	26,010	4,297		
Accounts payable	3,636	8,097	11,019	1,820	11,019	1,820		
Total liabilities	4,645	11,483	16,770	2,771	16,770	2,771		
Total mezzanine equity	3,150	4,738	7,173	1,185	—	—		
Total shareholders' equity	2,784	1,665	2,067	341	9,240	1,526		
Number of outstanding permanent equity securities	1,439,470,960	1,597,137,250	1,715,087,336	1,715,087,336	1,973,403,641	1,973,403,641		

- (1) The pro forma columns in the balance sheet data table above reflect (i) the redesignation of 369,564,379 ordinary shares held by Max Smart Limited (excluding the 93,780,970 ordinary shares we will issue to Max Smart Limited immediately after the listing of our ADSs on [the NYSE/NASDAQ], pursuant to the 93,780,970 restricted share units that were granted to Mr. Richard Qiangdong Liu in March 2014 under our 2013 Plan and became fully vested immediately upon grant) and 106,850,910 ordinary shares held by Fortune Rising Holdings Limited into 476,415,289 Class B ordinary shares on a one-for-one basis upon the completion of this offering, and (ii) the redesignation of all of the remaining ordinary shares and the automatic conversion and redesignation of all of our preferred shares that are issued and outstanding into Class A ordinary shares on a one-for-one basis upon the completion of this offering.
- (2) The pro forma as adjusted columns in the balance sheet data table above reflect (i) the issuance of 351,678,637 ordinary shares to Huang River Investment Limited on March 10, 2014, (ii) the redesignation of 463,345,349 ordinary shares held by Max Smart Limited (including 93,780,970 ordinary shares we will issue to Max Smart Limited immediately after the listing of our ADSs on [the NYSE/NASDAQ]), pursuant to the

93,780,970 restricted share units that were granted to Mr. Richard Qiangdong Liu in March 2014 under our 2013 Plan and became fully vested immediately upon grant) and 106,850,910 ordinary shares held by Fortune Rising Holdings Limited into 570,196,259 Class B ordinary shares on a one-for-one basis upon the completion of this offering, and (iii) the redesignation of all of the remaining ordinary shares and the automatic conversion and redesignation of all of our preferred shares that are issued and outstanding into Class A ordinary shares on a one-for-one basis upon the completion of this offering, (iv) the sale of Class A ordinary shares in the form of ADSs by us in this offering at an assumed initial public offering price of US\$ per ADS, the midpoint of the price range shown on the front cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, assuming the underwriters do not exercise the over-allotment option, and (v) the issuance and sale of Class A ordinary shares in the private placement to Huang River Investment Limited concurrently with this offering, assuming the underwriters do not exercise their over-allotment option.

- (3) Assuming the number of ADSs offered by us as set forth on the cover page of this prospectus remains the same and assuming no exercise by the underwriters of their over-allotment option, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, a US\$1.00 increase (decrease) in the assumed initial public offering price of US\$ per ADS, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) each of cash and cash equivalents, total assets and total shareholders' equity by US\$ million.

	For the Year Ended December 31,			
	2011 RMB	2012 RMB	2013 RMB	2013 US\$
	(in millions)			
Summary Consolidated Cash Flow Data:				
Net cash (used in)/provided by operating activities	(86)	1,404	3,570	589
Net cash used in investing activities	(624)	(3,369)	(2,671)	(441)
Net cash provided by financing activities	6,237	2,854	2,795	462
Effect of exchange rate changes on cash and cash equivalents	(108)	(1)	(59)	(10)
Net increase in cash and cash equivalents	5,419	888	3,635	600
Cash and cash equivalents at beginning of year	870	6,289	7,177	1,186
Cash and cash equivalents at end of year	6,289	7,177	10,812	1,786

The following table presents our summary operating data for the periods indicated:

	For the Year Ended December 31,		
	2011	2012	2013
Summary Operating Data:			
Active customer accounts ⁽¹⁾ (in millions)	12.5	29.3	47.4
Orders fulfilled ⁽²⁾ (in millions)	65.9	193.8	323.3
GMV ⁽³⁾ (in RMB billions)	32.7	73.3	125.5
Net GMV ⁽⁴⁾ (in RMB billions)	26.9	60.0	103.9

- (1) Active customer accounts for a specified period are customer accounts that made at least one purchase during the specified period, including both online direct sales and online marketplace.
- (2) Orders fulfilled are defined as the total number of orders delivered, including the orders for products and services sold in our online direct sales business and on our online marketplace, net of orders returned.
- (3) GMV is defined as the total value of all orders placed on our website and mobile applications, including orders for products and services placed on our online direct sales business and on our online marketplace, regardless of whether the goods are sold or delivered or whether the goods are returned. The following table presents the GMV of the

electronics and home appliance products and general merchandise and others sold through our online direct sales and online marketplace:

	For the Year Ended December 31,					
	2011		2012		2013	
	RMB (in billions)	% of GMV	RMB (in billions)	% of GMV	RMB (in billions)	% of GMV
GMV	32.7	100.0%	73.3	100.0%	125.5	100.0%
Electronics and home appliance products	26.2	80.1%	47.8	65.3%	79.8	63.6%
General merchandise and others	6.5	19.9%	25.5	34.7%	45.7	36.4%

- (4) Net GMV is defined as the total value of all orders shipped for products and services sold in our online direct sales business and all orders delivered for products and services sold on our online marketplace, net of returns, during the specified period.

Non-GAAP Financial Measure

In evaluating our business, we consider and use one non-GAAP measure, Adjusted Net Income/(Loss), as supplemental measure to review and assess our operating performance. The presentation of the non-GAAP financial measure is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with U.S. GAAP. We define Adjusted Net Income/(Loss) as net loss excluding share-based compensation and amortization of intangible assets resulting from business acquisitions.

We present the non-GAAP financial measure because it is used by our management to evaluate our operating performance and formulate business plans. The non-GAAP financial measure enables our management to assess our operating results without considering the impact of non-cash charges, including share-based compensation and amortization of intangible assets resulting from business acquisitions. We also believe that the use of the non-GAAP measure facilitates investors' assessment of our operating performance.

The non-GAAP financial measure is not defined under U.S. GAAP and is not presented in accordance with U.S. GAAP. The non-GAAP financial measure has limitations as analytical tools. One of the key limitations of using the non-GAAP financial measure is that it does not reflect all items of income and expense that affect our operations. Share-based compensation and amortization of intangible assets resulting from business acquisitions have been and may continue to be incurred in our business and are not reflected in the presentation of Adjusted Net Income/(Loss). Further, the non-GAAP measure may differ from the non-GAAP information used by other companies, including peer companies, and therefore their comparability may be limited.

We compensate for these limitations by reconciling the non-GAAP financial measure to the nearest U.S. GAAP performance measure, all of which should be considered when evaluating our performance. We encourage you to review our financial information in its entirety and not rely on a single financial measure.

The following table reconciles our Adjusted Net Income/(Loss) in 2011, 2012 and 2013 to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP, which is net income/(loss):

	For the Year Ended December 31,			
	2011	2012	2013	2013
	RMB	RMB	RMB	US\$
	(in millions)			
Reconciliation of Net Loss to Adjusted Net Income/(Loss):				
Net loss	(1,284)	(1,729)	(50)	(8)
Share-based compensation	71	225	261	42
Amortization of intangible assets resulting from business acquisitions	—	2	13	2
Adjusted net income/(loss) (Non-GAAP)	<u>(1,213)</u>	<u>(1,502)</u>	<u>224</u>	<u>36</u>

RISK FACTORS

An investment in our ADSs involves significant risks. You should consider carefully all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our ADSs. Any of the following risks could have a material and adverse effect on our business, financial condition and results of operations. In any such case, the market price of our ADSs could decline, and you may lose all or part of your investment.

Risks Related to Our Business

If we are unable to manage our growth or execute our strategies effectively, our business and prospects may be materially and adversely affected.

Our business has grown substantially in recent years, and we expect continued growth in our business, revenues and number of employees. We plan to further expand our fulfillment infrastructure and technology platform, increase our product offerings and hire more employees. For example, we plan to build larger, custom-designed warehouses in the seven cities where we currently have fulfillment centers, and we have already begun construction on three of them, in Shanghai, Guangzhou and Shenyang. We also plan to establish new delivery stations in additional locations across China. In 2014, we plan to recruit additional employees in connection with the expansion of our fulfillment infrastructure and additional research and development personnel in connection with the expansion of our technology platform, and we will continue to invest significant resources in training, managing and motivating our workforce. In addition, as we increase our product offerings, we will need to work with a large number of new suppliers and third-party sellers efficiently and establish and maintain mutually beneficial relationships with our existing and new suppliers and third-party sellers. To support our growth, we also plan to implement a variety of new and upgraded managerial, operating, financial and human resource systems, procedures and controls. All these efforts will require significant managerial, financial and human resources. We cannot assure you that we will be able to effectively manage our growth or to implement all these systems, procedures and control measures successfully. If we are not able to manage our growth or execute our strategies effectively, our expansion may not be successful and our business and prospects may be materially and adversely affected.

We have incurred significant net losses and we may continue to experience significant losses in the future.

We have incurred significant net losses since our inception. We had net losses of RMB1,284 million, RMB1,729 million and RMB50 million (US\$8 million) in 2011, 2012 and 2013, respectively. We had accumulated deficits of RMB2,482 million, RMB4,213 million and RMB4,264 million (US\$704 million) as of December 31, 2011, 2012 and 2013, respectively.

We cannot assure you that we will be able to generate net profits or positive cash flow from operating activities in the future. Our ability to achieve profitability will depend in large part on our ability to increase our gross margin by obtaining more favorable terms from our suppliers as our business further grows in scale, managing our product mix, expanding our online marketplace and offering value-added services with higher margins. Accordingly, we intend to continue to invest heavily for the foreseeable future in our fulfillment infrastructure and technology platform to support an even larger selection of products and to offer additional value-added services. As a result of the foregoing, we believe that we may incur net losses for some time in the future.

If we are unable to provide superior customer experience, our business and reputation may be materially and adversely affected.

The success of our business hinges on our ability to provide superior customer experience, which in turn depends on a variety of factors. These factors include our ability to continue to offer authentic products at competitive prices, source products to respond to customer demands, maintain

the quality of our products and services, and provide timely and reliable delivery, flexible payment options and superior after-sales service.

We rely primarily on our own fulfillment infrastructure, and to a lesser extent on contracted third-party couriers, to deliver our products. Interruptions or failures in our delivery services could prevent the timely or successful delivery of our products. These interruptions may be due to unforeseen events that are beyond our control or the control of our third-party couriers, such as inclement weather, natural disasters, transportation disruptions or labor unrest. If our products are not delivered on time or are delivered in a damaged state, customers may refuse to accept our products and have less confidence in our services. Furthermore, our own delivery personnel and those of contracted third-party couriers act on our behalf and interact with our customers personally. We maintain cooperation arrangements with a number of third-party couriers to deliver our products to our customers in those areas not covered by our own fulfillment infrastructure and for a portion of our bulky item deliveries, and we need to effectively manage these third-party service providers to ensure the quality of customer services. We have in the past received customer complaints from time to time regarding our delivery and return and exchange services. Any failure to provide high-quality delivery services to our customers may negatively impact the shopping experience of our customers, damage our reputation and cause us to lose customers.

Our customer service center in Suqian, Jiangsu Province provides real-time assistance to our customers 24 hours a day, 7 days a week. It had 2,044 customer service representatives as of February 28, 2014. Our customer service center in Chengdu, Sichuan Province, which focuses on handling written questions or complaints online through instant messaging, had another 1,034 customer service representatives as of the same date. We plan to increase headcount at our customer service centers substantially, and there is no assurance that we will be able to provide sufficient training to new employees to meet our standards of customer service or that an influx of less experienced personnel will not dilute the quality of our customer service. If our customer service representatives fail to provide satisfactory service, or if waiting times are too long due to the high volume of calls from customers at peak times, our brand and customer loyalty may be adversely affected. In addition, any negative publicity or poor feedback regarding our customer service may harm our brand and reputation and in turn cause us to lose customers and market share.

Any harm to our JD brand or reputation may materially and adversely affect our business and results of operations.

We believe that the recognition and reputation of our JD (京东) brand among our customers, suppliers and third-party sellers have contributed significantly to the growth and success of our business. Maintaining and enhancing the recognition and reputation of our brand are critical to our business and competitiveness. Many factors, some of which are beyond our control, are important to maintaining and enhancing our brand. These factors include our ability to:

- provide a compelling online shopping experience to customers;
- maintain the popularity, attractiveness, diversity, quality and authenticity of the products we offer;
- maintain the efficiency, reliability and quality of our fulfillment services;
- maintain or improve customers' satisfaction with our after-sale services;
- increase brand awareness through marketing and brand promotion activities; and
- preserve our reputation and goodwill in the event of any negative publicity on customer service, internet security, product quality, price or authenticity, or other issues affecting us or other online retail businesses in China.

A public perception that non-authentic, counterfeit or defective goods are sold on our website or that we or third-party service providers do not provide satisfactory customer service, even if factually incorrect or based on isolated incidents, could damage our reputation, diminish the value of our brand, undermine the trust and credibility we have established and have a negative impact on our ability to attract new customers or retain our current customers. If we are unable to maintain our reputation, enhance our brand recognition or increase positive awareness of our website, products and services, it may be difficult to maintain and grow our customer base, and our business and growth prospects may be materially and adversely affected.

If we are unable to offer products that attract new customers and new purchases from existing customers, our business, financial condition and results of operations may be materially and adversely affected.

Our future growth depends on our ability to continue to attract new customers as well as new purchases from existing customers. Constantly changing consumer preferences have affected and will continue to affect the online retail industry. We must stay abreast of emerging consumer preferences and anticipate product trends that will appeal to existing and potential customers. Our website makes recommendations to customers based on their past purchases or on products that they viewed but did not purchase, and we also send e-mails to our customers with product recommendations tailored to their purchase profile. Our ability to make individually tailored recommendations is dependent on our business intelligence system, which tracks, collects and analyzes our users' browsing and purchasing behavior, to provide accurate and reliable information. Our customers choose to purchase authentic and quality products on our website due in part to the attractive prices that we offer, and they may choose to shop elsewhere if we cannot match the prices offered by other websites or by physical stores. If our customers cannot find their desired products on our website at attractive prices, they may lose interest in us and visit our website less frequently or even stop visiting our website altogether, which in turn may materially and adversely affect our business, financial condition and results of operations.

We plan to further expand our fulfillment infrastructure. If we are not able to manage such expansion successfully, our growth potential, business and results of operations may be materially and adversely affected.

We believe that our own nationwide fulfillment infrastructure, consisting of strategically located warehouses and delivery and pickup stations, is essential to our success. As of February 28, 2014, we operated fulfillment centers in 7 cities, front distribution centers in 6 cities and standalone warehouses for bulky items in another 21 cities, as well as 1,485 delivery stations and 212 pickup stations in 476 cities across China, and we employed 29,613 warehouse and delivery personnel. We are constructing larger, custom-designed warehouses to increase our storage capacity and to restructure and reorganize our fulfillment workflow and processes. We also plan to establish more delivery stations in additional cities to further enhance our ability to deliver products to customers directly ourselves. Furthermore, we intend to hire additional employees in 2014 in connection with the strengthening of our fulfillment capabilities. As we continue to add fulfillment and warehouse capability, our fulfillment network becomes increasingly complex and challenging to operate. We cannot assure you that we will be able to acquire land use rights and set up warehouses, or lease suitable facilities for the delivery stations, on commercially acceptable terms or at all. Moreover, the order density in those smaller, less developed cities may not be sufficient to allow us to operate our own delivery network in a cost efficient manner. We may not be able to recruit a sufficient number of qualified employees in connection with the expansion of our fulfillment infrastructure. In addition, the expansion of our fulfillment infrastructure may strain our managerial, financial, operational and other resources. If we fail to manage such expansion successfully, our growth potential, business and results of operations may be materially and adversely affected. Even if we manage the expansion of our fulfillment infrastructure successfully, it may not give us the competitive advantage that we expect if improved third-party fulfillment services become widely available at reasonable prices to retailers in China.

We face intense competition. We may lose market share and customers if we fail to compete effectively.

The online retail industry in China is intensely competitive. We compete for customers, orders, and third-party sellers. Our current or potential competitors include major online retailers in China that offer a wide range of general merchandise product categories, major traditional retailers in China that are moving into online retailing, major internet companies that have commenced online retail businesses, online retail companies in China focused on specific product categories and physical retail stores, including big-box stores that also aim to offer a one-stop shopping experience. See "Business—Competition." In addition, new and enhanced technologies may increase the competition in the online retail industry. New competitive business models may appear, for example based on new forms of social media or social commerce.

Increased competition may reduce our margins, market share and brand recognition, or result in significant losses. When we set prices, we have to consider how competitors have set prices for the same or similar products. When they cut prices or offer additional benefits to compete with us, we may have to lower our own prices or offer additional benefits or risk losing market share, either of which could harm our financial condition and results of operations.

Some of our current or future competitors may have longer operating histories, greater brand recognition, better supplier relationships, larger customer bases or greater financial, technical or marketing resources than we do. Those smaller companies or new entrants may be acquired by, receive investment from or enter into strategic relationships with well-established and well-financed companies or investors which would help enhance their competitive positions. Some of our competitors may be able to secure more favorable terms from suppliers, devote greater resources to marketing and promotional campaigns, adopt more aggressive pricing or inventory policies and devote substantially more resources to their website, mobile application and systems development than us. We cannot assure you that we will be able to compete successfully against current or future competitors, and competitive pressures may have a material and adverse effect on our business, financial condition and results of operations.

We may encounter risks and difficulties in connection with our strategic partnership and recent acquisition of certain e-commerce businesses and assets from Tencent, which may materially and adversely affect our business and results of operations.

We recently announced our acquisition of certain e-commerce businesses and assets from Tencent and our entering into a strategic cooperation agreement with Tencent and concurrently we have issued 15% of our total issued and outstanding shares on a fully diluted basis under the treasury method to a subsidiary of Tencent. The e-commerce businesses we acquired from Tencent had net losses historically and we expect to continue to incur losses from these businesses, especially Paipai's C2C marketplace business, in the foreseeable future. In addition, there may be unidentified issues and hidden liabilities related to the businesses and assets we acquired, which could have a material adverse effect on our business, financial condition and results of operations. While Tencent has made representations, warranties and covenants to us regarding the businesses and assets we acquired, and we are entitled to seek indemnification from Tencent for any breach of those representations, warranties and covenants, actions to seek indemnification or enforce indemnification could be costly and time-consuming and may not be successful. Moreover, our ongoing strategic partnership with Tencent may discourage us from seeking such indemnification.

We expect substantial synergies between our current operations and the e-commerce businesses we acquired from Tencent. However, we may encounter difficulties in integrating the acquired operations, services, corporate culture and personnel into our existing business and operations and implementing the strategic cooperation agreement that we have entered into with Tencent to achieve the economic and strategic benefits that we expect. These activities may divert significant management attention from existing business operations, which may harm the effective management of our business.

In addition, this acquisition would require that our management develop expertise in new areas such as Paipai's C2C marketplace and manage new business relationships. Furthermore, we expect to achieve growth in our mobile user base and realize other benefits in the future from the strategic cooperation agreement. Failure to generate the synergies or realize the intended benefits we anticipate from the acquisition and the strategic cooperation could materially and adversely affect our business and results of operations.

In connection with the acquisition, we have acquired substantial intangible assets from Tencent. We may also grant restricted share units and options to certain employees of Tencent who will join us. As a result, we may incur significant non-cash charges arising from amortization of intangible assets recorded at fair value and share-based compensation, which may materially and adversely affect our results of operations for the quarterly and annual periods including and following the date of completion of the acquisition. In addition, we expect to allocate part of our purchase price for the acquisition to goodwill. We perform a goodwill impairment test annually and evaluate intangible assets and goodwill for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We may incur significant impairment expenses in relation to the intangible assets or to goodwill attributable to the acquisition from time to time in the future, which may materially and adversely affect our results of operations.

We rely on online direct sale of computer, communication and consumer electronics for a significant portion of our net revenues.

Historically, online direct sales of electronics products, including home appliances, have accounted for a majority of our total net revenues. We expect that sales of these products will continue to represent a significant portion of our total net revenues in the near future. We have increased our offerings to include other product categories, such as cosmetics and other personal care items in 2009, food, nutritional supplements and books in 2010, music, movies and other media products in 2011, and e-books in 2012, and we have continually added new products within each product category. We expect to continue to expand our product offerings to diversify our revenue sources in the future. However, our sales of these new products and services may not increase to a level that would substantially reduce our dependence on sales of electronics products. Electronics products and home appliances sold in our online direct sales accounted for 87.0%, 82.2% and 81.9% of our total net revenues in 2011, 2012 and 2013, respectively. Electronic products and home appliances sold in our online direct sales and our online marketplace together accounted for 80.1%, 65.3% and 63.6% of our total GMV in 2011, 2012 and 2013, respectively. We face intense competition from online sellers of electronics products and from established companies with physical stores that are moving into online retail, such as Suning Appliance Company Limited, which operates *suning.com*. Any event that results in a reduction in our sales of electronics products could materially and adversely affect our ability to maintain or increase our current level of revenue and maintain or improve our business prospects.

Our expansion into new product categories and substantial increase in SKUs may expose us to new challenges and more risks.

In recent years, we have expanded our product offerings to include a wide range of products including clothing, handbags, furniture, cosmetics, food, books, toys, and fitness equipment. Expansion into diverse new product categories and substantially increased SKUs involves new risks and challenges. Our lack of familiarity with these products and lack of relevant customer data relating to these products may make it more difficult for us to anticipate customer demand and preferences. We may misjudge customer demand, resulting in inventory buildup and possible inventory write-down. It may also make it more difficult for us to inspect and control quality and ensure proper handling, storage and delivery. We may experience higher return rates on new products, receive more customer complaints about them and face costly product liability claims as a result of selling them, which would harm our brand and reputation as well as our financial performance. Furthermore, we may not have

much purchasing power in new categories of products and we may not be able to negotiate favorable terms with suppliers. We may need to price aggressively to gain market share or remain competitive in new categories. It may be difficult for us to achieve profitability in the new product categories and our profit margin, if any, may be lower than we anticipate, which would adversely affect our overall profitability and results of operations. We cannot assure you that we will be able to recoup our investments in introducing these new product categories.

If we fail to manage our inventory effectively, our results of operations, financial condition and liquidity may be materially and adversely affected.

Our scale and business model require us to manage a large volume of inventory effectively. We depend on our demand forecasts for various kinds of products to make purchase decisions and to manage our inventory. Demand for products, however, can change significantly between the time inventory is ordered and the date by which we hope to sell it. Demand may be affected by seasonality, new product launches, changes in product cycles and pricing, product defects, changes in consumer spending patterns, changes in consumer tastes with respect to our products and other factors, and our customers may not order products in the quantities that we expect. In addition, when we begin selling a new product, it may be difficult to establish supplier relationships, determine appropriate product selection, and accurately forecast demand. The acquisition of certain types of inventory may require significant lead time and prepayment and they may not be returnable. For those products we sell directly, aside from books, most media products and certain other products, we normally do not have the right to return unsold items to our suppliers.

Our net inventories have increased significantly in recent periods, from RMB2,764 million as of December 31, 2011 to RMB4,754 million as of December 31, 2012, and further to RMB6,386 million (US\$1,055 million) as of December 31, 2013. Our inventory turnover days were 34.6 days in 2011, 35.7 days in 2012 and 32.1 days in 2013. As we plan to continue expanding our product offerings, we expect to include more SKUs in our inventory, which will make it more challenging for us to manage our inventory effectively and will put more pressure on our warehousing system.

If we fail to manage our inventory effectively, we may be subject to a heightened risk of inventory obsolescence, a decline in inventory values, and significant inventory write-downs or write-offs. In addition, we may be required to lower sale prices in order to reduce inventory level, which may lead to lower gross margins. High inventory levels may also require us to commit substantial capital resources, preventing us from using that capital for other important purposes. Any of the above may materially and adversely affect our results of operations and financial condition.

On the other hand, if we underestimate demand for our products, or if our suppliers fail to supply quality products in a timely manner, we may experience inventory shortages, which might result in missed sales, diminished brand loyalty and lost revenues, any of which could harm our business and reputation.

We may not be able to sustain our historical growth rates.

We have experienced rapid growth since we commenced our online retail business in 2004. Our total net revenues increased from RMB2,919 million in 2009 to RMB69,340 million in 2013, for a four-year CAGR of 120%. However, there is no assurance that we will be able to maintain our historical growth rates in future periods. Our revenue growth may slow or our revenues may decline for any number of possible reasons, including decreasing consumer spending, increasing competition, slowing growth of the China retail or China online retail industry, fulfillment bottlenecks, emergence of alternative business models, changes in government policies or general economic conditions. If our growth rate declines, investors' perceptions of our business and business prospects may be adversely affected and the market price of our ADSs could decline.

If we are unable to conduct our marketing activities cost-effectively, our results of operations and financial condition may be materially and adversely affected.

We have incurred significant expenses on a variety of different marketing and brand promotion efforts designed to enhance our brand recognition and increase sales of our products. Our brand promotion and marketing activities may not be well received by customers and may not result in the levels of product sales that we anticipate. We incurred RMB479 million, RMB1,097 million and RMB1,590 million (US\$263 million) of marketing expenses in 2011, 2012 and 2013, respectively. Marketing approaches and tools in the consumer products market in China are evolving. This further requires us to enhance our marketing approaches and experiment with new marketing methods to keep pace with industry developments and customer preferences. Failure to refine our existing marketing approaches or to introduce new marketing approaches in a cost-effective manner could reduce our market share, cause our net revenues to decline and negatively impact our profitability.

If we fail to manage and expand our relationships with suppliers, or otherwise fail to procure products at favorable terms, our business and growth prospects may suffer.

We source products from third-party suppliers for our online direct sales. As of December 31, 2011, 2012 and 2013, we had approximately 2,700 suppliers, 4,600 suppliers and 6,000 suppliers, respectively. Our suppliers include manufacturers, distributors and resellers. Maintaining strong relationships with these suppliers is important to the growth of our business. In particular, we depend significantly on our ability to procure products from suppliers on favorable pricing terms. We typically enter into one-year framework agreements with suppliers on an annual basis, and these framework agreements do not ensure the availability of products or the continuation of particular pricing practices or payment terms beyond the end of the contractual term. In addition, our agreements with suppliers typically do not restrict the suppliers from selling products to other buyers. We cannot assure you that our current suppliers will continue to sell products to us on commercially acceptable terms, or at all, after the term of the current agreement expires. Even if we maintain good relations with our suppliers, their ability to supply products to us in sufficient quantity and at competitive prices may be adversely affected by economic conditions, labor actions, regulatory or legal decisions, natural disasters or other causes. In the event that we are not able to purchase merchandise at favorable prices, our revenues and cost of revenues may be materially and adversely affected. In the event any distributor or reseller does not have authority from the relevant manufacturer to sell certain products to us, such distributor or reseller may cease selling such products to us at any time. In addition, our account payable turnover days for our online direct sales business were 35.3 days in 2011, 42.1 days in 2012 and 38.6 days in 2013. If our suppliers cease to provide us with favorable payment terms, our requirements for working capital may increase and our operations may be materially and adversely affected. We will also need to establish new supplier relationships to ensure that we have access to a steady supply of products on favorable commercial terms. If we are unable to develop and maintain good relationships with suppliers that would allow us to obtain a sufficient amount and variety of authentic and quality merchandise on acceptable commercial terms, it may inhibit our ability to offer sufficient products sought by our customers, or to offer these products at competitive prices. Any adverse developments in our relationships with suppliers could materially and adversely affect our business and growth prospects. In addition, as part of our growth strategy, we plan to further expand our product offerings. If we fail to attract new suppliers to sell their products to us due to any reason, our business and growth prospects may be materially and adversely affected.

Any interruption in the operation of our fulfillment centers, front distribution centers, standalone warehouses, delivery stations or pickup stations for an extended period may have an adverse impact on our business.

Our ability to process and fulfill orders accurately and provide high quality customer service depends on the smooth operation of our fulfillment centers, front distribution centers, standalone warehouses, and our delivery and pickup stations. Our fulfillment infrastructure may be vulnerable to

damage caused by fire, flood, power outage, telecommunications failure, break-ins, earthquake, human error and other events. If any of our fulfillment centers were rendered incapable of operations, then we may be unable to fulfill any orders in any of the provinces that rely on that center. We do not carry business interruption insurance, and the occurrence of any of the foregoing risks could have a material adverse effect on our business, prospects, financial condition and results of operations.

We may not be able to recoup the investments we make to expand and upgrade our fulfillment and technology capabilities.

We have invested and will continue to invest significant sums in expanding our fulfillment infrastructure and upgrading our technology platform. In connection with our expansion of our fulfillment infrastructure, we had paid an aggregate of approximately RMB0.8 billion (US\$0.1 billion) for the acquisition of land use rights, building of warehouses and purchase of warehousing equipment as of December 31, 2013, and we have budgeted approximately RMB1.5 billion (US\$0.2 billion) to RMB2.5 billion (US\$0.4 billion) for these uses in 2014. We have also budgeted approximately RMB0.4 billion (US\$0.1 billion) for upgrading our technology platform during the same period. We expect to continue to invest heavily in our fulfillment and technology capabilities for a number of years. We also intend to continue to add personnel and other resources to our fulfillment infrastructure and technology platform as we focus on expanding our product selection and offering new services. We are likely to recognize the costs associated with these investments earlier than some of the anticipated benefits, and the return on these investments may be lower, or may develop more slowly, than we expect. We may not be able to recover our capital expenditures or investments, in part or in full, or the recovery of these capital expenditures or investments may take longer than expected. As a result, the carrying value of the related assets may be subject to an impairment charge, which could adversely affect our financial condition and results of operation.

Moreover, our heavy investment in building our own fulfillment infrastructure may put us at a competitive disadvantage against those competitors who primarily rely on third-party fulfillment services and focus their investment on improving other aspects of their business. We have designed our own fulfillment infrastructure to satisfy our business and operation requirements and to accommodate our fast growth, but there is no guarantee that we will be successful in meeting our objectives or that our own fulfillment structure will function more effectively and efficiently than third-party solutions.

We use third-party couriers to deliver some orders, and our third-party sellers use couriers to deliver a significant number of orders. If these couriers fail to provide reliable delivery services, our business and reputation may be materially and adversely affected.

We maintain cooperation arrangements with a number of third-party couriers to deliver our products to our customers in those areas not covered by our own fulfillment infrastructure, particularly in smaller and less developed cities. We may also use third-party service providers to ship products from our fulfillment centers or front distribution centers to delivery stations or to deliver bulky item products. Third-party sellers also use third-party couriers if they do not make use of our delivery services. Interruptions to or failures in these third parties' delivery services could prevent the timely or proper delivery of our products to customers. These interruptions may be due to events that are beyond our control or the control of these delivery companies, such as inclement weather, natural disasters, transportation disruptions or labor unrest. In addition, if our third-party couriers fail to comply with applicable rules and regulations in China, our delivery services may be materially and adversely affected. We may not be able to find alternative delivery companies to provide delivery services in a timely and reliable manner, or at all. Delivery of our products could also be affected or interrupted by the merger, acquisition, insolvency or government shut-down of the delivery companies we engage to make deliveries, especially those local companies with relatively small business scales. If our products are not delivered in proper condition or on a timely basis, our business and reputation could suffer.

Our online marketplace is subject to risks associated with third-party sellers.

We launched our online marketplace in October 2010. As of February 28, 2014, there were approximately 29,300 third-party sellers who offered and sold approximately 29.0 million SKUs through our online marketplace. We do not have as much control over the storage and delivery of products sold on our online marketplace as we do over the products that we sell directly ourselves. Many of our third-party sellers use their own facilities to store their products, and many of them use their own or third-party delivery systems to deliver their products to our customers, which makes it more difficult for us to ensure that our customers get the same high quality service for all products sold on our website. If any third-party seller does not control the quality of the products that it sells on our website, or if it does not deliver the products or delivers them late or delivers products that are materially different from its description of them, or if it sells counterfeit or unlicensed products on our website, or if it sells certain products without licenses or permits as required by the relevant laws and regulations even though we have requested such licenses or permits in our standard form contract with the third-party seller, the reputation of our online marketplace and our JD brand may be materially and adversely affected and we could face claims that we should be held liable for any losses. Moreover, despite our efforts to prevent it, some products sold on our online marketplace may compete with the products we sell directly, which may cannibalize our online direct sales. In addition, the supplier relationships, customer acquisition dynamics and other requirements for our online marketplace may not be the same as those for our online direct sales operations, which may complicate the management of our business. In order for our online marketplace to be successful, we must continue to identify and attract third-party sellers, and we may not be successful in this regard.

Uncertainties relating to the growth and profitability of the retail industry in China in general, and the online retail industry in particular, could adversely affect our revenues and business prospects.

We generate substantially all of our revenues from online retail. While online retail has existed in China since the 1990s, only recently have certain large online retail companies become profitable. The long-term viability and prospects of various online retail business models in China remain relatively untested. Our future results of operations will depend on numerous factors affecting the development of the online retail industry in China, which may be beyond our control. These factors include:

- the growth of internet, broadband, personal computer and mobile penetration and usage in China, and the rate of any such growth;
- the trust and confidence level of online retail consumers in China, as well as changes in customer demographics and consumer tastes and preferences;
- the selection, price and popularity of products that we and our competitors offer online;
- whether alternative retail channels or business models that better address the needs of consumers emerge in China; and
- the development of fulfillment, payment and other ancillary services associated with online purchases.

A decline in the popularity of online shopping in general, or any failure by us to adapt our website and improve the online shopping experience of our customers in response to trends and consumer requirements, may adversely affect our net revenues and business prospects.

Furthermore, the retail industry is very sensitive to macroeconomic changes, and retail purchases tend to decline during recessionary periods. Substantially all of our net revenues are derived from retail sales in China. Many factors outside of our control, including inflation and deflation, volatility of stock and property markets, interest rates, tax rates and other government policies and unemployment rates can adversely affect consumer confidence and spending, which could in turn materially and adversely affect our growth and profitability. Unfavorable developments in domestic and

international politics, including military conflicts, political turmoil and social instability, may also adversely affect consumer confidence and reduce spending, which could in turn materially and adversely affect our growth and profitability.

In connection with the audits of our consolidated financial statements as of and for the years ended December 31, 2013, we and our independent registered public accounting firm identified one material weakness in our internal control over financial reporting. If we fail to develop and maintain an effective system of internal control over financial reporting, we may be unable to accurately report our financial results or prevent fraud.

Prior to this offering, we have been a private company with limited accounting personnel and other resources with which to address our internal control over financial reporting. In connection with the audits of our consolidated financial statements as of and for the year ended December 31, 2013, we and our independent registered public accounting firm identified one material weakness in our internal control over financial reporting. As defined in the standards established by the U.S. Public Company Accounting Oversight Board, a "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

The material weakness that has been identified related to our lack of sufficient financial reporting and accounting personnel with appropriate knowledge of U.S. GAAP and SEC reporting requirements to properly address complex U.S. GAAP accounting issues and to prepare and review our consolidated financial statements and related disclosures to fulfill U.S. GAAP and SEC financial reporting requirements. The material weakness, if not timely remedied, may lead to significant misstatements in our consolidated financial statements in the future.

Neither we nor our independent registered public accounting firm undertook a comprehensive assessment of our internal control for purposes of identifying and reporting material weaknesses and other control deficiencies in our internal control over financial reporting as we and they will be required to do after we become a public company. Had we performed a formal assessment of our internal control over financial reporting or had our independent registered public accounting firm performed an audit of our internal control over financial reporting, additional deficiencies may have been identified.

Following the identification of the material weakness and other control deficiencies, we have taken measures and plan to continue to take measures to remedy these control deficiencies. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Internal Control over Financial Reporting." However, the implementation of these measures may not fully address these deficiencies in our internal control over financial reporting, and we cannot conclude that they have been fully remedied. Our failure to correct these control deficiencies or our failure to discover and address any other control deficiencies could result in inaccuracies in our financial statements and impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. Moreover, ineffective internal control over financial reporting could significantly hinder our ability to prevent fraud.

Upon completion of this offering, we will become subject to the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act will require that we include a report from management on the effectiveness of our internal control over financial reporting in our annual report on Form 20-F beginning with our annual report for the fiscal year ending December 31, 2015. In addition, beginning at the same time, our independent registered public accounting firm must report on the effectiveness of our internal control over financial reporting. If we fail to remedy the problems identified above, our management and our independent registered public accounting firm may conclude that our internal control over financial reporting is not effective. This conclusion could adversely impact the market

price of our ADSs due to a loss of investor confidence in the reliability of our reporting processes. We also expect to incur significant costs and expenses associated with our becoming a public company, including costs to prepare for our first Sarbanes-Oxley Act of 2002 Section 404 compliance testing and additional legal and accounting costs to comply with the requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, that will apply to us as a public company.

If our senior management is unable to work together effectively or efficiently or if we lose their services, our business may be severely disrupted.

Our success heavily depends upon the continued services of our management. In particular, we rely on the expertise and experience of Mr. Richard Qiangdong Liu, our founder, chairman and chief executive officer, and other executive officers. The majority of our senior management joined us in the past three years. If they cannot work together effectively or efficiently, our business may be severely disrupted. If one or more of our senior management were unable or unwilling to continue in their present positions, we might not be able to replace them easily or at all, and our business, financial condition and results of operations may be materially and adversely affected. If any of our senior management joins a competitor or forms a competing business, we may lose customers, suppliers, know-how and key professionals and staff members. Our senior management has entered into employment agreements and confidentiality and non-competition agreements with us. However, if any dispute arises between our officers and us, we may have to incur substantial costs and expenses in order to enforce such agreements in China or we may be unable to enforce them at all.

If we are unable to recruit, train and retain qualified personnel or sufficient workforce while controlling our labor costs, our business may be materially and adversely affected.

We intend to hire additional qualified employees to support our business operations and planned expansion. Our future success depends, to a significant extent, on our ability to recruit, train and retain qualified personnel, particularly technical, fulfillment, marketing and other operational personnel with experience in the online retail industry. Our experienced mid-level managers are instrumental in implementing our business strategies, executing our business plans and supporting our business operations and growth. The effective operation of our managerial and operating systems, fulfillment infrastructure, customer service center and other back office functions also depends on the hard work and quality performance of our management and employees. Since our industry is characterized by high demand and intense competition for talent and labor, we can provide no assurance that we will be able to attract or retain qualified staff or other highly skilled employees that we will need to achieve our strategic objectives. Our fulfillment infrastructure is labor intensive and requires a substantial number of blue-collar workers, and these positions tend to have higher than average turnover. As of February 28, 2014, we employed a total of 29,613 warehouse and delivery personnel. In 2014, we may hire additional employees in connection with the strengthening of our fulfillment capabilities and research and development personnel in connection with the expansion of our technology platform. We have observed an overall tightening of the labor market and an emerging trend of shortage of labor supply. Failure to obtain stable and dedicated warehousing, delivery and other labor support may lead to underperformance of these functions and cause disruption to our business. Labor costs in China have increased with China's economic development, particularly in the large cities where we operate our fulfillment centers and more generally in the urban areas where we maintain our delivery and pickup stations. Because we operate our own fulfillment infrastructure, which requires a large and rapidly growing work force, our cost structure is more vulnerable to labor costs than that of many of our competitors, which may put us at a competitive disadvantage. In addition, our ability to train and integrate new employees into our operations may also be limited and may not meet the demand for our business growth on a timely fashion, or at all, and rapid expansion may impair our ability to maintain our corporate culture.

We may incur liability or become subject to administrative penalties for counterfeit or unauthorized products sold on our website, or for products sold on our website or content posted on our website that infringe on third-party intellectual property rights, or for other misconduct.

We sourced our products from approximately 6,000 suppliers as of December 31, 2013. Third-party sellers on our online marketplace are separately responsible for sourcing the products they sell on our website. As of December 31, 2013, we had approximately 23,500 third-party sellers on our online marketplace. Although we have adopted measures to verify the authenticity and authorization of products sold on our website and avoid potential infringement of third-party intellectual property rights in the course of sourcing and selling products, we may not always be successful.

In the event that counterfeit, unauthorized or infringing products are sold on our website or infringing content is posted on our website, we could face claims that we should be held liable. We have in the past received claims alleging our infringement of third parties' rights. Irrespective of the validity of such claims, we could incur significant costs and efforts in either defending against or settling such claims. If there is a successful claim against us, we might be required to pay substantial damages or refrain from further sale of the relevant products. Potential liability under PRC law if we negligently participated or assisted in infringement activities associated with counterfeit goods includes injunctions to cease infringing activities, rectification, compensation, administrative penalties and even criminal liability. Moreover, such third-party claims or administrative penalties could result in negative publicity and our reputation could be severely damaged. Any of these events could have a material and adverse effect on our business, results of operations or financial condition.

Under our standard form agreements, we require suppliers or third-party sellers to indemnify us for any losses we suffer or any costs that we incur due to any products we source from these suppliers or any products sold by these third-party sellers. However, not all of our agreements with suppliers and third-party sellers have such terms, and for those agreements that have such terms, we may not be able to successfully enforce our contractual rights and may need to initiate costly and lengthy legal proceedings in China to protect our rights. See "[Risks Related to Doing Business in China](#)—We may be adversely affected by the complexity, uncertainties and changes in PRC regulation of internet-related business and companies."

We may be subject to product liability claims if people or properties are harmed by the products we sell.

We sell products manufactured by third parties, some of which may be defectively designed or manufactured. As a result, sales of such products could expose us to product liability claims relating to personal injury or property damage and may require product recalls or other actions. Third parties subject to such injury or damage may bring claims or legal proceedings against us as the retailer of the product. Although we would have legal recourse against the manufacturer of such products under PRC law, attempting to enforce our rights against the manufacturer may be expensive, time-consuming and ultimately futile. In addition, we do not currently maintain any third-party liability insurance or product liability insurance in relation to products we sell. As a result, any material product liability claim or litigation could have a material and adverse effect on our business, financial condition and results of operations. Even unsuccessful claims could result in the expenditure of funds and managerial efforts in defending them and could have a negative impact on our reputation.

The proper functioning of our technology platform is essential to our business. Any failure to maintain the satisfactory performance of our website and systems could materially and adversely affect our business and reputation.

The satisfactory performance, reliability and availability of our technology platform are critical to our success and our ability to attract and retain customers and provide quality customer service. All of our sales of products are made online through our website and mobile applications, and the

fulfillment services we provide to third-party sellers are related to sales of their products through our website and mobile applications. Any system interruptions caused by telecommunications failures, computer viruses, hacking or other attempts to harm our systems that result in the unavailability or slowdown of our website or reduced order fulfillment performance could reduce the volume of products sold and the attractiveness of product offerings on our website. Our servers may also be vulnerable to computer viruses, physical or electronic break-ins and similar disruptions, which could lead to system interruptions, website slowdown or unavailability, delays or errors in transaction processing, loss of data or the inability to accept and fulfill customer orders. Security breaches, computer viruses and hacking attacks have become more prevalent in our industry. Because of our brand recognition in the online retail industry in China, we believe we are a particularly attractive target for such attacks. We have experienced in the past, and may experience in the future, such attacks and unexpected interruptions. We can provide no assurance that our current security mechanisms will be sufficient to protect our IT systems from any third-party intrusions, viruses or hacker attacks, information or data theft or other similar activities. Any such future occurrences could reduce customer satisfaction, damage our reputation and result in a material decrease in our revenue.

Additionally, we must continue to upgrade and improve our technology platform to support our business growth, and failure to do so could impede our growth. However, we cannot assure you that we will be successful in executing these system upgrades and improvement strategies. In particular, our systems may experience interruptions during upgrades, and the new technologies or infrastructures may not be fully integrated with the existing systems on a timely basis, or at all. In addition, we experience surges in online traffic and orders associated with promotional activities and holiday seasons, such as June 18, and November 11, which can put additional demands on our technology platform at specific times. If our existing or future technology platform does not function properly, it could cause system disruptions and slow response times, affecting data transmission, which in turn could materially and adversely affect our business, financial condition and results of operations.

Any deficiencies in China's internet infrastructure could impair our ability to sell products over our website and mobile applications, which could cause us to lose customers and harm our operating results.

All of our sales of products are made online through our website and mobile applications, and the fulfillment services we provide to third-party sellers are related to sales of their products through our website and mobile applications. Our business depends on the performance and reliability of the internet infrastructure in China. The availability of our website depends on telecommunications carriers and other third-party providers for communications and storage capacity, including bandwidth and server storage, among other things. If we are unable to enter into and renew agreements with these providers on acceptable terms, or if any of our existing agreements with such providers are terminated as a result of our breach or otherwise, our ability to provide our services to our customers could be adversely affected. Almost all access to the internet in China is maintained through state-owned telecommunication carriers under administrative control, and we obtain access to end-user networks operated by such telecommunications carriers and internet service providers to give customers access to our website. We have experienced service interruptions in the past, which were typically caused by service interruptions at the underlying external telecommunications service providers, such as the internet data centers and broadband carriers from which we lease services. Service interruptions prevent consumers from accessing our website and mobile applications and placing orders, and frequent interruptions could frustrate customers and discourage them from attempting to place orders, which could cause us to lose customers and harm our operating results.

If we fail to adopt new technologies or adapt our website, mobile applications and systems to changing customer requirements or emerging industry standards, our business may be materially and adversely affected.

To remain competitive, we must continue to enhance and improve the responsiveness, functionality and features of our website and mobile applications. The internet and the online retail industry are characterized by rapid technological evolution, changes in customer requirements and preferences, frequent introductions of new products and services embodying new technologies and the emergence of new industry standards and practices, any of which could render our existing technologies and systems obsolete. Our success will depend, in part, on our ability to identify, develop, acquire or license leading technologies useful in our business, and respond to technological advances and emerging industry standards and practices, such as mobile internet, in a cost-effective and timely way. The development of websites, mobile applications and other proprietary technology entails significant technical and business risks. We cannot assure you that we will be able to use new technologies effectively or adapt our website, mobile applications, proprietary technologies and systems to meet customer requirements or emerging industry standards. If we are unable to adapt in a cost-effective and timely manner in response to changing market conditions or customer requirements, whether for technical, legal, financial or other reasons, our business, prospects, financial condition and results of operations may be materially and adversely affected.

Customer growth and activity on mobile devices depends upon effective use of mobile operating systems, networks and standards that we do not control.

Purchases using mobile devices by consumers generally, and by our customers specifically, have increased significantly, and we expect this trend to continue. To optimize the mobile shopping experience, we are somewhat dependent on our customers downloading our specific mobile applications for their particular devices as opposed to accessing our sites from an internet browser on their mobile device. As new mobile devices and platforms are released, it is difficult to predict the problems we may encounter in developing applications for these alternative devices and platforms, and we may need to devote significant resources to the development, support and maintenance of such applications. In addition, our future growth and our results of operations could suffer if we experience difficulties in the future in integrating our mobile applications into mobile devices or if problems arise with our relationships with providers of mobile operating systems or mobile application download stores, if our applications receive unfavorable treatment compared to competing applications on the download stores, or if we face increased costs to distribute or have customers use our mobile applications. We are further dependent on the interoperability of our sites with popular mobile operating systems that we do not control, such as iOS and Android, and any changes in such systems that degrade the functionality of our sites or give preferential treatment to competitive products could adversely affect the usage of our sites on mobile devices. In the event that it is more difficult for our customers to access and use our sites on their mobile devices, or if our customers choose not to access or to use our sites on their mobile devices or to use mobile products that do not offer access to our sites, our customer growth could be harmed and our business, financial condition and operating results may be adversely affected.

Failure to protect confidential information of our customers and network against security breaches could damage our reputation and brand and substantially harm our business and results of operations.

A significant challenge to the online retail industry is the secure storage of confidential information and its secure transmission over public networks. All of the orders and some of the payments for products we offer are made through our website and our mobile applications. In addition, some online payments for our products are settled through third-party online payment services. We also share certain personal information about our customers with contracted third-party couriers, such as their names, addresses, phone numbers and transaction records. Maintaining complete security for the

storage and transmission of confidential information on our technology platform, such as customer names, personal information and billing addresses, is essential to maintaining customer confidence.

We have adopted security policies and measures, including encryption technology, to protect our proprietary data and customer information. However, advances in technology, the expertise of hackers, new discoveries in the field of cryptography or other events or developments could result in a compromise or breach of the technology that we use to protect confidential information. We may not be able to prevent third parties, especially hackers or other individuals or entities engaging in similar activities, from illegally obtaining such confidential or private information we hold as a result of our customers' visits to our website and use of our mobile applications. Such individuals or entities obtaining our customers' confidential or private information may further engage in various other illegal activities using such information. In addition, we have limited control or influence over the security policies or measures adopted by third-party providers of online payment services through which some of our customers may elect to make payment for purchases. The contracted third-party couriers we use may also violate their confidentiality obligations and disclose or use information about our customers illegally. Any negative publicity on our website's or mobile applications' safety or privacy protection mechanisms and policies, and any claims asserted against us or fines imposed upon us as a result of actual or perceived failures, could have a material and adverse effect on our public image, reputation, financial condition and results of operations. We have experienced breaches of our information security measures in the past due to external causes beyond our control, such as a leak of user account information from the China Software Developer Network (CSDN) in 2011, although none of the past breaches individually or in the aggregate was material to our business or operations. We cannot assure you that similar events will not occur in the future. If we give third parties greater access to our technology platform in the future as part of providing more technology services to third-party sellers and others, it may become more challenging for us to ensure the security of our systems. Any compromise of our information security or the information security measures of our contracted third-party couriers or third-party online payment service providers could have a material and adverse effect on our reputation, business, prospects, financial condition and results of operations.

Practices regarding the collection, use, storage, transmission and security of personal information by companies operating over the internet and mobile platforms have recently come under increased public scrutiny. As online retail continues to evolve, we believe that increased regulation by the PRC government of data privacy on the internet is likely. We may become subject to new laws and regulations applying to the solicitation, collection, processing or use of personal or consumer information that could affect how we store, process and share data with our customers, suppliers and third-party sellers. We generally comply with industry standards and are subject to the terms of our own privacy policies. Compliance with any additional laws could be expensive, and may place restrictions on the conduct of our business and the manner in which we interact with our customers. Any failure to comply with applicable regulations could also result in regulatory enforcement actions against us.

Significant capital and other resources may be required to protect against information security breaches or to alleviate problems caused by such breaches or to comply with our privacy policies or privacy-related legal obligations. The resources required may increase over time as the methods used by hackers and others engaged in online criminal activities are increasingly sophisticated and constantly evolving. Any failure or perceived failure by us to prevent information security breaches or to comply with privacy policies or privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other customer data, could cause our customers to lose trust in us and could expose us to legal claims. Any perception by the public that online transactions or the privacy of user information are becoming increasingly unsafe or vulnerable to attacks could inhibit the growth of online retail and other online services generally, which may reduce the number of orders we receive.

The wide variety of payment methods that we accept subjects us to third-party payment processing-related risks.

We accept payments using a variety of methods, including payment on delivery, bank transfers, online payments with credit cards and debit cards issued by major banks in China, and payment through third-party online payment platforms such as 99Bill, CMPay and UnionPay. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time and raise our operating costs and lower our profit margins. We may also be subject to fraud and other illegal activities in connection with the various payment methods we offer, including online payment and cash on delivery options. We also rely on third parties to provide payment processing services. Although we deliver a majority of the orders directly to customers ourselves, we use contracted third-party couriers to service areas that are not directly covered by our delivery network. Given that customers place their orders online but often choose the cash-on-delivery option, the delivery personnel of our contracted third-party couriers collect payments on our behalf, and we require the contracted third-party couriers to remit the payment collected to us on the following day. If these companies fail to remit the payment collected to us in a timely fashion or at all, if they become unwilling or unable to provide these services to us, or if their service quality deteriorates, our business could be disrupted. We are also subject to various rules, regulations and requirements, regulatory or otherwise, governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. If we fail to comply with these rules or requirements, we may be subject to fines and higher transaction fees and lose our ability to accept credit and debit card payments from our customers, process electronic funds transfers or facilitate other types of online payments, and our business, financial condition and results of operations could be materially and adversely affected.

Our delivery, return and exchange policies may adversely affect our results of operations.

We have adopted shipping policies that do not necessarily pass the full cost of shipping on to our customers. We also have adopted customer-friendly return and exchange policies that make it convenient and easy for customers to change their minds after completing purchases. We may also be required by law to adopt new or amend existing return and exchange policies from time to time. For example, pursuant to the recently amended Consumer Protection Law, which became effective in March 2014, consumers are generally entitled to return the products purchased within seven days upon receipt without giving any reasons when they purchase the products from business operators on the internet. See "—Regulations Relating to Product Quality and Consumer Protection." These policies improve customers' shopping experience and promote customer loyalty, which in turn help us acquire and retain customers. However, these policies also subject us to additional costs and expenses which we may not recoup through increased revenue. Our ability to handle a large volume of returns is unproven. If our return and exchange policy is misused by a significant number of customers, our costs may increase significantly and our results of operations may be materially and adversely affected. If we revise these policies to reduce our costs and expenses, our customers may be dissatisfied, which may result in loss of existing customers or failure to acquire new customers at a desirable pace, which may materially and adversely affect our results of operations.

We have limited experience in operating an internet finance business. Significant deterioration in the asset quality of our internet finance business may have an adverse effect on our business, results of operations and financial condition.

We have recently started to participate in the emerging internet finance sector in China. We have developed various financial products, including supply chain financing as an additional value-added service we provide to our suppliers and third-party sellers on our online marketplace, and consumer financing. Expansion in this new business area involves new risks and challenges. For certain

financial products, we have committed or will commit our own capital. Our lack of familiarity with the internet finance sector may make it difficult for us to anticipate the demands and preferences in the market and develop financial products that meet the requirements and preference. We may not be able to successfully identify new product and service opportunities or develop and introduce these opportunities to our clients in a timely and cost-effective manner, or our clients may be disappointed in the returns from financial products that we offer. Furthermore, our ability to manage the quality of our loan portfolio will have significant impact on the results of operations of our internet finance business. Deterioration in the overall quality of our loan portfolio may occur due to a variety of reasons, including factors beyond our control, such as a slowdown in the growth of the PRC or global economies or a liquidity or credit crisis in the PRC or global finance sectors, which may adversely affect the businesses, operations or liquidity of our suppliers, third-party sellers and customers or their ability to repay or roll over their debt. Any significant deterioration in the asset quality of our internet finance business may have an adverse effect on our business, results of operations and financial condition.

Our use of some leased properties could be challenged by third parties or government authorities, which may cause interruptions to our business operations.

Approximately 18% of the lessors of our leased warehouses, approximately 41% of the lessors of our leased offices, and approximately 39% of the lessors of our leased delivery stations and pickup stations have not provided us with their property ownership certificates or any other documentation proving their right to lease those properties to us. If our lessors are not the owners of the properties and they have not obtained consents from the owners or their lessors or permits from the relevant government authorities, our leases could be invalidated. If this occurs, we may have to renegotiate the leases with the owners or the parties who have the right to lease the properties, and the terms of the new leases may be less favorable to us. Some of the leased properties were also subject to mortgage at the time the leases were entered into. If no consent had been obtained from the mortgage holder under such circumstances, the lease may not be binding on the transferee of the property in the event that the mortgage holder forecloses on the mortgage and transfers the property to another party. In addition, a substantial portion of our leasehold interests in leased properties have not been registered with the relevant PRC government authorities as required by PRC law, which may expose us to potential fines.

As of the date of this prospectus, we are not aware of any claims or actions being contemplated or initiated by government authorities, property owners or any other third parties with respect to our leasehold interests in or use of such properties. However, we cannot assure you that our use of such leased properties will not be challenged. In the event that our use of properties is successfully challenged, we may be subject to fines and forced to relocate the affected operations. In addition, we may become involved in disputes with the property owners or third parties who otherwise have rights to or interests in our leased properties. We can provide no assurance that we will be able to find suitable replacement sites on terms acceptable to us on a timely basis, or at all, or that we will not be subject to material liability resulting from third parties' challenges on our use of such properties. As a result, our business, financial condition and results of operations may be materially and adversely affected.

Failure to renew our current leases or locate desirable alternatives for our facilities could materially and adversely affect our business.

We lease properties for our offices, customer service center, warehouses, sorting centers, and delivery and pickup stations. We may not be able to successfully extend or renew such leases upon expiration of the current term on commercially reasonable terms or at all, and may therefore be forced to relocate our affected operations. This could disrupt our operations and result in significant

relocation expenses, which could adversely affect our business, financial condition and results of operations. In addition, we compete with other businesses for premises at certain locations or of desirable sizes. As a result, even though we could extend or renew our leases, rental payments may significantly increase as a result of the high demand for the leased properties. In addition, we may not be able to locate desirable alternative sites for our facilities as our business continues to grow and failure in relocating our affected operations could adversely affect our business and operations.

Any lack of requisite approvals, licenses or permits applicable to our business may have a material and adverse impact on our business, financial condition and results of operations.

Our business is subject to governmental supervision and regulation by the relevant PRC governmental authorities, including but not limited to the Ministry of Commerce, the Ministry of Industry and Information Technology, or MIIT, the Ministry of Transport, the State Post Bureau and the People's Bank of China. Together, these government authorities promulgate and enforce regulations that cover many aspects of the operation of the online retail, courier, road freight transportation and internet finance industries, including entry into these industries, the scope of permissible business activities, licenses and permits for various business activities, and foreign investment. See "Regulation—Regulations Relating to Foreign Investment" and "Regulation—Licenses and Permits".

Under PRC law, an entity operating courier services across multiple provinces must obtain a cross-provincial Courier Service Operation Permit and conduct its courier services within the permitted scope as indicated in the permit. Furthermore, any entity engaging in road freight transportation services in China must obtain a Road Transportation Operation Permit from the relevant road transportation administrative authorities. We operate a nationwide road freight transportation and delivery network. As of the date of this prospectus, we have obtained two cross-provincial Courier Service Operation Permits that allow Jiangsu Jingdong and Jingbangda, two of our PRC subsidiaries providing logistics services, to operate an express delivery business in twelve provinces and ten cities in other provinces in China, and Jiangsu Jingdong and its fifteen branches have obtained Road Transportation Operation Permits that allow these entities to provide road freight transportation services. We are in the process of applying for extension of the coverage of our Courier Service Operation Permits to other areas of China and for additional Road Transportation Operation Permits for Jiangsu Jingdong's other branches, Jingbangda and its branches from the appropriate level of government authorities and obtaining necessary licenses for all of our vehicles used for transporting goods. However, we cannot assure you that we can obtain such permits and licenses in a timely manner, or at all, due to complex procedural requirements and policies.

In addition, the online services and payment services provided by Jingdong 360, one of our consolidated variable interest entities, for our PRC subsidiaries and third-party sellers on our website may be considered as online data processing and transaction processing services and subject to license from the MIIT. We plan to apply to expand the scope of Jingdong 360's value-added telecommunication license to cover online data processing and transaction processing services. However, we cannot assure you that we can obtain the approval to expand the scope of such license in a timely manner, or at all. Also we issue one type of prepaid cards which can be used to buy most of the products sold on our website, including those sold by third-party sellers on our online marketplace. These cards may be deemed to be multiple-purpose commercial pre-paid cards and if so, a license from the relevant authority is required. An indirect wholly owned subsidiary of Jingdong 360 has applied to the relevant government authority for the expansion of the business types covered by its Payment Service License to cover issuance and acceptance of pre-paid cards, and the application has been publicized by the relevant government authority on its official website. However, we cannot assure you that we can obtain the approval to expand the business types of the license in a timely manner, or at all.

Furthermore, we work with some lottery issuers and lottery sales agents to sell lottery tickets on our website, through which we provide the online selling platform service to the lottery issuers and lottery sales agents. Under PRC law, any lottery issuer wishing to launch online lottery sales, after obtaining the approval from the relevant authority, is required to submit the application as well as the information on the internet service provider for online lottery sales to the Ministry of Finance for its examination and approval. As of the date of this prospectus, it is unclear to us whether our lottery business partners have obtained such approval from the Ministry of Finance for their online lottery business.

There may be some defects with respect to the process of establishing certain of our indirect subsidiaries in China. Certain subsidiaries of our wholly foreign-owned subsidiaries in China were established without obtaining the prior approval from the relevant government authorities that supervise the relevant industries, and some obtain the relevant permits from the government authority at a level lower than as required. We have not received any notice of warning or been subject to penalties or other disciplinary action from the relevant governmental authorities with respect to these defects. However, we cannot assure you that the relevant governmental authorities would not require us to obtain the approvals, or the permits from proper level of government authorities to cure the defects, or take any other actions retrospectively in the future. If the relevant government authorities require us to cure such defects, we cannot assure you that we will be able to obtain the approvals, or the permits from proper level of government authorities, in a timely manner or at all.

If the PRC government considers that we were operating without the proper approvals, licenses or permits, it has the power, among other things, to levy fines, confiscate our income, revoke our business licenses, and require us to discontinue our relevant business or impose restrictions on the affected portion of our business. Any of these actions by the PRC government may have a material and adverse effect on our results of operations.

The e-commerce industry, and online retail in particular, is highly regulated by the PRC government. We are required to obtain various licenses and permits from different regulatory authorities in order to distribute certain categories of products on our website. See "Regulation—Licenses and Permits." We have made great efforts to obtain all the applicable licenses and permits, but due to the large number of products sold on our website, we may not always be able to do so and we were penalized by governmental authorities for selling products without proper licenses. As we increase our product selection, we may also become subject to new or existing laws and regulations that did not affect us before.

As online retail and internet finance are evolving rapidly in China, new laws and regulations may be adopted from time to time to require additional licenses and permits other than those we currently have, and to address new issues that arise from time to time. As a result, substantial uncertainties exist regarding the interpretation and implementation of PRC laws and regulations applicable to online retail businesses and internet finance businesses. If we are unable to maintain and renew one or more of our licenses and certificates when their current term expires, or obtain such renewals on commercially reasonable terms, our operations could be disrupted. For example, in September 2013, the Ministry of Commerce issued draft administrative measures regulating the trading rules of third-party online marketplace platforms for public comment. If the draft administrative measures are adopted into law in the future, we may need to adjust the transaction rules for our online marketplace platform. In addition, in December 2013, as reported by several media outlets, the General Office of the State Council issued a notice to strengthen the supervision on "phantom banks", including new-style internet finance companies, non-financial wealth management companies, financing guarantee companies and microcredit companies, so as to promote the development and innovation of the financial markets as well as to prevent financial crises. Accordingly, if the PRC government requires additional licenses or permits or provides more strict supervision requirements in the future in order

for us to conduct our businesses, there is no guarantee that we would be able to obtain such licenses or permits or meet all the supervision requirements in a timely manner, or at all.

We have granted, and may continue to grant, restricted share units and other types of awards under our share incentive plans, which may result in increased share-based compensation expenses.

We adopted a stock issuance plan in June 2008, an employee stock incentive plan in February 2009, an employee stock incentive plan in March 2010, an employee stock incentive plan in April 2011 and a special employee stock incentive plan in April 2011. We refer to these five plans collectively as the Original Plans. On December 20, 2013, we adopted our 2013 Share Incentive Plan, or the 2013 Plan, to replace all of the Original Plans, and amended and restated the 2013 Plan in March 2014 increasing the number of shares reserved for future awards under the 2013 Plan. See "Management—2013 Share Incentive Plan" for a detailed discussion. For the years ended December 31, 2011, 2012 and 2013, we recorded RMB71 million, RMB225 million and RMB261 million (US\$42 million), respectively, in share-based compensation expenses. In the first quarter of 2014, we granted 93,780,970 immediately vesting restricted share units to our chairman and chief executive officer, Mr. Richard Qiangdong Liu, and we expect to incur share-based compensation expenses in connection with Mr. Liu in an estimated amount of US\$591 million in this quarter. We will also incur share-based compensation expenses for grants of restricted share units and options to former Tencent employees who will join us after our recent transactions with Tencent. We believe the granting of share-based compensation is of significant importance to our ability to attract and retain key personnel and employees, and we will continue to grant share-based compensation to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations.

Our results of operations are subject to seasonal fluctuations.

We experience seasonality in our business, reflecting a combination of traditional retail seasonality patterns and new patterns associated with online retail in particular. For example, we generally experience less user traffic and purchase orders during national holidays in China, particularly during the Chinese New Year holiday season in the first quarter of each year. Furthermore, sales in the traditional retail industry are significantly higher in the fourth quarter of each calendar year than in the preceding three quarters. E-commerce companies in China hold special promotional campaigns on November 11 each year, and we hold a special promotional campaign in the second quarter of each year, on June 18, to celebrate the anniversary of the founding of our business, both of which can affect our results for those quarters. Overall, the historical seasonality of our business has been relatively mild due to the rapid growth we have experienced and may increase further in the future. Our financial condition and results of operations for future periods may continue to fluctuate. As a result, the trading price of our ADSs may fluctuate from time to time due to seasonality.

Future strategic alliances, investments or acquisitions may have a material and adverse effect on our business, reputation and results of operations.

We may in the future enter into strategic alliances with various third parties to further our business purposes from time to time. Strategic alliances with third parties could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by the counterparty, and an increase in expenses incurred in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have little ability to control or monitor their actions. To the extent the third parties suffer negative publicity or harm to their reputations from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with such third parties.

In addition, if we are presented with appropriate opportunities, we may invest in or acquire additional assets, technologies or businesses that are complementary to our existing business. Future investments or acquisitions and the subsequent integration of new assets and businesses into our own would require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our business operations. The costs of identifying and consummating investments and acquisitions may be significant. We may also incur significant expenses in obtaining necessary approvals from relevant government authorities in China and elsewhere in the world. Acquired assets or businesses may not generate the financial results we expect. In addition, investments and acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the occurrence of significant goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business. The cost and duration of integrating newly acquired businesses could also materially exceed our expectations. Any such negative developments could have a material adverse effect on our business, financial condition and results of operations.

We may need additional capital, and financing may not be available on terms acceptable to us, or at all.

We believe that our current cash and cash equivalents and anticipated cash flow from operations will be sufficient to meet our anticipated cash needs for the next 12 months. We may, however, require additional cash resources due to changed business conditions or other future developments, including any changes in our account payable policy, marketing initiatives or investments we may decide to pursue. If these resources are insufficient to satisfy our cash requirements, we may seek to obtain a credit facility or sell additional equity or debt securities. The sale of additional equity securities could result in dilution of our existing shareholders. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations. It is uncertain whether financing will be available in amounts or on terms acceptable to us, if at all.

We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position.

We regard our trademarks, copyrights, patents, domain names, know-how, proprietary technologies, and similar intellectual property as critical to our success, and we rely on a combination of intellectual property laws and contractual arrangements, including confidentiality, invention assignment and non-compete agreements with our employees and others, to protect our proprietary rights. Although we are not aware of any copycat websites that attempt to cause confusion or diversion of traffic from us at the moment, we may become an attractive target to such attacks in the future because of our brand recognition in the online retail industry in China. Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated, or such intellectual property may not be sufficient to provide us with competitive advantages. In addition, there can be no assurance that our patent applications will be approved, that any issued patents will adequately protect our intellectual property, or that such patents will not be challenged by third parties or found by a judicial authority to be invalid or unenforceable. Further, because of the rapid pace of technological change in our industry, parts of our business rely on technologies developed or licensed by third parties, and we may not be able to obtain or continue to obtain licenses and technologies from these third parties at all or on reasonable terms.

It is often difficult to register, maintain and enforce intellectual property rights in China. Statutory laws and regulations are subject to judicial interpretation and enforcement and may not be applied consistently due to the lack of clear guidance on statutory interpretation. Confidentiality, invention assignment and non-compete agreements may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to

effectively protect our intellectual property rights or to enforce our contractual rights in China. Policing any unauthorized use of our intellectual property is difficult and costly and the steps we take may be inadequate to prevent the infringement or misappropriation of our intellectual property. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and a diversion of our managerial and financial resources, and could put our intellectual property at risk of being invalidated or narrowed in scope. We can provide no assurance that we will prevail in such litigation, and even if we do prevail, we may not obtain a meaningful recovery. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. Any failure in maintaining, protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate patents, copyrights or other intellectual property rights held by third parties. We have been, and from time to time in the future may be, subject to legal proceedings and claims relating to the intellectual property rights of others. In addition, there may be other third party intellectual property that is infringed by our products, services or other aspects of our business. There could also be existing patents of which we are not aware that our products may inadvertently infringe. We cannot assure you that holders of patents purportedly relating to some aspect of our technology platform or business, if any such holders exist, would not seek to enforce such patents against us in China, the United States or any other jurisdictions. Further, the application and interpretation of China's patent laws and the procedures and standards for granting patents in China are still evolving and are uncertain, and we cannot assure you that PRC courts or regulatory authorities would agree with our analysis. If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. In addition, we may incur significant expenses, and may be forced to divert management's time and other resources from our business and operations to defend against these third-party infringement claims, regardless of their merits. Successful infringement or licensing claims made against us may result in significant monetary liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question. Finally, we use open source software in connection with our products and services. Companies that incorporate open source software into their products and services have, from time to time, faced claims challenging the ownership of open source software and compliance with open source license terms. As a result, we could be subject to suits by parties claiming ownership of what we believe to be open source software or noncompliance with open source licensing terms. Some open source software licenses require users who distribute open source software as part of their software to publicly disclose all or part of the source code to such software and make available any derivative works of the open source code on unfavorable terms or at no cost. Any requirement to disclose our source code or pay damages for breach of contract could be harmful to our business, results of operations and financial condition.

We have limited insurance coverage which could expose us to significant costs and business disruption.

We maintain various insurance policies to safeguard against risks and unexpected events. We have purchased all risk property insurance covering our inventory and fixed assets such as equipment, furniture and office facilities. We maintain public liability insurance for our business activities at one location. We also provide social security insurance including pension insurance, unemployment insurance, work-related injury insurance and medical insurance for our employees. Additionally, we provide group accident insurance for all employees and supplementary medical insurance for all

management and research and development personnel. However, as the insurance industry in China is still in an early stage of development, insurance companies in China currently offer limited business-related insurance products. We do not maintain business interruption insurance or product liability insurance, nor do we maintain key-man life insurance. We cannot assure you that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

Our founder, chairman and chief executive officer, Mr. Richard Qiangdong Liu, has considerable influence over important corporate matters. Our dual-class voting structure will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares and ADSs may view as beneficial.

Our founder, chairman and chief executive officer, Mr. Richard Qiangdong Liu, has considerable influence over important corporate matters. As of the date of this prospectus, Mr. Liu (i) beneficially owns 18.8% of the aggregate voting power of our company through Max Smart Limited, a company wholly owned by Mr. Liu, and (ii) is deemed to beneficially own an additional 32.8% of the aggregate voting power of our company, as certain holders of our ordinary shares have granted the voting rights associated with their ordinary shares to Mr. Liu as their exclusive proxy and attorney-in-fact. In addition, Mr. Liu is the sole shareholder and the sole director of Fortune Rising Holdings Limited. Fortune Rising Holdings Limited holds 106,850,910 ordinary shares, representing 4.3% of the aggregate voting power of our company, for the purpose of transferring such shares to the plan participants according to our awards under our Original Plans, which were replaced by the 2013 Plan, and administers the awards and acts according to our instruction. Fortune Rising Holdings Limited exercises this 4.3% of the aggregate voting power of our company following our instruction. Mr. Liu, as the representative of Fortune Rising Holdings Limited, can exercise this 4.3% of the aggregate voting power of our company on behalf of Fortune Rising Holdings Limited. See "Principal [and Selling] Shareholders."

After this offering, Mr. Liu will continue to have considerable influence over matters requiring shareholder approval, subject to certain exceptions. Immediately prior to the completion of this offering, we expect to create a dual-class voting structure such that our ordinary shares will consist of Class A ordinary shares and Class B ordinary shares. Based on our proposed dual-class voting structure, holders of Class A ordinary shares will be entitled to one vote per share in respect of matters requiring the votes of shareholders, while holders of Class B ordinary shares will be entitled to twenty votes per share, subject to certain exceptions. We will issue Class A ordinary shares represented by our ADSs in this offering. Immediately prior to the completion of this offering, we expect that an aggregate of 570,196,259 ordinary shares held by Max Smart Limited and Fortune Rising Holdings Limited (including the 93,780,970 ordinary shares we will issue to Max Smart Limited immediately after the listing of our ADSs on [the NYSE/NASDAQ], pursuant to the 93,780,970 restricted share units that were granted to Mr. Richard Qiangdong Liu in March 2014 under our 2013 Plan and became fully vested immediately upon grant) will be automatically re-designated as Class B ordinary shares on a 1-for-1 basis, and all preferred shares and all other outstanding ordinary shares will be re-designated as Class A ordinary shares on a 1-for-1 basis. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon any transfer of Class B ordinary shares by a holder thereof to any person or entity which is not an affiliate of such holder, such Class B ordinary shares shall be automatically and immediately converted into the equal number of Class A ordinary shares. Due to the disparate voting powers associated with our two classes of ordinary shares, we anticipate that Mr. Liu will (i) beneficially own % of the aggregate voting power of our company through Max Smart Limited, and (ii) be able to exercise % of the aggregate voting power of our

company on behalf of Fortune Rising Holdings Limited, immediately following the completion of this offering, assuming (i) the underwriters do not exercise their over-allotment option to purchase additional ADSs and (ii) we issue and sell Class A ordinary shares in the private placement to Huang River Investment Limited concurrently with this offering. As a result, Mr. Liu will have considerable influence over matters such as electing directors and approving material mergers, acquisitions or other business combination transactions. In addition, under the new memorandum and articles of association that will become effective immediately prior to the completion of this offering, our board of directors will not be able to form a quorum without Mr. Liu for so long as Mr. Liu remains a director. This concentrated control will limit your ability to influence corporate matters and could also discourage others from pursuing any potential merger, takeover or other change of control transactions, which could have the effect of depriving the holders of our Class A ordinary shares and our ADSs of the opportunity to sell their shares at a premium over the prevailing market price.

We may be the subject of anti-competitive, harassing, or other detrimental conduct by third parties including complaints to regulatory agencies, negative blog postings, and the public dissemination of malicious assessments of our business that could harm our reputation and cause us to lose market share, customers and revenues and adversely affect the price of our ADSs.

In the future we may be the target of anti-competitive, harassing, or other detrimental conduct by third parties. Such conduct includes complaints, anonymous or otherwise, to regulatory agencies. We may be subject to government or regulatory investigation as a result of such third-party conduct and may be required to expend significant time and incur substantial costs to address such third-party conduct, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time, or at all. Additionally, allegations, directly or indirectly against us, may be posted in internet chat-rooms or on blogs or websites by anyone, whether or not related to us, on an anonymous basis. Consumers value readily available information concerning retailers, manufacturers, and their goods and services and often act on such information without further investigation or authentication and without regard to its accuracy. The availability of information on social media platforms and devices is virtually immediate, as is its impact. Social media platforms and devices immediately publish the content their subscribers and participants post, often without filters or checks on the accuracy of the content posted. Information posted may be inaccurate and adverse to us, and it may harm our financial performance, prospects or business. The harm may be immediate without affording us an opportunity for redress or correction. Our reputation may be negatively affected as a result of the public dissemination of anonymous allegations or malicious statements about our business, which in turn may cause us to lose market share, customers and revenues and adversely affect the price of our ADSs.

We face risks related to natural disasters, health epidemics and other outbreaks, which could significantly disrupt our operations.

Our business could be materially and adversely affected by natural disasters or the outbreak of avian influenza, severe acute respiratory syndrome, or SARS, influenza A (H1N1) or another epidemic. Any such occurrences could cause severe disruption to our daily operations, including our fulfillment infrastructure and our customer service center, and may even require a temporary closure of our facilities. On May 12, 2008, a severe earthquake hit part of Sichuan province in southwestern China, and on April 14, 2010, another severe earthquake hit part of Qinghai province in western China, each of which resulted in significant casualties and property damage. While we did not suffer any loss or experience any significant increase in cost resulting from these earthquakes, if a similar disaster were to occur in the future affecting Beijing, Shanghai, Guangzhou, Wuhan, Chengdu, Shenyang or Xi'an, or any other city where we have major operations in China, our operations could be materially and adversely affected due to loss of personnel and damages to property, including our inventory and our technology systems. Our operation could also be severely disrupted if our suppliers, customers or business partners were affected by such natural disasters or health epidemics.

Our auditor, like other independent registered public accounting firms operating in China, is not permitted to be subject to inspection by the Public Company Accounting Oversight Board and, as such, investors may be deprived of the benefits of such inspection.

Our independent registered public accounting firm that issued the audit reports included in this prospectus filed with the SEC, as an auditor of companies that are traded publicly in the United States and a firm registered with the Public Company Accounting Oversight Board (United States), or PCAOB, is required by the laws of the United States to undergo regular inspections by the PCAOB to assess its compliance with the laws of the United States and professional standards. Because our auditor is located in China, a jurisdiction where the PCAOB is currently unable to conduct inspections without the approval of the PRC authorities, our auditor, like other independent registered public accounting firms operating in China, is currently not inspected by the PCAOB.

Inspections of other firms that the PCAOB has conducted outside of China have identified deficiencies in those firms' audit procedures and quality control procedures, which may be addressed as part of the inspection process to improve future audit quality. The inability of the PCAOB to conduct inspections of independent registered public accounting firms operating in China makes it more difficult to evaluate the effectiveness of our auditor's audit procedures or quality control procedures. As a result, investors may be deprived of the benefits of PCAOB inspections and lose confidence in our reported financial information and procedures and the quality of our financial statements.

We may be adversely affected by the outcome of the administrative proceedings brought by the SEC against the Big 4 PRC-based accounting firms.

In December 2012, the SEC brought administrative proceedings against the Big 4 accounting firms in China, including our independent registered public accounting firm, alleging that these accounting firms had violated U.S. securities laws and the SEC's rules and regulations thereunder by failing to provide to the SEC the firms' audit papers and other documents related to certain PRC-based companies that are publicly traded in the United States.

On January 22, 2014, the Administrative Law Judge presiding over the matter reached an initial decision that the firms had each violated the SEC's rules of practice by failing to produce the audit work papers and related documents directly to the SEC. The initial decision further determined that each of the firms should be censured and barred from practicing before the SEC for a period of six months. The Big 4 PRC-based accounting firms recently appealed the initial administrative law decision to the SEC. The initial administrative law decision will not become effective until and unless it is endorsed by the Commissioners of the SEC. If the SEC's final decision is decided against the accounting firms, the accounting firms can then further appeal the final decision in the federal appellate courts.

While we cannot predict the outcome of the SEC's review, nor that of any subsequent appeal process, if the Big 4 PRC-based accounting firms, including our independent registered public accounting firm, are ultimately temporarily barred from practicing before the SEC, we may not be able to meet the reporting requirements under the Exchange Act following the listing of our ADSs in the U.S., which may ultimately result in our deregistration by the SEC and delisting from the [New York Stock Exchange/NASDAQ Global Market], in which case our market capitalization may decline sharply and the value of your investment in our ADSs may be significantly reduced.

Risks Related to Our Corporate Structure

If the PRC government deems that the contractual arrangements in relation to Jingdong 360 and Jiangsu Yuanzhou 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.

Foreign ownership of e-commerce and related businesses, including online retail businesses, 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 and any such foreign investor must have experience in providing value-added telecommunications services overseas and maintain a good track record, and foreign investors may engage in the distribution of audio and video products in China only in the form of contractual joint ventures between foreign and Chinese investors in accordance with the Guidance Catalogue of Industries for Foreign Investment promulgated in 2011.

We are a Cayman Islands company and our PRC subsidiaries Jingdong Century, Star East, Jingbangda and Shanghai Shengdayuan are considered foreign-invested enterprises. Accordingly, none of these PRC subsidiaries is eligible to provide value-added telecommunication services or sell audio and video products in China. As a result, we conduct such business activities through two affiliated PRC entities, Jingdong 360 and Jiangsu Yuanzhou. Jingdong 360 holds our ICP license as an internet information provider, while Jiangsu Yuanzhou primarily conducts the sale of books and audio and video products. Both Jingdong 360 and Jiangsu Yuanzhou are 45% owned by Mr. Richard Qiangdong Liu, our founder, chairman and chief executive officer, and 55% owned by Mr. Jiaming Sun, our employee. Mr. Liu and Mr. Sun are both PRC citizens. We entered into a series of contractual arrangements with Jingdong 360 and Jiangsu Yuanzhou and their respective shareholders, which enable us to:

- exercise effective control over Jingdong 360 and Jiangsu Yuanzhou;
- receive substantially all of the economic benefits and bear the obligation to absorb substantially all of the losses of Jingdong 360 and Jiangsu Yuanzhou; and
- have an exclusive option to purchase all or part of the equity interests in Jingdong 360 and Jiangsu Yuanzhou when and to the extent permitted by PRC law.

Because of these contractual arrangements, we are the primary beneficiary of Jingdong 360 and Jiangsu Yuanzhou and hence consolidate their financial results as our variable interest entities. For a detailed discussion of these contractual arrangements, see "Corporate History and Structure."

In the opinion of Zhong Lun Law Firm, our PRC legal counsel, (i) the ownership structures of Jingdong Century and our variable interest entities in China, both currently and immediately after giving effect to this offering, comply with all existing PRC laws and regulations; and (ii) the contractual arrangements between Jingdong Century, our 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. However, our PRC legal counsel has also advised us 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 take a view that is contrary to the opinion of our PRC legal counsel. It is uncertain whether any new PRC laws or regulations relating to variable interest entity structures will be adopted or if adopted, what they would provide. If we or any of our variable interest entities are found to be in violation of any existing or future PRC laws or regulations, or fail to obtain or maintain any of the required permits or approvals, the relevant PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures, including:

- revoking the business licenses of such entities;

- discontinuing or restricting the conduct of any transactions between certain of our PRC subsidiaries and variable interest entities;
- imposing fines, confiscating the income from our variable interest entities, or imposing other requirements with which we or our variable interest entities may not be able to comply;
- requiring us to restructure our ownership structure or operations, including terminating the contractual arrangements with our variable interest entities and deregistering the equity pledges of our variable interest entities, which in turn would affect our ability to consolidate, derive economic interests from, or exert effective control over our variable interest entities; or
- restricting or prohibiting our use of the proceeds of this offering to finance our business and operations in China.

The imposition of any of these penalties would result in a material and adverse effect on our ability to conduct our business. In addition, it is unclear what impact the PRC government actions would have on us and on our ability to consolidate the financial results of Jingdong 360 and Jiangsu Yuanzhou in our consolidated financial statements, if the PRC government authorities were to find our legal structure and contractual arrangements to be in violation of PRC laws and regulations. If the imposition of any of these government actions causes us to lose our right to direct the activities of Jingdong 360 and Jiangsu Yuanzhou or our right to receive substantially all the economic benefits and residual returns from Jingdong 360 and Jiangsu Yuanzhou and we are not able to restructure our ownership structure and operations in a satisfactory manner, we would no longer be able to consolidate the financial results of Jingdong 360 and Jiangsu Yuanzhou in our consolidated financial statements. Either of these results, or any other significant penalties that might be imposed on us in this event, would have a material adverse effect on our financial condition and results of operations.

We rely on contractual arrangements with our variable interest entities and their shareholders for a portion of our business operations, which may not be as effective as direct ownership in providing operational control.

We have relied and expect to continue to rely on contractual arrangements with Jingdong 360 and its shareholders to hold our ICP license as an internet information provider, and contractual arrangements with Jiangsu Yuanzhou and its shareholders to conduct the sale of books and audio and video products. Jingdong 360 has an indirect wholly owned subsidiary that holds our online payment license and provides online payment and settlement services. For a description of these contractual arrangements, see "Corporate History and Structure." These contractual arrangements may not be as effective as direct ownership in providing us with control over our variable interest entities.

If we had direct ownership of Jingdong 360 and Jiangsu Yuanzhou, we would be able to exercise our rights as a shareholder to effect changes in the board of directors of Jingdong 360 and Jiangsu Yuanzhou, which in turn could effect changes, subject to any applicable fiduciary obligations, at the management level. However, under the current contractual arrangements, we rely on the performance by our variable interest entities and their respective shareholders of their obligations under the contracts to exercise control over our variable interest entities. However, the shareholders of our variable interest entities may not act in the best interests of our company or may not perform their obligations under these contracts. Such risks exist throughout the period in which we intend to operate our business through the contractual arrangements with our variable interest entities. We may replace the shareholders of our variable interest entities at any time pursuant to our contractual arrangements with them and their shareholders. However, if any dispute relating to these contracts remains unresolved, we will have to enforce our rights under these contracts through the operations of PRC law and courts and therefore will be subject to uncertainties in the PRC legal system. See "—Any failure by our variable interest entities or their shareholders to perform their obligations under our contractual arrangements with them would have a material and adverse effect on our business." Therefore, our

contractual arrangements with our variable interest entities may not be as effective in ensuring our control over the relevant portion of our business operations as direct ownership would be.

Any failure by our variable interest entities or their shareholders to perform their obligations under our contractual arrangements with them would have a material and adverse effect on our business.

If our variable interest entities or their shareholders fail to perform their respective obligations under the contractual arrangements, we may have to incur substantial costs and expend additional resources to enforce such arrangements. We may also have to rely on legal remedies under PRC law, including seeking specific performance or injunctive relief, and claiming damages, which we cannot assure you will be effective. For example, if the shareholders of Jingdong 360 and Jiangsu Yuanzhou were to refuse to transfer their equity interest in Jingdong 360 and Jiangsu Yuanzhou to us or our designee when we exercise the purchase option pursuant to these contractual arrangements, or if they were otherwise to act in bad faith toward us, we may have to take legal actions to compel them to perform their contractual obligations.

All the agreements under our contractual arrangements are governed by PRC law and provide for the resolution of disputes through arbitration in China. Accordingly, these contracts would be interpreted in accordance with PRC law and any disputes would be resolved in accordance with PRC legal procedures. The legal system in the PRC is not as developed as in some other jurisdictions, such as the United States. See "Risks Related to Doing Business in China—Uncertainties with respect to the PRC legal system could adversely affect us." Meanwhile, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a variable interest entity should be interpreted or enforced under PRC law, and as a result it may be difficult to predict how an arbitration panel would view such contractual arrangements. As a result, uncertainties in the PRC legal system could limit our ability to enforce these contractual arrangements. Additionally, under PRC law, rulings by arbitrators are final, parties cannot appeal the arbitration results in courts, and if the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only enforce the arbitration awards in PRC courts through arbitration award recognition proceedings, which would require additional expenses and delay.

Our variable interest entities hold our ICP license and online payment license and conduct our sales of books and audio and video products (including publication of e-books and online audio and video products) as well as online payment service. In the event we are unable to enforce our contractual arrangements, we may not be able to exert effective control over our variable interest entities, and our ability to conduct these businesses may be negatively affected. We generate substantially all of our revenues from products and services that are offered to customers through our website and mobile applications and any interruption in our ability to use our website and mobile applications may have a material and adverse effect on our financial condition and results of operations.

The shareholders of our variable interest entities may have potential conflicts of interest with us, which may materially and adversely affect our business and financial condition.

Mr. Richard Qiangdong Liu and Mr. Jiaming Sun are the shareholders of each of our variable interest entities, Jingdong 360 and Jiangsu Yuanzhou. Mr. Richard Qiangdong Liu is our founder, chairman and chief executive officer, while Mr. Jiaming Sun is an employee of ours. The shareholders of Jingdong 360 and Jiangsu Yuanzhou may have potential conflicts of interest with us. These shareholders may breach, or cause our variable interest entities to breach, or refuse to renew, the existing contractual arrangements we have with them and our variable interest entities, which would have a material and adverse effect on our ability to effectively control our variable interest entities and receive substantially all the economic benefits from them. For example, the shareholders may be able to cause our agreements with Jingdong 360 and Jiangsu Yuanzhou to be performed in a manner adverse

to us by, among other things, failing to remit payments due under the contractual arrangements to us on a timely basis. We cannot assure you that when conflicts of interest arise, any or all of these shareholders will act in the best interests of our company or such conflicts will be resolved in our favor.

Currently, we do not have any arrangements to address potential conflicts of interest between these shareholders and our company. Mr. Richard Qiangdong Liu is also a director and executive officer of our company. We rely on Mr. Liu to abide by the laws of the Cayman Islands and China, which provide that directors owe a fiduciary duty to the company that requires them to act in good faith and in what they believe to be the best interests of the company and not to use their position for personal gains. If we cannot resolve any conflict of interest or dispute between us and the shareholders of Jingdong 360 and Jiangsu Yuanzhou, we would have to rely on legal proceedings, which could result in disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings.

We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business.

We are a holding company, and we may rely on dividends and other distributions on equity paid by our PRC subsidiaries like Jingdong Century for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and service any debt we may incur. If these subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us. In addition, the PRC tax authorities may require Jingdong Century to adjust its taxable income under the contractual arrangements it currently has in place with our variable interest entities in a manner that would materially and adversely affect its ability to pay dividends and other distributions to us. See "—Contractual arrangements in relation to our variable interest entities may be subject to scrutiny by the PRC tax authorities and they may determine that we or our PRC variable interest entities owe additional taxes, which could negatively affected our financial condition and the value of your investment."

Under PRC laws and regulations, our wholly foreign-owned subsidiaries in China may pay dividends only out of their respective accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign-owned enterprise is required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund certain statutory reserve fund, until the aggregate amount of such fund reaches 50% of its registered capital. At its discretion, a wholly foreign-owned enterprise may allocate a portion of its after-tax profits based on PRC accounting standards to enterprise expansion fund and staff welfare and bonus fund. The statutory reserve fund, enterprise expansion fund and staff welfare and bonus fund are not distributable as cash dividends.

Any limitation on the ability of our PRC subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business. See also "—Risks Related to Doing Business in China—If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders."

PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans to our PRC subsidiaries and consolidated variable interest entities or make additional capital contributions to our wholly foreign-owned subsidiaries in China, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

We are an offshore holding company conducting our operations in China through our PRC subsidiaries and consolidated variable interest entities. We may make loans to our PRC subsidiaries and consolidated variable interest entities subject to the approval from governmental authorities and limitation of amount, or we may make additional capital contributions to our wholly foreign-owned subsidiaries in China.

Any loans to our wholly foreign-owned subsidiaries in China, which are treated as foreign-invested enterprises under PRC law, are subject to PRC regulations and foreign exchange loan registrations. For example, loans by us to our wholly foreign-owned subsidiaries in China to finance their activities cannot exceed statutory limits and must be registered with the local counterpart of the State Administration of Foreign Exchange, or SAFE. The statutory limit for the total amount of foreign debts of a foreign-invested company is the difference between the amount of total investment as approved by the Ministry of Commerce or its local counterpart and the amount of registered capital of such foreign-invested company. For example, the current amounts of approved total investment and registered capital of Jingdong Century are approximately US\$850 million and US\$590 million, respectively, which means Jingdong Century cannot obtain loans in excess of US\$260 million from our entities outside of China currently. The current statutory limit on the loans to our other wholly foreign-owned subsidiaries in China, namely, Star East, Jingbangda and Shanghai Shengdayuan, is RMB1,800 million (US\$294 million), RMB2,000 million (US\$327 million) and US\$49 million, respectively.

We may also decide to finance our wholly foreign-owned subsidiaries in China by means of capital contributions. These capital contributions must be approved by the Ministry of Commerce or its local counterpart. In addition, SAFE issued a circular in September 2008, SAFE Circular No. 142, regulating the conversion by a foreign-invested enterprise of foreign currency registered capital into RMB by restricting how the converted RMB may be used. SAFE Circular No. 142 provides that the RMB capital converted from foreign currency registered capital of a foreign-invested enterprise may only be used for purposes within the business scope approved by the applicable government authority and may not be used for equity investments within the PRC. In addition, SAFE strengthened its oversight of the flow and use of the RMB capital converted from foreign currency registered capital of a foreign-invested company. The use of such RMB capital may not be altered without SAFE's approval, and such RMB capital may not in any case be used to repay RMB loans if the proceeds of such loans have not been used. Violations of SAFE Circular No. 142 could result in severe monetary or other penalties. Furthermore, SAFE promulgated a circular in November 2010, SAFE Circular No. 59, which tightens the regulations over settlement of net proceeds from overseas offerings like this offering and requires that the settlement of net proceeds must be consistent with the description in the prospectus for the offering. These two circulars may significantly limit our ability to transfer the net proceeds from this offering to our consolidated variable interest entities and the subsidiaries of our wholly foreign-owned subsidiaries in China, and we may not be able to convert the net proceeds into RMB to invest in or acquire any other PRC companies, or establish other variable interest entities in China.

Due to the restrictions imposed on loans in foreign currencies extended to any PRC domestic companies, we are not likely to make such loans to the subsidiaries of our wholly foreign-owned subsidiaries in China and our consolidated variable interest entities, each a PRC domestic company. Meanwhile, we are not likely to finance the activities of our consolidated variable interest entities by means of capital contributions given the restrictions on foreign investment in the businesses that currently conducted by our consolidated variable interest entities.

In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies, including SAFE Circular No. 142, SAFE Circular No. 59 and other relevant rules and regulations, we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans to our PRC subsidiaries or any consolidated variable interest entity or future capital contributions by us to our wholly foreign-owned subsidiaries in China. As a result, uncertainties exist as to our ability to provide prompt financial support to our PRC subsidiaries or consolidated variable interest entities when needed. If we fail to complete such registrations or obtain such approvals, our ability to use the proceeds we expect to receive from this offering and to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Contractual arrangements in relation to our variable interest entities may be subject to scrutiny by the PRC tax authorities and they may determine that we or our PRC variable interest entities owe additional taxes, which could negatively affect our financial condition and the value of your investment.

Under applicable PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. We could face material and adverse tax consequences if the PRC tax authorities determine that the contractual arrangements between Jingdong Century, our wholly owned subsidiary in China, Jingdong 360 and Jiangsu Yuanzhou, our variable interest entities in China, and their respective shareholders were not entered into on an arm's-length basis in such a way as to result in an impermissible reduction in taxes under applicable PRC laws, rules and regulations, and adjust Jingdong 360's and Jiangsu Yuanzhou's income in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction of expense deductions recorded by Jingdong 360 and Jiangsu Yuanzhou for PRC tax purposes, which could in turn increase their tax liabilities. In addition, the PRC tax authorities may impose punitive interest on Jingdong 360 and Jiangsu Yuanzhou for the adjusted but unpaid taxes at the rate of 5% over the basic RMB lending rate published by the People's Bank of China for a period according to the applicable regulations. Our financial position could be materially and adversely affected if our variable interest entities' tax liabilities increase or if they are required to pay punitive interest.

Risks Related to Doing Business in China

Changes in China's economic, political or social conditions or government policies could have a material and adverse effect on our business and operations.

Substantially all of our operations are located in China. Accordingly, our business, financial condition, results of operations and prospects may be influenced to a significant degree by political, economic and social conditions in China generally and by continued economic growth in China as a whole.

The Chinese economy differs from the economies of most developed countries in many respects, including the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the Chinese government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets, and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China is still owned by the government. In addition, the Chinese government continues to play a significant role in regulating industry development by imposing industrial policies. The Chinese government also exercises significant control over China's economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, and providing preferential treatment to particular industries or companies.

While the Chinese economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall Chinese economy, but may have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations. In addition, in the past the Chinese government has implemented certain measures, including interest rate increases, to control the pace of economic growth. These measures may cause decreased economic activity in China, which may adversely affect our business and operating results.

Uncertainties with respect to the PRC legal system could adversely affect us.

We conduct our business primarily through our PRC subsidiaries and consolidated variable interest entities in China. Our operations in China are governed by PRC laws and regulations. Our PRC subsidiaries are subject to laws and regulations applicable to foreign investment in China. The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value.

In 1979, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters in general. The overall effect of legislation over the past three decades has significantly enhanced the protections afforded to various forms of foreign investments in China. However, China has not developed a fully integrated legal system, and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China. In particular, because these laws and regulations are relatively new, and because of the limited number of published decisions and their nonbinding nature, the interpretation and enforcement of these laws and regulations involve uncertainties. In addition, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all, and which may have a retroactive effect. As a result, we may not be aware of our violation of these policies and rules until some time after the violation.

Any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention. Since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. These uncertainties may impede our ability to enforce the contracts we have entered into and could materially and adversely affect our business and results of operations.

We are subject to consumer protection laws that could require us to modify our current business practices and incur increased costs.

We are subject to numerous PRC laws and regulations that regulate retailers generally or govern online retailers specifically, such as the Consumer Protection Law. If these regulations were to change or if we, suppliers or third-party sellers on our marketplace were to violate them, the costs of certain products or services could increase, or we could be subject to fines or penalties or suffer reputational harm, which could reduce demand for the products or services offered on our website and hurt our business and results of operations. For example, the recently amended Consumer Protection Law, which became effective in March 2014, further strengthens the protection of consumers and imposes more stringent requirements and obligations on business operators, especially on businesses that operate on the internet. Pursuant to the Consumer Protection Law, consumers are generally entitled to return goods purchased within seven days upon receipt without giving any reasons if they purchased the goods over the internet. Consumers whose interests have been damaged due to their purchase of goods or acceptance of services on online marketplace platforms may claim damages from

sellers or service providers. Where the operators of an online marketplace platform are unable to provide the real names, addresses and valid contact details of the sellers or service providers, the consumers may also claim damages from the operators of the online marketplace platforms. Operators of online marketplace platforms that know or should have known that sellers or service providers use their platforms to infringe upon the legitimate rights and interests of consumers but fail to take necessary measures must bear joint and several liability with the sellers or service providers. Moreover, if business operators deceive consumers or knowingly sell substandard or defective products, they should not only compensate consumers for their losses, but also pay additional damages equal to three times the price of the goods or services. Legal requirements are frequently changed and subject to interpretation, and we are unable to predict the ultimate cost of compliance with these requirements or their effect on our operations. We may be required to make significant expenditures or modify our business practices to comply with existing or future laws and regulations, which may increase our costs and materially limit our ability to operate our business.

We may be adversely affected by the complexity, uncertainties and changes in PRC regulation of internet-related business and companies.

The PRC government extensively regulates the internet industry, including foreign ownership of, and the licensing and permit requirements pertaining to, companies in the internet industry. These internet related laws and regulations are relatively new and evolving, and their interpretation and enforcement involve significant uncertainties. As a result, in certain circumstances it may be difficult to determine what actions or omissions may be deemed to be in violation of applicable laws and regulations. Issues, risks and uncertainties relating to PRC government regulation of the internet industry include, but are not limited to, the following:

We only have control over our website through contractual arrangements. We do not own the website in China due to the restriction of foreign investment in businesses providing value-added telecommunication services in China, including internet information provision services. This may significantly disrupt our business, subject us to sanctions, compromise enforceability of related contractual arrangements, or have other harmful effects on us.

The evolving PRC regulatory system for the internet industry may lead to the establishment of new regulatory agencies. For example, in May 2011, the State Council announced the establishment of a new department, the State Internet Information Office (with the involvement of the State Council Information Office, the MIIT, and the Ministry of Public Security). The primary role of this new agency is to facilitate the policy-making and legislative development in this field to direct and coordinate with the relevant departments in connection with online content administration and to deal with cross-ministry regulatory matters in relation to the internet industry.

New laws and regulations may be promulgated that will regulate internet activities, including online retail. If these new laws and regulations are promulgated, additional licenses may be required for our operations. If our operations do not comply with these new regulations at the time they become effective, or if we fail to obtain any licenses required under these new laws and regulations, we could be subject to penalties.

The Circular on Strengthening the Administration of Foreign Investment in and Operation of Value-added Telecommunications Business, issued by the MIIT in July 2006, prohibits domestic telecommunication service providers from leasing, transferring or selling telecommunications business operating licenses to any foreign investor in any form, or providing any resources, sites or facilities to any foreign investor for their illegal operation of a telecommunications business in China. According to this circular, either the holder of a value-added telecommunication services operation permit or its shareholders must directly own the domain names and trademarks used by such license holders in their provision of value-added telecommunication services. The circular also requires each license holder to have the necessary facilities, including servers, for its approved business operations and to maintain

such facilities in the regions covered by its license. If an ICP license holder fails to comply with the requirements and also fails to remedy such non-compliance within a specified period of time, the MIIT or its local counterparts have the discretion to take administrative measures against such license holder, including revoking its ICP license. Currently, Jingdong 360, our PRC consolidated variable interest entity, holds an ICP license and operates our website. Jingdong 360 owns the relevant domain names and registered trademarks and has the necessary personnel to operate such website.

The interpretation and application of existing PRC laws, regulations and policies and possible new laws, regulations or policies relating to the internet industry have created substantial uncertainties regarding the legality of existing and future foreign investments in, and the businesses and activities of, internet businesses in China, including our business. We cannot assure you that we have obtained all the permits or licenses required for conducting our business in China or will be able to maintain our existing licenses or obtain new ones.

Failure to make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties.

Companies operating in China are required to participate in various government sponsored employee benefit plans, including certain social insurance, housing funds and other welfare-oriented payment obligations, and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of our employees up to a maximum amount specified by the local government from time to time at locations where we operate our businesses. The requirement of employee benefit plans has not been implemented consistently by the local governments in China given the different levels of economic development in different locations. Our PRC operating entities incorporated in various locations in China have not made adequate employee benefit payments and we have recorded accruals for estimated underpaid amounts in our financial statements. We may be required to make up the contributions for these plans as well as to pay late fees and fines. If we are subject to late fees or fines in relation to the underpaid employee benefits, our financial condition and results of operations may be adversely affected.

We may be required to register our operating offices outside of our residence addresses as branch offices under PRC law.

Under PRC law, a company setting up premises for business operations outside its residence address must register them as branch offices with the relevant local industry and commerce bureau at the place where the premises are located and obtain business licenses for them as branch offices. We had 1,485 delivery stations and 212 pickup stations in 476 cities across China as of February 28, 2014. We seek to register branch offices in all the cities where we have delivery stations and pickup stations. However, as of the date of this prospectus, we have not been able to register branch offices in all of these cities. Furthermore, we may expand our fulfillment network in the future to additional locations in China, and we may not be able to register branch offices in a timely manner due to complex procedural requirements and relocation of branch offices from time to time. If the PRC regulatory authorities determine that we are in violation of the relevant laws and regulations, we may be subject to penalties, including fines, confiscation of income and suspension of operation. If we become subject to these penalties, our business, results of operations, financial condition and prospects could be materially and adversely affected.

Regulation and censorship of information disseminated over the internet in China may adversely affect our business, and we may be liable for content that is displayed on our website.

China has enacted laws and regulations governing internet access and the distribution of products, services, news, information, audio-video programs and other content through the internet. In the past, the PRC government has prohibited the distribution of information through the internet that it deems to be in violation of PRC laws and regulations. If any of our internet information were deemed by the PRC government to violate any content restrictions, we would not be able to continue to display such content and could become subject to penalties, including confiscation of income, fines, suspension of business and revocation of required licenses, which could materially and adversely affect our business, financial condition and results of operations. We may also be subject to potential liability for any unlawful actions of our customers or users of our website or for content we distribute that is deemed inappropriate. It may be difficult to determine the type of content that may result in liability to us, and if we are found to be liable, we may be prevented from operating our website in China.

Fluctuations in exchange rates could have a material and adverse effect on our results of operations and the value of your investment.

The value of the RMB against the U.S. dollar and other currencies is affected by changes in China's political and economic conditions and China's foreign exchange policies, among other things. On July 21, 2005, the PRC government changed its decades-old policy of pegging the value of the RMB to the U.S. dollar, and the RMB appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the RMB and the U.S. dollar remained within a narrow band. The PRC government has allowed the RMB to appreciate slowly against the U.S. dollar again, and it has appreciated more than 10% since June 2010, though there also have been periods when it has lost value against the U.S. dollar. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the RMB and the U.S. dollar in the future. In addition, there remains significant international pressure on the PRC government to adopt a substantial liberalization of its currency policy, which could result in further appreciation in the value of the RMB against the U.S. dollar.

Significant revaluation of the RMB may have a material and adverse effect on your investment. For example, to the extent that we need to convert U.S. dollars we receive from this initial public offering into RMB for our operations, appreciation of the RMB against the U.S. dollar would have an adverse effect on the RMB amount we would receive from the conversion. Conversely, if we decide to convert our RMB into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs or for other business purposes, appreciation of the U.S. dollar against the RMB would have a negative effect on the U.S. dollar amount available to us. In addition, appreciation or depreciation in the value of the RMB relative to U.S. dollars would affect our financial results reported in U.S. dollar terms regardless of any underlying change in our business or results of operations.

Very limited hedging options are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure or at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert RMB into foreign currency.

Governmental control of currency conversion may limit our ability to utilize our revenues effectively and affect the value of your investment.

The PRC government imposes controls on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of China. We receive substantially all of our revenues in RMB. Under our current corporate structure, our company in the Cayman Islands may rely on dividend payments from our PRC subsidiaries to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. Therefore, our wholly foreign-owned subsidiaries in China are able to pay dividends in foreign currencies to us without prior approval from SAFE, subject to the condition that the remittance of such dividends outside of the PRC complies with certain procedures under PRC foreign exchange regulation, such as the overseas investment registrations by our shareholders or the ultimate shareholders of our corporate shareholders who are PRC residents. But approval from or registration with appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders, including holders of our ADSs.

The approval of the China Securities Regulatory Commission may be required in connection with this offering under a regulation adopted in August 2006, and, if required, we cannot predict whether we will be able to obtain such approval.

The Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, requires an overseas special purpose vehicle formed for listing purposes through acquisitions of PRC domestic companies and controlled by PRC companies or individuals to obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. In September 2006, the CSRC published a notice on its official website specifying documents and materials required to be submitted to it by a special purpose vehicle seeking CSRC approval of its overseas listings. The application of the M&A Rules remains unclear. Currently, there is no consensus among leading PRC law firms regarding the scope and applicability of the CSRC approval requirement.

Our PRC counsel, Zhong Lun Law Firm, has advised us based on their understanding of the current PRC laws, rules and regulations that the CSRC's approval is not required for the listing and trading of our ADSs on [the New York Stock Exchange/the NASDAQ Global Market] in the context of this offering, given that:

- Jingdong Century, Shanghai Shengdayuan, Star East and Jingbangda were incorporated as wholly foreign-owned enterprises by means of direct investment rather than by merger or acquisition of equity interest or assets of a PRC domestic company owned by PRC companies or individuals as defined under the M&A Rules that are our beneficial owners; and
- no provision in the M&A Rules clearly classifies contractual arrangements as a type of transaction subject to the M&A Rules.

However, our PRC legal counsel has further advised us that there remains some uncertainty as to how the M&A Rules will be interpreted or implemented in the context of an overseas offering and its opinions summarized above are subject to any new laws, rules and regulations or detailed

implementations and interpretations in any form relating to the M&A Rules. We cannot assure you that relevant PRC government agencies, including the CSRC, would reach the same conclusion as we do. If it is determined that CSRC approval is required for this offering, we may face sanctions by the CSRC or other PRC regulatory agencies for failure to seek CSRC approval for this offering. These sanctions may include fines and penalties on our operations in the PRC, limitations on our operating privileges in the PRC, delays in or restrictions on the repatriation of the proceeds from this offering into the PRC, restrictions on or prohibition of the payments or remittance of dividends by our China subsidiary, or other actions that could have a material and adverse effect on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of our ADSs. The CSRC or other PRC regulatory agencies may also take actions requiring us, or making it advisable for us, to halt this offering before the settlement and delivery of the ADSs that we are offering. Consequently, if you engage in market trading or other activities in anticipation of and prior to the settlement and delivery of the ADSs we are offering, you would be doing so at the risk that the settlement and delivery may not occur.

The M&A Rules and certain other PRC regulations establish complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

The M&A Rules discussed in the preceding risk factor and recently adopted regulations and rules concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time consuming and complex. For example, the M&A Rules require that the Ministry of Commerce be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise, if (i) any important industry is concerned, (ii) such transaction involves factors that have or may have impact on the national economic security, or (iii) such transaction will lead to a change in control of a domestic enterprise which holds a famous trademark or PRC time-honored brand. Mergers, acquisitions or contractual arrangements that allow one market player to take control of or to exert decisive impact on another market player must also be notified in advance to the Ministry of Commerce when the threshold under the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings, or the Prior Notification Rules, issued by the State Council in August 2008 is triggered. In addition, the security review rules issued by the Ministry of Commerce that became effective in September 2011 specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire *de facto* control over domestic enterprises that raise "national security" concerns are subject to strict review by the Ministry of Commerce, and the rules prohibit any activities attempting to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time consuming, and any required approval processes, including obtaining approval from the Ministry of Commerce or its local counterparts may delay or inhibit our ability to complete such transactions. It is unclear whether our business would be deemed to be in an industry that raises "national defense and security" or "national security" concerns. However, the Ministry of Commerce or other government agencies may publish explanations in the future determining that our business is in an industry subject to the security review, in which case our future acquisitions in the PRC, including those by way of entering into contractual control arrangements with target entities, may be closely scrutinized or prohibited. Our ability to expand our business or maintain or expand our market share through future acquisitions would as such be materially and adversely affected.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident beneficial owners or our wholly foreign-owned subsidiaries in China to liability or penalties, limit our ability to inject capital into these subsidiaries, limit these subsidiaries' ability to increase their registered capital or distribute profits to us, or may otherwise adversely affect us.

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, or SAFE Circular No. 75, requires PRC residents to register with the relevant local branch of SAFE before establishing or controlling any company outside of China, referred to as an offshore special purpose company, for the purpose of raising funds from overseas to acquire or exchange the assets of, or acquiring equity interests in, PRC entities held by such PRC residents and to update such registration in the event of any significant changes with respect to that offshore company. If these shareholders fail to comply, the PRC subsidiaries are required to report to the local SAFE branches. If the shareholders of the offshore holding company who are PRC residents do not complete their registration with the local SAFE branches, the PRC subsidiaries may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to the offshore company, and the offshore company may be restricted in its ability to contribute additional capital to its PRC subsidiaries. Moreover, failure to comply with SAFE registration and amendment requirements described above could result in liability under PRC law for evasion of applicable foreign exchange restrictions.

We have requested PRC residents who we know hold direct or indirect interest in our company to make the necessary applications, filings and amendments as required under SAFE Circular No. 75 and other related rules. Mr. Richard Qiangdong Liu, our founder and shareholder, has completed required registrations with SAFE in relation to our financing and restructuring and will make amendments when needed and required in accordance with SAFE Circular No. 75. However, we may not be informed of the identities of all the PRC residents holding direct or indirect interest in our company, and we cannot provide any assurance that these PRC residents will comply with our request to make or obtain any applicable registrations or comply with other requirements under SAFE Circular No. 75 or other related rules. The failure or inability of our PRC resident shareholders to comply with the registration procedures set forth in these regulations may subject us to fines and legal sanctions, restrict our cross-border investment activities, limit the ability of our wholly foreign-owned subsidiaries in China to distribute dividends and the proceeds from any reduction in capital, share transfer or liquidation to us, and we may also be prohibited from injecting additional capital into these subsidiaries. Moreover, failure to comply with the various foreign exchange registration requirements described above could result in liability under PRC law for circumventing applicable foreign exchange restrictions. As a result, our business operations and our ability to distribute profits to you could be materially and adversely affected.

Any failure to comply with PRC regulations regarding the registration requirements for employee stock incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company, issued by SAFE in February 2012, employees, directors, supervisors and other senior management participating in any stock incentive plan of an overseas publicly listed company who are PRC citizens or who are non-PRC citizens residing in China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain other procedures. We and our directors, executive officers and other employees who are PRC citizens or who reside in the PRC for a continuous period of not less than one year and who have been granted restricted shares,

restricted share units or options will be subject to these regulations when our company becomes an overseas listed company upon the completion of this offering. Failure to complete the SAFE registrations may subject them to fines and legal sanctions and may also limit our ability to contribute additional capital into our wholly foreign-owned subsidiaries in China and limit these subsidiaries' ability to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors and employees under PRC law.

In addition, the State Administration for Taxation has issued certain circulars concerning employee share options or restricted shares. Under these circulars, the employees working in the PRC who exercise share options or are granted restricted shares will be subject to PRC individual income tax. The PRC subsidiaries of such overseas listed company have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If the employees fail to pay or the PRC subsidiaries fail to withhold their income taxes according to relevant laws and regulations, the PRC subsidiaries may face sanctions imposed by the tax authorities or other PRC government authorities.

Our business benefits from certain financial incentives and discretionary policies granted by local governments. Expiration of, or changes to, these incentives or policies would have an adverse effect on our results of operations.

In the past three years, local governments in China granted certain financial incentives from time to time to our PRC subsidiaries or consolidated variable interest entities as part of their efforts to encourage the development of local businesses. We received approximately RMB26 million, RMB42 million and RMB120 million (US\$20 million) in financial incentives from local governments relating to our business operations in 2011, 2012 and 2013, respectively. The timing, amount and criteria of government financial incentives are determined within the sole discretion of the government authorities and cannot be predicted with certainty before we actually receive any financial incentive. Local governments may decide to reduce or eliminate incentives at any time. We cannot assure you of the continued availability of the government incentives currently enjoyed by our PRC subsidiaries or consolidated variable interest entities. Any reduction or elimination of incentives would have an adverse effect on our results of operations.

If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders.

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with "de facto management body" within the PRC is considered a resident enterprise and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control and overall management over the business, productions, personnel, accounts and properties of an enterprise. On April 22, 2009, the State Administration of Taxation issued a circular, known as Circular 82, which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect the State Administration of Taxation's general position on how the "de facto management body" text should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day

operational management is in the PRC; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

We believe that none of JD.com, Inc. and its subsidiaries outside of China is a PRC resident enterprise for PRC tax purposes. See "Taxation—People's Republic of China Taxation." However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." If the PRC tax authorities determine that JD.com, Inc. or any of its subsidiaries outside of China is a PRC resident enterprise for enterprise income tax purposes, they would be subject to a 25% enterprise income tax on their global income. If these entities derive income other than dividends from their wholly owned subsidiaries in the PRC, a 25% enterprise income tax on their global income may increase our tax burden. If JD.com, Inc. or any of its subsidiaries outside of China is classified as a PRC resident enterprise, dividends paid to it from its wholly owned subsidiaries in China may be regarded as tax-exempted income if such dividends are deemed to be "dividends between qualified PRC resident enterprises" under the PRC Enterprise Income Tax Law and its implementation rules. However, we cannot assure you that such dividends will not be subject to PRC withholding tax, as the PRC tax authorities, which enforce the withholding tax, have not yet issued guidance with respect to the processing of outbound remittances to entities that are treated as resident enterprises for PRC income tax purposes.

In addition, if JD.com, Inc. is classified as a PRC resident enterprise for PRC tax purposes, we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises, including the holders of our ADSs. In addition, non-resident enterprise shareholders (including our ADS holders) may be subject to a 10% PRC withholding tax on gains realized on the sale or other disposition of ADSs or ordinary shares, if such income is treated as sourced from within the PRC. It is unclear whether our non-PRC individual shareholders (including our ADS holders) would be subject to any PRC tax on dividends or gains obtained by such non-PRC individual shareholders in the event we are determined to be a PRC resident enterprise. If any PRC tax were to apply to such dividends or gains, it would generally apply at a rate of 20% unless a reduced rate is available under an applicable tax treaty. However, it is also unclear whether non-PRC shareholders of JD.com, Inc. would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that JD.com, Inc. is treated as a PRC resident enterprise.

Under the Arrangement Between the PRC and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital, the dividend withholding tax rate may be reduced to 5%, if a Hong Kong resident enterprise is considered a non-PRC tax resident enterprise and holds at least 25% of the equity interests in the PRC enterprise distributing the dividends, subject to approval of the PRC local tax authority. However, if the Hong Kong resident enterprise is not considered to be the beneficial owner of such dividends under applicable PRC tax regulations, such dividends may remain subject to withholding tax at a rate of 10%. In October 2009, the State Administration of Taxation issued a circular, known as Circular 601, which provides guidance on determining whether an enterprise is a "beneficial owner" under China's tax treaties and tax arrangements. Circular 601 provides that, in order to be a beneficial owner, an entity generally must be engaged in substantive business activities, and that a company that is set up for the purpose of avoiding or reducing taxes or transferring or accumulating profits will not be regarded as a beneficial owner and will not qualify for treaty benefits such as preferential dividend withholding tax rates. If our Hong Kong subsidiaries are, in the light of Circular 601, considered to be a non-beneficial owner for purposes of the tax arrangement mentioned above,

any dividends paid to them by our wholly foreign-owned PRC subsidiaries would not qualify for the preferential dividend withholding tax rate of 5%, but rather would be subject to a rate of 10%.

We face uncertainties with respect to the application of the Circular on Strengthening the Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises.

Pursuant to the Circular on Strengthening the Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises, known as SAT Circular 698, issued by the State Administration of Taxation in 2009 with retroactive effect from 2008, and another notice subsequently issued in 2011, where a non-resident enterprise transfers the equity interests of a PRC resident enterprise indirectly by disposing of the equity interests of an overseas holding company, or an Indirect Transfer, and the overseas holding company is located in a tax jurisdiction that: (i) has an effective tax rate, which refers to the effective tax on the gain derived from the disposition of equity interests of the overseas holding company, of less than 12.5% or (ii) does not impose income tax on the gain derived from the disposition of equity interests of the overseas holding company, the non-resident enterprise, being the transferor, must report to the relevant tax authority of the PRC resident enterprise this Indirect Transfer. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such Indirect Transfer may be subject to PRC withholding tax at a rate of up to 10%. SAT Circular 698 also provides that, where a non-PRC resident enterprise transfers its equity interests in a PRC resident enterprise to its related parties at a price lower than the fair market value, the relevant tax authority has the power to make a reasonable adjustment to the taxable income of the transaction. In addition, the PRC "resident enterprise" is supposed to provide necessary assistance to support the enforcement of SAT Circular 698.

There is uncertainty as to the application of SAT Circular 698 and its related rules. For example, although the term "Indirect Transfer" is not clearly defined, it is understood that the relevant PRC tax authorities have the authority to request for information over a wide range of foreign entities that have no direct contact with the PRC. Moreover, the tax authority has not yet promulgated any formal provisions or made any formal announcement as to the procedure for reporting an Indirect Transfer to the relevant tax authority. In addition, there are not any formal interpretations concerning how to determine whether a non-resident investor has adopted an abusive arrangement in order to reduce, avoid or defer PRC tax. SAT Circular 698 may be determined by the tax authorities to be applicable to our offshore restructuring transactions where non-resident investors were involved. The PRC tax authorities may pursue our offshore shareholders to conduct a filing regarding the transactions and request our PRC subsidiaries to assist the filing. As a result, we and our non-resident enterprise investors including ADS holders may become at risk of being taxed under SAT Circular 698 and may be required to expend valuable resources to comply with SAT Circular 698 or to establish that we and our non-resident enterprise investors should not be taxed under SAT Circular 698 for our previous and future restructuring or disposal of shares of our company, which may have a material adverse effect on our financial condition and results of operations or such non-resident enterprise investors' investments in us.

Risks Related to This Offering

There has been no public market for our ordinary shares or ADSs prior to this offering, and you may not be able to resell our ADSs at or above the price you paid, or at all.

Prior to this initial public offering, there has been no public market for our ordinary shares or ADSs. We intend to list our ADSs on [the NYSE/NASDAQ]. Our ordinary shares will not be listed on any exchange or quoted for trading on any over-the-counter trading system. If an active trading market

for our ADSs does not develop after this offering, the market price and liquidity of our ADSs will be materially and adversely affected.

Negotiations with the underwriters will determine the initial public offering price for our ADSs which may bear no relationship to their market price after the initial public offering. We cannot assure you that an active trading market for our ADSs will develop or that the market price of our ADSs will not decline below the initial public offering price.

The market price for our ADSs may be volatile.

The trading prices of our ADSs are likely to be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, like the performance and fluctuation in the market prices or the underperformance or deteriorating financial results of other listed internet or other companies based in China that have listed their securities in the United States in recent years. The securities of some of these companies have experienced significant volatility since their initial public offerings, including, in some cases, substantial price declines in the trading prices of their securities. The trading performances of other Chinese companies' securities after their offerings, including internet and e-commerce companies, may affect the attitudes of investors toward Chinese companies listed in the United States, which consequently may impact the trading performance of our ADSs, regardless of our actual operating performance. In addition, any negative news or perceptions about inadequate corporate governance practices or fraudulent accounting, corporate structure or matters of other Chinese companies may also negatively affect the attitudes of investors towards Chinese companies in general, including us, regardless of whether we have conducted any inappropriate activities. In addition, securities markets may from time to time experience significant price and volume fluctuations that are not related to our operating performance, such as the large decline in share prices in the United States, China and other jurisdictions in late 2008, early 2009 and the second half of 2011, which may have a material and adverse effect on the market price of our ADSs.

In addition to the above factors, the price and trading volume of our ADSs may be highly volatile due to multiple factors, including the following:

- regulatory developments affecting us or our industry, customers, suppliers or third-party sellers;
- announcements of studies and reports relating to the quality of our product and service offerings or those of our competitors;
- changes in the economic performance or market valuations of other online retail or e-commerce companies;
- actual or anticipated fluctuations in our quarterly results of operations and changes or revisions of our expected results;
- changes in financial estimates by securities research analysts;
- conditions in the online retail market;
- announcements by us or our competitors of new product and service offerings, acquisitions, strategic relationships, joint ventures or capital commitments;
- additions to or departures of our senior management;
- fluctuations of exchange rates between the RMB and the U.S. dollar;
- release or expiry of lock-up or other transfer restrictions on our outstanding ordinary shares or ADSs;

- sales or perceived potential sales of additional ordinary shares or ADSs; and
- proceedings instituted recently by the SEC against five PRC-based accounting firms, including our independent registered public accounting firm.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, the market price for our ADSs and trading volume could decline.

The trading market for our ADSs will depend in part on the research and reports that securities or industry analysts publish about us or our business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who covers us downgrades our ADSs or publishes inaccurate or unfavorable research about our business, the market price for our ADSs would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for our ADSs to decline.

Because our initial public offering price is substantially higher than our net tangible book value per share, you will experience immediate and substantial dilution.

If you purchase ADSs in this offering, you will pay more for your ADSs than the amount paid by our existing shareholders for their ordinary shares on a per ADS basis. As a result, you will experience immediate and substantial dilution of US\$ per ADS, representing the difference between the assumed initial public offering price of US\$ per ADS, the midpoint of the estimated range of the initial public offering price, and our net tangible book value per ADS as of December 31, 2013, after giving effect to the net proceeds to us from this offering. In addition, you may experience further dilution to the extent that our ordinary shares are issued upon the exercise of share options. See "Dilution."

Because we do not expect to pay dividends in the foreseeable future after this offering, you must rely on price appreciation of our ADSs for return on your investment.

We currently intend to retain most, if not all, of our available funds and any future earnings after this offering to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in our ADSs as a source for any future dividend income.

Our board of directors has complete discretion as to whether to distribute dividends. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our ADSs will likely depend entirely upon any future price appreciation of our ADSs. There is no guarantee that our ADSs will appreciate in value after this offering or even maintain the price at which you purchased the ADSs. You may not realize a return on your investment in our ADSs and you may even lose your entire investment in our ADSs.

Substantial future sales or perceived potential sales of our ADSs in the public market could cause the price of our ADSs to decline.

Sales of our ADSs in the public market after this offering, or the perception that these sales could occur, could cause the market price of our ADSs to decline. Upon completion of this offering, we will have ordinary shares outstanding including Class A ordinary shares represented by ADSs, assuming the underwriters do not exercise their over-allotment option. All ADSs

sold in this offering will be freely transferable without restriction or additional registration under the Securities Act. The remaining Class A ordinary shares outstanding after this offering and the Class B ordinary shares will be available for sale, upon the expiration of the 180-day lock-up period beginning from the date of this prospectus, subject to volume and other restrictions as applicable under Rules 144 and 701 under the Securities Act. Any or all of these shares may be released prior to the expiration of the lock-up period at the discretion of the representatives of the underwriters of this offering. To the extent shares are released before the expiration of the lock-up period and sold into the market, the market price of our ADSs could decline.

After completion of this offering, certain holders of our ordinary shares may cause us to register under the Securities Act the sale of their shares, subject to the 180-day lock-up period in connection with this offering. Registration of these shares under the Securities Act would result in ADSs representing these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. Sales of these registered shares in the form of ADSs in the public market could cause the price of our ADSs to decline.

You, as holders of ADSs, may have fewer rights than holders of our ordinary shares and must act through the depositary to exercise those rights.

Holders of ADSs do not have the same rights of our shareholders and may only exercise the voting rights with respect to the underlying Class A ordinary shares in accordance with the provisions of the deposit agreement. Under the post-offering memorandum and articles of association that will become effective immediately prior to the completion of this offering, the minimum notice period required to convene a general meeting is seven days. When a general meeting is convened, you may not receive sufficient notice of a shareholders' meeting to permit you to withdraw your ordinary shares to allow you to cast your vote with respect to any specific matter. In addition, the depositary and its agents may not be able to send voting instructions to you or carry out your voting instructions in a timely manner. We will make all reasonable efforts to cause the depositary to extend voting rights to you in a timely manner, but we cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your ADSs. Furthermore, the depositary and its agents will not be responsible for any failure to carry out any instructions to vote, for the manner in which any vote is cast or for the effect of any such vote. As a result, you may not be able to exercise your right to vote and you may lack recourse if your ADSs are not voted as you requested. In addition, in your capacity as an ADS holder, you will not be able to call a shareholders' meeting.

Your right to participate in any future rights offerings may be limited, which may cause dilution to your holdings.

We may from time to time distribute rights to our shareholders, including rights to acquire our securities. However, we cannot make rights available to you in the United States unless we register both the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. Under the deposit agreement, the depositary will not make rights available to you unless both the rights and the underlying securities to be distributed to ADS holders are either registered under the Securities Act or exempt from registration under the Securities Act. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective and we may not be able to establish a necessary exemption from registration under the Securities Act. Accordingly, you may be unable to participate in our rights offerings and may experience dilution in your holdings.

You may not receive cash dividends if the depositary decides it is impractical to make them available to you.

The depositary will pay cash dividends on the ADSs only to the extent that we decide to distribute dividends on our Class A ordinary shares or other deposited securities, and we do not have any present plan to pay any cash dividends on our ordinary shares in the foreseeable future. To the extent that there is a distribution, the depositary of our ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on our Class A ordinary shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of Class A ordinary shares your ADSs represent. However, the depositary may, at its discretion, decide that it is inequitable or impractical to make a distribution available to any holders of ADSs. For example, the depositary may determine that it is not practicable to distribute certain property through the mail, or that the value of certain distributions may be less than the cost of mailing them. In these cases, the depositary may decide not to distribute such property to you.

You may be subject to limitations on transfer of your ADSs.

Your ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. In addition, the depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary deems it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

Certain judgments obtained against us by our shareholders may not be enforceable.

We are a company incorporated under the laws of the Cayman Islands. We conduct our operations in China and substantially all of our assets are located in China. In addition, our directors and executive officers, and some of the experts named in this prospectus, reside within China, and most of the assets of these persons are located within China. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the United States in the event that you believe that your rights have been infringed under the U.S. federal securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of the PRC may render you unable to enforce a judgment against our assets or the assets of our directors and officers. For more information regarding the relevant laws of the Cayman Islands and China, see "Enforceability of Civil Liabilities."

Since we are a Cayman Islands company, the rights of our shareholders may be more limited than those of shareholders of a company organized in the United States.

Under the laws of some jurisdictions in the United States, majority and controlling shareholders generally have certain fiduciary responsibilities to the minority shareholders. Shareholder action must be taken in good faith, and actions by controlling shareholders which are obviously unreasonable may be declared null and void. Cayman Island law protecting the interests of minority shareholders may not be as protective in all circumstances as the law protecting minority shareholders in some U.S. jurisdictions. In addition, the circumstances in which a shareholder of a Cayman Islands company may sue the company derivatively, and the procedures and defenses that may be available to the company, may result in the rights of shareholders of a Cayman Islands company being more limited than those of shareholders of a company organized in the United States.

Furthermore, our directors have the power to take certain actions without shareholder approval which would require shareholder approval under the laws of most U.S. jurisdictions. The directors of a Cayman Islands company, without shareholder approval, may implement a sale of any assets, property, part of the business, or securities of the company. Our ability to create and issue new classes or series

of shares without shareholder approval could have the effect of delaying, deterring or preventing a change in control without any further action by our shareholders, including a tender offer to purchase our ordinary shares at a premium over then current market prices.

You must rely on the judgment of our management as to the use of the net proceeds from this offering, and such use may not produce income or increase our ADS price.

A significant portion of the net proceeds of this offering is allocated for general corporate purposes, including funding potential investments in and acquisitions of complementary businesses, assets and technologies. Our management will have considerable discretion in the application of the net proceeds received by us. You will not have the opportunity, as part of your investment decision, to assess whether proceeds are being used appropriately. The net proceeds may be used for corporate purposes that do not improve our efforts to achieve or maintain profitability or increase our ADS price. The net proceeds from this offering may be placed in investments that do not produce income or that lose value.

The post-offering memorandum and articles of association that will become effective immediately prior to the completion of this offering contain anti-takeover provisions that could discourage a third party from acquiring us and adversely affect the rights of holders of our Class A ordinary shares and ADSs.

We have adopted an amended and restated memorandum and articles of association that will become effective immediately prior to the completion of this offering. The post-offering memorandum and articles of association will contain certain provisions that could limit the ability of others to acquire control of our company, including a dual-class voting structure that gives disproportionate voting power to the Class B ordinary shares held by Max Smart Limited and Fortune Rising Holdings Limited, of which our founder, chairman and chief executive officer, Mr. Richard Qiangdong Liu, is the sole shareholder and sole director. We anticipate that Mr. Liu will (i) beneficially own % of the aggregate voting power of our company through Max Smart Limited, and (ii) be able to exercise % of the aggregate voting power of our company on behalf of Fortune Rising Holdings Limited, immediately following the completion of this offering. Fortune Rising Holdings Limited holds the shares for the purpose of transferring such shares to the plan participants according to our awards under our 2013 Plan, and administer the awards and acts according to our instruction, and is therefore treated as our consolidated variable interest entity under U.S. GAAP. In addition, our post-offering memorandum and articles of association will also contain a provision that grants authority to our board of directors to establish and issue from time to time one or more series of preferred shares without action by our shareholders and to determine, with respect to any series of preferred shares, the terms and rights of that series. These provisions could have the effect of depriving our shareholders of the opportunity to sell their shares at a premium over the prevailing market price by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transactions.

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to U.S. domestic public companies.

Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;
- the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act;

- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

We will be required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we intend to publish our results on a quarterly basis as press releases, distributed pursuant to the rules and regulations of [the NYSE/NASDAQ]. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information that would be made available to you were you investing in a U.S. domestic issuer.

As a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the [NYSE/NASDAQ] corporate governance listing standards; these practices may afford less protection to shareholders than they would enjoy if we complied fully with the [NYSE/NASDAQ] corporate governance listing standards.

As a Cayman Islands company listed on [the NYSE/NASDAQ], we are subject to the [NYSE/NASDAQ] corporate governance listing standards. However, [NYSE/NASDAQ] rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the [NYSE/NASDAQ] corporate governance listing standards. For example, neither the Companies Law of the Cayman Islands nor our post-offering memorandum and articles of association that will become effective immediately prior to the completion of this offering requires a majority of our directors to be independent and we could include non-independent directors as members of our compensation committee and nominating committee, and our independent directors would not necessarily hold regularly scheduled meetings at which only independent directors are present. Currently, we do not plan to rely on home country practice with respect to our corporate governance after we complete this offering. However, if we choose to follow home country practice in the future, our shareholders may be afforded less protection than they otherwise would under the [NYSE/NASDAQ] corporate governance listing standards applicable to U.S. domestic issuers.

We may be classified as a passive foreign investment company for United States federal income tax purposes, which could subject United States investors in the ADSs or ordinary shares to significant adverse tax consequences.

Depending upon the value of our assets, which may be determined based, in part, on the market value of our ADSs and ordinary shares, and the nature of our assets and income over time, we could be classified as a passive foreign investment company, or PFIC, for United States federal income tax purposes. A non-United States corporation, such as our company, will be classified as a PFIC for United States federal income tax purposes for any taxable year, if either (i) 75% or more of its gross income for such year consists of certain types of "passive" income or (ii) 50% or more of the value of its assets (determined on the basis of a quarterly average) during such year produce or are held for the production of passive income. The average percentage of a corporation's assets that produce or are held for the production of passive income generally is determined on the basis of the fair market value of the corporation's assets at the end of each quarter. This determination is based on the adjusted tax basis of the corporation's assets, however, if the corporation is a "controlled foreign corporation," or CFC, that is not a publicly traded corporation for the taxable year. If we are treated as a CFC for United States federal income tax purposes for any portion of our taxable year that includes this

offering, we would likely be classified as a PFIC for our taxable year ending December 31, 2014. Although no assurances can be made in this regard, based on our current shareholder composition, we believe that we are not a CFC.

In addition, we will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly, more than 25% (by value) of the stock. Although the law in this regard is unclear, we treat our VIEs as being owned by us for United States federal income tax purposes because we control their management decisions and we are entitled to substantially all of the economic benefits and obligated to absorb substantially all of the losses associated with these entities, and, as a result, we consolidate their results of operations in our U.S. GAAP financial statements and treat them as being owned by us for United States federal income tax purposes. If it were determined, however, that that we are not the owner of our VIEs for United States federal income tax purposes, we may be treated as a PFIC for our current taxable year and in future taxable years.

Based on our current income and assets and projections of the value of our ADSs and outstanding ordinary shares, we do not expect to be classified as a PFIC for our taxable year ending December 31, 2014 or in the foreseeable future. Because PFIC status is a fact-intensive determination and our expectation for our taxable year ending December 31, 2014 is based, in part, on our belief that we are not a CFC, no assurance can be given that we will not be classified as a PFIC. While we do not anticipate becoming a PFIC, changes in the nature of our income or assets, or fluctuations in the market price of our ADSs or ordinary shares, may cause us to become a PFIC for future taxable years. In estimating the value of our goodwill and other unbooked intangibles, we have taken into account our anticipated market capitalization following the close of this offering. Among other factors, if our market capitalization is less than anticipated or subsequently declines, we may be or become classified as a PFIC for the current or future taxable years. Under circumstances where revenues from activities that produce passive income significantly increase relative to our revenues from activities that produce non-passive income or where we determine not to deploy significant amounts of cash for working capital or other purposes, our risk of becoming classified as a PFIC may substantially increase.

If we are classified as a PFIC for any year during which a U.S. Holder holds our ADSs or ordinary shares, a U.S. Holder may incur significantly increased United States federal income tax on gain recognized on the sale or other disposition of the ADSs or ordinary shares and on the receipt of distributions on the ADSs or ordinary shares to the extent such gain or distribution is treated as an "excess distribution" under the United States federal income tax rules. If we are so classified, our ADSs or ordinary shares generally will continue to be treated as shares in a PFIC for all succeeding years during which a U.S. Holder holds our ADSs or ordinary shares, even if we cease to be a PFIC. See the discussion under "Taxation—Material United States Federal Income Tax Considerations—Passive Foreign Investment Company Rules" concerning the United States federal income tax consequences of an investment in the ADSs or ordinary shares if we are or become classified as a PFIC, including the possibility of making a "deemed sale" election.

We will incur increased costs as a result of being a public company.

Upon completion of this offering, we will become a public company and expect to incur significant accounting, legal and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, as well as rules subsequently implemented by the SEC and [the NYSE/NASDAQ], have detailed requirements concerning corporate governance practices of public companies, including Section 404 of the Sarbanes-Oxley Act relating to internal controls over financial reporting. We expect these rules and regulations applicable to public companies to increase our accounting, legal and financial compliance costs and to make certain corporate activities more time-consuming and costly. Our management will be required to devote substantial time and attention to our public company reporting obligations and other compliance matters. We are currently evaluating and monitoring

developments with respect to these rules and regulations, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. Our reporting and other compliance obligations as a public company may place a significant strain on our management, operational and financial resources and systems for the foreseeable future.

In the past, shareholders of a public company often brought securities class action suits against the company following periods of instability in the market price of that company's securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and operations, which could harm our results of operations and require us to incur significant expenses to defend the suit. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material and adverse effect on our financial condition and results of operations.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that reflect our current expectations and views of future events. The forward looking statements are contained principally in the sections entitled "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." Known and unknown risks, uncertainties and other factors, including those listed under "Risk Factors," may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

You can identify some of these forward-looking statements by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "is/are likely to," "potential," "continue" or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include statements relating to:

- our goals and strategies;
- our future business development, financial conditions and results of operations;
- the expected growth of the retail and online retail markets in China;
- our expectations regarding demand for and market acceptance of our products and services;
- our expectations regarding our relationships with customers, suppliers and third-party sellers;
- our plans to invest in our fulfillment infrastructure and technology platform;
- competition in our industry; and
- relevant government policies and regulations relating to our industry.

These forward-looking statements involve various risks and uncertainties. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may later be found to be incorrect. Our actual results could be materially different from our expectations. Important risks and factors that could cause our actual results to be materially different from our expectations are generally set forth in "Prospectus Summary—Our Challenges," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business," "Regulation" and other sections in this prospectus. You should thoroughly read this prospectus and the documents that we refer to with the understanding that our actual future results may be materially different from and worse than what we expect. We qualify all of our forward-looking statements by these cautionary statements.

This prospectus contains certain data and information that we obtained from various government and private publications. Statistical data in these publications also include projections based on a number of assumptions. The online retail industry may not grow at the rate projected by market data, or at all. Failure of this market to grow at the projected rate may have a material and adverse effect on our business and the market price of our ADSs. In addition, the rapidly changing nature of the online retail industry results in significant uncertainties for any projections or estimates relating to the growth prospects or future condition of our market. Furthermore, if any one or more of the assumptions underlying the market data are later found to be incorrect, actual results may differ from the projections based on these assumptions. You should not place undue reliance on these forward-looking statements.

The forward-looking statements made in this prospectus relate only to events or information as of the date on which the statements are made in this prospectus. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a

result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this prospectus and the documents that we refer to in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect.

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately US\$, or approximately US\$ if the underwriters exercise their over-allotment option in full, after deducting underwriting discounts and the estimated offering expenses payable by us. In addition, we expect to receive net proceeds of approximately US\$ million from the concurrent private placement. These estimates are based upon an assumed initial public offering price of US\$ per ADS, the midpoint of the price range shown on the front cover page of this prospectus. A US\$1.00 increase (decrease) in the assumed initial public offering price of US\$ per ADS would increase (decrease) the net proceeds to us from this offering by US\$, assuming the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us, or by US\$ if the underwriters exercise their over-allotment option in full.

The primary purposes of this offering are to create a public market for our shares for the benefit of all shareholders, retain talented employees by providing them with equity incentives, and obtain additional capital. We plan to use the net proceeds of this offering as follows:

- approximately US\$ to US\$ to expand our fulfillment infrastructure by acquiring land use rights, building new warehouses and establishing more delivery stations; and
- the balance for general corporate purposes, including funding potential investments in and acquisitions of complementary businesses, assets and technologies.

The foregoing represents our current intentions based upon our present plans and business conditions to use and allocate the net proceeds of this offering. Our management, however, will have significant flexibility and discretion to apply the net proceeds of this offering. If an unforeseen event occurs or business conditions change, we may use the proceeds of this offering differently than as described in this prospectus. See "Risk Factors—Risks Related to This Offering—You must rely on the judgment of our management as to the use of the net proceeds from this offering, and such use may not produce income or increase our ADS price."

Pending any use described above, we plan to invest the net proceeds in short-term, interest-bearing, debt instruments or demand deposits.

In using the proceeds of this offering, we are permitted under PRC laws and regulations as an offshore holding company to provide funding to our wholly foreign-owned subsidiaries in China only through loans or capital contributions and to other subsidiaries in China and our consolidated variable interest entities only through loans, subject to the approval of government authorities and limit on the amount of capital contributions and loans. Subject to satisfaction of applicable government registration and approval requirements, we may extend inter-company loans to our wholly foreign-owned subsidiaries in China or make additional capital contributions to these subsidiaries to fund their capital expenditures or working capital. For an increase of registered capital of our wholly foreign-owned subsidiaries, we need to obtain approval from the Ministry of Commerce or its local counterparts, which will decide within 90 days after receiving the application. If we provide funding to any of our wholly foreign-owned subsidiaries through loans, the total amount of such loans may not exceed the difference between the entity's total investment as approved by the foreign investment authorities and its registered capital. Such loans must be registered with SAFE or its local branches, which usually takes up to 20 working days to complete. We cannot assure you that we will be able to obtain these government registrations or approvals on a timely basis, if at all. See "Risk Factors—Risks Related to Our Corporate Structure—PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans to our PRC subsidiaries and consolidated variable interest entities or make additional capital contributions to our wholly foreign-owned subsidiaries in China, which could materially and adversely affect our liquidity and our ability to fund and expand our business."

[We will not receive any of the proceeds from the sale of ADSs by the selling shareholders.]

DIVIDEND POLICY

Our board of directors has complete discretion on whether to distribute dividends. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant.

We do not have any present plan to pay any cash dividends on our ordinary shares in the foreseeable future after this offering. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

We are a holding company incorporated in the Cayman Islands. We may rely on dividends from our subsidiaries in China for our cash requirements, including any payment of dividends to our shareholders. PRC regulations may restrict the ability of our PRC subsidiaries to pay dividends to us. See "Risk Factors—Risks Related to Our Corporate Structure—We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business."

If we pay any dividends, we will pay our ADS holders to the same extent as holders of our ordinary shares, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See "Description of American Depositary Shares." Cash dividends on our ordinary shares, if any, will be paid in U.S. dollars.

CAPITALIZATION

The following table sets forth our capitalization as of December 31, 2013:

- on an actual basis;
- on a pro forma basis to reflect (i) the redesignation of 369,564,379 ordinary shares held by Max Smart Limited (excluding the 93,780,970 ordinary shares we will issue to Max Smart Limited immediately after the listing of our ADSs on [the NYSE/NASDAQ], pursuant to the 93,780,970 restricted share units that were granted to Mr. Richard Qiangdong Liu in March 2014 under our 2013 Plan and became fully vested immediately upon grant) and 106,850,910 ordinary shares held by Fortune Rising Holdings Limited into 476,415,289 Class B ordinary shares on a one-for-one basis upon the completion of this offering, and (ii) the redesignation of all of the remaining ordinary shares and the automatic conversion and redesignation of all of our preferred shares that are issued and outstanding into Class A ordinary shares on a one-for-one basis upon the completion of this offering.
- on a pro forma as adjusted basis to reflect (i) the issuance of 351,678,637 ordinary shares to Huang River Investment Limited on March 10, 2014, (ii) the redesignation of 463,345,349 ordinary shares held by Max Smart Limited (including 93,780,970 ordinary shares we will issue to Max Smart Limited immediately after the listing of our ADSs on [the NYSE/NASDAQ]), pursuant to the 93,780,970 restricted share units that were granted to Mr. Richard Qiangdong Liu in March 2014 under our 2013 Plan) and 106,850,910 ordinary shares held by Fortune Rising Holdings Limited into 570,196,259 Class B ordinary shares on a one-for-one basis upon the completion of this offering, and (iii) the redesignation of all of the remaining ordinary shares and the automatic conversion and redesignation of all of our preferred shares that are issued and outstanding into Class A ordinary shares on a one-for-one basis upon the completion of this offering, (iv) the sale of Class A ordinary shares in the form of ADSs by us in this offering at an assumed initial public offering price of US\$ per ADS, the midpoint of the price range shown on the front cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, and (v) the issuance and sale of Class A ordinary shares in the private placement to Huang River Investment Limited concurrently with this offering, assuming an initial offering price of US\$ per ADS, the mid-point of the estimated initial public offering price range shown on the front cover page of this prospectus.

You should read this table together with our consolidated financial statements and the related notes included elsewhere in this prospectus and the information under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	As of December 31, 2013	
	Actual	Pro Forma As Adjusted
	(in thousands of RMB)	
Mezzanine equity:		
Series C convertible redeemable preferred shares (US\$0.00002 par value; 258,316,305 shares authorized, issued and outstanding ⁽¹⁾ on an actual basis; and none outstanding on a pro forma or a pro forma as adjusted basis.)	7,173,263	—
Shareholders' equity:		
Series A and A-1 convertible preferred shares (US\$0.00002 par value; 221,360,925 shares authorized, 191,894,000 shares issued and outstanding ⁽¹⁾ on an actual basis; and none outstanding on a pro forma or a pro forma as adjusted basis.)	255,850	—
Series B convertible preferred shares (US\$0.00002 par value; 84,786,405 shares authorized, 59,539,244 issued and outstanding ⁽¹⁾ on an actual basis; and none outstanding on a pro forma or a pro forma as adjusted basis.)	88,241	—
Ordinary shares (US\$0.00002 par value; 2,435,536,365 shares authorized, 1,502,933,134 shares issued 1,463,654,092 shares outstanding ⁽¹⁾ on an actual basis, 1,536,267,394 Class A ordinary shares and 437,136,247 Class B ordinary shares outstanding on a pro-forma basis, and Class A ordinary shares and Class B ordinary shares outstanding on a pro-forma as adjusted basis.)	199	261
Additional paid-in capital ⁽²⁾	6,251,869	13,806,732
Statutory reserves	2,648	2,648
Accumulated deficit	(4,263,624)	(4,301,195)
Accumulated other comprehensive loss	(268,618)	(268,618)
Total shareholders' equity⁽²⁾	2,066,565	9,239,828
Total capitalization⁽²⁾	9,239,828	9,239,828

- (1) On April 18, 2012, we effected a 5-for-1 share split whereby each of our issued and outstanding ordinary shares of a par value of US\$0.0001 each was converted into five ordinary shares of a par value of US\$0.00002 each, each of our issued and outstanding series A preferred shares of a par value of US\$0.0001 each was converted into five series A preferred shares of a par value of US\$0.00002 each, each of our issued and outstanding series B preferred shares of a par value of US\$0.0001 each was converted into five series B preferred shares of a par value of US\$0.00002 each, each of our issued and outstanding series C preferred shares of a par value of US\$0.0001 each was converted into five series C preferred shares of a par value of US\$0.00002 each, and the number of our authorized shares was increased from 500,000,000 to 2,500,000,000. The share split has been retroactively reflected for all periods presented herein. The number of our total authorized shares was further increased to 3,000,000,000 in January 2013 and further increased to 5,000,000,000 in March 2014.
- (2) Assuming no exercise by the underwriters of their over-allotment option, a US\$1.00 increase (decrease) in the assumed initial public offering price of US\$ per share, the midpoint of the range set forth on the cover page of this prospectus, would increase (decrease) each of additional paid-in capital, total shareholders' equity and total capitalization by US\$.

DILUTION

If you invest in our ADSs, your interest will be diluted to the extent of the difference between the initial public offering price per ADS and our net tangible book value per ADS after this offering. Dilution results from the fact that the initial public offering price per ordinary share is substantially in excess of the book value per ordinary share attributable to the existing shareholders for our presently outstanding ordinary shares.

Our net tangible book value as of December 31, 2013 was approximately US\$1.5 billion, or US\$1.01 per ordinary share as of that date and US\$ per ADS. Net tangible book value represents the amount of our total consolidated tangible assets, less the amount of our total consolidated liabilities. Dilution is determined by subtracting net tangible book value per ordinary share, after giving effect to the additional proceeds we will receive from this offering and the concurrent private placement, from the assumed initial public offering price of US\$ per ordinary share, which is the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus adjusted to reflect the ADS-to-ordinary share ratio, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Because the Class A ordinary shares and Class B ordinary shares have the same dividend and other rights, except for voting and conversion rights, the dilution is presented based on all ordinary shares, including Class A ordinary shares and Class B ordinary shares.

Without taking into account any other changes in net tangible book value after December 31, 2013, other than to give effect to (i) the issuance of 351,678,637 ordinary shares to Huang River Investment Limited on March 10, 2014, (ii) our sale of the ADSs offered in this offering at the assumed initial public offering price of US\$ per ADS, the midpoint of the estimated range of the initial public offering price, after deduction of the underwriting discounts and commissions and estimated offering expenses payable by us, (iii) our issuance and sale of Class A ordinary shares in the private placement to Huang River Investment Limited concurrently with this offering, assuming an initial offering price of US\$ per ADS, the mid-point of the estimated initial public offering price range shown on the front cover page of this prospectus, and (iv) 93,780,970 ordinary shares we will issue to Max Smart Limited immediately after the listing of our ADSs on [the NYSE/NASDAQ], our pro forma as adjusted net tangible book value as of December 31, 2013 would have been US\$, or US\$ per ordinary share and US\$ per ADS. This represents an immediate increase in net tangible book value of US\$ per ordinary share and US\$ per ADS to the existing shareholders and an immediate dilution in net tangible book value of US\$ per ordinary share and US\$ per ADS to investors purchasing ADSs in this offering. The following table illustrates such dilution:

	<u>Per Ordinary Share</u>	<u>Per ADS</u>
Assumed initial public offering price	US\$	US\$
Net tangible book value as of December 31, 2013	US\$	US\$
Pro forma net tangible book value after giving effect to the conversion of our preferred shares	US\$	US\$
Pro forma as adjusted net tangible book value after giving effect to the conversion of our preferred shares, the issuance to Huang River Investment Limited, this offering and the concurrent private placement	US\$	US\$
Amount of dilution in net tangible book value to new investors in this offering	US\$	US\$

A US\$1.00 increase (decrease) in the assumed public offering price of US\$ per ADS would increase (decrease) our pro forma as adjusted net tangible book value after giving effect to this

offering by US\$, the pro forma as adjusted net tangible book value per ordinary share and per ADS after giving effect to this offering by US\$ per ordinary share and US\$ per ADS and the dilution in pro forma as adjusted net tangible book value per ordinary share and per ADS to new investors in this offering by US\$ per ordinary share and US\$ per ADS, assuming no change to the number of ADSs offered by us as set forth on the cover page of this prospectus and assuming no exercise by the underwriters of their over-allotment option, and after deducting underwriting discounts and commissions and other offering expenses.

The following table summarizes, on a pro forma as adjusted basis as of December 31, 2013, the differences between existing shareholders and the new investors with respect to the number of ordinary shares (in the form of ADSs or shares) purchased from us in this offering and the concurrent private placement, the total consideration paid and the average price per ordinary share and per ADS paid before deducting the underwriting discounts and commissions and estimated offering expenses. The total number of ordinary shares does not include ordinary shares underlying the ADSs issuable upon the exercise of the over-allotment option granted to the underwriters.

	Ordinary Shares Purchased		Total Consideration		Average Price Per Ordinary Share	Average Price Per ADS
	Number	Percent	Amount	Percent		
Existing shareholders			US\$	%US\$	US\$	
New investors			US\$	%US\$	US\$	
Total			US\$	100.0%		

The pro forma as adjusted information discussed above is illustrative only. Our net tangible book value following the completion of this offering and the concurrent private placement is subject to adjustment based on the actual initial public offering price of our ADSs and other terms of this offering determined at pricing.

EXCHANGE RATE INFORMATION

Substantially all of our operations are conducted in China and substantially all of our revenues are denominated in RMB. This prospectus contains translations of RMB amounts into U.S. dollars at specific rates solely for the convenience of the reader. Unless otherwise noted, all translations from RMB to U.S. dollars and from U.S. dollars to RMB in this prospectus were made at a rate of RMB6.0537 to US\$1.00, the noon buying rate in The City of New York for cable transfers of RMB as certified for customs purposes by the Federal Reserve Bank of New York on December 31, 2013. We make no representation that any RMB or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or RMB, as the case may be, at any particular rate, at the rates stated below, or at all. The PRC government imposes control over its foreign currency reserves in part through direct regulation of the conversion of RMB into foreign exchange and through restrictions on foreign trade. On March 14, 2014, the noon buying rate was RMB6.1500 to US\$1.00.

The following table sets forth, for the periods indicated, information concerning exchange rates between the Renminbi and the U.S. dollar based on the noon buying rate in New York City as certified for customs purposes by the Federal Reserve Bank of New York. These rates are provided solely for your convenience and are not necessarily the exchange rates that we used in this prospectus or will use in the preparation of our periodic reports or any other information to be provided to you.

<u>Period</u>	<u>Noon Buying Rate</u>			
	<u>Period End</u>	<u>Average⁽¹⁾</u> <u>(RMB per U.S. Dollar)</u>	<u>Low</u>	<u>High</u>
2009	6.8259	6.8295	6.8470	6.8176
2010	6.6000	6.7603	6.8330	6.6000
2011	6.2939	6.4475	6.6364	6.2939
2012	6.2301	6.2990	6.3879	6.2221
2013	6.0537	6.1412	6.2438	6.0537
September	6.1200	6.1198	6.1213	6.1178
October	6.0943	6.1032	6.1209	6.0815
November	6.0922	6.0929	6.0993	6.0903
December	6.0537	6.0738	6.0927	6.0537
2014				
January	6.0590	6.0509	6.0600	6.0402
February	6.1448	6.0816	6.1448	6.0591
March (through March 14, 2014)	6.1500	6.1370	6.1500	6.1183

Source: Federal Reserve Statistical Release

- (1) Annual averages are calculated from month-end rates. Monthly averages are calculated using the average of the daily rates during the relevant period.

ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated in the Cayman Islands to take advantage of certain benefits associated with being a Cayman Islands exempted company, such as:

- political and economic stability;
- an effective judicial system;
- a favorable tax system;
- the absence of exchange control or currency restrictions; and
- the availability of professional and support services.

However, certain disadvantages accompany incorporation in the Cayman Islands. These disadvantages include:

- the Cayman Islands has a less developed body of securities laws as compared to the United States and provides significantly less protection to investors; and
- Cayman Islands companies may not have standing to sue before the federal courts of the United States.

Our constituent documents do not contain provisions requiring that disputes, including those arising under the securities laws of the United States, between us, our officers, directors and shareholders, be arbitrated.

Substantially all of our operations are conducted in China, and substantially all of our assets are located in China. A majority of our directors and executive officers are nationals or residents of jurisdictions other than the United States and a substantial portion of their assets are located outside the United States. As a result, it may be difficult for a shareholder to effect service of process within the United States upon these persons, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

We have appointed Law Debenture Corporate Services Inc., located at 400 Madison Avenue 4th Floor, New York, New York 10017 as our agent upon whom process may be served in any action brought against us under the securities laws of the United States.

We have been informed by Maples and Calder, our counsel as to Cayman Islands law, that the United States and the Cayman Islands do not have a treaty providing for reciprocal recognition and enforcement of judgments of U.S. courts in civil and commercial matters and that a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon the U.S. federal securities laws, would not be automatically enforceable in the Cayman Islands. We have also been advised by Maples and Calder that a final and conclusive judgment obtained in U.S. federal or state courts under which a sum of money is payable as compensatory damages (i.e., not being a sum claimed by a revenue authority for taxes or other charges of a similar nature by a governmental authority, or in respect of a fine or penalty or multiple or punitive damages) will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided that:

- the court that gave the judgment was competent to hear the action in accordance with private international law principles as applied by the courts in the Cayman Islands; and
- the judgment was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or public policy in the Cayman Islands.

A Cayman Islands court may impose civil liability on us or our directors or officers in a suit brought in the Grand Court of the Cayman Islands against us or these persons with respect to a violation of U.S. federal securities laws, provided that the facts surrounding any violation constitute or give rise to a cause of action under Cayman Islands law. Our shareholders can, under certain circumstances, originate actions against us in the Cayman Islands. See "Description of Share Capital—Differences in Corporate Law—Shareholders' Suits."

Zhong Lun Law Firm, our counsel as to PRC law, has advised us that there is uncertainty as to whether the courts of China would:

- recognize or enforce judgments of United States courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States; or
- entertain original actions brought in each respective jurisdiction against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States.

Zhong Lun Law Firm has further advised us that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. China does not have any treaties or other form of reciprocity with the United States or the Cayman Islands that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, courts in the PRC will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States or the Cayman Islands. Under the PRC Civil Procedures Law, foreign shareholders may originate actions based on PRC law against us in the PRC, if they can establish sufficient nexus to the PRC for a PRC court to have jurisdiction, and meet other procedural requirements, including, among others, the plaintiff must have a direct interest in the case, and there must be a concrete claim, a factual basis and a cause for the suit. However, it would be difficult for foreign shareholders to establish sufficient nexus to the PRC by virtue only of holding our ADSs or ordinary shares.

CORPORATE HISTORY AND STRUCTURE

Our founder, Mr. Richard Qiangdong Liu, launched an online retail website in January 2004. He subsequently formed a company in Beijing and another company in Shanghai and conducted his online retail business through these two companies. In November 2006, we incorporated Star Wave Investments Holdings Limited under the laws of the British Virgin Islands as our offshore holding company in order to facilitate international financing. We later changed the name of this entity to 360buy Jingdong Inc. In January 2014, 360buy Jingdong Inc. was redomiciled in the Cayman Islands as an exempted company registered under the laws of the Cayman Islands, and was renamed JD.com, Inc.

In April 2007, we established a wholly owned PRC subsidiary, Beijing Jingdong Century Trade Co., Ltd., or Jingdong Century, and we acquired certain intellectual property rights from the two companies our founder had established earlier, which ceased business operations and were later liquidated and dissolved. Since then, Jingdong Century has established a variety of subsidiaries in China to engage in wholesale and retail sales, courier services, research and development, and internet finance.

We assisted in establishing Beijing Jingdong 360 Degree E-Commerce Co., Ltd., or Jingdong 360, in April 2007. Mr. Richard Qiangdong Liu and Mr. Jiaming Sun are the shareholders of Jingdong 360, with Mr. Liu owning 45% and Mr. Sun owning 55% as of the date of this prospectus. 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 in April 2011 and again in May 2012, and some of the Jingdong 360 Agreements were further amended and restated in December 2013. Jingdong 360 holds our ICP license as an internet information provider and operates our website *www.jd.com*. In October 2012, Jingdong 360 acquired, through its wholly owned subsidiary, an online payment service provider which currently holds our online payment license and provides online payment services.

We assisted in establishing Jiangsu Yuanzhou E-Commerce Co., Ltd., or Jiangsu Yuanzhou, in September 2010. Mr. Richard Qiangdong Liu and Mr. Jiaming Sun are also the shareholders of Jiangsu Yuanzhou, with Mr. Liu owning 45% and Mr. Sun owning 55% as of the date of this prospectus. We obtained control over Jiangsu Yuanzhou through Jingdong Century by commitments between Mr. Liu, Mr. Sun, 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 in May 2012, and some of the Jiangsu Yuanzhou Agreements were further amended and restated in November 2012 and December 2013. Jiangsu Yuanzhou primarily conducts the sale of books and audio and video products.

These two sets of contractual arrangements allow us to:

- exercise effective control over Jingdong 360 and Jiangsu Yuanzhou;
- receive substantially all of the economic benefits and bear the obligation to absorb substantially all of the losses of Jingdong 360 and Jiangsu Yuanzhou; and
- have an exclusive option to purchase all or part of the equity interests in Jingdong 360 and Jiangsu Yuanzhou when and to the extent permitted by PRC law.

As a result of our ownership of Jingdong Century, we became the primary beneficiary of Jingdong 360 in April 2007 and of Jiangsu Yuanzhou in September 2010, and we treat them as our variable interest entities under U.S. GAAP. We have consolidated the financial results of Jingdong 360 and Jiangsu Yuanzhou in our consolidated financial statements in accordance with U.S. GAAP.

Jingdong 360 and Jiangsu Yuanzhou collectively contributed 2.2%, 3.2% and 2.9% of our consolidated total net revenues for the years ended December 31, 2011, 2012 and 2013, respectively.

In April 2011, we established a wholly owned PRC subsidiary, Shanghai Shengdayuan Information Technology Co., Ltd., or Shanghai Shengdayuan. Currently, Shanghai Shengdayuan primarily operates our online marketplace business.

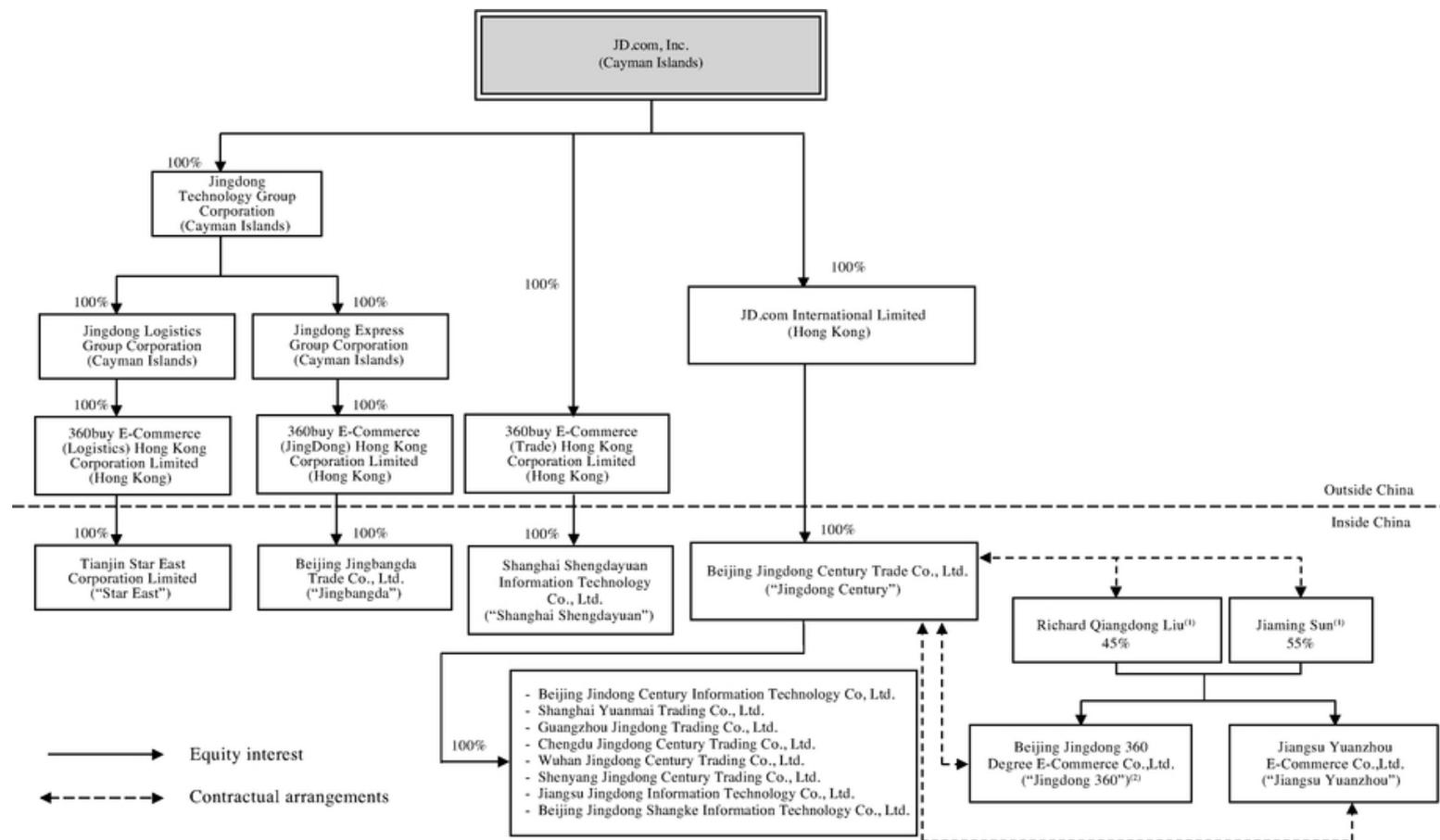
In April 2012, we established an additional wholly owned PRC subsidiary, Tianjin Star East Corporation Limited, or Star East, which is expected to provide primarily warehousing and related services.

In August 2012, we established an additional wholly owned PRC subsidiary, Beijing Jingbangda Trade Co., Ltd., or Jingbangda, which is expected to provide primarily courier services.

In January 2014, our wholly owned subsidiary, JD.com International Limited, which was previously established in Hong Kong, became the intermediate holding company owning 100% of Jingdong Century.

In March 2014, in connection with our acquisition of certain e-commerce businesses and assets from Tencent Holdings Limited, or Tencent, four PRC entities formerly owned or controlled by Tencent became subsidiaries of our wholly owned PRC subsidiaries and our variable interest entity.

The following diagram illustrates our corporate structure, including our principal subsidiaries and the two consolidated variable interest entities through which we conduct part of our business, as of the date of this prospectus:



(1) Richard Qiangdong Liu is our founder, chairman of board of directors and chief executive officer, and Jiaming Sun is our employee.

(2) Jingdong 360 has an indirect wholly owned subsidiary, Chinabank Payment Technology Co., Ltd., which provides online payment and settlement services.

* The diagram above omits our equity investees, which are insignificant individually and in the aggregate.

The following is a summary of the currently effective Jingdong 360 Agreements and Jiangsu Yuanzhou Agreements.

Agreements that Provide Us with Effective Control over Jingdong 360 and Jiangsu Yuanzhou

Equity Pledge Agreements. On December 25, 2013, Jingdong Century 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 agreements, 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. We have completed the registration of the equity pledge with the relevant office of the administration for industry and commerce in accordance with the PRC Property Rights Law.

On December 18, 2013, Jingdong Century 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 agreements between Jingdong Century and the shareholders of Jiangsu Yuanzhou contain terms substantially similar to the amended and restated equity pledge agreements relating to Jingdong 360 described above. We have completed the registration of the equity pledge with the relevant office of the administration for industry and commerce in accordance with the PRC Property Rights Law.

Powers of Attorney. On December 25, 2013, each of the shareholders of Jingdong 360 granted another 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 December 18, 2013, each of the shareholders of Jiangsu Yuanzhou granted another 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.

Agreements that Allow Us to Receive Economic Benefits from Jingdong 360 and Jiangsu Yuanzhou

Exclusive Technology Consulting and Services Agreement. On May 29, 2012, Jingdong Century and Jingdong 360 entered into an amended and restated exclusive technology consulting and services agreement in replacement of the previous exclusive technology consulting and services agreement. Pursuant to the amended and restated exclusive technology consulting and services 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, the minimum amount of which is RMB10,000 (US\$1,652) per quarter subject to annual evaluation and adjustment. The term of this agreement will expire on May 28, 2022 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.

Jingdong Century and Jiangsu Yuanzhou entered into an amended and restated exclusive technology consulting and services agreement on May 29, 2012 in replacement of the previous exclusive technology consulting and services agreement. The amended and restated exclusive technology consulting and services agreement between Jingdong Century and Jiangsu Yuanzhou 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 and the amount of the license fee is at least RMB10,000 (US\$1,652) per year, 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, but in no event more than RMB20,000 (US\$3,304) per 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.

Agreements that Provide Us with the Option to Purchase the Equity Interest in Jingdong 360 and Jiangsu Yuanzhou

Exclusive Purchase Option Agreements. On December 25, 2013, 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 with a value of more than RMB100,000 (US\$16,519) (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.

On December 18, 2013, 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.

Loan Agreements. Pursuant to the amended and restated loan agreement dated December 25, 2013 between Jingdong Century and the shareholders of Jingdong 360, Jingdong Century made loans in an aggregate amount of RMB22 million (US\$4 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 (US\$16,519) 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 December 18, 2013 between Jingdong Century and the shareholders of Jiangsu Yuanzhou, Jingdong Century made loans in an aggregate amount of RMB22 million (US\$4 million) to the shareholders of Jiangsu Yuanzhou solely for the capitalization of Jiangsu Yuanzhou. Pursuant to the amended and restated loan agreement contains terms substantially similar to the amended and restated loan agreement relating to Jingdong 360 described above.

In the opinion of Zhong Lun Law Firm, our PRC legal counsel:

- the ownership structures of our variable interest entities and Jingdong Century, both currently and immediately after giving effect to this offering, will not result in any violation of PRC laws or regulations currently in effect; and
- the contractual arrangements among Jingdong Century, variable interest entities and their respective shareholders governed by PRC law both currently and immediately after giving effect to this offering are valid, binding and enforceable, and will not result in any violation of PRC laws or regulations currently in effect.

However, we have been further advised by our PRC legal counsel 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 counsel. We have been further advised by our PRC counsel that if the PRC government finds that the agreements that establish the structure for operating our online retail business do not comply with PRC government restrictions on foreign investment in e-commerce and related businesses, including but not limited to online retail 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 Jingdong 360 and Jiangsu Yuanzhou 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 China—Uncertainties with respect to the PRC legal system could adversely affect us."

SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated statements of operations data for the years ended December 31, 2011, 2012 and 2013, selected consolidated balance sheet data as of December 31, 2011, 2012 and 2013 and selected consolidated cash flow data for the years ended December 31, 2011, 2012 and 2013 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The following selected consolidated statements of operations data for the years ended December 31, 2009 and 2010, selected consolidated balance sheet data as of December 31, 2009 and 2010 and selected consolidated cash flow data for the years ended December 31, 2009 and 2010 have been derived from our unaudited consolidated financial statements not included in this prospectus. Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP.

You should read this Selected Consolidated Financial Data section together with our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus. Our historical results are not necessarily indicative of results expected for future periods.

	For the Year Ended December 31,					
	2009 RMB	2010 RMB	2011 RMB	2012 RMB	2013 RMB	2013 US\$
(in millions, except for share, per share and per ADS data)						
Selected Consolidated Statement of Operations Data:						
Net revenues:						
Online direct sales	2,906	8,566	20,888	40,335	67,018	11,071
Services and others	13	17	241	1,046	2,322	383
Total net revenues	2,919	8,583	21,129	41,381	69,340	11,454
Operating expenses⁽¹⁾:						
Cost of revenues	(2,779)	(8,169)	(19,977)	(37,898)	(62,496)	(10,323)
Fulfillment	(144)	(477)	(1,515)	(3,061)	(4,109)	(679)
Marketing	(43)	(200)	(479)	(1,097)	(1,590)	(263)
Technology and content	(14)	(47)	(240)	(636)	(964)	(159)
General and administrative	(42)	(106)	(322)	(640)	(760)	(126)
Total operating expenses	(3,022)	(8,999)	(22,533)	(43,332)	(69,919)	(11,550)
Loss from operations	(103)	(416)	(1,404)	(1,951)	(579)	(96)
Other income/(expense):						
Interest income	1	2	56	176	344	57
Interest expense	—	—	—	(8)	(8)	(1)
Others, net	(1)	2	64	60	193	32
Loss before tax	(103)	(412)	(1,284)	(1,723)	(50)	(8)
Income tax expense	—	—	—	(6)	0	0
Net loss	(103)	(412)	(1,284)	(1,729)	(50)	(8)
Preferred shares redemption value accretion	(110)	(457)	(1,660)	(1,588)	(2,435)	(402)
Deemed dividend at modification of Series A and A-1 preferred shares	(74)	—	—	—	—	—
Deemed dividend at extinguishment of Series A-1 preferred shares and issuance of Series C preferred shares	—	(235)	—	—	—	—
Deemed dividend at extinguishment of Series B preferred shares and issuance of Series C preferred shares	—	(57)	—	—	—	—
Net loss attributable to holders of permanent equity securities	(287)	(1,161)	(2,944)	(3,317)	(2,485)	(410)

	For the Year Ended December 31,					
	2009	2010	2011	2012	2013	2013
	RMB	RMB	RMB	RMB	RMB	US\$
(in millions, except for share, per share and per ADS data)						
Net loss per share of permanent equity securities						
Basic	(0.75)	(1.36)	(2.23)	(2.18)	(1.47)	(0.24)
Diluted	(0.75)	(1.36)	(2.23)	(2.18)	(1.47)	(0.24)
Net loss per ADS ⁽²⁾						
Basic						
Diluted						
Weighted average shares outstanding: ⁽³⁾						
Basic	380,536,970	855,845,500	1,322,840,034	1,523,639,783	1,694,495,048	1,694,495,048
Diluted	380,536,970	855,845,500	1,322,840,034	1,523,639,783	1,694,495,048	1,694,495,048

(1) Share-based compensation expenses are allocated in operating expense items as follows:

	For the Year Ended December 31,					
	2009	2010	2011	2012	2013	2013
	RMB	RMB	RMB	RMB	RMB	US\$
(in millions)						
Fulfillment	(3)	(7)	(38)	(78)	(81)	(13)
Marketing	(0)	(1)	(6)	(9)	(9)	(1)
Technology and content	(0)	(0)	(1)	(25)	(33)	(5)
General and administrative	(14)	(4)	(26)	(113)	(138)	(23)

(2) Each ADS represents Class A ordinary shares.

(3) On April 18, 2012, we effected a 5-for-1 share split whereby each of our issued and outstanding ordinary shares of a par value of US\$0.0001 each was converted into five ordinary shares of a par value of US\$0.00002 each, each of our issued and outstanding series A preferred shares of a par value of US\$0.0001 each was converted into five series A preferred shares of a par value of US\$0.00002 each, each of our issued and outstanding series B preferred shares of a par value of US\$0.0001 each was converted into five series B preferred shares of a par value of US\$0.00002 each, each of our issued and outstanding series C preferred shares of a par value of US\$0.0001 each was converted into five series C preferred shares of a par value of US\$0.00002 each, and the number of our authorized shares was increased from 500,000,000 to 2,500,000,000. The share split has been retroactively reflected for all periods presented herein. The number of our total authorized shares was further increased to 3,000,000,000 in January 2013 and further increased to 5,000,000,000 in March 2014.

	As of December 31,									
	2009	2010	2011	2012	2013	2013	2013	2013	2013	2013
	RMB	RMB	RMB	RMB	RMB	US\$	RMB	US\$	RMB	US\$
(in millions, except for share data)										
									Pro Forma ⁽¹⁾	Pro Forma As
									(Unaudited)	Adjusted
										(Unaudited) ⁽²⁾⁽³⁾
Selected Consolidated										
Balance Sheet Data:										
Cash and cash equivalents	124	870	6,289	7,177	10,812	1,786	10,812	1,786		
Restricted cash	—	265	290	1,920	1,887	312	1,887	312		
Short-term investments	—	—	—	1,080	1,903	314	1,903	314		
Inventories, net	228	1,079	2,764	4,754	6,386	1,055	6,386	1,055		
Total assets	438	2,540	10,579	17,886	26,010	4,297	26,010	4,297		
Accounts payable	367	1,216	3,636	8,097	11,019	1,820	11,019	1,820		
Total liabilities	426	1,482	4,645	11,483	16,770	2,771	16,770	2,771		
Total mezzanine equity	409	1,489	3,150	4,738	7,173	1,185	—	—		
Total shareholders' (deficit)/equity	(397)	(431)	2,784	1,665	2,067	341	9,240	1,526		
Number of outstanding permanent equity securities	397,182,805	1,154,481,855	1,439,470,960	1,597,137,250	1,715,087,336	1,715,087,336	1,973,403,641	1,973,403,641		

(1) The pro forma columns in the balance sheet data table above reflect (i) the redesignation of 369,564,379 ordinary shares held by Max Smart Limited (excluding the 93,780,970 ordinary shares we will issue to Max Smart Limited immediately after the listing of our ADSs on [the NYSE/NASDAQ], pursuant to the 93,780,970 restricted share units that were granted to Mr. Richard Qiangdong Liu in March 2014 under our 2013 Plan and became fully vested immediately upon grant) and 106,850,910 ordinary shares held by Fortune Rising Holdings Limited into 476,415,289 Class B ordinary shares on a one-for-one basis upon the completion of this offering, and (ii) the redesignation of all of the remaining ordinary shares and the automatic conversion and redesignation of all of our preferred shares that are issued and outstanding into Class A ordinary shares on a one-for-one basis upon the completion of this offering.

- (2) The pro forma as adjusted columns in the balance sheet data table above reflect (i) the issuance of 351,678,637 ordinary shares to Huang River Investment Limited on March 10, 2014, (ii) the redesignation of 463,345,349 ordinary shares held by Max Smart Limited (including 93,780,970 ordinary shares we will issue to Max Smart Limited immediately after the listing of our ADSs on [the NYSE/NASDAQ], pursuant to the 93,780,970 restricted share units that were granted to Mr. Richard Qiangdong Liu in March 2014 under our 2013 Plan and became fully vested immediately upon grant) and 106,850,910 ordinary shares held by Fortune Rising Holdings Limited into 570,196,259 Class B ordinary shares on a one-for-one basis upon the completion of this offering, and (iii) the redesignation of all of the remaining ordinary shares and the automatic conversion and redesignation of all of our preferred shares that are issued and outstanding into Class A ordinary shares on a one-for-one basis upon the completion of this offering, and (iv) the sale of Class A ordinary shares in the form of ADSs by us in this offering at an assumed initial public offering price of US\$ per ADS, the midpoint of the price range shown on the front cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, and (v) the issuance and sale of Class A ordinary shares in the private placement to Huang River Investment Limited concurrently with this offering, assuming the underwriters do not exercise the over-allotment option.
- (3) Assuming the number of ADSs offered by us as set forth on the cover page of this prospectus remains the same and assuming no exercise by the underwriters of their over-allotment option, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, a US\$1.00 increase (decrease) in the assumed initial public offering price of US\$ per ADS, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) each of cash and cash equivalents, total assets and total shareholders' equity by US\$ million.

	For the Year Ended December 31,					
	2009	2010	2011	2012	2013	2013
	RMB	RMB	RMB	RMB	RMB	US\$
	(in millions)					
Selected Consolidated Cash Flow Data:						
Net cash provided by/(used in) operating activities	25	(592)	(86)	1,404	3,570	589
Net cash used in investing activities	(31)	(107)	(624)	(3,369)	(2,671)	(441)
Net cash provided by financing activities	109	1,460	6,237	2,854	2,795	462
Effect of exchange rate changes on cash and cash equivalents	(0)	(15)	(108)	(1)	(59)	(10)
Net increase in cash and cash equivalents	103	746	5,419	888	3,635	600
Cash and cash equivalents at beginning of year	21	124	870	6,289	7,177	1,186
Cash and cash equivalents at end of year	124	870	6,289	7,177	10,812	1,786

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion together with our consolidated financial statements and the related notes included elsewhere in this prospectus. This discussion contains forward-looking statements about our business and operations. Our actual results may differ materially from those we currently anticipate as a result of many factors, including those we describe under "Risk Factors" and elsewhere in this prospectus. See "Special Note Regarding Forward-Looking Statements".

Overview

We are the largest online direct sales company in China in terms of transaction volume in 2013, with a market share in China of 46.5%, according to iResearch. Our GMV increased from RMB32.7 billion in 2011 to RMB73.3 billion in 2012 and RMB125.5 billion (US\$20.7 billion) in 2013.

Our primary business model is online direct sales, where we acquire products from suppliers and sell them directly to our customers through our website and mobile applications. We introduced an online marketplace in October 2010 to broaden our selection of products and further enrich customer experience. In our online marketplace business, third-party sellers sell products to customers through our website and mobile applications and these sellers may also use our fulfillment and other value-added services. We have also begun to offer other services such as advertising, transaction processing and internet financing.

Our business has grown substantially in recent years. The number of products we offer has grown from approximately 1.5 million SKUs as of December 31, 2011 to approximately 7.2 million SKUs as of December 31, 2012 to approximately 25.7 million as of December 31, 2013 and further to approximately 31.3 million as of February 28, 2014. We had 12.5 million, 29.3 million and 47.4 million active customer accounts and fulfilled approximately 65.9 million, 193.8 million and 323.3 million orders in 2011, 2012 and 2013, respectively. Our total net revenues increased from RMB21.1 billion in 2011 to RMB41.4 billion in 2012 and RMB69.3 billion (US\$11.5 billion) in 2013. We had net losses of RMB1.3 billion, RMB1.7 billion and RMB0.05 billion (US\$8 million) in 2011, 2012 and 2013, respectively.

Due to the PRC legal restrictions on foreign ownership of companies that engage in a value-added telecommunications service business or the distribution of media products in China, we conduct the relevant parts of our operations through two consolidated variable interest entities, Jingdong 360 and Jiangsu Yuanzhou. We have contractual arrangements with these entities and their shareholders that enable us to effectively control and receive substantially all of the economic benefits from the entities. Accordingly, we consolidate the results of these entities in our financial statements.

Major Factors Affecting Our Results of Operations

Our results of operations and financial condition are affected by the general factors driving China's retail industry, including levels of per capita disposable income and consumer spending in China. In addition, they are also affected by factors driving online retail in China, such as the growing number of online shoppers, the adoption of online sales strategies by manufacturers and service providers, the availability of improved delivery services and the increasing variety of payment options. Our results of operations are also affected by general economic conditions in China. In particular, we have experienced and expect to continue to experience upward pressure on our operating expenses.

Our results of operations are also affected by PRC regulations and industry policies related to our business operations, licenses and permits and corporate structure. For example, the product quality and consumer protection laws require us to ensure the quality of the goods we sell and give customers the right to return goods within seven days of receipt with no questions asked, the labor contract law and related rules require employers to enter into written contracts with workers and to pay compensation to workers who are terminated under certain circumstances, regulations on foreign

ownership and on transfer of funds into and out of China affect our corporate structure and financing, and regulations on business licenses affect our legal and compliance functions. For a summary of the principal PRC laws and regulations that affect us, see "Risk Factors" and "Regulations" sections. Although we have generally benefited from the Chinese government's policies to encourage economic growth, we are also affected by the complexity, uncertainties and changes in PRC regulations governing various aspects of our operations. For a detailed description of the PRC regulations applicable to us, see "Regulation."

While our business is influenced by general factors affecting our industry, our operating results are more directly affected by company specific factors, including the following major factors:

- our ability to increase active customer accounts and orders from customers;
- our ability to manage our mix of product and service offerings;
- our ability to further increase and leverage our scale of business; and
- our ability to effectively invest in our fulfillment infrastructure and technology platform.

Our Ability to Increase Active Customer Accounts and Orders from Customers

Growth in the number of our active customer accounts and orders are key drivers of our revenue growth. Our active customer accounts increased from 12.5 million in 2011 to 29.3 million in 2012 and 47.4 million in 2013. This increase was primarily driven by our success in attracting new active customer accounts, as well as by our success in attracting new orders from existing customer accounts. During the same period, total orders we fulfilled also increased substantially from approximately 65.9 million in 2011 to approximately 193.8 million in 2012 and approximately 323.3 million in 2013.

Our ability to attract new customer accounts and new orders from existing customer accounts depends on our ability to provide superior customer experience. To this end, we offer a wide selection of authentic products at competitive prices on our website and mobile applications and provide speedy and reliable delivery, convenient online and in-person payment options and comprehensive customer services. We increased the number of SKUs we offer from approximately 1.5 million as of December 31, 2011 to approximately 7.2 million as of December 31, 2012 to 25.7 million as of December 31, 2013 and further to approximately 31.3 million as of February 28, 2014. We have developed a business intelligence system that enables us to increase our operating efficiency through enhanced product merchandising and supply chain management capabilities, and to drive more targeted and relevant product promotions and recommendations to our customers. We have benefited from word-of-mouth viral marketing in winning new customers, and we also conduct online and offline marketing and brand promotion activities to attract new customers. In addition, we encourage existing customers to place more orders with us through a variety of means, including granting coupons and loyalty points and holding special promotions.

We have a growing and loyal active customer base. Over the years, our customers have shown loyalty to us through their increased activity levels. For example, those customer accounts that were active in 2008 increased their average number of purchases each year thereafter, from approximately 3.7 in 2008 to 4.4 in 2009, 6.2 in 2010, 10.7 in 2011, 14.9 in 2012 and 16.6 in 2013.

Our Ability to Manage Our Mix of Product and Service Offerings

Our results of operations are also affected by the mix of products and services we offer. We commenced our e-commerce business by primarily selling electronics and home appliances products. We began offering general merchandise products around the end of 2008, and we launched our online marketplace in 2010. We earn commissions and service fees from third-party sellers on our online marketplace. We offer a wide range of products and services and aim to provide one-stop shopping to maximize our wallet share. Our mix of products and services also affects our gross margin. Different products have different gross margins but the commissions and service fees that we earn from third-

party sellers and the other services that we offer have the highest gross margins, since they have no associated cost of revenues. The split between our online direct sales business and our online marketplace business thus has a major influence on our revenue growth and our gross margins. GMV from our online direct sales increased from RMB29.8 billion in 2011 to RMB56.7 billion in 2012 and RMB93.7 billion (US\$15.4 billion) in 2013, while GMV from our online marketplace business increased from RMB2.9 billion in 2011 to RMB16.6 billion in 2012 and RMB31.8 billion (US\$5.3 billion) in 2013. We intend to further expand our selection of general merchandise products, attract more third-party sellers to our online marketplace, and provide more fulfillment and other value-added services to third-party sellers and others. Our GMV from general merchandise and other products represented 19.9%, 34.7% and 36.4% of our total GMV in 2011, 2012 and 2013, respectively. The following table presents the GMV of the electronics and home appliances products and general merchandise and others sold through our online direct sales and online marketplace by amounts and as percentages of GMV for each of the periods presented:

	For the Year Ended December 31,					
	2011		2012		2013	
	RMB		RMB		RMB	
GMV	32.7	100%	73.3	100%	125.5	100%
Electronics and home appliances products	26.2	80.1%	47.8	65.3%	79.8	63.6%
General merchandise and others	6.5	19.9%	25.5	34.7%	45.7	36.4%

Our Ability to Further Increase and Leverage our Scale of Business

Our results of operations are directly affected by our ability to further increase and leverage our scale of business. As our business further grows in scale, we expect to obtain more favorable terms from suppliers, including pricing terms and volume-based rebates. In addition, we aim to create value for our suppliers by providing an effective channel for selling large volumes of their products online and by offering them comprehensive information on customer preferences and market demand and ensuring the high quality of fulfillment services. We believe this value proposition also helps us obtain favorable terms from suppliers.

As of February 28, 2014, our nationwide fulfillment infrastructure employed a total of 29,613 warehouse and delivery personnel, and we also employed 2,856 IT professionals to monitor, maintain, upgrade and develop the technology platform that manages this fulfillment infrastructure and the large number of orders we receive, process and fulfill each year. Our fulfillment expenses in absolute amount increased over 2011, 2012 and 2013, while the fulfillment expenses as a percentage of our total net revenues increased from 7.2% in 2011 to 7.4% in 2012 and decreased to 5.9% in 2013. Personnel costs are the largest component of our fulfillment costs and of our technology and content costs and are likely to remain the largest component for the foreseeable future as we continue to expand our operations. We expect our fulfillment expenses to increase both in absolute amount and as a percentage of our total net revenues in the near future. Labor costs are rising in China and we strive to continue improving efficiency and utilization of our fulfillment and other personnel to mitigate this effect. Our fulfillment expenses and thus operational efficiency are also affected by the average size of orders placed by our customers.

Our Ability to Effectively Invest in Our Fulfillment Infrastructure and Technology Platform

Our results of operations depend in part on our ability to invest in our fulfillment infrastructure and technology platform to cost-effectively meet the demands of our anticipated growth. Our nationwide fulfillment infrastructure included a warehouse network of 82 warehouses with an aggregate gross floor area of over 1.3 million square meters in 34 cities and 1,485 delivery stations and 212 pickup stations in 476 cities across China as of February 28, 2014. We have acquired land use rights to over 600,000 square meters of land in five cities where we currently have fulfillment centers. We

plan to build large scale, custom-designed warehouse facilities with optimized configurations on these sites to improve our fulfillment efficiency, minimize order splitting, reduce our reliance on leased warehouses, decrease our rental expenses over time, accommodate greater product selection and fulfill the anticipated sales of our own products as well as sales by third-party sellers using our fulfillment services. We have budgeted approximately RMB1.5 billion (US\$0.2 billion) to RMB2.5 billion (US\$0.4 billion) for acquisition of land use rights, building of warehouses and purchase of warehousing equipment in 2014. In selecting locations for our pickup and delivery stations, order density, a parameter we use to measure the frequency and number of orders generated from a geographical area, is an important criterion. To efficiently deploy our delivery network, we have established delivery stations and pickup stations in areas where we expect order density to increase to the extent where operating our own delivery network will be more cost efficient than using third-party couriers. We have also budgeted approximately RMB0.4 billion (US\$0.1 billion) for upgrading our technology platform in 2014. To enhance our technology platform, we intend to further invest in technology, including initiatives to provide innovative features, solutions and services to customers and suppliers, while increasing our operational efficiency.

Selected Statements of Operations Items

Net Revenues

Net revenues are provided from online direct sales and services and others. Online direct sales is further divided into sales of electronics and home appliances products and general merchandise products. Net revenues from electronics and home appliances products include revenues from sales of computer, communication and consumer electronics products as well as home appliances. The following table breaks down our total net revenues by these categories, by amounts and as percentages of total net revenues:

	For the Year Ended December 31,						
	2011		2012		2013		
	RMB	%	RMB	%	RMB	US\$	%
	(in millions, except for percentages)						
Online direct sales:							
Electronics and home appliances products	18,388	87.0	34,012	82.2	56,814	9,385	81.9
General merchandise products	2,500	11.8	6,323	15.3	10,204	1,686	14.7
Total	20,888	98.8	40,335	97.5	67,018	11,071	96.6
Services and others	241	1.2	1,046	2.5	2,322	383	3.4
Total	21,129	100.0	41,381	100.0	69,340	11,454	100.0

We expect net revenues from all categories to continue to increase in the foreseeable future. Sales of electronics and home appliances products may decrease as a percentage of our total net revenues and sales from services and others may increase as a percentage of our total net revenues.

Net revenues from services and others primarily consist of commissions earned from third-party sellers for sales made through our online marketplace and service fees we charge them for value-added fulfillment or other services we provide upon their request. Currently, we recognize revenues from the third-party sellers on a net basis as we may not always be the primary obligor, we do not have general inventory risk and we do not have latitude to establish prices for them. In addition, net revenues from services and others also include fees we earn by selling advertisements on our website and transaction fees from processing transactions for our online payment service customers, typically e-commerce companies.

We record revenue net of discounts, return allowances, price protection allowances, value-added taxes, or VAT, and business taxes and surcharges.

Operating Expenses

Operating expenses consist primarily of cost of revenues, fulfillment expenses, marketing expenses, technology and content expenses, and general and administrative expenses. The following table breaks down our total operating expenses by these categories, by amounts and as percentages of total net revenues for each of the periods presented:

	For the Year Ended December 31,						
	2011		2012		2013		
	RMB	%	RMB	%	RMB	US\$	%
	(in millions, except for percentages)						
Cost of revenues	19,977	94.5	37,898	91.6	62,496	10,323	90.1
Fulfillment	1,515	7.2	3,061	7.4	4,109	679	5.9
Marketing	479	2.3	1,097	2.7	1,590	263	2.3
Technology and content	240	1.1	636	1.5	964	159	1.4
General and administrative	322	1.5	640	1.5	760	126	1.1
Total	<u>22,533</u>	<u>106.6</u>	<u>43,332</u>	<u>104.7</u>	<u>69,919</u>	<u>11,550</u>	<u>100.8</u>

Cost of revenues consists of our cost for acquiring the products that we sell directly and the related inbound shipping charges, as well as inventory write-downs. The rebates and subsidies we receive from suppliers are accounted as a reduction to the purchase price, and will be recorded as a reduction of cost of revenues when the product is sold.

Our gross margin is affected by our scale and by the mix of our net revenues, particularly between products and services and others. We expect our gross margin to increase as we further optimize our product mix and provide more value-added services and as our online marketplace grows. The following table shows our gross profit and gross margin for each of the periods presented:

	For the Year Ended December 31,			
	2011	2012	2013	2013
	RMB	RMB	RMB	US\$
	(in millions, except for percentages)			
Gross profit ⁽¹⁾	1,152	3,483	6,844	1,131
Gross margin	<u>5.5%</u>	<u>8.4%</u>	<u>9.9%</u>	<u>9.9%</u>

(1) Gross profit is net revenues minus cost of revenues.

Our fulfillment expenses primarily consist of (i) expenses incurred in operating our fulfillment and customer service centers, including personnel cost and expenses attributable to buying, receiving, inspecting and warehousing inventories, picking, packaging, and preparing customer orders for shipment, processing payment and related transaction costs, (ii) expenses charged by third-party couriers for dispatching and delivering our products and (iii) rental expenses of leased warehouses, delivery and pickup stations. We expect our fulfillment expenses to increase both in absolute amount and as a percentage of our total net revenues in the near run, as we hire additional fulfillment personnel, build new warehouses and incur related depreciation expenses, and establish more delivery stations to meet our anticipated growth in sales volume and ensure satisfactory customer experience. We plan to make our fulfillment operations more efficient by setting up large customized warehouse facilities to make full use of the available space, improve the pick-and-pack workflow efficiency, accommodate greater product selection and minimize order splitting.

Our marketing expenses consist primarily of expenses for online and offline marketing and brand promotion activities. We plan to continue to conduct brand promotion and marketing activities to enhance our brand recognition and attract new purchases from new and existing customers.

Our technology and content expenses consist primarily of payroll and related expenses for IT professionals involved in developing and maintaining our technology platform and website, server and other equipment depreciation, bandwidth and data center costs, and rental expenses. We expect spending in technology and content to increase over time as we add more experienced IT professionals and continue to invest in our technology platform to enhance customer experience and provide value-added services to suppliers and third-party sellers.

Our general and administrative expenses consist primarily of payroll and related expenses for our management and other employees involved in general corporate functions. We expect our general and administrative expenses to increase after the completion of this offering, when we become a publicly listed company, as we incur additional expenses relating to improving our internal controls, complying with Section 404 of the Sarbanes-Oxley Act and maintaining investor relations. In the first quarter of 2014, we granted 93,780,970 immediately vesting restricted share units to our chairman and chief executive officer, Mr. Richard Qiangdong Liu, and we expect to incur share-based compensation expenses in an estimated amount of US\$591 million in this quarter, which will materially increase our general and administrative expenses for the quarter.

We believe that loss from operations is a more meaningful measure than gross profit and gross margin due to the diversity of our product categories and services.

Taxation

Cayman Islands

We are not subject to income or capital gains tax under the current laws of the Cayman Islands. The Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

Hong Kong

Our subsidiaries incorporated in Hong Kong are subject to Hong Kong profit tax at a rate of 16.5%. Hong Kong does not impose a withholding tax on dividends.

China

Generally, our subsidiaries and consolidated variable interest entities in China are subject to enterprise income tax on their taxable income in China at a rate of 25%. The enterprise income tax is calculated based on the entity's global income as determined under PRC tax laws and accounting standards.

We are subject to VAT at a rate of 13% on sales of books, audio and video products, 17% on sales of other products, 11% on logistics services and 6% on advertising and other services, in each case less any deductible VAT we have already paid or borne. We are also subject to surcharges on VAT payments in accordance with PRC law.

VAT has been phased in since January 1, 2012, to replace the business tax. Previously, we were subject to business tax at a rate of 5% on advertising and other services. We are still subject to business tax at a rate of 5% and related surcharges for online payment services. We are also still subject to a 3% cultural undertaking development fees on online advertising services.

Dividends paid by our wholly foreign-owned subsidiaries in China to our intermediary holding companies in Hong Kong will be subject to a withholding tax rate of 10%, unless the relevant Hong Kong entity satisfies all the requirements under the Arrangement between the PRC and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of

Fiscal Evasion with respect to Taxes on Income and Capital and receives approval from the relevant tax authority. If the relevant Hong Kong entity satisfies all the requirements under the tax arrangement and receives approval from the relevant tax authority, then the dividends paid to the Hong Kong entity would be subject to withholding tax at the standard rate of 5%. See "Risk Factors—Risks Related to Our Corporate Structure—We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business."

If our holding company in the Cayman Islands or any of our subsidiaries outside of China were deemed to be a "resident enterprise" under the PRC Enterprise Income Tax Law, it would be subject to enterprise income tax on its worldwide income at a rate of 25%. See "Risk Factors—Risks Related to Doing Business in China—If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders."

Internal Control over Financial Reporting

Prior to this offering, we have been a private company with limited accounting personnel and other resources with which to address our internal control over financial reporting. In connection with the audits of our consolidated financial statements as of and for the year ended December 31, 2013, we and our independent registered public accounting firm identified one material weakness in our internal control over financial reporting. As defined in the standards established by the U.S. Public Company Accounting Oversight Board, a "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

The material weakness that has been identified related to our lack of sufficient financial reporting and accounting personnel with appropriate knowledge of U.S. GAAP and SEC reporting requirements to properly address complex U.S. GAAP accounting issues and to prepare and review our consolidated financial statements and related disclosures to fulfill U.S. GAAP and SEC financial reporting requirements. The material weakness, if not timely remedied, may lead to significant misstatements in our consolidated financial statements in the future.

In connection with the audits of our consolidated financial statements as of and for the year ended December 31, 2012, we and our independent registered public accounting firm identified another material weakness in our internal control over financial reporting. The other material weakness that was identified previously related to our lack of an effective control procedure to track, estimate and record rebates and subsidies provided by our suppliers and to analyze period-end accruals for supplier rebates and subsidies to ensure completeness and accuracy. We have improved our control procedures on estimating and recording rebates and subsidies subsequent to December 31, 2012, and remediated this material weakness as of December 31, 2013, by i) allocating additional resources to formalize and enhance our existing manual tracking and recording process, ii) providing additional training for management and staff in the relevant business departments, iii) establishing a business review process over the rebates and subsidies to identify and mitigate potential errors on a timely basis and iv) implementing effective internal audit functions for the estimates and reviews of rebates and subsidies. To further improve efficiency of our internal controls over vendor rebates and subsidies, in January 2014, we launched a new system and established an efficient systematic process with necessary manual input to collect, record and track the information on rebates and subsidies, which we will further improve and enhance over the rest of 2014.

We have implemented and plan to implement a number of measures to address the material weakness that have been identified in connection with the audits of our consolidated financial

statements as of and for the year ended December 31, 2013. We have hired additional qualified financial and accounting staff with extensive U.S. GAAP and SEC reporting experience, including our new chief financial officer. We have allocated additional resources to improve financial oversight function, to introduce formal business performance review process, and to prepare and review the consolidated financial statements and related disclosures in accordance with U.S. GAAP and SEC reporting requirements. Furthermore, we will continue to hire additional competent accounting staff with appropriate knowledge and experience of U.S. GAAP and SEC reporting requirements. We have also established an ongoing program to provide sufficient and additional appropriate training to our accounting staff, especially training related to U.S. GAAP and SEC reporting requirements. We have also been making continuous efforts to further enhance our internal audit function to enhance our monitoring of U.S. GAAP accounting and reporting matters. However, we cannot assure you that all these measures will be sufficient to remediate our material weakness in time, or at all. See "Risk Factors—Risks Related to Our Business—In connection with the audits of our consolidated financial statements as of and for the year ended December 31, 2013, we and our independent registered public accounting firm identified one material weakness in our internal control over financial reporting. If we fail to develop and maintain an effective system of internal control over financial reporting, we may be unable to accurately report our financial results or prevent fraud."

Results of Operations

The following table summarizes our consolidated results of operations in absolute amount and as a percentage of our total net revenues for the periods indicated. Our business has grown rapidly in

Operating Expenses. Our total operating expenses increased by 61.4% from RMB43,332 million in 2012 to RMB69,919 million (US\$11,550 million) in 2013. This increase was due to increases in all of our operating expense line items.

- *Cost of revenues.* Our cost of revenues increased by 64.9% from RMB37,898 million in 2012 to RMB62,496 million (US\$10,323 million) in 2013. This increase reflects the increase in our volume of online direct sales. Our gross profit increased by 96.6% from RMB3,483 million in 2012 to RMB6,844 million (US\$1,131 million) in 2013, primarily due to the overall increase in the scale of our business. Our gross margin increased from 8.4% in 2012 to 9.9% in 2013, primarily due to the increase in net revenues from services and others attributable to our online marketplace, as well as the increase in margin of the products we sold through our online direct sales.
- *Fulfillment expenses.* Our fulfillment expenses increased by 34.2% from RMB3,061 million in 2012 to RMB4,109 million (US\$679 million) in 2013. This increase was primarily due to an increase in compensation costs relating to fulfillment expenses from RMB1,527 million in 2012 to RMB2,005 million (US\$331 million) in 2013, which was due in turn to the increase in the number of our fulfillment employees from 23,789 as of December 31, 2012 to 32,953 as of December 31, 2013, as well as to higher average compensation expenses. The increase in our fulfillment expenses was also attributable to (i) an increase in the rental expenses for our warehouses from RMB281 million in 2012 to RMB422 million (US\$70 million) in 2013, which was primarily due to the increase in the aggregate gross floor area leased, as well as to increases in rental rates on leases that we renewed in 2013, (ii) increased shipping charges from contracted third-party couriers from RMB661 million in 2012 to RMB794 million (US\$131 million) in 2013 as our sales volume increased, even as our use of contracted third-party couriers has declined as a percentage of all orders fulfilled, and (iii) to an increase in payment processing charges from RMB116 million in 2012 to RMB235 million (US\$39 million) in 2013 as our volume of sales increased.
- *Marketing expenses.* Our marketing expenses increased by 45.0% from RMB1,097 million in 2012 to RMB1,590 million (US\$263 million) in 2013. This increase was primarily due to an increase in our advertising expenditures, including offline and online advertising, from RMB1,016 million in 2012 to RMB1,491 million (US\$246 million) in 2013 as we continued to enhance our brand recognition and attract new purchases.
- *Technology and content expenses.* Our technology and content expenses increased by 51.4% from RMB636 million in 2012 to RMB964 million (US\$159 million) in 2013. This increase was primarily due to the increase in the headcount of our technology employees from 2,453 as of December 31, 2012 to 2,720 as of December 31, 2013, which involved hiring of additional senior and experienced technology employees, to execute our technology-related strategies of improving our technology platform.
- *General and administrative expenses.* Our general and administrative expenses increased by 19.0% from RMB640 million in 2012 to RMB760 million (US\$126 million) in 2013. This increase was primarily due to an increase in headcount of general and administrative employees from 1,479 as of December 31, 2012 to 2,372 as of December 31, 2013. The increase was also due to an increase in share-based compensation expenses from RMB113 million in 2012 to RMB138 million (US\$23 million) in 2013.

Interest Income. Our interest income increased from RMB176 million in 2012 to RMB344 million (US\$57 million) in 2013. This increase was primarily due to the larger cash balance we held in 2013, which was attributable primarily to the proceeds from our issuance of ordinary shares in November 2012 and February 2013 as well as the increase in cash flow from operating activities.

Others, net. Others, net, increased from RMB60 million in 2012 to RMB193 million (US\$32 million) in 2013. This increase was primarily due to our receipt of government financial incentives, which we recognize as income upon receipt. We receive government financial incentives from relevant government authorities from time to time, but the timing and amount of government financial incentives are within the sole discretion of the government authorities. The increase in others, net is also attributable to foreign exchange gains as well.

Net Loss. As a result of the foregoing, our net loss decreased by 97.1% from RMB1,729 million in 2012 to RMB50 million (US\$8 million) in 2013.

Years Ended December 31, 2012 and 2011

Net Revenues. Our total net revenues increased by 95.8% from RMB21,129 million in 2011 to RMB41,381 million in 2012, with large increases in both categories of net revenues. The percentage of total net revenues contributed by general merchandise products increased in 2012 as we continued to expand our general merchandise product selection, and the percentage contributed by services and others increased as our online marketplace continued to grow rapidly in its second full year of operation.

The increase in our total net revenues was primarily due to the growth in our active customer accounts from 12.5 million in 2011 to 29.3 million in 2012 and the growth in the number of orders we fulfilled from approximately 65.9 million in 2011 to approximately 193.8 million in 2012. We increased the number of SKUs we offered from approximately 1.5 million as of December 31, 2011 to approximately 7.2 million as of December 31, 2012, including major increases in both SKUs that we offered directly and SKUs that were offered on our online marketplace.

Operating Expenses. Our total operating expenses increased by 92.3% from RMB22,533 million in 2011 to RMB43,332 million in 2012. This increase was due to increases in all of our operating expense line items.

- **Cost of revenues.** Our cost of revenues increased by 89.7% from RMB19,977 million in 2011 to RMB37,898 million in 2012. This increase reflects the increase in our volume of online direct sales. Our gross profit increased by 202% from RMB1,152 million in 2011 to RMB3,483 million in 2012. Our gross margin increased from 5.5% in 2011 to 8.4% in 2012, primarily due to the increase in net revenues from services and others and the increased profitability of products sold in our online direct sales business.
- **Fulfillment expenses.** Our fulfillment expenses increased by 102% from RMB1,515 million in 2011 to RMB3,061 million in 2012. This increase was primarily due to an increase in compensation costs relating to fulfillment expenses from RMB707 million in 2011 to RMB1,527 million in 2012, which was due in turn to higher average compensation expenses as well as the increase in the number of our fulfillment employees from 17,862 as of December 31, 2011 to 23,789 as of December 31, 2012. The increase in our fulfillment expenses was also attributable to an increase in shipping charges from contracted third-party couriers from RMB398 million in 2011 to RMB661 million in 2012 as our sales volume increased, even as our use of contracted third-party couriers has declined as a percentage of all orders fulfilled. Also contributing to this increase was an increase in the rental expenses for our warehouses from RMB122 million in 2011 to RMB281 million in 2012, which was primarily due to the increase in the aggregate gross floor area leased, as well as to increases in rental rates on leases that we renewed in 2012. The increase was also due to an increase in payment processing charges from RMB50 million in 2011 to RMB116 million in 2012 as our volume of sales increased.

- **Marketing expenses.** Our marketing expenses increased by 129% from RMB479 million in 2011 to RMB1,097 million in 2012. This increase was primarily due to an increase in our advertising expenditures, including offline and online advertising, from RMB428 million in 2011 to RMB1,016 million in 2012 as we continued to enhance our brand recognition and attract new purchases.
- **Technology and content expenses.** Our technology and content expenses increased by 165% from RMB240 million in 2011 to RMB636 million in 2012. This increase was primarily due to the increase in the headcount of our technology employees from 1,013 as of December 31, 2011 to 2,453 as of December 31, 2012 to execute our technology-related strategies of improving our technology platform.
- **General and administrative expenses.** Our general and administrative expenses increased by 98.5% from RMB322 million in 2011 to RMB640 million in 2012. This increase was primarily due to an increase in headcount of general and administrative employees from 1,096 as of December 31, 2011 to 1,479 as of December 31, 2012, and to an increase in compensation associated with our addition of new executives and mid-level management personnel. The increase was also due to a substantial increase in share-based compensation expenses from RMB26 million in 2011 to RMB113 million in 2012.

Interest Income. Our interest income increased from RMB56 million in 2011 to RMB176 million in 2012. This increase was primarily due to the larger cash balance we held in 2012, which was attributable primarily to the proceeds from our issuance of ordinary shares in June 2011, February 2012 and November 2012 as well as the increase in cash flow from operating activities.

Others, net. Others, net, decreased from RMB64 million in 2011 to RMB60 million in 2012.

Net Loss. As a result of the foregoing, our net loss increased by 34.7% from RMB1,284 million in 2011 to RMB1,729 million in 2012.

Selected Quarterly Results of Operations

The following table sets forth our historical unaudited consolidated selected quarterly results of operations for the periods indicated.

	For the Three Months Ended							
	March 31, 2012	June 30, 2012	September 30, 2012	December 31, 2012	March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013
	(in millions of RMB)							
Net revenues								
Online direct sales	7,804	9,501	10,850	12,180	13,322	16,895	17,461	19,340
Services and others	136	248	268	394	403	558	577	784
Total net revenues	7,940	9,749	11,118	12,574	13,725	17,453	18,038	20,124
Operating expenses ⁽¹⁾								
Cost of revenues	(7,344)	(8,955)	(10,174)	(11,425)	(12,250)	(15,900)	(16,263)	(18,083)
Fulfillment	(613)	(735)	(836)	(877)	(845)	(979)	(1,034)	(1,251)
Marketing	(348)	(260)	(296)	(193)	(262)	(428)	(377)	(523)
Technology and content	(98)	(137)	(181)	(220)	(219)	(218)	(251)	(276)
General and administrative	(110)	(126)	(167)	(237)	(151)	(161)	(194)	(254)
Total operating expenses	(8,513)	(10,213)	(11,654)	(12,952)	(13,727)	(17,686)	(18,119)	(20,387)
Loss from operations	(573)	(464)	(536)	(378)	(2)	(233)	(81)	(263)
Other income/(expenses)								
Interest income	37	37	50	52	40	97	85	122
Interest expense	—	—	(4)	(4)	(4)	(3)	—	(1)
Investment income	—	—	—	—	—	—	0	—
Other (expense)/income, net	8	18	6	28	(20)	113	71	29
(Loss)/income before tax	(528)	(409)	(484)	(302)	14	(26)	75	(113)
Income tax expense	—	—	(3)	(3)	(1)	(2)	(0)	3
Net (loss)/income	(528)	(409)	(487)	(305)	13	(28)	75	(110)

(1) Share-based compensation expenses are allocated in operating expense items as follows:

	For the Three Months Ended							
	March 31, 2012	June 30, 2012	September 30, 2012	December 31, 2012	March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013
	(in millions of RMB)							
Fulfillment	(6)	(6)	(31)	(35)	(20)	(20)	(20)	(21)
Marketing	(1)	(1)	(3)	(4)	(2)	(2)	(2)	(3)
Technology and content	(0)	(0)	(12)	(13)	(8)	(8)	(9)	(8)
General and administrative	(3)	(3)	(53)	(54)	(35)	(32)	(33)	(38)
Total	(10)	(10)	(99)	(106)	(65)	(62)	(64)	(70)

The following table sets forth our historical unaudited consolidated selected quarterly results of operations for the periods indicated, as a percentage of total net revenues.

	For the Three Months Ended							
	March 31, 2012	June 30, 2012	September 30, 2012	December 31, 2012	March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013
	(as percentage of total net revenues)							
Net revenues:								
Online direct sales	98.3	97.5	97.6	96.9	97.0	96.8	96.8	96.1
Services and others	1.7	2.5	2.4	3.1	3.0	3.2	3.2	3.9
Total net revenues	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Operating expenses ⁽¹⁾								
Cost of revenues	(92.5)	(91.9)	(91.5)	(90.9)	(89.3)	(91.1)	(90.2)	(89.9)
Fulfillment	(7.7)	(7.5)	(7.5)	(7.0)	(6.2)	(5.6)	(5.7)	(6.2)
Marketing	(4.4)	(2.7)	(2.7)	(1.5)	(1.9)	(2.5)	(2.1)	(2.6)
Technology and content	(1.2)	(1.4)	(1.6)	(1.7)	(1.6)	(1.2)	(1.4)	(1.4)
General and administrative	(1.4)	(1.3)	(1.5)	(1.9)	(1.0)	(0.9)	(1.0)	(1.2)
Total operating expenses	(107.2)	(104.8)	(104.8)	(103.0)	(100.0)	(101.3)	(100.4)	(101.3)
Loss from operations	(7.2)	(4.8)	(4.8)	(3.0)	(0.0)	(1.3)	(0.4)	(1.3)
Other income/(expenses)								
Interest income	0.5	0.4	0.3	0.4	0.3	0.6	0.5	0.6
Interest expense	—	—	(0.0)	(0.0)	(0.0)	(0.0)	—	(0.0)
Investment income	—	—	—	—	—	—	0.0	—
Other (expense)/income, net	0.1	0.2	0.1	0.2	(0.2)	0.5	0.3	0.2
(Loss)/income before tax	(6.6)	(4.2)	(4.4)	(2.4)	0.1	(0.2)	0.4	(0.5)
Income tax expense	—	—	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0
Net (loss)/income	(6.6)	(4.2)	(4.4)	(2.4)	0.1	(0.2)	0.4	(0.5)

(1) Share-based compensation expenses are allocated in operating expense items as follows:

	For the Three Months Ended							
	March 31, 2012	June 30, 2012	September 30, 2012	December 31, 2012	March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013
	(as percentage of total net revenues)							
Fulfillment	(0.1)	(0.1)	(0.3)	(0.3)	(0.2)	(0.1)	(0.1)	(0.1)
Marketing	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Technology and content	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)
General and administrative	(0.0)	(0.0)	(0.5)	(0.4)	(0.3)	(0.2)	(0.2)	(0.2)
Total	(0.1)	(0.1)	(0.9)	(0.8)	(0.6)	(0.4)	(0.4)	(0.3)

We experience seasonality in our business, reflecting a combination of seasonal fluctuations in internet usage and traditional retail seasonality patterns. For example, we generally experience less user traffic and purchase orders during national holidays in China, particularly during the Chinese New Year holiday season in the first quarter of each year. Furthermore, sales in the traditional retail industry are significantly higher in the fourth quarter of each calendar year than in the preceding three quarters. E-commerce companies in China hold special promotional campaigns on November 11 each year that also tend to boost sales in the fourth quarter relative to other quarters, and we hold a special promotional campaign in the second quarter of each year, on June 18, to celebrate the anniversary of the founding of our e-commerce business. Overall, the historical seasonality of our business has been

relatively mild due to our rapid growth but may increase further in the future. Due to our limited operating history, the seasonal trends that we have experienced in the past may not apply to, or be indicative of, our future operating results.

Liquidity and Capital Resources

Cash Flows and Working Capital

Our primary sources of liquidity have been proceeds from operating activities and issuances of ordinary and preferred shares. As of December 31, 2013, we had a total of RMB14.6 billion (US\$2.4 billion) in cash and cash equivalents, restricted cash and short-term investments. This included RMB3.7 billion (US\$603.8 million) in the United States, RMB1.0 billion (US\$171.1 million), HK\$6.4 million (US\$0.8 million) and US\$6.2 million in Hong Kong, and RMB9.9 billion (US\$1.6 billion) and US\$0.5 million in China. Our cash and cash equivalents generally consist of bank deposits and liquid investments with maturities of three months or less. As of December 31, 2013, we had one-year revolving lines of credit for an aggregate amount of RMB9.2 billion (US\$1.5 billion) from several Chinese commercial banks. We had RMB1.9 billion (US\$0.3 billion) outstanding under these revolving lines of credit as of December 31, 2013.

We believe that our current cash and cash equivalents will be sufficient to meet our anticipated cash needs for the next 12 months. We may, however, need additional cash resources in the future if we experience changes in business conditions or other developments. We may also need additional cash resources in the future if we find and wish to pursue opportunities for investment, acquisition, capital expenditure or similar actions. If we determine that our cash requirements exceed the amount of cash and cash equivalents we have on hand, we may seek to issue debt or equity securities or obtain additional credit facilities.

Our accounts payable include accounts payable to suppliers associated with our online direct sales business and those to third-party sellers on our online marketplace. As of December 31, 2011, 2012 and 2013, our accounts payable amounted to RMB3,636 million, RMB8,097 million and RMB11,019 million (US\$1,820 million), respectively. These increases reflected a significant growth in our sales volumes and scale of operations for our online direct sales business and the related increase in products sourced from our suppliers, as well as the growth in the scale of operations of our online marketplace. Our accounts payable turnover days for our online direct sales business were 35.3 days in 2011, 42.1 days in 2012 and 38.6 days in 2013. Accounts payable turnover days for a given period is equal to average accounts payable balances at the beginning and the end of the period divided by total cost of revenues during the period and multiplied by the number of days during the period.

Our net inventories have increased significantly in recent periods, from RMB2,764 million as of December 31, 2011 to RMB4,754 million as of December 31, 2012 and RMB6,386 million (US\$1,055 million) as of December 31, 2013. These increases reflected the additional inventory required to support our substantially expanded sales volumes. Our inventory turnover days were 34.6 days in 2011, 35.7 days in 2012 and 32.1 days in 2013. Inventory turnover days for a given period equal average inventory balances at the beginning and the end of the period divided by total cost of revenues during the period and then multiplied by the number of days during the period. Our inventory balances will fluctuate over time due to a number of factors, including expansion in our product selection and changes in our product mix. Our inventory balances typically increase when we prepare for special promotion events, such as the anniversary of the founding of our company on June 18 and China's new online shopping festival on November 11.

Although we consolidate the results of our consolidated variable interest entities, we only have access to cash balances or future earnings of our consolidated variable interest entities through our contractual arrangements with them. See "Corporate History and Structure." For restrictions and

limitations on liquidity and capital resources as a result of our corporate structure, see "—Holding Company Structure."

As a Cayman Islands exempted company and offshore holding company, we are permitted under PRC laws and regulations to provide funding to our wholly foreign-owned subsidiaries in China only through loans or capital contributions, subject to the approval of government authorities and limits on the amount of capital contributions and loans. In addition, our wholly foreign-owned subsidiaries in China may provide Renminbi funding to their respective subsidiaries through capital contributions and entrusted loans, and to our consolidated variable interest entities only through entrusted loans. See "Risk Factors—Risks Related to Our Corporate Structure—PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans to our PRC subsidiaries and consolidated variable interest entities or make additional capital contributions to our wholly foreign-owned subsidiaries in China, which could materially and adversely affect our liquidity and our ability to fund and expand our business" and "Use of Proceeds."

Renminbi may be converted into foreign exchange for current account items, including interest and trade- and service-related transactions. As a result, our PRC subsidiaries and our consolidated variable interest entities in China may purchase foreign exchange for the payment of license, content or other royalty fees and expenses to offshore licensors and content partners, for example.

Our wholly foreign-owned subsidiaries may convert Renminbi amounts that they generated in their own business activities, including technical consulting and related service fees pursuant to their contracts with the consolidated variable interest entities, as well as dividends they receive from their own subsidiaries, into foreign exchange and pay them to their non-PRC parent companies in the form of dividends. However, current PRC regulations permit our wholly foreign-owned subsidiaries to pay dividends to us only out of their accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. Each of our wholly foreign-owned subsidiaries is required to set aside at least 10% of its after-tax profits after making up previous years' accumulated losses each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of its registered capital. These reserves are not distributable as cash dividends. Furthermore, capital account transactions, which include foreign direct investment and loans, must be approved by and/or registered with SAFE and its local branches.

The following table sets forth a summary of our cash flows for the periods indicated:

	For the Year Ended December 31,			
	2011 RMB	2012 RMB	2013 RMB	2013 US\$
	(in millions)			
Summary Consolidated Cash Flow Data:				
Net cash (used in)/provided by operating activities	(86)	1,404	3,570	589
Net cash used in investing activities	(624)	(3,369)	(2,671)	(441)
Net cash provided by financing activities	6,237	2,854	2,795	462
Effect of exchange rate changes on cash and cash equivalents	(108)	(1)	(59)	(10)
Net increase in cash and cash equivalents	5,419	888	3,635	600
Cash and cash equivalents at beginning of year	870	6,289	7,177	1,186
Cash and cash equivalents at end of year	<u>6,289</u>	<u>7,177</u>	<u>10,812</u>	<u>1,786</u>

Operating Activities

Net cash provided by operating activities in 2013 was RMB3,570 million (US\$589 million). In 2013, the principal items accounting for the difference between our net cash provided by operating

activities and our net loss were an increase in accounts payable of RMB2,687 million (US\$444 million), an increase in advance from customers of RMB1,159 million (US\$191 million) and an increase in accrued expenses and other current liabilities of RMB929 million (US\$153 million), partially offset by an increase in inventories of RMB1,632 million (US\$270 million) and an increase in advance to suppliers of RMB660 million (US\$109 million). The increase in our accounts payable was due to the growth of our business. The increase in our advance from customers was due to the increase in our sales of prepaid cards as well as the increase in advance from customers related to the sales on our online marketplace, since third-party sellers tend to take longer to complete deliveries to the extent that they do not use our fulfillment services. The increase in our accrued expenses and other current liabilities was primarily due to the growth in payroll and related accruals primarily associated with the increase in our headcount as well as the growth in our online marketplace business which resulted in the increase of vendor deposits. The increase in our inventories was due to the growth of our business. The increase in advance to suppliers was due to increased advance payments made to our suppliers in order to secure steady supply of products during the Chinese New Year season, which was close to the 2013 year end.

Net cash provided by operating activities in 2012 was RMB1,404 million. In the year ended December 31, 2012, the principal items accounting for the difference between our net cash provided by operating activities and our net loss were an increase in accounts payable of RMB4,156 million, an increase in accrued expenses and other current liabilities of RMB754 million and an increase in advance from customers of RMB604 million, partially offset by an increase in inventories of RMB1,990 million and an increase in restricted cash of RMB628 million. The increase in our accounts payable was due to the growth of our business and the resulting increase in our ability to negotiate more favorable payment terms from suppliers. The increase in our accrued expenses and other current liabilities was primarily due to the growth in payroll and related accruals primarily associated with the increase in our headcount as well as the growth in our online marketplace business which resulted in the increase of vendor deposits. The increase in our advance from customers was due to the increase in our sales of prepaid cards as well as the increase in advance from customers related to the sales on our online marketplace, since third-party sellers tend to take longer to complete deliveries to the extent that they do not use our fulfillment services. The increase in our inventories was due to the growth of our business. The increase in our restricted cash was due to the increase in secured deposits held in designated bank accounts associated with our increased use of bank acceptance.

Net cash used in operating activities in 2011 was RMB86 million. In the year ended December 31, 2011, the principal items accounting for the difference between our net cash used in operating activities and our net loss were an increase in accounts payable of RMB2,420 million and an increase in accrued expenses and other current liabilities of RMB412 million, partially offset by an increase in inventories of RMB1,685 million. The increase in our accounts payable was due to the growth of our business. The increase in our accrued expenses and other current liabilities was primarily due to the growth in payroll and related accruals primarily associated with the increase in our headcount as well as the growth in our online marketplace business which resulted in the increase of vendor deposits. The increase in our inventories was due to the growth of our business and our expansion into certain general merchandise product categories with lower inventory turnover rates.

Investing Activities

Net cash used in investing activities in 2013 was RMB2,671 million (US\$441 million), consisting primarily of the purchase of short-term investments, largely offset by the maturity of short-term investments, as well as cash paid for construction in progress on our new warehouses and office building, purchases of property, equipment and software and deposit for capital verification associated with capital contributions to our entities in China.

Net cash used in investing activities in 2012 was RMB3,369 million, consisting primarily of our purchases of short term investments along with purchases of property, equipment and software and purchases of land use rights, partially offset by maturity of short-term investments.

Net cash used in investing activities in 2011 was RMB624 million, consisting primarily of our purchases of property, equipment and software, our prepayment for the purchase of an office building in Suqian, Jiangsu Province, to be used for our national customer service center, and our purchase of land use rights for the expansion of our fulfillment infrastructure and office facilities.

Financing Activities

Net cash provided by financing activities in 2013 was RMB2,795 million (US\$462 million), consisting of proceeds from the issuance of ordinary shares and proceeds from short-term borrowings, partially offset by the repayment of short-term bank loan.

Net cash provided by financing activities in 2012 was RMB2,854 million, consisting primarily of the proceeds from the issuance of ordinary shares as well as short-term bank loans and proceeds from the exercise of warrants.

Net cash provided by financing activities in 2011 was RMB6,237 million, consisting primarily of the proceeds from the issuance of ordinary shares. See "Description of Share Capital—History of Securities Issuances."

Capital Expenditures

We made capital expenditures of RMB623 million, RMB1,148 million and RMB1,292 million (US\$213 million) in 2011, 2012 and 2013, respectively. In the past three years, our capital expenditures mainly included our payment for the purchase of land use rights for premises on which we plan to construct warehouses and office buildings, our prepayment for the purchase of an office building, our payment for construction in progress, and our payment for the purchase of property, equipment and software and other intangible assets. Our capital expenditures for 2014 are expected to be between RMB4.3 billion and RMB5.3 billion (US\$0.7 billion and US\$0.9 billion), approximately RMB2.0 billion (US\$330 million) of which we expect to fund from the proceeds of this offering and the remainder from cash on hand. Our planned capital expenditures for 2014 will consist primarily of expenditures related to the expansion of our fulfillment infrastructure as well as our new office buildings. Our capital expenditures will continue to be significant in the foreseeable future as we expand and improve our fulfillment infrastructure and technology platform to meet the needs of our anticipated growth.

Contractual Obligations

The following table sets forth our contractual obligations as of December 31, 2013:

	<u>Total</u>	<u>Payment Due by Period</u>			
		<u>Less than 1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>	<u>More than 5 years</u>
		(RMB thousands)			
Rental expenses	763,596	422,648	264,028	47,914	29,006
Bandwidth leasing	98,365	93,658	4,707	—	—
Construction	911,812	697,221	214,591	—	—
Total	<u>1,773,773</u>	<u>1,213,527</u>	<u>483,326</u>	<u>47,914</u>	<u>29,006</u>

In connection with our recent transactions with Tencent, we have agreed to pay Tencent RMB631 million (US\$104 million) in cash during 2014, subject to substantial completion of the post-closing covenants by Tencent and its affiliates.

Our operating lease obligations relate to our leases of offices and fulfillment centers and our lease of bandwidth and data centers.

In addition to operating lease obligations, we had capital commitments contracted in an aggregate amount of RMB912 million as of December 31, 2013. These capital commitments primarily relate to commitments on construction of office buildings and warehouses, and are to be paid in the following years according to the construction progress.

Holding Company Structure

JD.com, Inc. is a holding company with no material operations of its own. We conduct our operations primarily through our subsidiaries and consolidated variable interest entities in China. As a result, JD.com, Inc.'s ability to pay dividends depends upon dividends paid by our PRC subsidiaries. If our existing PRC subsidiaries or any newly formed ones incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us. In addition, our wholly foreign-owned subsidiaries in China are permitted to pay dividends to us only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under PRC law, each of our subsidiaries and our consolidated variable interest entities in China is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain statutory reserve funds until such reserve funds reach 50% of its registered capital. In addition, each of our wholly foreign-owned subsidiaries in China may allocate a portion of its after-tax profits based on PRC accounting standards to enterprise expansion fund and staff bonus and welfare fund at its discretion. Each of the other PRC subsidiaries and our consolidated variable interest entities may allocate a portion of its after-tax profits based on PRC accounting standards to a discretionary surplus fund at its discretion. The statutory reserve funds and the discretionary funds are not distributable as cash dividends. Remittance of dividends by a wholly foreign-owned company out of China is subject to examination by the banks designated by SAFE. As of December 31, 2013, the amount restricted, including paid-in capital and statutory reserve funds, as determined in accordance with PRC accounting standards and regulations, was approximately RMB12,263 million (US\$2,026 million). Our PRC subsidiaries have never paid dividends and will not be able to pay dividends until they generate accumulated profits and meet the requirements for statutory reserve funds.

Off-Balance Sheet Commitments and Arrangements

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholder's equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

Inflation

Inflation in China has not affected our results of operations in recent years. According to the National Bureau of Statistics of China, the year-over-year percent changes in the consumer price index for December 2011, 2012 and 2013 were increases of 4.1%, 2.5% and 2.5%, respectively. Although we have not been affected by inflation in the past, we may be affected if China experiences higher rates of inflation in the future.

Quantitative and Qualitative Disclosure about Market Risk

Foreign Exchange Risk

All of our revenues and substantially all of our expenses are denominated in Renminbi. We do not believe that we currently have any significant direct foreign exchange risk and have not used any derivative financial instruments to hedge exposure to such risk. Although in general our exposure to foreign exchange risks should be limited, the value of your investment in our ADSs will be affected by the exchange rate between the U.S. dollar and the Renminbi because the value of our business is effectively denominated in Renminbi, while our ADSs will be traded in U.S. dollars.

The conversion of Renminbi into foreign currencies, including U.S. dollars, is based on rates set by the People's Bank of China. The PRC government allowed the Renminbi to appreciate by more than 20% against the U.S. dollar between July 2005 and July 2008. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the Renminbi and the U.S. dollar remained within a narrow band. Since June 2010, the PRC government has allowed the Renminbi to appreciate slowly against the U.S. dollar again, and it has appreciated more than 10% since June 2010. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future.

To the extent that we need to convert U.S. dollars we receive from this offering into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we receive from the conversion. Conversely, if we decide to convert Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amounts available to us.

As of December 31, 2013, we had RMB-denominated cash and cash equivalents, restricted cash and short-term investments of RMB14.6 billion, and U.S. dollar-denominated cash balances of US\$6.7 million. Assuming we had converted RMB14.6 billion into U.S. dollars at the exchange rate of RMB6.0537 for US\$1.00 as of December 31, 2013, our U.S. dollar cash balance would have been US\$2.4 billion. If the RMB had depreciated by 10% against the U.S. dollar, our U.S. dollar cash balance would have been US\$2.2 billion instead. Our U.S. dollar-denominated cash balance was too small to affect our cash and cash equivalents when expressed in RMB terms.

Interest Rate Risk

Our exposure to interest rate risk primarily relates to the interest income generated by excess cash, which is mostly held in interest-bearing bank deposits. We have not used derivative financial instruments in our investment portfolio. Interest earning instruments carry a degree of interest rate risk. We have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in market interest rates. However, our future interest income may fall short of expectations due to changes in market interest rates.

Critical Accounting Policies, Judgements and Estimates

An accounting policy is considered critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time such estimate is made, and if different accounting estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the consolidated financial statements.

We prepare our financial statements in conformity with U.S. GAAP, which requires us to make judgments, estimates and assumptions. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experiences and various other

assumptions that we believe to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from our expectations as a result of changes in our estimates. Some of our accounting policies require a higher degree of judgment than others in their application and require us to make significant accounting estimates.

The following descriptions of critical accounting policies, judgments and estimates should be read in conjunction with our consolidated financial statements and other disclosures included in this prospectus. When reviewing our financial statements, you should consider (i) our selection of critical accounting policies, (ii) the judgments and other uncertainties affecting the application of such policies and (iii) the sensitivity of reported results to changes in conditions and assumptions.

Consolidation of Affiliated Entities

Foreign ownership of internet-based businesses is subject to significant restrictions under current PRC laws and regulations. The PRC government regulates internet access, the distribution of online information and the conduct of online commerce through strict business licensing requirements and other government regulations. These laws and regulations also include limitations on foreign ownership in PRC companies that provide internet content distribution services.

To comply with PRC laws and regulations, we conduct our operations in China through a series of contractual arrangements entered into between our PRC subsidiary, Jingdong Century, our affiliated PRC entities, Jingdong 360 and Jiangsu Yuanzhou and their shareholders. As a result of these contractual arrangements, we have the ability to direct the activities of Jingdong 360 and Jiangsu Yuanzhou that most significantly impact their economic performance, and to obtain a majority of the residual returns of Jingdong 360 and Jiangsu Yuanzhou. We are considered the primary beneficiary of these entities, and accordingly these entities are our variable interest entities under U.S. GAAP and we consolidate the results in our consolidated financial statements. Any changes in PRC laws and regulations that affect our ability to control these entities might preclude us from consolidating these entities in the future.

Advertising Revenue

We provide advertising placements for a specified period of time on our various website channels and in various formats, including but not limited to banners, links, logos, buttons, and content integration. We recognize advertising revenues ratably over the period during which the advertising services are provided. Advertising arrangements involving multiple deliverables are allocated into single-element arrangements based on their relative selling price in the absence of vendor specific objective evidence and third-party evidence, and the related revenue is recognized over the period during which the element is provided. Significant assumptions and estimates have been made in estimating the relative selling price of each single-element, and changes in judgments on these assumptions and estimates could materially impact the timing of advertising revenue recognition. We did not enter into material advertising-for-advertising barter transactions, or any other types of barter transactions.

Rebates and Subsidies

We periodically receive consideration from certain suppliers, representing rebates for products sold and subsidies for the sales of the suppliers' products over a period of time. The rebates are not sufficiently separable from our purchase of the suppliers' products and they do not represent a reimbursement of costs incurred by us to sell vendors' products. We account for the rebates received from our suppliers as a reduction to the price we pay for the products purchased and therefore we record such amounts as a reduction of cost of revenues when recognized in our consolidated financial statements. Rebates are earned based on reaching minimum purchase thresholds for a specified period. When volume rebates can be reasonably estimated based on our past experiences and current forecasts,

a portion of the rebate is recognized as we make progress towards the purchase threshold. Subsidies are calculated based on the volume of products sold through us and are recorded as a reduction of cost of revenues when the sales have been completed and the amount is determinable.

Inventories

Inventories are primarily accounted for using the weighted average cost method and are valued at the lower of cost or market value. This valuation requires us to make judgments, based on currently-available information, about the likely method of disposition, such as through sales to individual customers, returns to product vendors, or liquidations, and expected recoverable values of each disposition category. These assumptions about future disposition of inventory are inherently uncertain and changes in our estimates and assumptions may cause us to realize material write-downs in the future. As a measure of sensitivity, for every 1% of additional inventory valuation allowance as of December 31, 2013, we would have recorded an additional cost of sales of approximately RMB63.9 million.

Goodwill

We evaluate goodwill for impairment annually or more frequently when an event occurs or circumstances change that indicate that the carrying value may not be recoverable. Our annual testing date is December 31. We test goodwill for impairment by first comparing the book value of net assets to the fair value of the reporting units. If the fair value is determined to be less than the book value or qualitative factors indicate that it is more likely than not that goodwill is impaired, a second step is performed to compute the amount of impairment as the difference between the estimated fair value of goodwill and the carrying value. We estimate the fair value of the reporting units using discounted cash flows. Forecasts of future cash flows are based on our best estimate of future net sales and operating expenses, based primarily on expected category expansion, pricing, market segment share, and general economic conditions. Certain estimates of discounted cash flows involve businesses with limited financial history and developing revenue models. Changes in these forecasts could significantly change the amount of impairment recorded, if any.

During the years ended December 31, 2011, 2012 and 2013, management monitored the actual performance of the business relative to the fair value assumptions used during our annual goodwill impairment test, no triggering events were identified that required an update to our annual impairment test. As a measure of sensitivity, a 10% decrease in the fair value of our reporting units as of December 31, 2013 would have had no impact on the carrying value of our goodwill.

Share-Based Compensation

Non-vested ordinary shares and restricted share units

The following table sets forth information regarding the non-vested ordinary shares and restricted share units granted to eligible employees and non-employee consultants:

<u>Grant Date</u>	<u>Number of Shares Granted</u>	<u>Fair Value Per Share (US\$)</u>	<u>Type of Valuation</u>
May 15, 2011	6,878,360	3.42	Retrospective
July 15, 2012	32,629,911	3.67	Retrospective
December 15, 2012	1,335,500	3.70	Retrospective
February 2, 2013	600,000	3.70	Retrospective
December 20, 2013	14,583,405	3.96	Contemporaneous
March 11, 2014	93,780,970	6.30	Contemporaneous

The fair value of the non-vested ordinary shares and restricted share units were assessed using the income approach / discounted cash flow method, with a discount for lack of marketability given that the shares underlying the award were not publicly traded at the time of grant, and was determined partly in reliance on a valuation prepared by an independent valuation firm using our estimates and assumptions. This assessment required complex and subjective judgments regarding our projected financial and operating results, our unique business risks, the liquidity of our ordinary shares and our operating history and prospects at the time the grants were made.

Share Options

The following table sets forth information regarding the share options granted to eligible employees:

Grant or Exchange ⁽¹⁾ dates	Number of Share Options Granted or Exchanged	Exercise Price US\$	Fair Value of the Options as of the Grant Date US\$	Fair Value of the Underlying Ordinary Shares as of the Grant or Exchange Date US\$	Intrinsic Value as of the Grant Date US\$
December 20-27, 2013	26,912,328	3.96	1.73~2.01	3.96	—

- (1) In December 2013, certain of our employees elected to exchange an aggregate of 7,954,526 restricted share units which had been previously granted to them for options to purchase an aggregate of 23,863,578 ordinary shares.

Management is responsible for determining the fair value of options granted to employees and considered a number of factors including valuations.

In determining the fair value of our stock options, the binomial option pricing model was applied. The key assumptions used to determine the fair value of the options at the relevant grant dates in 2013 were as follows. Changes in these assumptions could significantly affect the fair value of stock options and hence the amount of compensation expenses we recognize in our consolidated financial statements.

Our share-based compensation expense is measured at the fair value of the awards as calculated under the Binomial option-pricing model. Assumptions used in the Binomial Model are presented below:

	<u>2013</u>
Expected volatility ⁽¹⁾	47%~50%
Risk-free interest rate (per annum) ⁽²⁾	1.83%~2.91%
Exercise multiples ⁽³⁾	2.8
Expected dividend yield ⁽⁴⁾	—
Expected term (in years) ⁽⁵⁾	7.4~10.0

- (1) We estimate expected volatility based on the annualized standard deviation of the daily return embedded in historical share prices of comparable companies with a time horizon close to the expected expiry of the term.
- (2) We estimate risk-free interest rate based on the yield to maturity of U.S. treasury bonds with a maturity similar to the expected expiry of the term.

- (3) The exercise multiple is estimated as the ratio of fair value of underlying shares over the exercise price as at the time the option is exercised, based on a consideration of research study regarding exercise pattern based on historical statistical data.
- (4) We have never declared or paid any cash dividends on our capital stock, and we do not anticipate any dividend payments on our ordinary shares in the foreseeable future.
- (5) Expected term is the contract life of the option.

The assumptions used in share-based compensation expense recognition represent our best estimates, but these estimates involve inherent uncertainties and the application of our judgment. If factors change or different assumptions are used, the share-based compensation expense could be materially different for any period. Moreover, the estimates of fair value are not intended to predict actual future events or the value that ultimately will be realized by grantees who receive share-based awards, and subsequent events are not indicative of the reasonableness of the original estimates of fair value made by us for accounting purposes.

Fair Value of Our Ordinary Shares

We are a private company with no quoted market prices for our ordinary shares. We have therefore needed to make estimates of the fair value of our ordinary shares at various dates for the following purposes:

- determining the fair value of our ordinary shares at the date of issuance of convertible instruments as one of the inputs into determining the intrinsic value of the beneficial conversion feature, if any; and
- determining the fair value of our ordinary shares at the date of the grant of a share-based compensation award to our employees or non-employees as one of the inputs into determining the grant date fair value of the award.

The following table sets forth the fair value of our ordinary shares estimated at different times with the assistance from an independent valuation firm:

<u>Date</u>	<u>Equity Value</u> <u>(US\$ thousands)</u>	<u>Fair Value</u> <u>per Share</u> <u>(US\$)</u>	<u>DLOM</u>	<u>Discount</u> <u>Rate</u>	<u>Type of</u> <u>Valuation</u>
May 15, 2011	5,470,769	3.42	20%	19%	Retrospective
July 15, 2012	6,822,739	3.67	20%	19%	Retrospective
December 15, 2012	7,117,524	3.70	20%	19%	Retrospective
February 2, 2013	7,552,785	3.70	15%	19%	Retrospective
December 20, 2013	8,030,000	3.96	10%	19%	Contemporaneous
March 11, 2014	15,721,000	6.30	10%	17.5%	Contemporaneous

In determining the fair value of our ordinary shares in 2011, 2012 and February 2013, we relied in part on a valuation report retrospectively prepared by an independent valuation firm based on data we provided. The valuation report provided us with guidelines in determining the fair value, but the determination was made by our management. We obtained a retrospective valuation instead of a contemporaneous valuation by an unrelated valuation specialist because, prior to December 2013, our financial and limited human resources were principally focused on our business development efforts. We applied the income approach/discounted cash flow analysis based on our projected cash flow using our best estimate as of the valuation date. The determination of the fair value of our ordinary shares requires complex and subjective judgments to be made regarding our projected financial and operating results, our unique business risks, the liquidity of our shares and our operating history and prospects at the time of valuation.

The major assumptions used in calculating the fair value of ordinary shares include:

Discount rates. The discount rates listed out in the table above were based on the weighted average cost of capital, which was determined based on a consideration of the factors including risk-free rate, comparative industry risk, equity risk premium, company size and non-systemic risk factors.

Comparable companies. In deriving the weighted average cost of capital used as the discount rates under the income approach, seven publicly traded companies were selected for reference as our guideline companies. The guideline companies were selected based on the following criteria: (i) they operate in the e-commerce industry and (ii) their shares are publicly traded in developed capital markets, including the United States, the UK and Japan.

Discount for lack of marketability, or DLOM. DLOM was quantified by the Black-Scholes option pricing model. Under this option-pricing method, the cost of the put option, which can hedge the price change before the privately held shares can be sold, was considered as a basis to determine the DLOM. This option pricing method is one of the methods commonly used in estimating DLOM as it can take into consideration factors like timing of a liquidity event (such as an IPO) and estimated volatility of our shares. The farther the valuation date is from an expected liquidity event, the higher the put option value and thus the higher the implied DLOM. The lower DLOM is used for the valuation, the higher is the determined fair value of the ordinary shares.

The income approach involves applying appropriate discount rates to estimated cash flows that are based on earnings forecasts. Our revenues and earnings growth rates, as well as major milestones that we have achieved, contributed to the increase in the fair value of our ordinary shares from May 2011 to March 2014. However, these fair values are inherently uncertain and highly subjective. The assumptions used in deriving the fair values are consistent with our business plan. These assumptions include: no material changes in the existing political, legal and economic conditions in China; our ability to retain competent management, key personnel and staff to support our ongoing operations; and no material deviation in market conditions from economic forecasts. These assumptions are inherently uncertain.

The option-pricing method was used to allocate enterprise value to preferred and ordinary shares, taking into account the guidance prescribed by the AICPA Audit and Accounting Practice Aid, "Valuation of Privately-Held Company Equity Securities Issued as Compensation." The method treats common stock and preferred stock as call options on the enterprise's value, with exercise prices based on the liquidation preference of the preferred stock.

The option-pricing method involves making estimates of the anticipated timing of a potential liquidity event, such as a sale of our company or an initial public offering, and estimates of the volatility of our equity securities. The anticipated timing is based on the plans of our board of directors and management. Estimating the volatility of the share price of a privately held company is complex because there is no readily available market for the shares. We estimated the volatility of our shares to range from 44.0% to 48.8% based on the historical volatilities of comparable publicly traded companies engaged in similar lines of business. Had we used different estimates of volatility, the allocations between preferred and ordinary shares would have been different.

The fair value of our ordinary shares increased from US\$3.42 as of May 15, 2011 to US\$3.67 as of July 15, 2012. The increase in fair value of our ordinary shares was attributable to organic growth of our business.

The fair value of our ordinary shares increased slightly from July 15, 2012 to February 2, 2013. DLOM decreased from 20% to 15% during the same period, primarily due to our expectations for the timing of our initial public offering and the improved capital market sentiment in the United States.

The effect of the decrease in DLOM was offset by our lower estimate of revenues because of the slowdown of China economic growth rate.

The fair value of our ordinary shares increased from US\$3.70 as of February 2, 2013 to US\$3.96 as of December 20, 2013. The increase in fair value of our ordinary shares was primarily attributable to both the organic growth of our business and the decrease of DLOM from 15% to 10%. The decrease of DLOM was primarily due to our expectations for the timing of our initial public offering and the improved capital market sentiment in the United States.

The fair value of our ordinary shares increased from US\$3.96 as of December 20, 2013 to US\$6.30 as of March 11, 2014. We believe the increase in the fair value of our ordinary shares was primarily attributable to the fact that on March 10, 2014, we entered into a strategic cooperation agreement with Tencent and a series of agreements to acquire the Paipai and QQ Wanggou marketplace businesses, equity interests in Shanghai Ison and other intangible assets. We believe that this transaction will further extend our presence in the China e-commerce market and create synergies through economies of scales. In view of the above, we adjusted our financial forecast to reflect the expected economic benefits and synergistic of this transaction. We also lowered the discount rate from 19.0% as of December 20, 2013 to 17.5% as of March 11, 2014 due to the increase in the size of our business and the reduction in perceived uncertainties associated with our business plan.

Income Taxes

Current income taxes are provided on the basis of net income for financial reporting purposes, adjusted for income and expense items which are not assessable or deductible for income tax purposes, in accordance with the regulations of the relevant tax jurisdictions. We follow the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the temporary differences between the financial statements carrying amounts and tax bases of assets and liabilities by applying enacted statutory tax rates that will be in effect in the period in which the temporary differences are expected to reverse. We record a valuation allowance to offset deferred tax assets if based on the weight of available evidence, it is more likely than not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rate is recognized in our consolidated financial statements in the period of change.

In accordance with the provisions of ASC 740, we recognize in our financial statements the benefit of a tax position if the tax position is "more likely than not" to prevail based on the facts and technical merits of the position. Tax positions that meet the "more likely than not" recognition threshold are measured at the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement. We estimate our liability for unrecognized tax benefits which are periodically assessed and may be affected by changing interpretations of laws, rulings by tax authorities, changes and/or developments with respect to tax audits, and expiration of the statute of limitations. The ultimate outcome for a particular tax position may not be determined with certainty prior to the conclusion of a tax audit and, in some cases, appeal or litigation process. The actual benefits ultimately realized may differ from our estimates. As each audit is concluded, adjustments, if any, are recorded in our financial statements in the period in which the audit is concluded. Additionally, in future periods, changes in facts, circumstances and new information may require us to adjust the recognition and measurement estimates with regard to individual tax positions. Changes in recognition and measurement estimates are recognized in the period in which the changes occur. As of December 31, 2011, 2012 and 2013, we did not have any significant unrecognized uncertain tax positions.

Recent Accounting Pronouncements

In July 2012, the FASB issued revised guidance on "Testing Indefinite-Lived Intangible Assets for Impairment." The revised guidance provides an entity the option first to assess qualitative factors to determine whether the existence of events and circumstances indicates that it is more likely than not that an indefinite-lived intangible asset is impaired. If, after assessing the totality of events and circumstances, an entity concludes that it is not more likely than not that the indefinite-lived intangible asset is impaired, then the entity is not required to take further action. However, if an entity concludes otherwise, then it is required to determine the fair value of the indefinite-lived intangible asset and perform a quantitative impairment test by comparing the fair value with the carrying amount in accordance with U.S.GAAP. The revised guidance is effective for us for annual and interim impairment tests performed for the fiscal year beginning on January 1, 2013. This amendment will not have a material effect on our financial position, results of operations or liquidity.

In February 2013, the FASB issued revised guidance on "Comprehensive Income: Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income." The revised guidance does not change the current requirements for reporting net income or other comprehensive income in financial statements. However, the revised guidance requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under U.S. GAAP that provide additional detail about those amounts. The revised guidance is effective prospectively for us for the reporting periods beginning on January 1, 2013. The revised guidance will not have a material effect on our financial position, results of operations or liquidity.

In July 2013, the FASB issued ASU 2013-11, "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists", which is an update to provide guidance on the financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward exists. The guidance requires an entity to present an unrecognized tax benefit in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, except for when a net operating loss carryforward is not available as of the reporting date to settle taxes that would result from the disallowance of the tax position or when the entity does not intend to use the deferred tax asset for purposes of reducing the net operating loss carry forward. The guidance is effective for fiscal years beginning after December 15, 2013 and for interim periods within that fiscal year. We do not expect the adoption of this pronouncement to have a significant impact on our consolidated financial statements.

INDUSTRY

China's Retail Industry

China's retail industry is characterized by rapid growth and high fragmentation, as described below.

Rapid Growth

China's retail industry has experienced substantial growth as a result of rising disposable income and increasing urbanization. According to the National Bureau of Statistics of China, the annual per capita disposable income of urban households in China grew from RMB15,781 in 2008 to RMB24,565 (US\$4,058) in 2012, representing a CAGR of 11.7%.

During the same period, total retail sales in China grew from RMB6.2 trillion to RMB9.8 trillion (US\$1.6 trillion) according to Euromonitor International, representing a CAGR of 12.2%, whereas retail sales only grew at a CAGR of 1.5% in the United States during the same period. The strong growth of retail sales in China is expected to continue and retail sales are projected to reach RMB13.6 trillion (US\$2.2 trillion) in 2015, representing a CAGR of 11.5% from 2012, according to Euromonitor International.

According to the World Bank research report "China 2030", China is undergoing structural transitions characterized by a higher share of consumption and service in the economy and a lower share of exports, savings and investment. Consumption as a percentage of GDP is expected to increase from 56% during the period 2011-2015 to 66% during the period 2026-2030 with a corresponding decline in investment as a percentage of GDP. Retail sales are expected to continue growing rapidly.

High Fragmentation

China's large size and population and differences in consumer behavior and purchasing power across the country have made it a highly complex and diverse retail market. Modern retail formats, including hypermarkets, department stores, specialty retailers and convenience stores, have emerged and become the mainstream distribution channels in more developed cities. However, traditional retail remains the dominant retail channel in less developed areas, and companies must work with a huge number of small, independent outlets through a network of third-party agents, distributors and local wholesalers to reach consumers in those areas, which can be difficult to manage. Such a retail environment presents significant challenges for retailers to scale up and expand nationwide.

As a result, China's retail industry is highly fragmented, with the top 20 retailers in aggregate only accounting for approximately 10% of the total market share in 2012, according to Euromonitor International. In contrast, the equivalent figure in the United States is around 40%, according to the same source. The inability of large offline retailers to gain significant nationwide market share, together with the expected growth of retail sales in China, presents an opportunity to online retail companies.

China's Online Retail Market

Market Overview

According to iResearch, China's online retail market size measured by transaction volume was RMB1,320 billion in 2012 and is expected to reach RMB3,790 billion (US\$626 billion) in 2016, representing a CAGR of 30.2%, a growth rate significantly faster than that of the overall retail market. China's online retail market transaction volume is also expected to have surpassed that of the United States in 2013. Despite the huge size of the market, China's online retail penetration of internet users was only 45.5% in 2012, still much lower than the corresponding figure of 71.6% for the United States. iResearch expects that China's online retail penetration could further increase to 58.2% by 2016.

Market Trends

Growing internet use among mainstream consumers. The profile of Chinese internet users has been evolving as the demographic becomes both older and wealthier. According to the China Internet Network Information Center, or CNNIC, internet users above the age of 30 increased from 27.9% in 2006 to 43.0% in 2013 of the total online population, while those with an average monthly income above RMB3,000 increased from 13.9% in 2006 to 28.6% in 2013.

Growing consumer focus on product quality. Product quality has become increasingly important to online shoppers in making their purchase decisions. According to a study of Chinese online shoppers conducted by iResearch in 2012, 33% of online shoppers indicated product quality as the top factor considered when shopping online, while only 19% of online shoppers indicated cheaper prices as the top factor considered.

Significant investment into logistics system. China's logistics infrastructure lags behind that found in more developed markets. The quality of customer service from third-party service providers is inconsistent, in particular when seasonal spikes in demand put extra pressure on the logistics infrastructure, such as immediately following the annual November 11 online shopping spree. Because online retailers risk being held responsible by customers for failures in delivery service, major Chinese e-commerce players have been investing in building their own logistics networks to ensure a consistent customer experience from ordering all the way through delivery.

Rise of mobile shopping. With the rapid adoption of smartphones and tablets, as well as the development of 3G and 4G networks and wifi services, mobile shopping has become an increasingly important driver for online retail in China. Mobile shopping increases the time people spend on online shopping by allowing them to shop anytime anywhere. Mobile shoppers generally make purchases through applications they download to their mobile devices, which increases customer stickiness, facilitates targeted marketing and also enables push features, all of which tend to reduce marketing costs. According to iResearch, mobile shopping transaction value in China reached RMB169.6 billion (US\$28.0 billion) in 2013, an increase of 169% over 2012. Mobile shopping penetration is expected to grow from 9.2% in 2013 to 20.5% by 2016, according to iResearch.

Increasing variety of payment options. Payment-on-delivery remains a common payment method for Chinese shoppers when they purchase goods online. As debit and credit cards become increasingly common, online retail companies have started to include debit and credit cards in their payment-on-delivery options by using mobile POS machines. Online retail companies also offer diversified online payment options.

Further penetration into smaller cities. While coastal provinces such as Guangdong, Jiangsu and Zhejiang rank at the top in terms of online retail order volume, less affluent inland provinces demonstrated faster growth. Ningxia, Qinghai and Guizhou are the top three provinces in terms of online retail order growth in 2012, according to iResearch. Urban disposable income is rising more rapidly in inland provinces than in coastal ones, according to the National Bureau of Statistics, but physical retail access is less developed, which limits offline retail product selection. As more convenient payment solutions and more developed logistics systems increasingly extend beyond large and developed cities, it is expected that demand for online retail from consumers in the smaller and less developed cities of inland provinces will be strong in the future.

Fulfillment Challenges

Despite the rapid growth of the online retail market, fulfillment remains a challenge for online retailers attempting to reach more consumers in more areas while maintaining or improving the quality and efficiency of their service offerings. The fulfillment infrastructure in China is underdeveloped, in terms of both warehousing and logistics facilities and last-mile delivery services.

Facilities. The substantial growth of China's retail industry, particularly the online retail market, has generated significant demand for warehousing and logistics facilities. However, modern facilities that meet the requirements of modern logistics operations for guaranteed storage safety, optimal and flexible space utilization and high operational efficiency are still in short supply. A handful of large cities, such as Shanghai, Beijing, Guangzhou, Shenzhen and Tianjin, are home to a large portion of the modern facilities. In other cities, warehousing is predominately traditional wholesale warehouse space. According to CB Richard Ellis, an international commercial real estate services company, China's total gross floor area of good-quality warehouse stock was approximately 550 million square meters as of 2010, as compared to total gross floor area of good-quality warehouse stock of 1,600 million square meters in the United States. In addition, CB Richard Ellis estimates that the total stock of modern logistics facilities is only approximately 5.8 million square meters in China in 2010, a figure that is disproportionately low for a nation of 1.3 billion people.

Last-mile delivery. Historically, China's courier service industry has mainly served business-to-business delivery needs, and the state-owned postal service has been the major last-mile delivery option for deliveries to consumers. With the rise of the online retail market, more consumer-oriented courier service players have emerged and grown rapidly. However, few of them are able to offer the breadth of services demanded by online retail companies at a reasonable price with extensive geographical coverage. Thus far in China, large delivery networks have typically expanded their coverage through franchising or subcontracting models, usually without many value-added services. On the other hand, regionally focused players who offer value-added services do not have a nationwide network and are not able to provide customized delivery service. The relative scarcity of large-scale, high-quality courier service providers often means problems for online retail companies, including late deliveries, damaged and lost parcels, slow remittance of cash, poor return procedures, and limited special service offerings such as payment-on-delivery, installation or (in the case of apparel) product try-on.

Online Retail Business Models in China

Online direct sales and online marketplace are the two major online retail business models in China.

Under the online direct sales business model, a company procures and manages its own inventories, sells products directly to consumers online, and provides delivery and after-sales services. Online direct sales companies generate revenues from the sale of products and incur the cost of procuring the products they sell.

Online marketplaces are platforms that facilitate transactions between merchants and consumers and collect commission fees from sellers. Some also provide fulfillment, delivery and other value-added services for merchants for an additional fee. A marketplace can either be operated by an independent third party or by a company that also has its own online direct sales business.

China's online retail market was originally dominated by online marketplaces, particularly independent online marketplaces. By aggregating significant numbers of small and mid-sized merchants, online marketplaces offer a diversified merchandise selection that appeal to consumers. However, as consumers shop online more frequently, they have become more sophisticated and increasingly demand better quality and service. E-commerce companies operating under the online direct sales model, with strictly managed procurement and fulfillment services and offering consumers a reliable source for authentic products, have also been successful in the past several years, particularly as customers increasingly value product authenticity and better service. Meanwhile, large online direct sales companies have also started establishing their own online marketplaces for third-party sellers, increasing product offerings, monetizing online traffic and leveraging their fulfillment capabilities.

We see growth potential in both business models going forward. We believe that what differentiates a successful player in China's online retail market is the value that it can provide to consumers, at the core of which, we believe, are product, price and service.

BUSINESS

Overview

We are the largest online direct sales company in China in terms of transaction volume in 2013, with a market share in China of 46.5%, according to iResearch. Our GMV increased from RMB32.7 billion in 2011 to RMB73.3 billion in 2012 and RMB125.5 billion (US\$20.7 billion) in 2013.

We believe we provide consumers an enjoyable online retail experience. Through our content-rich and user-friendly website *www.jd.com* and mobile applications, we offer a wide selection of authentic products at competitive prices which are delivered in a speedy and reliable manner. We also offer convenient online and in-person payment options and comprehensive customer services. In order to have better control over fulfillment and to ensure customer satisfaction, we have built our own nationwide fulfillment infrastructure and last-mile delivery network, staffed by our own employees, which supports both our online direct sales and our online marketplace businesses. We have established strong relationships with our suppliers as we develop our online direct sales business. Leveraging our strengths, we launched our online marketplace business in 2010, which has allowed us to significantly expand our selection of products and services.

As a result of our superior customer experience, our business has grown rapidly. The number of products we offer through online direct sales and marketplace has grown from approximately 1.5 million SKUs as of December 31, 2011 to approximately 7.2 million SKUs as of December 31, 2012 to approximately 25.7 million as of December 31, 2013 and further to approximately 31.3 million as of February 28, 2014. Electronic products and home appliances accounted for 80.1%, 65.3% and 63.6% of our total GMV in 2011, 2012 and 2013, respectively, and general merchandise and others for 19.9%, 34.7% and 36.4%.

We foster an interactive user community that discusses, rates and reviews our products and services. We believe we have the largest online product review database of any online direct sales company in China with approximately 284 million product reviews generated by our customers to date. We had 12.5 million, 29.3 million and 47.4 million active customer accounts and fulfilled approximately 65.9 million, 193.8 million and 323.3 million orders in 2011, 2012 and 2013, respectively.

Timely and reliable fulfillment is critical to the success of an online retail business. Given the underdevelopment of third-party fulfillment services in China in terms of both warehousing and logistics facilities and last-mile delivery services, we made a strategic decision in 2007 to build and operate our own nationwide fulfillment infrastructure. We believe we have the largest fulfillment infrastructure of any e-commerce company in China. We operated 82 warehouses with an aggregate gross floor area of over 1.3 million square meters in 34 cities and 1,485 delivery stations and 212 pickup stations in 476 cities across China, staffed by 20,785 delivery personnel, 8,828 warehouse staff and 4,874 customer service personnel, as of February 28, 2014. Leveraging this nationwide fulfillment infrastructure, we deliver a majority of the orders directly to customers ourselves, over 70% of which were delivered on the day the order was placed or the day after. As of February 28, 2014, we provided same-day delivery in 40 cities under our 211 program and next-day delivery in another 248 cities across China.

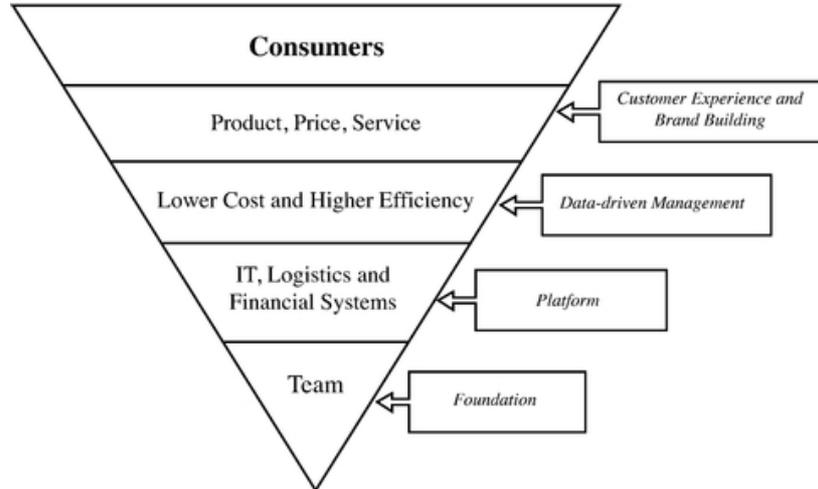
We are a technology-driven company and have invested heavily in developing our own highly scalable proprietary technology platform that supports our rapid growth and enables us to provide value-added technology services. Our technology platform currently has the capacity to process up to 30 million orders per day and record the status of 1.5 billion SKUs. In addition, our sophisticated business intelligence system enables us to refine our merchandise sourcing strategy to manage our inventory turnover and control costs and to leverage our large customer database to create customized product recommendations and cost-effective and targeted advertising.

We introduced an online marketplace to leverage our brand recognition, large and growing customer base, extensive transaction data, fulfillment infrastructure and proprietary technology platform. Our online marketplace allows us to provide customers a much greater selection of products. As of February 28, 2014, our online marketplace accounted for approximately 29.0 million of the approximately 31.3 million SKUs offered on our website. Our online direct sales and marketplace businesses together made us the second largest B2C e-commerce company in China, with an 18.3% market share based on transaction volume in 2013, according to iResearch. We attract and select third-party sellers to offer authentic products to our customers through our online marketplace. We monitor third-party sellers' performance and activities on our online marketplace closely to ensure that they meet our requirements for authentic products and high-quality customer service. In addition to basic transaction processing and billing services, we offer third-party sellers a suite of value-added fulfillment and other services.

Our business has grown substantially in recent years. Our total net revenues increased from RMB21.1 billion in 2011 to RMB41.4 billion in 2012 and RMB69.3 billion (US\$11.5 billion) in 2013. We had net losses of RMB1.3 billion, RMB1.7 billion and RMB0.05 billion (US\$8 million) in 2011, 2012 and 2013, respectively.

Core Philosophy

Our core philosophy to put customers always as our top priority can be illustrated by the following:



- Our team is the foundation of our company. We have built a strong and dedicated team and made significant efforts in hiring, training and retaining our workforce.
- To support our anticipated growth, we have developed a platform of comprehensive IT, logistics and financial systems to manage our flow of products, services, information and finances.
- Our data-driven management employs an array of key performance indicators to minimize costs and maximize efficiency in our operations.
- As a result, we are able to offer a broad selection of authentic products at competitive prices with comprehensive services. We strive to create a compelling online shopping experience that generates customer loyalty.

Competitive Strengths

We believe that the following competitive strengths contribute to our success and differentiate us from our competitors:

China's Largest Online Direct Sales Company

We are the largest online direct sales company in China in terms of transaction volume in 2013, with a market share in China of 46.5%, according to iResearch. We offered a total of approximately 31.3 million SKUs as of February 28, 2014. We had 12.5 million, 29.3 million and 47.4 million active customer accounts and fulfilled approximately 65.9 million, 193.8 million and 323.3 million orders in 2011, 2012 and 2013, respectively. Our GMV increased from RMB32.7 billion in 2011 to RMB73.3 billion in 2012 and RMB125.5 billion (US\$20.7 billion) in 2013.

We believe that scale and market leading position are critical to success in the online retail market in China and can provide important competitive advantages to us. Our scale allows us to offer a wide selection of authentic products at competitive prices, secure favorable terms from our suppliers and attract more third-party sellers to our online marketplace. The resulting customer base and order volume have enabled us to create a large and growing customer database that we can leverage to improve our inventory management, merchandising strategy and targeted marketing efforts. Through access to certain of Tencent's e-commerce and mobile users through our recent strategic cooperation agreement, we believe this further expands our customer reach, which in turn further enhances our targeted marketing efforts. Our in-depth knowledge of customer behavior and preferences has in turn helped us to expand into new product categories and introduce new products successfully. Our growing customer base has also generated a large volume of customer ratings, product reviews and comments that helps drive orders, increase customer stickiness and improve our merchandising. We believe we have the largest online product review database of any online direct sales company in China with approximately 284 million product reviews generated by our customers to date. Furthermore, as we reach a critical mass of customers and orders, it becomes more cost efficient for us to rely primarily on our own fulfillment infrastructure.

Our Superior Customer Experience

Customers are our top priority. We believe that product, price and service are fundamental to a compelling online shopping experience. To this end, we offer a wide selection of authentic goods at competitive prices. Our slogan is "多快好省" (selection, speed, quality, value). Our [www.jd.com](#) website and mobile applications contain comprehensive product information and reviews and helpful recommendations, and we have fostered an active customer community by encouraging our customers to rate and review products and interact with each other on our discussion boards. By directly operating our own last-mile delivery network covering the majority of our customers, we are able to provide speedy and reliable delivery, convenient in-person payment options and comprehensive after-sales services, thereby maintaining greater control over customer experience. We have a growing and loyal active customer base. Over the years, our customers have shown loyalty to us through their increased activity levels. For example, those customer accounts that were active in 2008 increased their average number of purchases each year thereafter, from approximately 3.7 in 2008 to 4.4 in 2009, 6.2 in 2010, 10.7 in 2011, 14.9 in 2012 and 16.6 in 2013.

Our Own Nationwide Fulfillment Infrastructure

We believe we have the largest fulfillment infrastructure among all e-commerce companies in China, including 82 warehouses with an aggregate gross floor area of over 1.3 million square meters in 34 cities, plus 1,485 delivery stations and 212 pickup stations with a total of 20,785 delivery personnel in 476 cities across China, as of February 28, 2014. We made a strategic decision to set up and operate our own nationwide fulfillment infrastructure to ensure timely and reliable delivery to our customers

and maintain greater control over customer experience. With the expected addition of approximately 2,000 delivery staff from Tencent, our nationwide fulfillment coverage will be further enhanced. We believe that this allows us to address the underdevelopment of third-party fulfillment services in China in terms of both warehousing and logistics facilities and last-mile delivery services. Our nationwide fulfillment infrastructure currently allows us to provide same-day delivery in 40 cities under our 211 program and next-day delivery in another 248 cities across China as of February 28, 2014.

We have built our own delivery network to cover those areas where we have a critical mass of customers and sufficient orders to justify the expenditures required, and we expect this will help us reduce our fulfillment expenses over time as our order volume and order density in those areas increase. Operating our own fulfillment infrastructure also allows us to continue fulfilling orders during peak holiday seasons. Besides serving our online direct sales business, our fulfillment infrastructure also supports the growth of our online marketplace. We offer complete fulfillment support and services to our third-party sellers, which adds significant value to them and encourages them to integrate their operations more closely with ours. We believe that this provides a strong inducement for third-party sellers to remain on our platform and clearly differentiates us from our competitors.

Our Strong Merchandise Sourcing Capabilities

We have established an extensive network of suppliers and third-party sellers for our business. As we have grown rapidly and expanded our product categories and product selection aggressively, we have substantially increased the number of suppliers for our online direct sales from approximately 2,700 as of December 31, 2011 to 4,600 as of December 31, 2012 and further to 6,000 as of December 31, 2013. Our online marketplace has also attracted a large number of third-party sellers since its launch in October 2010. The third-party sellers on our online marketplace have increased from approximately 2,300 as of December 31, 2011 to 13,300 as of December 31, 2012 to 23,500 as of December 31, 2013 and further to 29,300 as of February 28, 2014. With our extensive network of suppliers and third-party sellers, we are able to obtain a wide selection of merchandise at favorable terms. We also leverage our market position to gain exclusive rights to sell certain popular products in China. For example, we were authorized in July 2013 to sell LG-D802 WCDMA mobile phones on an exclusive basis in China for a one-year period, and since we started reselling Lenovo products online in 2008, we have been authorized to sell many of Lenovo's new products as its exclusive online retailer in China for a certain period of time following their launch. Moreover, we started to procure a large proportion of merchandise directly from suppliers instead of agents as our sales continue to increase, which could help improve our margins further. We believe that we provide significant value to our suppliers, and that our value proposition helps us to obtain competitive prices and favorable terms from our suppliers.

Our Highly Scalable Proprietary Technology Platform

We are a technology-driven company and have invested heavily since inception in developing our own robust, scalable and service-oriented technology platform. This platform enables us to accurately process and fulfill increasingly large numbers of orders at peak periods while maintaining processing speed and quality consistency, as well as powering full supply chain visibility and control. Our technology platform currently has the capacity to process up to 30 million orders per day and record the status of 1.5 billion SKUs. We have developed a sophisticated business intelligence system that leverages our large customer database to create customized product recommendations to support push and targeted marketing, allowing us to efficiently attract new customers as well as new purchases from existing customers. We also leverage our large customer database to produce our sales forecast, which we use to adjust our procurement strategy to minimize excess inventory risks and enhance relationships with suppliers. We have a large and experienced IT team to design, develop, and operate our technology platform.

Our Fast Growing Online Marketplace

To provide one-stop shopping that meets consumers' everyday shopping needs, we have established and rapidly expanded our online marketplace to offer a wide selection of products to complement our online direct sales products. As of February 28, 2014, there were approximately 29,300 third-party sellers offering approximately 29.0 million SKUs over our online marketplace. The GMV for our online marketplace was RMB2.9 billion, RMB16.6 billion and RMB31.8 billion (US\$5.3 billion) in 2011, 2012 and 2013, respectively. Our nationwide market reach and large customer base offer third-party sellers an effective distribution channel, and by requiring third-party sellers to meet our standards for authenticity, reliability and customer service and allowing them to use our warehousing and delivery services, we strive to give customers the same high quality online shopping experience regardless of the source of the products they choose. The addition of Tencent's physical goods e-commerce websites enhances our ability to attract third-party sellers and in particular cultivate smaller third-party sellers that are more suitable for C2C selling through Paipai but may develop over time into being suitable for B2C selling. We collect commissions from sales on our online marketplace and also offer additional value-added services to our third-party sellers, including data mining and analytics capability to provide them with customer and market insights that support them in product planning and in conducting targeted promotional and marketing activities. We believe that the combination of our online direct sales and online marketplace business with our own nationwide fulfillment infrastructure makes us a uniquely strong player in China's online retail industry.

Our Visionary Founder, Experienced Management Team and Strong Corporate Culture

Our founder, chairman and chief executive officer Richard Qiangdong Liu is a highly recognized entrepreneur and a pioneer in the e-commerce and online retail industry in China. Under Mr. Liu's leadership, we have introduced many innovative initiatives such as establishing and operating our own nationwide fulfillment infrastructure. In December 2011, Mr. Liu received the prestigious award of "2011 China Economic Person of the Year" from CCTV, China's largest television network.

Our senior management team is composed of executives with extensive experience in every major component of our business operations. We have recruited many of our executives from leading global companies. We have also developed a strong mid-level management team in charge of various business functions. Our founder and management have nurtured a corporate culture of integrity, passion, customer service, teamwork, learning and efficiency. These values, coupled with our leadership position and our employee training, career development and incentive programs, have contributed greatly to motivating and retaining our talented employees.

Our Strategies

Our goal is to become the largest e-commerce company in China. We plan to achieve this goal by implementing strategies to optimize customer experience, deepen our market penetration and enhance our brand recognition while continuing to improve our margins and operating leverage. These strategies include:

Attract New Customers and Cultivate Customer Loyalty

We intend to attract new customers and cultivate customer loyalty through further innovations and improvements to our customers' shopping experience. We will continue to refine our business intelligence system to provide more effective targeted recommendations to attract new purchases from existing customers. We also plan to further expand our reach into smaller cities by setting up and operating more of our own warehousing and logistics facilities and last-mile delivery services to customers in those cities. In addition, we will continue to provide top-notch customer service by increasing our customer service support personnel, expanding our after-sales maintenance, replacement and repair services and adding new customer service channels. We also intend to engage in brand

promotion campaigns and other marketing activities to enhance our brand recognition throughout China, especially in smaller cities where we expect to attract more customers and increase sales.

As we expect customers will increasingly purchase goods and services from their mobile devices, we plan to further strengthen our mobile internet presence to seize the promising market opportunities. Approximately 18% of our orders fulfilled were placed through mobile applications in February 2014, as compared to approximately 15% in December 2013 and approximately 6% in December 2012. We plan to develop and introduce more mobile applications and frequently upgrade existing applications to enhance our mobile user experience and engagement. We also plan to make our applications available on more mobile devices and adapt the layout and appearance of our product pages to ensure that mobile users can conveniently access all of the rich content that they are accustomed to seeing when they visit our website. In addition, we intend to further expand the functionality of our mobile applications to incorporate additional features, such as location-based services and payment functions, to enable our customers to complete transactions on mobile conveniently and reliably. We may also pursue opportunities to cooperate with other key players in the mobile internet industry to expand our service offerings.

We and Tencent recently announced the formation of a strategic partnership between the two companies. As part of the strategic cooperation, Tencent will offer us prominent level 1 access points in its mobile applications Weixin and Mobile QQ and provide us internet traffic and other support from other key platforms of Tencent. We expect to enrich our customers' mobile internet experience and reach Tencent's large mobile and internet user base and further expand our presence on mobile internet through this strategic partnership.

Further Expand Our Product Offerings

We plan to further expand our product offerings to provide one-stop shopping that meets consumers' everyday shopping needs. We plan to leverage our cooperation with Tencent in deepening our understanding of mobile as well as social commerce and expanding our product offerings accordingly. We believe that expanding our product offerings will help enhance customer experience, diversify our revenue sources and further improve our economies of scale. In general, we will focus on providing even greater product selection within our already extensive general merchandise product categories. In particular, we plan to expand our offerings of private label products and services and virtual goods. A key element of our product strategy is to continue to expand our online marketplace, with a focus on expanding product selection to complement our online direct sales products. We plan to attract additional third-party sellers to offer more products on our online marketplace while maintaining our standards for authentic products and customer service.

Enhance Our Fulfillment Infrastructure

We plan to enhance our fulfillment infrastructure by building new warehouses and establishing more delivery stations to expand our ability to fulfill orders by ourselves, including in smaller and less developed cities across China as our business grows. The large-scale pick-and-pack operations supporting an online retail business require purpose-built and automated facilities in order to achieve maximum efficiency. Expanding the total gross floor area of our warehouses will allow us to improve their configuration and workflow and in particular to reduce order splitting, the practice of making multiple deliveries per order, by concentrating more products within a single warehouse complex. The expansion of our fulfillment infrastructure also supports our fast-growing online marketplace, which we believe not only improves our customers' shopping experience but also can leverage our established infrastructure and increase the return on our investments.

Strengthen Our Technology Platform

We will continue to develop our business intelligence system to effectively utilize the huge amount of transaction, logging and click stream data in our system generated through our website and mobile applications. We are in the process of rolling out a big data platform built on top of our cloud computing infrastructure, which will further automate and streamline our data extraction, loading, transformation and mining on a distributed data storage infrastructure with unified logical data models, unified data sources, and unified access and access control. This new platform will not only better support our day-to-day business analytics and insight analytics but also provide periodic, current and real time application analytics in support of our search engine, recommendation engine, advertisement systems and open data platform for third-party sellers. We believe we will be able to strengthen our competitive advantages in feeding data-driven insights into our operations and further help our suppliers and third-party sellers to leverage such data in managing their businesses.

We will continue to strengthen our technology platform both to enhance internal operational excellence and to support the external services we offer to our suppliers and third-party sellers. Cloud computing will power new technology initiatives such as Jingdong Open Service, which provides periodic, current and real time data and business analysis to our suppliers and third-party sellers. Cloud computing will also support a whole spectrum of online shopping software-as-a-service offerings for our suppliers and third-party sellers, including offerings they can use to build their own online shopping applications. We will also continue to invest in our mobile platform and technology by developing and enhancing our mobile applications and sites, as well as cooperating with mobile device manufacturers, to optimize the mobile shopping experience of our customers.

Improve Operating Leverage and Increase Margins

We plan to continue to increase our operating leverage and improve our margins. By increasing the size and scale of our business, we expect to strengthen our ability to obtain more volume-based rebates from our suppliers. We also expect to generate a higher percentage of our total net revenues from higher-margin products by further increasing revenue contribution from commissions and fees for services. We plan to substantially increase revenues from our online marketplace by attracting more third-party sellers to sell products on our website and providing value-added services to them, such as warehousing and delivery services. We also plan to offer cloud-based software-as-a-service to our third-party sellers and other e-commerce businesses as well as offering enhanced information and data analytic services after we deploy the new large-scale data platform that we are currently developing. In addition, we intend to monetize the traffic on our website by providing advertising services. We believe all of the above efforts will help us improve our margins while continuing our significant revenue growth.

We have expanded substantially in the past few years in order to gain wallet share in the fast growing online retail market in China. Going forward, we plan to continue our growth momentum and focus on improving our operating leverage concurrently. To this end, we intend to further leverage our technology platform to enhance our operating processes and efficiency.

Explore New Business Initiatives to Broaden Our Service Offerings

We are exploring new business initiatives to broaden our service offerings. These initiatives include:

- Online-to-offline, or O2O solutions—We believe we are well positioned to provide O2O solutions to customers and offline retailers in select locations in China by capitalizing on our strong online presence and our established nationwide fulfillment infrastructure. We have recently started cooperating with a local offline retail chain in Taiyuan on a trial basis to offer their products on our website and deliver their products to our customers.

- Internet finance—The scale of our business provides us with a promising opportunity to become an active participant in the emerging internet finance sector in China. We have developed various financial products, including supply chain financing, as an additional value-added service we provide to our suppliers and third-party sellers on our online marketplace, and consumer financing. We are also in the process of developing our own online payment platform.
- International expansion—Leveraging our extensive experience in China, we may pursue strategic initiatives to expand our business overseas, including by setting up websites, warehouses and payment systems outside of China and promoting our JD brand to new overseas customers.

Our Business Model

Since founding our company, we have focused on developing our online direct sales business as well as building our own fulfillment infrastructure, including last mile delivery capability, and our proprietary technology platform to support our operations. As our online direct sales business grew substantially in size, we launched our online marketplace to complement it to expand our product offerings, leverage our established fulfillment infrastructure and technology platform and ensure superior customer experience. We believe that the combination of our online direct sales and online marketplace with our own nationwide fulfillment infrastructure and technology platform makes us a uniquely strong player in China's online retail industry in terms of providing superior customer experience.

Leveraging the significant scale of our business, we have also begun to offer other services that are complementary to our core business, create significant value to our business partners, including third-party sellers and suppliers, and ultimately benefit our business and customers.

Online Direct Sales

In our online direct sales business, we acquire products from suppliers and sell them directly to customers. We started selling computer products online in 2004 and introduced mobile handsets and other mobile digital products in 2007. We significantly expanded our product offerings in 2008 with home appliances and a wide array of general merchandise product categories. We began to offer clothing, shoes, and cosmetics and other personal care items in 2009, food, nutritional supplements, and books in 2010, music, movies and other media products in 2011, e-books in 2012, and digital music in 2013. As of February 28, 2014, there were approximately 2.3 million SKUs available in our online direct sales business. As a result, net revenues from electronics products, which includes computers, mobile handsets and other mobile digital products, and home appliances, has declined as a percentage of our total net revenues.

Online Marketplace

In our online marketplace business, third-party sellers offer products to customers over our online marketplace and pay us commissions on their sales. We launched our online marketplace in October 2010, and as of February 28, 2014, there were approximately 29,300 third-party sellers offering approximately 29.0 million SKUs over our online marketplace. The GMV from our online marketplace increased from RMB2.9 billion in 2011 to RMB16.6 billion in 2012 and RMB31.8 billion (US\$5.3 billion) in 2013. We provide transaction processing and billing services on all orders on our online marketplace, and we leverage our own nationwide fulfillment infrastructure to offer our third-party sellers additional value-added services, including delivery services or a combination of warehousing and delivery services. We require third-party sellers to meet our standards for authenticity and reliability. We aim to offer customers the same high quality customer experience regardless of the source of the products they choose.

Other Services

The significant scale of our business allows us to provide a variety of services to create value for our business partners and ultimately benefit our customers. For example, we provide extra value-added fulfillment services to the third-party sellers on our online marketplace, including their choice of either delivery services or a combination of warehousing plus delivery services, in addition to the basic transaction processing and billing services that we provide to them at no extra cost. We also provide online advertising services in various formats. In addition, we have recently begun to engage in internet financing activities and we have developed various financial products, including supply chain financing, as an additional value-added service we provide to our suppliers and third-party sellers on our online marketplace.

Customer Experience

Our slogan is "多快好省" (selection, speed, quality, value), and we are committed to optimizing customer experience and achieving customer satisfaction. This commitment drives every aspect of our operations, which are focused on six core components: extensive product offerings, compelling online experience, competitive pricing, timely and accurate fulfillment, convenient payment options and superior customer service.

Products

We continually seek to add more products that appeal to our target customers. The number of products we offer has grown from approximately 1.5 million SKUs as of December 31, 2011 to approximately 7.2 million SKUs as of December 31, 2012 to approximately 25.7 million as of December 31, 2013 and further to approximately 31.3 million as of February 28, 2014. Our offerings are organized into 13 product categories on our website:

- computers, including desktop, laptop, notebook and other varieties, as well as printers and other office equipment;
- mobile handsets and other digital products;
- home appliances;
- automobile accessories;
- clothing and shoes;
- luxury goods, including handbags, watches and jewelry;
- furniture and household goods;
- cosmetics and other personal care items;
- food and nutritional supplements;
- books, e-books, music, movies and other media products;
- mother and childcare products and toys;
- sports and fitness equipment; and
- virtual goods, including domestic airplane tickets, hotel room reservations, tickets to the performing arts, and credits for online games and cell phones.

Each of these categories is further divided into numerous subcategories to facilitate browsing.

In building up our product offerings, we focus on quality as well as quantity. Due to our nationwide reach and our efficient fulfillment system, suppliers often choose us to launch new products that they expect will be in high demand, and we often act as the exclusive distributor for a period of days or weeks when a hot new product first becomes available for sale to the public. For example, we were authorized in July 2013 to sell LG-D802 WCDMA mobile phones on an exclusive basis in China

for a one-year period, and since we started reselling Lenovo products online in 2008, we have been authorized to sell many of Lenovo's new products as its exclusive online retailer in China for a certain period of time following their launch.

Online Experience

We believe that providing a compelling online experience is critical to attracting and retaining customers and increasing orders. We make sales primarily through our content-rich and user-friendly website *www.jd.com* and mobile applications. Our website not only offers a broad selection of authentic products at competitive prices but also provides easy site navigation, basic and advanced search functions, comprehensive product information and a large volume of customer reviews and ratings. These features address customers' desire to view, understand and compare products before purchasing. With the increasing popularity of mobile internet-enabled devices, we have also developed applications and features adapted to mobile internet users, and we currently offer mobile access through our mobile website *m.jd.com* and our various iOS, Android and Windows-based mobile applications. Approximately 18% of our orders fulfilled were placed through our mobile applications in February 2014, as compared to approximately 15% in December 2013 and approximately 6% in December 2012.

Our website contains the following information and features:

Comprehensive product information. Each product page contains pictures of the product, the price, a pull-down menu to show whether the product is in stock at the customer's location, customer reviews and ratings, the discount from the suggested retail price, and whether the product will be delivered by us or by one of our third-party sellers. Depending on the type of product, there will be additional information to help the customer make a purchase decision or recommendations to steer the customer towards additional products.

Interactive user community. Our website contains a large volume of helpful user-generated content. For each product, customers can provide reviews and ratings that are featured prominently on the product page. We encourage participation by granting membership points for posting reviews and ratings, and popular products may have thousands of reviews. We believe that we have the largest online product review database of any online direct sales company in China, which benefits our customers, suppliers and third-party sellers. We provide discussion boards where customers can discuss topics of mutual interest, respond to each other's questions, and post photos and text to share their experiences with our products. We believe that user-generated content is an effective tool for giving customers the confidence to order products online that they are not personally familiar with.

Product recommendations. Our business intelligence system generates recommendations to customers of additional products that they may wish to buy. These recommendations come in two forms. Each product page typically has recommendations for other products that are often purchased together with that product. In addition, our website makes recommendations to customers based on their past purchases and on products that they viewed but did not purchase. We send several million e-mails to our customers each day with recommendations tailored to their purchase profile. Our sales volume gives us extensive marketing data about customer preferences that we believe enables us to make recommendations that are appealing to our customers.

Online order tracking. Customers can log into their accounts to check the status of their orders. All packages in our system are given a bar code and their location is updated each time they are handled by one of our warehouse or delivery personnel or one of our contracted third-party couriers. Furthermore, each of our delivery personnel carries a mobile personal digital assistant, which allows customers to track their location in real time on an online map.

Pricing

We offer competitive pricing to attract and retain customers. We make continual efforts to maintain and improve an efficient cost structure and create incentives for our suppliers to provide us with competitive prices.

Pricing policy. We set our prices to be competitive with those on other major online retail websites and in physical stores in China. We typically negotiate with our suppliers for prices that are comparable to or lower than those offered to retailers in other sales channels. If we reduce the price on our website before the product is delivered to the customer, then the customer generally has an opportunity to lock in the lower price. Currently, third-party sellers are free to set their own prices on our online marketplace.

Special promotions. We offer a selection of discounted products on special occasions, such as the anniversary of the founding of our company on June 18 and China's new online shopping festival on November 11, and on important holidays such as Christmas and Chinese New Year. We also hold daily promotions for selected products for a limited period of time. Special promotions attract bargain hunters and give our customers an additional incentive to visit our website regularly. We have set aside a special area of our website for auctions of certain repaired goods, used goods, and goods that have been opened but not used. We also offer discounted products to our customers under a group purchase model. We believe that auctions and group purchases generate excitement and give customers a more varied shopping experience.

Delivery

We believe that timely and reliable fulfillment is critical to the continuing success of our business. To this end, we have incurred and will continue to incur significant expenditures in building and operating our own nationwide fulfillment infrastructure. The following are some of the advantages that derive from our nationwide fulfillment infrastructure:

Delivery network and personnel. We delivered products directly to customers in 476 cities across China as of February 28, 2014. We deliver a majority of the orders directly to customers ourselves. Given that customers place their orders online but often choose the payment-on-delivery option, our customers interact with delivery personnel more often than with any other representatives of our company. For this reason, we place great emphasis on training our delivery personnel and setting up delivery stations in more and more cities. We believe that our professionally trained delivery personnel are important in helping us to shape customer experience and distinguish ourselves from our competitors.

Flexible delivery arrangements. We believe that timely and convenient delivery is an essential part of customer satisfaction, and we arrange our delivery schedule to suit our customers' needs. Customers can choose their preferred delivery period during a day, including evening delivery, when they place orders. Our delivery personnel contact customers by telephone to arrange a convenient time for delivery. Customers who need to reschedule a delivery can log into their account on our website to look up the contact information for the delivery person and contact the delivery person directly themselves, provided that the delivery will be made by our employees.

Speedy delivery. We introduced our 211 program in 2010, and it covered 40 cities across China as of February 28, 2014. For goods that we have in stock at the corresponding fulfillment center or front distribution center, any orders received by the morning deadline (11:00 a.m. in most of the cities) will be delivered on the same day, and any orders received by the evening deadline (11:00 p.m.) will be delivered by 3:00 p.m. on the following day. In five of the seven cities where we have fulfillment centers currently, customers also can request that an order placed by 3:00 p.m. be delivered in the evening on the same day. There is no extra charge for expedited delivery under our 211 program for orders that satisfy the minimum size requirement, and customers can check the product page on our

website to see whether the product is in stock and thus eligible. The program does not cover delivery to addresses through third-party couriers or products shipped directly from our third-party sellers. Bulky items such as refrigerators or washing machines are also eligible for same-day or next-day delivery under similar conditions. Our 211 program applied to approximately 44% of the orders we delivered in the first two months of 2014 and 41% of the orders we delivered in 2013. We also currently provide next-day delivery to addresses in another 248 cities across China. Customers can also request expedited delivery within three hours by paying an extra charge in a few of the major cities where we have fulfillment centers.

Customer pickup. Customers who prefer to pick up their order themselves can select a pickup station when placing the order and use the tracking function on our website to find out when the order has arrived there. We had 212 pickup stations at convenient locations across the country as of February 28, 2014. Payment can be made at the pickup station.

Global shipping. We can ship to addresses outside of China using trusted third-party courier services such as UPS, DHL and EMS. The cost of delivery is calculated and charged based on the shipping method, destination country/region and the combined product weight. We take payment through PayPal for sales outside of China.

Payment

Payment-on-delivery. We accept payment-on-delivery in all of the 476 cities where we make deliveries through our own delivery personnel. Our delivery personnel carry mobile POS machines for processing debit cards and credit cards and they also accept cash. Customers chose payment-on-delivery approximately 33.4% of the time in 2013 and 30.9% in the first two months of 2014.

Online payment. Customers may pay online at the time they place their order, using domestic Chinese credit or debit cards or third-party online payment platforms such as 99Bill, CMPay and UnionPay. Customers chose online payment approximately 65.7% of the time in 2013 and 68.4% in the first two months of 2014. We expect to launch our own online payment and settlement services in the near future, which we plan to use for all of our own payment processing needs.

Other payment options. Customers may also choose to pay by postal money order. Enterprise customers can also make payment by wire transfer. Customers chose other payment options less than 1% of the time in 2013 and the first two months of 2014.

Customer Service

Providing satisfactory customer services is a high priority. Our commitment to customers is reflected in the high service levels provided by our customer service staff as well as in our product return and exchange policies.

24-7 customer service center. We have a 24-7 customer service center in Suqian City, Jiangsu Province, with 2,044 customer service representatives as of February 28, 2014. Customers can call our telephone hotline, ask questions and leave complaints in writing through our website, or send us e-mails. Our customer representatives handled over 20 million customer-initiated communications over the telephone in 2013 and approximately 4 million in the first two months of 2014. We opened a second customer service center in Chengdu, Sichuan Province, in 2011 to focus on handling written questions or complaints online through instant messaging, and we had 1,034 customer service representatives at that center as of February 28, 2014.

Order modification and cancellation. We generally allow customers to modify or cancel an order any time before the warehouse prints out the order for picking and packing. Customers can add or remove items and change the delivery address and delivery method. They may do this online or through our customer service center.

Returns and exchanges. We generally allow customers to return unused goods within 7 days and to exchange defective goods within 15 days, in each case counting from the date when the customer receives the product. If customers report defects more than 15 days after receipt but still within the warranty period, we will have defective goods repaired or take other appropriate action to satisfy the customer, depending on the nature of the problem. We will generally pick up defective items for return or exchange at the customer's address, provided that the return or exchange is requested within 15 days of receipt of the item and the address is one that is serviced by our own employees or by one of the third-party couriers that have agreed to provide this service for us. Otherwise, the customer can mail the item to one of our fulfillment centers or bring it in person to one of our pickup stations. The same policies apply to products sold through our online marketplace.

Membership program. We have established a membership program to cultivate customer loyalty and encourage our customers to make additional purchases. There are five levels of members, and promotion to higher levels is based on the amount that the customer has spent with us and also the customer's level of activity on our website, for example in reviewing or recommending products. Members get a variety of benefits that increase with level, such as expanded free shipping and access to a special VIP customer service hotline. We grant membership points to members who take part in special promotions, review products on our website and recommend our website to friends. Members can convert their membership points into credit towards new purchases on our website. As of February 28, 2014, we had a total of approximately 192 million registered members.

Merchandise Sourcing

In our online direct sales business, we offered approximately 2.2 million SKUs from approximately 6,000 suppliers as of December 31, 2013. Procuring products on such a massive scale requires considerable expertise, which we have built up over a number of years. Among the top 100 suppliers (by value of purchases) from which we sourced products in 2013, 47 of them are manufacturers, accounting for approximately 46% of the aggregate value of purchases from these top 100 suppliers. We negotiate with the manufacturer or a higher-level distributor where possible in order to obtain the most favorable terms, even if we sign a contract with a lower-level distributor for operational reasons. None of our suppliers accounted for over 10% (by value) of the products we purchased in 2013. In addition, we also offered approximately 23.5 million SKUs from approximately 23,500 third-party sellers on our online marketplace as of December 31, 2013.

As we increase in scale in particular product categories, we expect to increase our purchases directly from manufacturers and, where appropriate, to become an authorized reseller. We believe that our ability to establish direct relationships with manufacturers will provide improved product pricing and access to hard-to-get products. We believe that manufacturers and distributors consider us an important channel in certain product categories such as computers and mobile devices, where we are one of the largest channels in China, and we are gaining significant traction in related categories like home electronics. In addition, we have created a supplier interface on our website where our suppliers and third-party sellers access reports regarding inventory status, purchase history and customer reviews of their products. Suppliers and third-party sellers can use this information in their marketing and product development efforts and also in managing their own inventory, which helps them manage costs and makes our services more valuable to them. Leveraging our scale, strong brand and geographic reach, we seek to enter into exclusive arrangements with selected suppliers and third-party sellers for some or all of their products. For example, we were authorized in July 2013 to sell LG-D802 WCDMA mobile phones in China for a one-year period.

Our relationships with suppliers and third-party sellers evolve and grow over time. The following are a few examples:

- *Kimberly-Clark.* We started sourcing products, mainly Huggies disposable diapers, from Kimberly-Clark directly in 2012. Starting in 2012, Kimberly-Clark allocated a specified area

of its warehouse in Beijing to us, and in 2013 it did the same with its warehouse in Guangzhou. The products we have purchased from Kimberly-Clark are stored in these specified areas, and after packing will be shipped directly to our sorting centers, which ensures fast fulfillment of orders from our customers and saves our warehousing space. In 2013, we also started cooperation with Kimberly-Clark in the areas of marketing and consumer data. When Kimberly-Clark launched its high-end diaper called Huggies Platinum in China in 2013, we were the sole online distributor for the initial four months.

- *BESTSELLER*. BESTSELLER sells apparel in the China market mainly under four brands: ONLY, Vero Moda, Selected and Jack Jones. In June 2012, BESTSELLER opened online stores for its ONLY and Jack Jones brands on our online marketplace. Based on the performance of these two online stores, BESTSELLER opened two more stores in January 2013 for Vero Moda and Selected. Currently, BESTSELLER uses our delivery services for all of the four online stores to improve its customer experience. BESTSELLER also offers certain series of apparel exclusively on our online marketplace.
- *Lenovo*. We started reselling Lenovo PCs in 2008 and Lenovo tablets in 2011 online. Since then, Lenovo has authorized us to resell many of its new products as the exclusive online retailer in China for a certain period of time following their launch. Moreover, we have also been authorized to resell certain SKUs of Lenovo PCs and tablets on an exclusive basis. Lenovo has also collaborated with us in its marketing activities, for instance linking certain types of products in its online ads to our website.

We select suppliers and third-party sellers on the basis of brand, reliability, volume and price. They must be able to meet our demands for timely supply of authentic products and also provide high quality post-sale customer service. We perform background checks on each supplier and third-party seller and the products it provides before we enter into any agreement. We examine their business licenses and the qualification certificates for their products, and check their brand recognition and make inquiries about the market acceptance of their products among players in the same industry. We also conduct on-site visits to assess and verify their location, scale of business, production capacity, property and equipment, human resources, research and development capability, quality control system and fulfillment capability. Our standard form contract requires suppliers and third-party sellers to represent that their goods are authentic and from lawful sources and do not infringe upon lawful rights of third parties and to pay us liquidated damages for any breach. We normally enter into one-year framework agreements with our suppliers and third-party sellers and renew them annually if we are satisfied with the supplier's or third-party seller's performance. We have also put stringent rules in place governing the operations of third-party sellers on our online marketplace. Third-party sellers will be subject to penalties or be asked to end their operations on our online marketplace if they violate the marketplace rules, for example by selling counterfeit products. We also conduct regular reviews on the performance of third-party sellers, twice a year, and have the right to terminate the operations of third-party sellers that remain inactive on our online marketplace for three consecutive months or have an overall ranking below a certain threshold.

We have leveraged our insights into our suppliers' business operations to develop various financial products, including supply chain financing, as an additional value-added service we provide to our suppliers, which we believe will further strengthen our merchandising capability. We are also in the process of developing our own online payment platform.

Fulfillment

We deliver a compelling customer experience by fulfilling orders quickly and accurately. To this end, we have built our nationwide fulfillment infrastructure for the prompt receipt, storage and shipment of our products. Our fulfillment infrastructure is primarily comprised of a nationwide warehouse and delivery network that we operate ourselves, supplemented by contracted third-party

couriers to service areas that are not covered by our network. To further enhance inventory accountability and security, we track our inventory at all stages of the receiving and order fulfillment process.

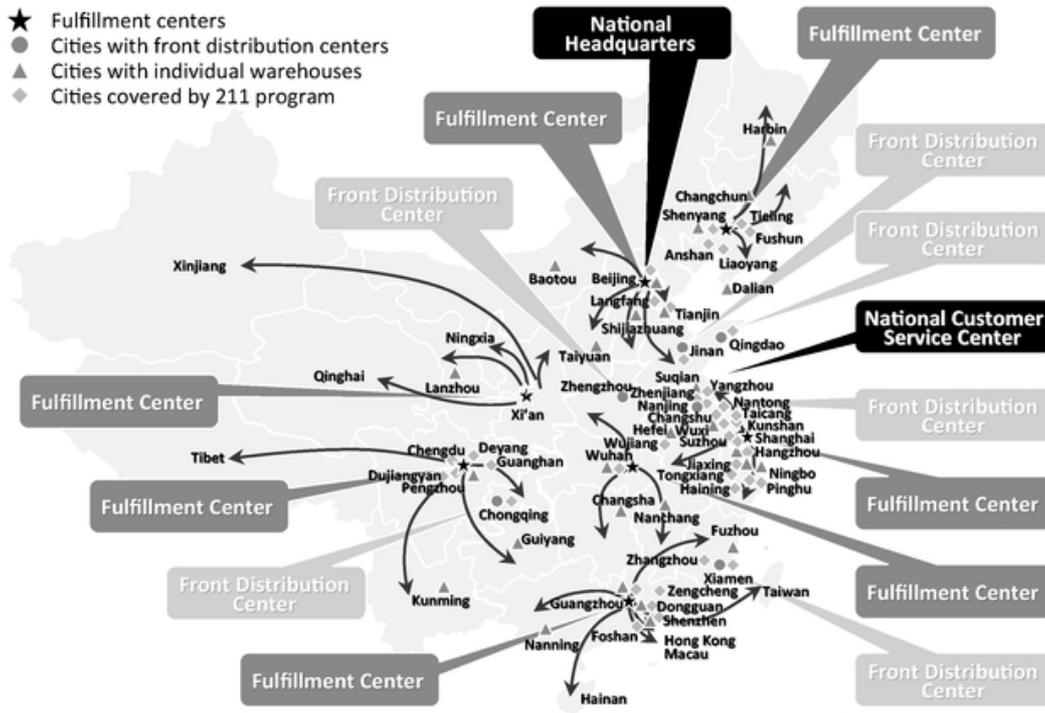
Nationwide Fulfillment Infrastructure

We have built a nationwide fulfillment infrastructure that we believe is the largest among all e-commerce companies in China.

We had established fulfillment centers in seven major cities in China as of February 28, 2014: Shenyang in the northeast, Beijing in the north, Shanghai in the east, Wuhan in the center, Guangzhou in the south, Chengdu in the southwest and Xi'an in the northwest. Each of these fulfillment centers consists of between 1 and 10 warehouses for normal-sized items, one warehouse for bulky items, and associated sorting centers and related facilities. We had also established front distribution centers in another six major cities in China as of February 28, 2014: Jinan, Qingdao, Nanjing, Xiamen, Chongqing and Zhengzhou. Each front distribution center consists of one warehouse stocking products that are in high demand with high turnover, one warehouse for bulky items, and associated sorting centers and related facilities. We have also established standalone warehouses for bulky items in another 21 cities in China. We operated a total of 82 warehouses with an aggregate gross floor area of over 1.3 million square meters in 34 cities as of February 28, 2014.

We operated 1,485 delivery stations and 212 pickup stations in 476 cities across China as of February 28, 2014. Each delivery station has a delivery team ranging from 2 to 20 persons. We operate 352 of the 1,485 delivery stations under contractual arrangements, whereby the contracted delivery stations deliver our orders following the same standard as our own delivery stations, while the personnel at those delivery stations are not part of our headcount. Each pickup station has two to four people available 10 hours a day and 7 days a week to handle customers' pickups and on-site payment.

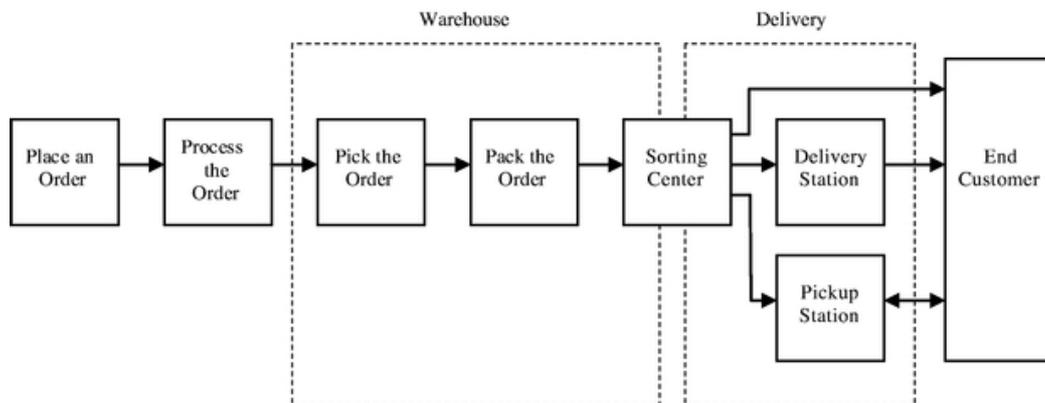
The following map shows our nationwide logistics and delivery network as of February 28, 2014:



We deliver a majority of the orders directly to customers ourselves. We maintain cooperation arrangements with a number of third-party couriers to deliver our products to our customers in those areas not covered by our own fulfillment infrastructure, particularly in smaller and less developed cities. Third-party sellers also use third-party couriers if they do not use our delivery services.

Fulfillment Process

The following flow chart outlines our fulfillment process:



When a customer places an order, our delivery management system automatically processes the order and matches it to the warehouse or warehouses with the appropriate inventory. Picking is done manually on the basis of instructions that are generated automatically by our warehouse management system. The warehouse management system also automatically generates the bar codes and shipping labels that allow our staff to match the items to the correct order in the packing process. After picking and packing, the sorting center at the warehouse ships the order to a delivery or pickup station in the customer's city for further handling and delivery. Products from different warehouses are not combined before shipping, so some orders require multiple deliveries. If the customer's address is not one to which we make deliveries ourselves, we will have a third-party courier pick up the order at our sorting center to make the delivery. In some cases we also use third-party couriers to carry orders between a sorting center and a delivery station. Once the order has shipped, our system automatically updates the inventory level for each product in the order, ensuring that additional inventory will be ordered as needed. Our customers can track the shipping status of their orders through our website at each step in the process.

We are in the process of constructing new, larger, custom-designed warehouses on land where we have obtained land use rights in Shanghai, Guangzhou and Shenyang, and expect to put them into operation in 2014 and 2015. We plan to construct additional such warehouses in two other cities where we currently have fulfillment centers, Beijing and Wuhan. We believe that building our own custom-designed warehouses will not only increase our storage capacity but also allow us to restructure and reorganize our fulfillment workflow and processes.

Technology Platform

We have built our technology platform relying primarily on software and systems that we have developed in-house and to a lesser extent on third-party software that we have modified and incorporated. As of February 28, 2014, our server fleet consisted of approximately 10,689 servers stored in multiple locations across the country, and we employed 2,856 IT professionals to design, develop and operate our technology platform. We are also hiring additional IT professionals from Tencent in connection with our recent transactions with Tencent. We believe that creating a comparable technology platform is an expensive and time-consuming process and constitutes a significant barrier to entry for potential competitors.

Our proprietary technology platform supports our rapidly growing processing capacity requirements, provides us detailed and accurate visibility and information throughout our operation value chain, and enables harnessing of insightful data analytics. Our technology platform is currently capable of processing up to 30 million orders per day and recording the status of 1.5 billion SKUs.

Our strong technology platform is vital in supporting our pursuit of a continually improving customer experience, including the customer experience of our mobile users. From our website, the primary customer interface, to the back end management systems, our technology platform supports smooth and accurate operational execution as well as seamless information flow, data consistency and analytics.

The principal components of our technology platform include:

- *Website and mobile applications.* Our website, together with our mobile applications, is our primary customer interface. It provides a user-friendly customer interface, including a powerful search engine and customized product recommendations to enhance our customers' shopping experience.
- *Supplier interfaces.* Our supplier interfaces support key functions such as order tracking and inventory checking and provide data analytics to help our suppliers and third-party sellers

better understand consumer needs. We have separate supplier interfaces for suppliers and third-party sellers.

- *Customer relationship management system.* Our customer relationship management system tracks customer information, including customers' outstanding orders, order and payment history, and settings and preferences, as well as all interaction between our customer service representatives and our customers, to ensure consistent and high quality customer service.
- *Supply chain management system.* Our supply chain management system includes sales forecasting, inventory management, inventory reallocation, inventory restocking, supplier management, supplier evaluations and other subsystems. It enables effective sales forecasting and inventory management that increases the efficiency of our supply chain and helps us control costs.
- *Warehouse management system.* Our warehouse management system includes such features as multiple location inventory management, cross-docking, and pick-and-pack, packaging, labeling and sorting functions to efficiently manage our warehouse workflow.
- *Delivery management system.* Our delivery management system coordinates the flow of goods between our fulfillment centers, front distribution centers and standalone warehouses and our delivery and pickup stations and the delivery address for each package in each order, providing instructions for both our own delivery personnel and our contracted third-party couriers.
- *Transaction processing system.* Our transaction processing system handles transaction processing, online receipts and disbursements, remote reimbursement and other prerequisites for conducting an online business.
- *Business intelligence system.* Our sophisticated business intelligence system leverages our large customer database to create customized product recommendations to support push and targeted marketing, allowing us to efficiently acquire new customers and increase revenue per active customer.

We have adopted security policies and measures, including encryption technology, to protect our proprietary data and customer information, and we back up our database, including customer data, every day with both on-site and off-site storage.

We will continue to develop our business intelligence system to effectively utilize the huge amount of transaction, logging and click stream data generated by our website. We are in the process of rolling out a big data platform built on top of our cloud computing infrastructure, which will further automate and streamline our data extraction, loading, transformation and mining on a distributed data storage infrastructure with unified logical data models, unified data sources, and unified access and access control.

Marketing

We believe that the most effective form of marketing is to continually enhance our customer experience, as customer satisfaction engenders word-of-mouth referrals and additional purchases. We have been able to build a large base of loyal customers primarily through providing superior customer experience and conducting marketing and brand promotion activities. We provide various incentives to our customers to increase their spending and loyalty, and we send e-mails to our customers periodically with product recommendations or promotions.

We conduct marketing activities online through major search engines, portals, social media, online video and other major websites in China. To enhance our brand awareness, we also have engaged in brand promotion activities such as sponsoring high profile sports events and advertising on

national television networks. In 2013, we became the official sponsor of the China Football Association Super League, the top soccer league in China, for a period of five seasons, and we also sponsored several popular movies, TV shows and variety shows. We incurred RMB479 million, RMB1,097 million and RMB1,590 million (US\$263 million) of marketing expenses in 2011, 2012 and 2013, respectively.

Competition

The online retail industry in China is intensely competitive. Our current or potential competitors include (i) major online retailers in China that offer a wide range of general merchandise product categories, such as Alibaba Group, which operates *taobao.com* and *tmall.com*, and Amazon China, which operates *amazon.cn*, and (ii) major traditional retailers in China that are moving into online retailing, such as Suning Appliance Company Limited, which operates *suning.com*, Walmart, which holds a majority interest in *yihaodian.com*, and Gome Electrical Appliances, which operates *gome.com.cn*. We also face competition from online retail companies in China focused on specific product categories and from physical retail stores, including big-box stores like RT-Mart that also aim to offer a one-stop shopping experience.

We anticipate that the online retail market will continually evolve and will continue to experience rapid technological change, evolving industry standards, shifting customer requirements, and frequent innovation. We must continually innovate to remain competitive. We believe that the principal competitive factors in our industry are:

- brand recognition and reputation;
- product quality and selection;
- pricing;
- fulfillment capabilities; and
- customer service.

In addition, new and enhanced technologies may increase the competition in the online retail industry. New competitive business models may appear, for example based on new forms of social media or social commerce.

We believe that we are well-positioned to effectively compete on the basis of the factors listed above. However, some of our current or future competitors may have longer operating histories, greater brand recognition, better supplier relationships, larger customer bases or greater financial, technical or marketing resources than we do.

Our Corporate Values and Employees

As of February 28, 2014, we had a total of 42,339 employees. We had a total of 38,325 employees as of December 31, 2013, 27,952 employees as of December 31, 2012, and a total of 20,153 employees as of December 31, 2011.

The following tables give breakdowns of our employees as of February 28, 2014, by function and by region:

<u>Function</u>	<u>Number</u>	<u>Region</u>	<u>Number</u>
Procurement	1,816	Northeastern China	1,841
Warehouses	8,828	Northern China ⁽¹⁾	15,994
Delivery	20,785	Eastern China ⁽²⁾	9,910
Customer Service	4,874	Central China	2,702
Technology	2,856	Southern China	7,007
Sales and Marketing	291	Southwestern China ⁽³⁾	4,204
General and Administrative	2,889	Northwestern China	681
TOTAL	<u>42,339</u>	TOTAL	<u>42,339</u>

- (1) Includes the employees at our national headquarters in Beijing.
- (2) Includes the employees at our national customer service center in Suqian, Jiangsu.
- (3) Includes the employees at our national customer service center in Chengdu, Sichuan.

With so many employees in so many locations across China, we place great emphasis on our corporate culture to ensure that we maintain consistently high standards everywhere we operate. We believe that our corporate culture and core philosophy will help us to realize our goal of becoming the largest e-commerce company in China.

We invest significant resources in the recruitment of employees in support of our fast-growing business operations. In 2014, we plan to recruit additional employees in connection with the expansion of our fulfillment infrastructure and additional research and development personnel in connection with the expansion of our technology platform. In connection with our recent acquisition of certain e-commerce businesses and assets from Tencent, over 6,000 former employees, including approximately 2,000 delivery staff of Tencent are expected to join us in the near future. We have established comprehensive training programs that cover such topics as our corporate culture, employee rights and responsibilities, team-building, professional behavior, job performance, management skills, leadership and executive decision-making. In 2012, we set up a special dedicated training facility, Jingdong Academy, which we have since renamed JD Corporate University, to further strengthen our internal training programs. In the past five years, 330 management trainees have graduated from our dedicated management training program and are now working in various positions. We also sponsored certain senior and mid-level management to attend part-time MBA education in 2012 and 2013. In November 2013, we set up a "Go to College at Jingdong" program in collaboration with external educational and training institutions. This program will offer tailored courses to our employees and allow them to obtain a college degree through online education. To boost our strategy of exploring overseas markets, we also have been recruiting international management trainees from top universities in the United States.

As required by regulations in China, we participate in various government statutory employee benefit plans, including social insurance funds, namely a pension contribution plan, a medical insurance plan, an unemployment insurance plan, a work-related injury insurance plan and a maternity insurance plan, and a housing provident fund. We are required under PRC law to contribute to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees up to a maximum amount specified by the local government from time to time. We also provide entrusted loans with commercial banks as intermediaries to qualified employees to assist them in purchasing houses and cars.

We enter into standard labor contracts with our employees. We also enter into standard confidentiality and non-compete agreements with our senior management. The non-compete restricted period typically expires two years after the termination of employment, and we agree to compensate the employee with a certain percentage of his or her pre-departure salary during the restricted period.

We believe that we maintain a good working relationship with our employees, and we have not experienced any major labor disputes.

Facilities

We have our national headquarters in Beijing and regional headquarters in 6 other cities. As of February 28, 2014, we operated fulfillment centers in 7 cities, front distribution centers in 6 cities and standalone warehouses for bulky items in another 21 cities, as well as 1,485 delivery stations and 212 pickup stations in 476 cities across China. All of the facilities that we currently have in operation except our national customer service center in Suqian are leased.

The table below gives additional details about our national and regional headquarters, our national customer service center, and our fulfillment centers and front distribution centers as of February 28, 2014:

<u>Location</u>	<u>Gross Floor Area</u> (sq. m.)	<u>Use</u>
<i>Offices</i>		
Beijing	58,029	national headquarters
	4,831	regional headquarters
Shanghai	2,190	regional headquarters
Wuhan	1,394	regional headquarters
Guangzhou	2,825	regional headquarters
Shenyang	2,620	regional headquarters
Chengdu	1,648	regional headquarters
	3,734	customer service center
	3,728	research institute
Suqian	54,318	national customer service center
Nanjing	451	office
Xi'an	1,497	regional headquarters
<i>Fulfillment centers</i>		
Beijing	283,710	nine warehouses and one bulky item warehouse
Shanghai	194,001	eight warehouses and one bulky item warehouse
Wuhan	82,128	five warehouses and one bulky item warehouse
Guangzhou	174,815	ten warehouses and one bulky item warehouse
Chengdu	116,181	six warehouses and one bulky item warehouse
Shenyang	65,799	three warehouses and one bulky item warehouse
Xi'an ⁽¹⁾	35,761	one warehouse and one bulky item warehouse

<u>Location</u>	<u>Gross Floor Area</u> (sq. m.)	<u>Use</u>
<i>Front distribution centers</i>		
Jinan	17,029	one front distribution center and one bulky item warehouse
Qingdao	21,000	one front distribution center and one bulky item warehouse
Nanjing	42,253	one front distribution center and one bulky item warehouse
Xiamen	15,098	one front distribution center and one bulky item warehouse
Chongqing	24,680	one front distribution center and one bulky item warehouse
Zhengzhou	28,206	one front distribution center and one bulky item warehouse

(1) In January 2014, we redesignated our Xi'an front distribution center as our fulfillment center and as our regional headquarters in the northwest.

In addition to the above, we also operated an additional 21 bulky item warehouses in other cities with aggregate gross floor area of 217,514 square meters as of February 28, 2014.

We plan to expand our nationwide fulfillment network by leasing or purchasing additional facilities across China over the next several years. As of February 28, 2014, we had land use rights in five cities, including Beijing, Shanghai, Guangzhou, Wuhan and Shenyang, to build our own fulfillment centers. New fulfillment centers in Shanghai, Guangzhou and Shenyang are under construction, and will have an aggregate gross floor area of approximately 278,000 square meters. We expect to put these three fulfillment centers into operation in 2014 and 2015. In connection with our expansion of our fulfillment infrastructure, we had paid an aggregate of approximately RMB0.8 billion (US\$0.1 billion) for the acquisition of land use rights, building of warehouses and purchase of warehousing equipment as of December 31, 2013, and we have budgeted approximately RMB1.5 billion (US\$0.2 billion) to RMB2.5 billion (US\$0.4 billion) for these uses in 2014.

We have acquired land use rights in Beijing to build our new headquarters. The new office building is currently under construction. As of December 31, 2013, we had paid an aggregate of approximately RMB0.7 billion (US\$0.1 billion) for the acquisition of land use rights and construction of the office building. We expect to complete the planned construction in early 2015.

Intellectual Property

We regard our trademarks, copyrights, patents, domain names, know-how, proprietary technologies, and similar intellectual property as critical to our success, and we rely on copyright, trademark and patent law and confidentiality, invention assignment and non-compete agreements with our employees and others to protect our proprietary rights. As of February 28, 2014, we owned 111 computer software copyrights in China relating to various aspects of our operations and maintained 579 trademark registrations inside China and 180 trademark registrations outside China. We had approximately 1,347 trademark applications inside China and 306 outside China. As of February 28, 2014, we had 13 patents granted in China, 215 patent applications pending in China and 10 patent applications pending outside China. As of February 28, 2014, we had registered approximately 1,621 domain names, including *jd.com*, *m.jd.com*, *360buy.com*, *360buy.com.cn* and *360buy.cn*, among others.

Insurance

We maintain various insurance policies to safeguard against risks and unexpected events. We have purchased all risk property insurance covering our inventory and fixed assets such as equipment, furniture and office facilities. We maintain public liability insurance for our business activities at one location. We also provide social security insurance including pension insurance, unemployment insurance, work-related injury insurance and medical insurance for our employees. Additionally, we provide group accident insurance for all employees and supplementary medical insurance for all management and research and development personnel. We do not maintain business interruption insurance, nor do we maintain product liability insurance or key-man life insurance. We consider our insurance coverage to be sufficient for our business operations in China.

Legal Proceedings

From time to time, we may be involved in legal proceedings in the ordinary course of our business. We are currently not a party to any material legal or administrative proceedings.

REGULATION

This section sets forth a summary of the most significant rules and regulations that affect our business activities in China.

Regulations Relating to Foreign Investment

Industry Catalogue Relating to Foreign Investment. Investment activities in the PRC by foreign investors are principally governed by the Guidance Catalogue of Industries for Foreign Investment, or the Catalogue, which was promulgated and is amended from time to time by the Ministry of Commerce and the National Development and Reform Commission. Industries listed in the Catalogue are divided into three categories: encouraged, restricted and prohibited. Establishment of wholly foreign-owned enterprises is generally permitted in encouraged industries. Some restricted industries are limited to equity or contractual joint ventures, while in some cases Chinese partners are required to hold the majority interests in such joint ventures. In addition, restricted category projects are subject to higher-level government approvals. Foreign investors are not allowed to invest in industries in the prohibited category. Industries not listed in the Catalogue are generally open to foreign investment unless specifically restricted by other PRC regulations.

Through our subsidiaries and variable interest entities, we are engaged in certain industries that are classified as "restricted" or "prohibited" under the Catalogue. Pursuant to the latest Catalogue amended in 2011, sales and distribution of audio and video products are in the restricted categories and only contractual joint ventures can engage in the distribution of audio and video products in China. Online wholesale and retail are in the restricted category and the establishment of foreign-invested enterprises is subject to certain higher-level approvals. The provision of value-added telecommunications services falls in the restricted category and the percentage of foreign ownership cannot exceed 50%. The publication of e-books and online audio and video products are in the prohibited category.

Foreign Investment in the Commercial Sector. According to the Administrative Measures on Foreign Investment in the Commercial Sector issued by the Ministry of Commerce in April 2004, a foreign-invested enterprise may, upon approval, undertake one or more types of businesses in the commercial sector, which is defined in the measures to include wholesale, retail, commission agency and franchising, and the types of commodities it deals with must be specified in the scope of business prescribed in its articles of association. In order to establish a foreign-invested company in the commercial sector, foreign investors must apply to the relevant provincial counterpart of the Ministry of Commerce, and such provincial authority will, after making preliminary examination of the documents submitted, report to the Ministry of Commerce to obtain its approval. The incorporation of an enterprise by a foreign-invested enterprise that intends to conduct business in the commercial sector is also subject to the approval of the local counterpart of the Ministry of Commerce. On several occasions in 2005, 2008 and 2010, the Ministry of Commerce delegated its approval authority to its provincial counterparts and authorized them to examine and approve certain applications. Currently, the provincial counterparts of the Ministry of Commerce have the authority to approve applications for setting up foreign-invested enterprises solely engaging in sale of goods through the internet, among others. Our PRC subsidiary Jingdong Century and its subsidiaries engage in retail, wholesale and commission agency of consumer electronics and other general merchandise via the internet. While Jingdong Century has obtained approval from the relevant authorities for this business, most of its subsidiaries were established without obtaining the prior approval from the local counterpart of the Ministry of Commerce. See "Risk Factors—Any lack of requisite approvals, licenses or permits applicable to our business may have a material and adverse impact on our business, financial condition and results of operations."

Foreign Investment in Value-Added Telecommunications Businesses. The Regulations for Administration of Foreign-invested Telecommunications Enterprises promulgated by the PRC State Council in December 2001 and subsequently amended in September 2008 set forth detailed requirements with respect to capitalization, investor qualifications and application procedures in connection with the establishment of a foreign-invested telecommunications enterprise. These regulations prohibit a foreign entity from owning more than 50% of the total equity interest in any value-added telecommunications service business in China and require the major foreign investor in any value-added telecommunications service business in China have a good and profitable record and operating experience in this industry. Due to these regulations, we operate our website through Jingdong 360, one of our consolidated variable interest entities.

In July 2006, the Ministry of Information Industry, the predecessor of the Ministry of Industry and Information Technology, or the MIIT, issued the Circular on Strengthening the Administration of Foreign Investment in the Operation of Value-added Telecommunications Business, pursuant to which a domestic PRC company that holds an operating license for value-added telecommunications business, which we refer to as an ICP License, is prohibited from leasing, transferring or selling the ICP License to foreign investors in any form and from providing any assistance, including resources, sites or facilities, to foreign investors that conduct a value-added telecommunications business illegally in China. Further, the domain names and registered trademarks used by an operating company providing value-added telecommunications services must be legally owned by that company or its shareholders. In addition, the company's operational premises and equipment must comply with the approved coverage region on its ICP License, and the company must establish and improve its internal internet and information security policies and standards and emergency management procedures. If an ICP License holder fails to comply with the requirements and also fails to remedy such non-compliance within a specified period of time, the MIIT or its local counterparts have the discretion to take administrative measures against the license holder, including revoking its ICP license. Jingdong 360, the operator of our website, owns the relevant domain names and registered trademarks and has the necessary personnel to operate the website.

Foreign Investment in Road Transportation Businesses. According to the Administrative Provisions for Foreign Investment in the Road Transportation Industry promulgated in November 2001 by the Ministry of Transport and the Ministry of Foreign Trade and Economic Cooperation, the predecessor of the Ministry of Commerce, and amended in January 2014 and its supplements and implementing rules, investment in a road transportation business (including, among other things, road freight transportation, and flitting, loading, unloading and storage of road cargo) by a foreign investor is subject to the approval of the provincial counterparts of the Ministry of Transport, and the newly established foreign-invested enterprise must obtain a Road Transportation Operation Permit from the provincial-level Ministry of Transport. The incorporation of a subsidiary of a foreign-invested enterprise that intends to engage in a road transportation business is subject to the same approval procedure. Currently, Jiangsu Jingdong, a subsidiary of Jingdong Century, engages in our road transportation business. Jiangsu Jingdong was established without obtaining the prior approval from the local counterpart of the Ministry of Transport and each of the branches of Jiangsu Jingdong obtained a Road Transportation Operation Permit from the county level instead of provincial-level Ministry of Transport. See "Risk Factors—Any lack of requisite approvals, licenses or permits applicable to our business may have a material and adverse impact on our business, financial condition and results of operations."

Licenses and Permits

We are required to hold a variety of licenses and permits in connection with various aspects of our business, including the following:

Value-added Telecommunication License. The Telecommunications Regulations promulgated by the State Council and its related implementation rules, including the Catalogue of Classification of

Telecommunications Business issued by the MIIT, categorize various types of telecommunications and telecommunications-related activities into basic or value-added telecommunications services, and internet information services, or ICP services, are classified as value-added telecommunications businesses. Under the Telecommunications Regulations, commercial operators of value-added telecommunications services must first obtain an ICP License from the MIIT or its provincial level counterparts. In 2000, the State Council also issued the Administrative Measures on Internet Information Services, which was amended in 2011. According to these measures, a commercial ICP service operator must obtain an ICP License from the relevant government authorities before engaging in any commercial ICP service in China. When the ICP service involves areas of news, publication, education, medical treatment, health, pharmaceuticals and medical equipment, and if required by law or relevant regulations, specific approval from the respective regulatory authorities must be obtained prior to applying for the ICP License from the MIIT or its provincial level counterpart. In 2009, the MIIT promulgated the Administrative Measures on Telecommunications Business Operating Licenses, which set forth more specific provisions regarding the types of licenses required to operate value-added telecommunications services, the qualifications and procedures for obtaining such licenses and the administration and supervision of such licenses. Jingdong 360, as our ICP operator, holds an ICP License issued by the Beijing Telecommunications Administration for the provision of information services through the internet and also a value-added telecommunication license issued by the MIIT for the provision of information services through a mobile network. We also plan to apply to expand the scope of the value-added telecommunication license to cover online data processing and transaction processing services. See "Risk Factors—Any lack of requisite approvals, licenses or permits applicable to our business may have a material and adverse impact on our business, financial condition and results of operations."

Internet Publication License. The General Administration of Press and Publication, Radio, Film and Television, established in March 2013 as a result of institutional reform integrating the State Administration of Radio, Film and Television, and the General Administration of Press and Publication, is the government agency responsible for regulating publication activities in China. In June 2002, the MIIT and the General Administration of Press and Publication jointly promulgated the Tentative Administrative Measures on Internet Publication, which require internet publishers to obtain a license from the General Administration of Press and Publication to conduct internet publication activities. The term "internet publication" is defined as an act of online dissemination where internet information service providers select, edit and process works created by themselves or others which they then post on the internet or transmit to users through the internet for browsing, use or downloading by the public. This includes content from books, newspapers, periodicals, audio and video products, electronic publications, and other sources that have already been formally published or works that have already been made public in other media. Jingdong 360 obtained an internet publication license from the General Administration of Press and Publication in 2011 that will remain valid until December 2014.

Online Culture Operating Permit. The Provisional Measures on Administration of Internet Culture, promulgated by the Ministry of Culture in 2011, and other related rules require entities to obtain an Online Culture Operating Permit from the applicable provincial level culture administrative authority to engage in activities related to "online cultural products." Cultural products include music, games, performances, performing arts, works of art, and animation features and cartoons, while "online" includes both products produced for the internet and products converted from offline products and disseminated over the internet. Jingdong 360 obtained an Online Culture Operating Permit from the Beijing Municipal Bureau of Culture in January 2012 that will remain valid until December 2014.

Approval for Internet Bulletin Board Services. The Administrative Measures on Internet Bulletin Board Services, issued by the MIIT in 2000, require that commercial ICP service operators providing bulletin boards, discussion forums, chat rooms or similar services obtain specific approval from the

telecommunications authorities. Jingdong 360 has obtained approval from the Beijing Telecommunications Administration.

Internet Drug Information Service Qualification Certificate. The State Food and Drug Administration promulgated the Administrative Measures on Internet Drug Information Service in July 2004 and certain implementing rules and notices thereafter. These measures set out regulations governing the classification, application, approval, content, qualifications and requirements for internet drug information services. An ICP service operator that provides information regarding drugs or medical equipment must obtain an Internet Drug Information Service Qualification Certificate from the applicable provincial level counterpart of the State Food and Drug Administration. Jingdong 360 obtained an Internet Drug Information Service Qualification Certificate from the Beijing Drug Administration in 2011 for the provision of internet medical information services, which will remain valid until June 2016.

Certificate of Qualification for Civil Aviation Transport Sales Agency. The Rules on Cognizance of Qualification for Civil Aviation Transport Sales Agencies, issued by the China Aviation Transportation Association in 2006, require any entity acting as an air-ticketing sales agency to obtain a Certificate of Qualification for Civil Aviation Transport Sales Agency. Supplemental rules issued in 2008 require any air-ticketing sales agency engaging in online ticket sales to obtain an ICP License and complete a commercial website registration with the local administration for industry and commerce. Jingdong 360, one of our consolidated variable interest entities, has obtained an ICP License as well as Certificates of Qualification for Civil Aviation Transport Sales Agency for sales of air passengers transport tickets for both domestic and international air routes.

Courier Service Operation Permit. Pursuant to the Administrative Measures on the Courier Service Market and the Administrative Measures on Courier Service Operation Permits, any entity engaging in courier services must obtain a Courier Service Operation Permit from the State Post Bureau or its local counterpart and is subject to their supervision and regulation. Entities applying for a permit to operate courier services in a certain province should apply to the provincial level post bureau, while an entity applying for a permit to operate courier services across multiple provinces should apply to the State Post Bureau. An entity holding a cross-provincial Courier Service Operation Permit may provide courier services in cities other than its place of registration by establishing new branches at these cities and then filing with the relevant provincial post bureau for those branches within 20 days. The courier business must be operated within the permitted scope and valid term of the Courier Service Operation Permit. We have obtained two cross-provincial Courier Service Operation Permits that allow Jiangsu Jingdong and Jingbangda, two of our PRC subsidiaries providing logistics services, to operate an express delivery business in twelve provinces and ten cities in other provinces in China, and we are in the process of applying for extension of the coverage of our Courier Service Operation Permits to other areas of China. See "Risk Factors—Any lack of requisite approvals, licenses or permits applicable to our business may have a material and adverse impact on our business, financial condition and results of operations."

Road Transportation Operation Permit. Under the Regulations on Road Transportation promulgated by the State Council in April 2004 and amended in September 2012, and the Provisions on Administration of Road Transportation and Stations (Sites) issued by the Ministry of Transport in June 2005 and amended subsequently in July 2008, April 2009 and March 2012, anyone engaging in the business of operating road transportation and stations (sites) must obtain a Road Transportation Operation Permit, and each vehicle used for shipping must have a Road Transportation Certificate. Our subsidiary, Jiangsu Jingdong, and its 15 branches have obtained Road Transportation Operation Permits, and Jiangsu Jingdong's other branches, Jingbangda and its branches are in the process of applying for additional Road Transportation Operation Permits. See "Risk Factors—Any lack of

requisite approvals, licenses or permits applicable to our business may have a material and adverse impact on our business, financial condition and results of operations."

Publication Operation Permit. Pursuant to the Administrative Measures for the Publication Market jointly issued by the Ministry of Commerce and the General Administration of Press and Publication in March 2011, any entity or individual engaging in the wholesale or retail of books and audio and video products must obtain an approval from the relevant press and publication administrative authority and receive a Publication Operation Permit. An enterprise that has obtained a Publication Operation Permit is not required to obtain any special permission if it utilizes the internet and other information networks to sell books, but must file with the relevant press and publication administrative authority within 15 days following its commencement of operations on the internet. Foreign investors may engage in the distribution of audio and video products in China only in the form of contractual joint ventures between foreign and Chinese investors. Due to these measures, we engage in wholesale and retail of books and audio and video products through Jiangsu Yuanzhou, one of our consolidated variable interest entities. Jiangsu Yuanzhou has obtained a Publication Operation Permit.

Payment Service License. The Measures for the Administration of Payment Services of Non-Financial Institutions, issued by the People's Bank of China in 2010, and its implementing rules require any non-financial institution engaging in payment services, such as online payment, issuance and acceptance of prepaid cards, and bill collection via bankcard, to obtain a Payment Service License. The registered capital of an applicant that engages in a nationwide payment business must be at least RMB100 million, while that of an applicant engaging in payment business within a province must be at least RMB30 million. An indirect wholly owned subsidiary of Jingdong 360 has obtained a Payment Service License from the People's Bank of China with a term valid until May 2016, which enables us to engage in nationwide online payment business through internet, mobile phone and fixed phone and bill collection business via bankcard in Beijing. In addition, the subsidiary has also applied to the People's Bank of China for the expansion of the business types covered in the Payment Service License to cover issuance and acceptance of pre-paid cards, and the application has been publicized by the relevant government authority on its official website.

Food Distribution Permit. China has adopted a licensing system for food supply operations under the Food Safety Law and its implementation rules. Entities or individuals that intend to engage in food production, food distribution or food service businesses must obtain licenses or permits for such businesses. Pursuant to the Administrative Measures on Food Distribution Permits issued by the State Administration of Industry and Commerce in July 2009, an enterprise needs to obtain a Food Distribution Permit from a local branch of the State Administration of Industry and Commerce to engage in the food distribution business. We sell food and nutritional supplements through our website. Our PRC subsidiaries or their branches engaging in food distribution business have obtained Food Distribution Permits.

License or Registration for Wholesale and Retail of Liquor. The Measures for the Administration of Liquor Circulation, issued by the Ministry of Commerce in November 2005, require any entity engaged in the wholesale or retail of liquor to file and register, within 60 days of acquiring a business license, with the local branch of the Ministry of Commerce at the same level as the local branch of the State Administration of Industry and Commerce where the entity is registered. In addition, certain provinces in the PRC have adopted a licensing system for the wholesale or retail of liquor. We sell liquor through our website. Our PRC subsidiaries or their branches engaging in the wholesale or retail of liquor have obtained the license or completed the required registration with the local branches of the Ministry of Commerce for such business.

Medical Device Operation Enterprise Permit. The Regulations on Supervision and Administration of Medical Devices, issued by the State Council in 2000, divide medical devices into three types. Enterprises engaging in the sale of Type I medical devices must file with the relevant drug

supervision and administration authority while those engaging in the sale of Type II and Type III medical devices must obtain a Medical Device Operation Enterprise Permit from the relevant drug supervision and administrative authority. Beijing Jingdong Century Information Technology Co., Ltd., a subsidiary of Jingdong Century, has obtained a Medical Device Operation Enterprise Permit for the sale of several types of Type III medical devices.

Permit for Production and Operation of Radio and TV Programs. Under the Regulations on the Administration of Production of Radio and Television Programs issued by the State Administration of Radio, Film and Television in July 2004, any entities that engage in the production of radio and television programs are required to apply for a Permit for Production and Operation of Radio and TV Programs from the State Administration of Radio, Film and Television, now the General Administration of Press and Publication, Radio, Film and Television, or its provincial branches. Entities with this permit must conduct their business operations in compliance with the approved scope of production and operation. Furthermore, entities other than radio and TV stations are prohibited from producing consolidated radio and TV programs regarding current political news or similar subjects. Jingdong 360, one of our consolidated variable interest entities, has obtained a Permit for Production and Operation of Radio and TV Programs.

Regulations Relating to E-Commerce

China's e-commerce industry is at an early stage of development and there are few PRC laws or regulations specifically regulating the e-commerce industry. In May 2010, the State Administration of Industry and Commerce adopted the Interim Measures for the Administration of Online Commodities Trading and Relevant Services, which took effective in July 2010. Under these measures, enterprises or other operators which engage in online commodities trading and other services and have been registered with the State Administration of Industry and Commerce or its local branches must make the information stated in their business license available to the public or provide a link to their business license on their website. Online distributors must adopt measures to ensure safe online transactions, protect online shoppers' rights and prevent the sale of counterfeit goods. Information on products and transactions released by online distributors must be authentic, accurate, complete and sufficient.

In January 2014, the State Administration of Industry and Commerce promulgated the Administrative Measures for Online Trading, which terminated the above interim measures and became effective in March 2014. The Administrative Measures for Online Trading further strengthen the protection of consumers and impose more stringent requirements and obligations on online business operators and third-party online marketplace operators. For example, online business operators are required to issue invoices to consumers for online products and services. Consumers are generally entitled to return products purchased from online business operators within seven days upon receipt, without giving any reason. Online business operators and third-party online marketplace operators are prohibited from collecting any information on consumers and business operators, or disclosing, selling or providing any such information to any third party, or sending commercial electronic messages to consumers, without their consent. Fictitious transactions, deletion of adverse comments and technical attacks on competitors' websites are prohibited as well. In addition, third-party online marketplace operators are required to examine and verify the identifications of the online business operators and set up and keep relevant records for at least two years. Moreover, any third-party online marketplace operator that simultaneously engages in online trading for products and services should clearly distinguish itself from other online business operators on the marketplace platform. We are subject to these measures as a result of our online direct sales and online marketplace.

Regulations Relating to Internet Content and Information Security

The Administrative Measures on Internet Information Services specify that internet information services regarding news, publications, education, medical and health care, pharmacy and medical appliances, among other things, are to be examined, approved and regulated by the relevant authorities. Internet information providers are prohibited from providing services beyond those included in the scope of their ICP licenses or filings. Furthermore, these measures clearly specify a list of prohibited content. Internet information providers are prohibited from producing, copying, publishing or distributing information that is humiliating or defamatory to others or that infringes the lawful rights and interests of others. Internet information providers that violate the prohibition may face criminal charges or administrative sanctions by the PRC authorities. Internet information providers must monitor and control the information posted on their websites. If any prohibited content is found, they must remove the offending content immediately, keep a record of it and report to the relevant authorities.

Internet information in China is also regulated and restricted from a national security standpoint. The National People's Congress, China's national legislative body, has enacted the Decisions on Maintaining Internet Security, which may subject violators to criminal punishment in China for any effort to: (1) gain improper entry into a computer or system of strategic importance; (2) disseminate politically disruptive information; (3) leak state secrets; (4) spread false commercial information; or (5) infringe intellectual property rights. The Ministry of Public Security has promulgated measures that prohibit use of the internet in ways which, among other things, result in a leakage of state secrets or a spread of socially destabilizing content.

Regulations Relating to Internet Privacy

In recent years, PRC government authorities have enacted laws and regulations on internet use to protect personal information from any unauthorized disclosure. The Administrative Measures on Internet Information Services prohibit ICP service operators from insulting or slandering a third party or infringing upon the lawful rights and interests of a third party. Under the Several Provisions on Regulating the Market Order of Internet Information Services, issued by the MIIT in 2011, an ICP operator may not collect any user personal information or provide any such information to third parties without the consent of a user. An ICP service operator must expressly inform the users of the method, content and purpose of the collection and processing of such user personal information and may only collect such information necessary for the provision of its services. An ICP service operator is also required to properly keep the user personal information, and in case of any leak or likely leak of the user personal information, the ICP service operator must take immediate remedial measures and, in severe circumstances, to make an immediate report to the telecommunications regulatory authority. In addition, pursuant to the Decision on Strengthening the Protection of Online Information issued by the Standing Committee of the National People's Congress in December 2012 and the Order for the Protection of Telecommunication and Internet User Personal Information issued by the MIIT in July 2013, any collection and use of user personal information must be subject to the consent of the user, abide by the principles of legality, rationality and necessity and be within the specified purposes, methods and scopes. An ICP service operator must also keep such information strictly confidential, and is further prohibited from divulging, tampering or destroying of any such information, or selling or providing such information to other parties. Any violation of the above decision or order may subject the ICP service operator to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, closedown of websites or even criminal liabilities. We have required our users to consent to our collecting and using their personal information, and established information security systems to protect user's privacy.

Regulations Relating to Product Quality and Consumer Protection

The Product Quality Law applies to all production and sale activities in China. Pursuant to this law, products offered for sale must satisfy relevant quality and safety standards. Enterprises may not produce or sell counterfeit products in any fashion, including forging brand labels or giving false information regarding a product's manufacturer. Violations of state or industrial standards for health and safety and any other related violations may result in civil liabilities and administrative penalties, such as compensation for damages, fines, suspension or shutdown of business, as well as confiscation of products illegally produced and sold and the proceeds from such sales. Severe violations may subject the responsible individual or enterprise to criminal liabilities. Where a defective product causes physical injury to a person or damage to another person's property, the victim may claim compensation from the manufacturer or from the seller of the product. If the seller pays compensation and it is the manufacturer that should bear the liability, the seller has a right of recourse against the manufacturer. Similarly, if the manufacturer pays compensation and it is the seller that should bear the liability, the manufacturer has a right of recourse against the seller.

The Consumer Protection Law sets out the obligations of business operators and the rights and interests of the consumers in China. Pursuant to this law, business operators must guarantee that the commodities they sell satisfy the requirements for personal or property safety, provide consumers with authentic information about the commodities, and guarantee the quality, function, usage and term of validity of the commodities. Failure to comply with the Consumer Protection Law may subject business operators to civil liabilities such as refunding purchase prices, replacement of commodities, repairing, ceasing damages, compensation, and restoring reputation, and even subject the business operators or the responsible individuals to criminal penalties when personal damages are involved or if the circumstances are severe. The Consumer Protection Law was further amended in October 2013 and became effective in March 2014. The amended Consumer Protection Law further strengthen the protection of consumers and impose more stringent requirements and obligations on business operators, especially on the business operators through the internet. For example, the consumers are entitled to return the goods (except for certain specific goods) within seven days upon receipt without any reasons when they purchase the goods from business operators on the internet. The consumers whose interests have been damaged due to their purchase of goods or acceptance of services on online marketplace platforms may claim damages from sellers or service providers. Where the providers of the online marketplace platforms are unable to provide the real names, addresses and valid contact details of the sellers or service providers, the consumers may also claim damages from the providers of the online marketplace platforms. Providers of online marketplace platforms that know or should have known that sellers or service providers use their platforms to infringe upon the legitimate rights and interests of consumers but fail to take necessary measures must bear joint and several liabilities with the sellers or service providers. Moreover, if business operators deceive consumers or knowingly sell substandard or defective products, they should not only compensate consumers for their losses, but also pay additional damages equal to three times the price of the goods or services.

We are subject to the Product Quality Law and the Consumer Protection Law as an online supplier of commodities and a provider of online marketplace platform and believe that we are currently in compliance with these regulations in all material aspects.

Regulations Relating to Pricing

In China, the prices of a very small number of products and services are guided or fixed by the government. According to the Pricing Law, business operators must, as required by the government departments in charge of pricing, mark the prices explicitly and indicate the name, origin of production, specifications, and other related particulars clearly. Business operators may not sell products at a premium or charge any fees that are not explicitly indicated. Business operators must not commit the specified unlawful pricing activities, such as colluding with others to manipulate the market price, using

false or misleading prices to deceive consumers to transact, or conducting price discrimination against other business operators. Failure to comply with the Pricing Law may subject business operators to administrative sanctions such as warning, ceasing unlawful activities, compensation, confiscating illegal gains, fines. The business operators may be ordered to suspend business for rectification, or have their business licenses revoked if the circumstances are severe. We are subject to the Pricing Law as an online retailer and believe that our pricing activities are currently in compliance with the law in all material aspects.

Regulations Relating to Microcredit

The Guidance on the Pilot Establishment of Microcredit Companies, jointly promulgated by the China Banking Regulatory Commission and the People's Bank of China in 2008, allows provincial governments to approved the establishment of microcredit companies on a trial basis. Based on this guidance, many provincial governments in China, including that of Shanghai, promulgated local implementing rules on the administration of microcredit companies. The Implementing Rules for Works on Pilot Establishment of Microcredit Companies, issued by the Shanghai Municipal Government in 2008, provide that the sources of funds of a microcredit company must be limited to the capital contributions paid by its shareholders, monetary donations, and loans provided by no more than two banking financial institutions, and do not allow the loans from such banking financial institutions to exceed fifty percent of the net capital of the microcredit company. In addition, a microcredit company is not permitted to conduct any businesses outside the region where it is located. In August 2010, the Shanghai Financial Services Office, the regulatory entity for microcredit companies in Shanghai, issued the Several Opinions on Development Promotion of Microcredit Companies, pursuant to which foreign institutions that have experience and influence in the field of microcredit business are also allowed to establish microcredit companies in Shanghai. In addition, the authorities are considering permitting certain qualified microcredit companies to conduct a cross-region microcredit business on a pilot basis. We engage in our online microcredit businesses through one subsidiary of Jingdong Century registered in Shanghai.

Regulations Relating to Commercial Factoring

The Notice on the Pilot Launch of Commercial Factoring, issued by the Ministry of Commerce in June 2012, launched commercial factoring in the Shanghai Pudong New Area and the Tianjin Binhai New Area. The Ministry of Commerce also issued several other notices to expand the list of pilot areas to include Guangzhou, Shenzhen, the Chongqing Liangjiang New Area and other areas. Under these notices and local implementing rules, commercial factoring companies may be established in these areas upon the approval of the local counterpart of the Ministry of Commerce or other competent authority. The business scope of a commercial factoring company may include the services of trade financing, management of sales ledgers, investigation and assessment of client credit standings, management and collection of accounts receivable and credit risk guarantee. The commercial factoring company is not allowed to conduct other financial business, such as taking deposits and lending loans, or to specialize in or carry out debt collection. Currently, we engage in a commercial factoring business through a subsidiary of Jingdong Century in Shanghai.

Regulations Relating to Mobile Telecommunications Resale Business

In May 2013, the MIIT issued the Circular regarding the Pilot Work on Implementation of Mobile Telecommunications Resale Business and the Pilot Program on Mobile Telecommunications Resale Business, pursuant to which private capitals are encouraged to invest in the mobile telecommunications resale business. The resale business refers to the business whereby a reseller purchases mobile telecommunications services (excluding mobile satellite telecommunications service) from a basic telecommunications service provider who owns a mobile network, repackages the services

with its private brand and sells the services to end users. The expiration date for the pilot program is December 31, 2015. Under the circular and the pilot program, the mobile telecommunications resale is categorized as a Class II basic telecommunications business but managed by reference to the value-added telecommunications business. A mobile communications reseller does not build its own wireless network, core network, transmission network and other mobile telecommunications network infrastructures, but must build its customer service system and may build its own business management platform, and billing, business accounting and other business supporting systems as needed. The applicant for the mobile telecommunications resale business shall be a private company of which the private funds shall not be less than 50% of the capital and the capital contributed by its sole biggest shareholder shall come from the private funds, and it shall also enter into a commercial contract for mobile telecommunications resale business with a basic telecommunications service provider, specifying the number resources for resale to mobile communications users, division of responsibilities for service quality assurance between both parties, protection of users' rights and interests, as well as user information, etc. Resellers may pre-collect service fees for a period of up to two year from users on condition that they offer proofs of their measures to ensure long-term services, and shall abide by the Telecommunications Regulations, the Administrative Measures on Internet Information Services and other PRC related laws and regulations. Jingdong 360 has been approved to be a pilot to conduct the mobile telecommunications resale business and cooperate with China Telecom in 46 cities and with China Unicom in 33 cities.

Regulations Relating to Leasing

Pursuant to the Law on Administration of Urban Real Estate, when leasing premises, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, use of the premises, rental and repair liabilities, and other rights and obligations of both parties. Both lessor and lessee are also required to register the lease with the real estate administration department. If the lessor and lessee fail to go through the registration procedures, both lessor and lessee may be subject to fines.

According to the PRC Contract Law, the lessee may sublease the leased premises to a third party, subject to the consent of the lessor. Where the lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease contract if the lessee subleases the premises without the consent of the lessor. In addition, if the lessor transfers the premises, the lease contract between the lessee and the lessor will still remain valid.

Pursuant to the PRC Property Law, if a mortgagor leases the mortgaged property before the mortgage contract is executed, the previously established leasehold interest will not be affected by the subsequent mortgage; and where a mortgagor leases the mortgaged property after the creation and registration of the mortgage interest, the leasehold interest will be subordinated to the registered mortgage.

Regulations Relating to Advertising Business

The State Administration for Industry and Commerce is the government agency responsible for regulating advertising activities in the PRC. According to PRC laws and regulations, companies that engage in advertising activities must obtain a business license from the State Administration for Industry and Commerce or its local branches which specifically includes operating an advertising business within its business scope. The business license of an advertising company is valid for the duration of its existence, unless the license is suspended or revoked due to a violation of any relevant law or regulation. PRC advertising laws and regulations set forth certain content requirements for advertisements in the PRC including, among other things, prohibitions on false or misleading content, superlative wording, socially destabilizing content or content involving obscenities, superstition, violence, discrimination or infringement of the public interest. Advertisers, advertising agencies, and advertising

distributors are required to ensure that the content of the advertisements they prepare or distribute is true and in full compliance with applicable law. In providing advertising services, advertising operators and advertising distributors must review the supporting documents provided by advertisers for advertisements and verify that the content of the advertisements complies with applicable PRC laws and regulations. Prior to distributing advertisements that are subject to government censorship and approval, advertising distributors are obligated to verify that such censorship has been performed and approval has been obtained. Violation of these regulations may result in penalties, including fines, confiscation of advertising income, orders to cease dissemination of the advertisements and orders to publish an advertisement correcting the misleading information. In circumstances involving serious violations, the State Administration for Industry and Commerce or its local branches may revoke the violators' licenses or permits for their advertising business operations.

Regulations Relating to Intellectual Property Rights

The PRC has adopted comprehensive legislation governing intellectual property rights, including copyrights, patents, trademarks and domain names.

Copyright. Pursuant to the Copyright Law and its implementation rules, creators of protected works enjoy personal and property rights, including, among others, the right of disseminating the works through information networks. Pursuant to the relevant PRC regulations, rules and interpretations, internet service providers will be jointly liable with the infringer if they (a) participate in, assist in or abet infringing activities committed by any other person through the internet, (b) are or should be aware of the infringing activities committed by their website users through the internet, or (c) fail to remove infringing content or take other action to eliminate infringing consequences after receiving a warning with evidence of such infringing activities from the copyright holder. In addition, where an ICP service operator is clearly aware of the infringement of certain content against another's copyright through the internet, or fails to take measures to remove relevant contents upon receipt of the copyright owner's notice, and as a result, it damages the public interest, the ICP service operator could be ordered to stop the tortious act and be subject to other administrative penalties such as confiscation of illegal income and fines. To comply with these laws and regulations, we have implemented internal procedures to monitor and review the content we have licensed from content providers before they are released on our website and remove any infringing content promptly after we receive notice of infringement from the legitimate rights holder.

Patent. The Patent Law provides for patentable inventions, utility models and designs, which must meet three conditions: novelty, inventiveness and practical applicability. The State Intellectual Property Office under the State Council is responsible for examining and approving patent applications. As of February 28, 2014, we had 13 patents granted in China, 215 patent applications pending in China and 10 patent applications pending outside China.

Trademark. The Trademark Law and its implementation rules protect registered trademarks. The PRC Trademark Office of State Administration of Industry and Commerce is responsible for the registration and administration of trademarks throughout the PRC. The Trademark Law has adopted a "first-to-file" principle with respect to trademark registration. As of February 28, 2014, we had 579 registered trademarks in different applicable trademark categories and had approximately 1,347 trademark applications in China.

Domain Name. Domain names are protected under the Administrative Measures on the Internet Domain Names promulgated by the MIIT. The MIIT is the major regulatory body responsible for the administration of the PRC internet domain names, under supervision of which the CNNIC is responsible for the daily administration of .cn domain names and Chinese domain names. CNNIC adopts the "first to file" principle with respect to the registration of domain names. We have registered *jd.com*, *360buy.com*, *360buy.cn*, *360buy.com.cn* and other domain names.

Regulations Relating to Employment

The Labor Contract Law and its implementation rules provide requirements concerning employment contracts between an employer and its employees. If an employer fails to enter into a written employment contract with an employee within one year from the date on which the employment relationship is established, the employer must rectify the situation by entering into a written employment contract with the employee and pay the employee twice the employee's salary for the period from the day following the lapse of one month from the date of establishment of the employment relationship to the day prior to the execution of the written employment contract. The Labor Contract Law and its implementation rules also require compensation to be paid upon certain terminations, which significantly affects the cost of reducing workforce for employers. In addition, if an employer intends to enforce a non-compete provision with an employee in an employment contract or non-competition agreement, it has to compensate the employee on a monthly basis during the term of the restriction period after the termination or ending of the labor contract. Employers in most cases are also required to provide a severance payment to their employees after their employment relationships are terminated.

Enterprises in China are required by PRC laws and regulations to participate in certain employee benefit plans, including social insurance funds, namely a pension plan, a medical insurance plan, an unemployment insurance plan, a work-related injury insurance plan and a maternity insurance plan, and a housing provident fund, and contribute to the plans or funds in amounts equal to certain percentages of salaries, including bonuses and allowances, of the employees as specified by the local government from time to time at locations where they operate their businesses or where they are located. According to the Social Insurance Law, an employer that fails to make social insurance contributions may be ordered to pay the required contributions within a stipulated deadline and be subject to a late fee. If the employer still fails to rectify the failure to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times the amount overdue. According to the Regulations on Management of Housing Fund, an enterprise that fails to make housing fund contributions may be ordered to rectify the noncompliance and pay the required contributions within a stipulated deadline; otherwise, an application may be made to a local court for compulsory enforcement. We have not made adequate contributions to employee benefit plans, as required by applicable PRC laws and regulations. See "Risk Factors—Risks Related to Doing Business in China—Failure to make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties."

Regulations Relating to Dividend Withholding Tax

Pursuant to the Enterprise Income Tax Law and its implementation rules, if a non-resident enterprise has not set up an organization or establishment in the PRC, or has set up an organization or establishment but the income derived has no actual connection with such organization or establishment, it will be subject to a withholding tax on its PRC-sourced income at a rate of 10%. Pursuant to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income, the withholding tax rate in respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise is reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the PRC enterprise. Pursuant to the Notice of the State Administration of Taxation on the Issues concerning the Application of the Dividend Clauses of Tax Agreements, or Circular 81, a Hong Kong resident enterprise must meet the following conditions, among others, in order to enjoy the reduced withholding tax: (i) it must directly own the required percentage of equity interests and voting rights in the PRC resident enterprise; and (ii) it must have directly owned such percentage in the PRC resident enterprise throughout the 12 months prior to receiving the dividends. Furthermore, the Administrative Measures for Non-Resident Enterprises to Enjoy Treatments under Tax Treaties (For Trial Implementation),

which became effective in October 2009, require that non-resident enterprises must obtain approval from the relevant tax authority in order to enjoy the reduced withholding tax rate. There are also other conditions for enjoying the reduced withholding tax rate according to other relevant tax rules and regulations. Accordingly, JD.com International Limited, 360buy E-Commerce (Logistics) Hong Kong Corporation Limited, 360buy E-Commerce (Jingdong) Hong Kong Corporation Limited and 360buy E-Commerce (Trade) Hong Kong Corporation Limited may be able to enjoy the 5% withholding tax rate for the dividends they receive from Star East, Jingbangda and Shanghai Shengdayuan, respectively, if they satisfy the conditions prescribed under Circular 81 and other relevant tax rules and regulations, and obtain the approvals as required. However, according to Circular 81, if the relevant tax authorities consider the transactions or arrangements we have are for the primary purpose of enjoying a favorable tax treatment, the relevant tax authorities may adjust the favorable withholding tax in the future.

Regulations Relating to Foreign Exchange

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations, most recently amended in August 2008. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of foreign currency-denominated loans.

In August 2008, SAFE issued the Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises, or SAFE Circular No. 142, regulating the conversion by a foreign-invested enterprise of foreign currency-registered capital into RMB by restricting how the converted RMB may be used. SAFE Circular No. 142 provides that the RMB capital converted from foreign currency registered capital of a foreign-invested enterprise may only be used for purposes within the business scope approved by the applicable government authority and may not be used for equity investments within the PRC. In addition, SAFE strengthened its oversight of the flow and use of the RMB capital converted from foreign currency registered capital of foreign-invested enterprises. The use of such RMB capital may not be changed without SAFE's approval, and such RMB capital may not in any case be used to repay RMB loans if the proceeds of such loans have not been used. Furthermore, SAFE promulgated a circular in November 2010, Circular 59, which tightens the regulation over settlement of net proceeds from overseas offerings like this offering and requires, among other things, the authenticity of settlement of net proceeds from offshore offerings to be closely examined and the net proceeds to be settled in the manner described in the offering documents or otherwise approved by the board. Violations may result in severe monetary or other penalties.

In November 2012, SAFE promulgated the Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment which substantially amends and simplifies the current foreign exchange procedure. Pursuant to this circular, the opening of various special purpose foreign exchange accounts (e.g. pre-establishment expenses account, foreign exchange capital account, guarantee account), the reinvestment of lawful incomes derived by foreign investors in the PRC (e.g. profit, proceeds of equity transfer, capital reduction, liquidation and early repatriation of investment), and purchase and remittance of foreign exchange as a result of capital reduction, liquidation, early repatriation or share transfer in a foreign-invested enterprise no longer require SAFE approval, and multiple capital accounts for the same entity may be opened in different provinces, which was not possible before. In addition, SAFE promulgated the Circular on Printing and Distributing the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents in May 2013, which specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC shall be conducted by way of registration and banks shall process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches.

MANAGEMENT

Directors and Executive Officers

The following table sets forth information regarding our directors and executive officers as of the date of this prospectus.

<u>Directors and Executive Officers</u>	<u>Age</u>	<u>Position/Title</u>
Richard Qiangdong Liu	41	Founder, Chairman of the Board of Directors and Chief Executive Officer
Xufu Li *	48	Director
Martin Chi Ping Lau	40	Director
Ming Huang	49	Independent Director
Louis T. Hsieh	49	Independent Director Appointee †
Haoyu Shen	44	Chief Operating Officer
Ye Lan	44	Chief Marketing Officer
Guoqing Zhao	38	Chief Strategy Officer
Yu Long	39	Chief Human Resources Officer and General Counsel
Sidney Xuande Huang	48	Chief Financial Officer
Shengqiang Chen	38	Chief Executive Officer of Internet Finance
Daxue Li	44	Senior Vice President of Technology

* Xufu Li will resign before the completion of this offering. We plan to appoint independent directors before the completion of this offering.

† Mr. Louis T. Hsieh has accepted appointment as our independent director, effective upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part.

Richard Qiangdong Liu is the founder of our company and has been our chairman and chief executive officer since our inception. Mr. Liu has over 15 years of experience in the retail and e-commerce industries. In June 1998, Mr. Liu started his own business in Beijing, which was mainly engaged in the distribution of magneto-optical products. In January 2004, Mr. Liu launched his first online retail website. He founded our business later that year and has guided our development and growth since then. In December 2011, Mr. Liu received the prestigious award "2011 China Economic Person of the Year" from CCTV, China's largest nationwide television network. Mr. Liu has received numerous other awards for his achievements in the e-commerce industry in China, such as "2011 Chinese Business Leader" and Fortune China's "2012 Chinese Businessman." Mr. Liu received a bachelor's degree in sociology from People's University of China in Beijing and an EMBA degree from the China Europe International Business School.

Xufu Li has served as our director since January 2009 and will resign before the completion of this offering. Mr. Li has 17 years of experience in the securities industry, where he specialized in mergers and acquisitions and equity market transactions for Chinese companies. Mr. Li is a partner of Bull Capital Partners, a private equity firm focusing on growth capital investments in the Greater China region. Mr. Li also serves as an independent director of Gemdale Holdings Co., Ltd., a property company listed on the Shanghai Stock Exchange, and a non-executive director of Celebrity City Hotel Management (China) Co., Ltd., a hotel operation and management company in China. Prior to joining Bull Capital Partners, Mr. Li worked at the Shanghai representative office of BNP Paribas Capital (Asia Pacific) Limited, where he was a director of its corporate finance department from 2006 to 2007 and specialized in the listing of Chinese companies on the Hong Kong Stock Exchange. From 2004 to 2006, Mr. Li was a general manager in the corporate finance department of Changjiang BNP Paribas Peregrine Securities Limited, a BNP Paribas joint venture in Shanghai. Prior to that, Mr. Li worked at Guotai Junan Securities Company Limited as a senior manager of the investment banking department.

from 1994 to 1996, and at China Southern Securities Company Limited as a general manager in its investment banking department in Shanghai from 1997 to 2004. Mr. Li received a bachelor's degree from Shanghai International Studies University, and a master's degree and a Ph.D. degree in economics from Fudan University in Shanghai.

Martin Chi Ping Lau has served as our director since March 2014. Mr. Lau is president and executive director of Tencent Holdings Limited, a provider of comprehensive internet services serving the largest online community in China and listed on Hong Kong Stock Exchange. In 2007, Mr. Lau was appointed as an executive director of Tencent. In 2006, Mr. Lau was promoted as the president of Tencent to manage the day-to-day operation of Tencent. In February 2005, he joined Tencent as the chief strategy and investment officer, and was responsible for corporate strategies, investments, merger and acquisitions and investor relations. Prior to joining Tencent, Mr. Lau was an executive director at Goldman Sachs (Asia) L.L.C.'s investment banking division and the chief operating officer of its telecom, media and technology group. Prior to that, he worked at McKinsey & Company, Inc. as a management consultant. Mr. Lau also serves as a non-executive director of Kingsoft Corporation Limited, an internet based software developer, distributor and software service provider listed in Hong Kong. Mr. Lau received a bachelor of science degree in electrical engineering from the University of Michigan, a master of science degree in electrical engineering from Stanford University and an MBA degree from Kellogg Graduate School of Management, Northwestern University.

Ming Huang has served as our independent director since March 2014. Mr. Huang has been a professor of finance at China Europe International Business School since July 2010 and a professor of finance at the Johnson Graduate School of Management at Cornell University since July 2005. Mr. Huang also served as a professor of finance at Cheung Kong Graduate School of Business in China from July 2008 to June 2010 and Dean of the School of Finance at Shanghai University of Finance and Economics from April 2006 to March 2009. Prior to 2005, he was an associate professor of finance at the Graduate School of Business at Stanford University from September 2002 to June 2005 and an associate dean and visiting professor of finance at Cheung Kong Graduate School of Business from July 2004 to June 2005. Professor Huang's academic research primarily focuses on behavioral finance, credit risk and derivatives. In recent years, his research has focused on Chinese capital market and public companies. Professor Huang serves as an independent director of Yingli Green Energy Holding Company Limited, a company listed on the NYSE, an independent director of Qihoo 360 Technology Co. Ltd., a company listed on the NYSE, and an independent non-executive director of Fantasia Holdings Group Co., Ltd., a real-estate company listed on the Hong Kong Stock Exchange. Professor Huang also serves as a non-executive director of the Annuity Fund Management Board of China National Petroleum Corporation and Aegon-Industrial Fund Management Co., Ltd. Professor Huang received his bachelor's degree in physics from Peking University, a Ph.D. in theoretical physics from Cornell University and a Ph.D. in finance from Stanford University.

Mr. Louis T. Hsieh will serve as our independent director immediately upon the effectiveness of our registration statement on Form F-1, of which this prospectus is a part. Mr. Hsieh has served as the chief financial officer of New Oriental Education & Technology Group Inc., the largest provider of private educational services in China listed on the NYSE, since December 2005, director since March 2007 and president since May 2009. Previously, Mr. Hsieh was the chief financial officer of ARIO Data Networks, Inc. in San Jose, California from 2004 to 2005. Prior to that, Mr. Hsieh was a managing director for the private equity firm of Darby Asia Investors (HK) Limited from 2002 to 2003. From 2000 to 2002, Mr. Hsieh was managing director and Asia-Pacific tech/media/telecoms head of UBS Capital Asia Pacific, the private equity division of UBS AG. From 1997 to 2000, Mr. Hsieh was a technology investment banker at JP Morgan in San Francisco, California, where he was a vice president, and Credit Suisse First Boston in Palo Alto, California, where he was an associate. From 1990 to 1996, Mr. Hsieh was a corporate and securities attorney at White & Case LLP in Los Angeles. Mr. Hsieh also serves as an independent director of United Information Technologies, a leading Chinese storage solutions company. Mr. Hsieh holds a bachelor's degree in industrial engineering and

engineering management from Stanford University, an MBA degree from the Harvard Business School, and a J.D. degree from the University of California at Berkeley.

Haoyu Shen has served as our chief operating officer since August 2011, and is in charge of our entire supply chain management including warehousing, transportation and last mile delivery functions. Mr. Shen also manages our customer service functions. Mr. Shen has extensive experience across different countries and industries. Prior to joining us, Mr. Shen worked at Baidu, Inc., the leading Chinese language internet search provider, where he served as a senior vice president from January 2010 to July 2011 and the vice president of business operations from July 2007 to July 2010. From June 2001 to June 2007, Mr. Shen worked at American Express in New York as a director at the strategic planning and business development group, a vice president at the prepaid card group and a vice president at the U.S. consumer card group. Prior to that, Mr. Shen was a management consultant at McKinsey & Company from 1997 to 2000 and a financial analyst at Sinochem Group from 1992 to 1995. Mr. Shen received a bachelor's degree in international finance from People's University of China in Beijing and an MBA degree from the University of Iowa. Mr. Shen is a CFA charterholder.

Ye Lan has served as our chief marketing officer since February 2012, and is in charge of our procurement, sales, marketing and public relations functions. Mr. Lan has over 18 years of experience in sales and marketing in the Greater China region. Prior to joining us, Mr. Lan was an executive vice president for the China region at Acer Group, a Taiwan-based electronics company, from October 2010 to February 2012. Mr. Lan was the president and the chief executive officer of Founder Technology Group Corporation, a China-based computer producer listed on the Shanghai Stock Exchange, from October 2008 to September 2010. From 1993 to October 2008, Mr. Lan was at Lenovo Group, where he became the vice president responsible for the sales in the Greater China region. Mr. Lan received an EMBA degree from Tsinghua University in Beijing.

Guoqing Zhao has served as our chief strategy officer since June 2012, and is in charge of our overall strategic planning and management. Mr. Zhao has extensive experience in commercial real estate industry, in particular the development, operation and capital management of high-end commercial property. Prior to joining us, Mr. Zhao co-founded and served as an executive director and vice president of China Central Place, a high-end commercial real estate company in China, from 2004 to June 2012. Mr. Zhao remains a member of the board of China Central Place. Mr. Zhao received his bachelor's degree from Nankai University and his master's and doctor's degrees from Tianjin University in Tianjin and an EMBA degree from the China Europe International Business School.

Yu Long (also known as Rain Long) has served as our chief human resources officer and general counsel since August 2012. Ms. Long has extensive experience in handling the legal affairs of U.S. listed companies and managing multinational companies. Prior to joining us, Ms. Long served as the senior vice president, general counsel and chief compliance officer of UTStarcom Holdings Corp., a provider of interactive, IP-based network solutions listed on NASDAQ. Ms. Long joined UTStarcom in November 2010 as general counsel and vice president and was appointed as the chief compliance officer in December 2011 and then promoted to senior vice president in February 2012. Prior to that, Ms. Long worked for several Chinese and multinational telecommunication companies, and last served as the APAC Legal Affairs Director for the Swiss stock market listed Myriad Group AG and was appointed by its head office to be the key member of its China Executive Management Team. Ms. Long received her bachelor's degree in economic law from China Southwest Political and Law University in Chongqing and an EMBA from the China Europe International Business School. Ms. Long is a qualified attorney in the PRC.

Sidney Xuande Huang has served as our chief financial officer since September 2013. Prior to joining us, Mr. Huang was the chief financial officer of Pactera Technology International Ltd., a NASDAQ-listed IT services provider, and its predecessor company, VanceInfo Technologies Inc., from July 2006 to September 2013. He was also the co-president of VanceInfo Technologies Inc. from 2011 to 2012 and its chief operating officer from 2008 to 2010. Prior to that, he was the chief financial

officer with two other China-based companies in technology and internet sectors between 2004 and 2006. Mr. Huang was an investment banker with Citigroup Global Markets Inc. in New York from 2002 to 2004. He served as an audit manager of KPMG LLP from 1996 to 2000 and was a Certified Public Accountant in the State of New York. Mr. Huang is currently a director of Bitauto Holdings Limited, an internet company listed on the NYSE. Mr. Huang obtained his master's of business administration with distinction from the Kellogg School of Management at Northwestern University as an Austin Scholar. He received his bachelor's degree in accounting from Bernard M. Baruch College, where he graduated as class valedictorian.

Shengqiang Chen has served as the chief executive officer of our internet finance group since September 2013 and is in charge of the establishment and development of our new internet finance business. Mr. Chen has over 15 years of experience in finance and accounting management in China. Mr. Chen was our chief financial officer from March 2012 to September 2013, our finance vice president from January 2009 to March 2012 and our financial controller from April 2007 to December 2008. Mr. Chen received a bachelor's degree in accounting from Beijing Technology and Business University and an MBA degree from Beijing Institute of Technology in Beijing and has completed his studies at the EMBA program of China Europe International Business School.

Daxue Li is our senior vice president of technology and in charge of our research and development and IT infrastructure. Mr. Li joined us in May 2008 and has served as our vice president and then senior vice president. Mr. Li has over 18 years of experience in the software engineering and internet industry. Prior to joining us, Mr. Li was the vice president of China Popular Computer Week Management Company Limited, the operator of *China Popular Computer Week*, a computer journal in China, from January 2006 to April 2008 and was the chief technology officer of Tianji Media Group, which operates a few websites, including chinabyte.com, an IT portal website in China, from June 1999 to December 2005. Prior to that, he founded and worked with Bitter Lilac Software Workshop focusing on the development of education software from 1996 to 1999. Mr. Li received his bachelor's degree from Shandong University in Jinan and master's degree from Chongqing University in Chongqing.

Board of Directors

Our board of directors will consist of _____ directors upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part. A director is not required to hold any shares in our company by way of qualification. A director may vote with respect to any contract, proposed contract or arrangement in which he is materially interested provided (a) such director, if his interest in such contract or arrangement is material, has declared the nature of his interest at the earliest meeting of the board at which it is practicable for him to do so, either specifically or by way of a general notice and (b) if such contract or arrangement is a transaction with a related party, such transaction has been approved by the audit committee. The directors may exercise all the powers of the company to borrow money, mortgage its undertaking, property and uncalled capital, and issue debentures or other securities whenever money is borrowed or as security for any obligation of the company or of any third party. None of our non-executive directors has a service contract with us that provides for benefits upon termination of service.

Under the new memorandum and articles of association that will become effective immediately prior to the completion of this offering, our board of directors will not be able to form a quorum without Mr. Richard Qiangdong Liu for so long as Mr. Liu remains a director.

Committees of the Board of Directors

We will establish three committees under the board of directors immediately upon the effectiveness of our registration statement on Form F-1, of which this prospectus is a part: an audit committee, a compensation committee and a nominating and corporate governance committee. We

have adopted a charter for each of the three committees. Each committee's members and functions are described below.

Audit Committee. Our audit committee will consist of _____, _____ and _____ will be the chairman of our audit committee. We have determined that _____, _____ and _____ satisfy the "independence" requirements of _____ and Rule 10A-3 under the Securities Exchange Act of 1934. The audit committee will oversee our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee will be responsible for, among other things:

- appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management's response;
- discussing the annual audited financial statements with management and the independent auditors;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures;
- reviewing and approving all proposed related party transactions;
- meeting separately and periodically with management and the independent auditors; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

Compensation Committee. Our compensation committee will consist of _____, _____ and _____ will be the chairman of our compensation committee. We have determined that _____, _____ and _____ satisfy the "independence" requirements of _____. The compensation committee will assist the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated. The compensation committee will be responsible for, among other things:

- reviewing and approving, or recommending to the board for its approval, the compensation for our chief executive officer and other executive officers;
- reviewing and recommending to the board for determination with respect to the compensation of our non-employee directors;
- reviewing periodically and approving any incentive compensation or equity plans, programs or similar arrangements; and
- selecting compensation consultant, legal counsel or other adviser only after taking into consideration all factors relevant to that person's independence from management.

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee will consist of _____, _____ and _____ will be the chairperson of our nominating and corporate governance committee. _____, _____ and _____ satisfy the "independence" requirements of _____. The nominating and corporate governance committee will assist the board of directors in selecting individuals qualified to become our

directors and in determining the composition of the board and its committees. The nominating and corporate governance committee will be responsible for, among other things:

- selecting and recommending to the board nominees for election by the shareholders or appointment by the board;
- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, knowledge, skills, experience and diversity;
- making recommendations on the frequency and structure of board meetings and monitoring the functioning of the committees of the board; and
- advising the board periodically with regards to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations, and making recommendations to the board on all matters of corporate governance and on any remedial action to be taken.

Duties of Directors

Under Cayman Islands law, our directors have fiduciary duties to our company, including duties to act honestly, in good faith and with a view to our best interests. Our directors also have a duty to exercise the care, diligence and skills that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association and the class rights vested thereunder in the holders of the shares. Our company has the right to seek damages if a duty owed by our directors is breached. A shareholder may in certain limited exceptional circumstances have the right to seek damages in our name if a duty owed by the directors is breached.

Our board of directors has all the powers necessary for managing, and for directing and supervising, our business affairs. The functions and powers of our board of directors include, among others:

- convening shareholders' annual and extraordinary general meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of the officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares in our company, including the registration of such shares in our share register.

Terms of Directors and Officers

Our officers are elected by and serve at the discretion of the board of directors, except that, during the period when Tencent is subject to lock-up provisions, Tencent has the right to appoint one director to our board. Our non-independent directors are not subject to a term of office and hold office until such time as they are removed from office by ordinary resolution of the shareholders. Our independent directors are subject to a contractual one-year term, which may be renewed for one additional year, unless either party provides a prior written notice to the other party before the initial term expires indicating the intention not to renew. A director will be removed from office automatically if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; or (ii) is found by our company to be or becomes of unsound mind.

Employment Agreements and Indemnification Agreements

We have entered into employment agreements with each of our executive officers. Under these agreements, each of our executive officers is employed for a specified time period. We may terminate employment for cause, at any time, without advance notice or remuneration, for certain acts of the executive officer, such as conviction or plea of guilty to a felony or any crime involving moral turpitude, negligent or dishonest acts to our detriment, or misconduct or a failure to perform agreed duties. We may also terminate an executive officer's employment without cause upon three-month advance written notice. In such case of termination by us, we will provide severance payments to the executive officer as expressly required by applicable law of the jurisdiction where the executive officer is based. The executive officer may resign at any time with a three-month advance written notice.

Each executive officer has agreed to hold, both during and after the termination or expiry of his or her employment agreement, in strict confidence and not to use, except as required in the performance of his or her duties in connection with the employment or pursuant to applicable law, any of our confidential information or trade secrets, any confidential information or trade secrets of our clients or prospective clients, or the confidential or proprietary information of any third party received by us and for which we have confidential obligations. The executive officers have also agreed to disclose in confidence to us all inventions, designs and trade secrets which they conceive, develop or reduce to practice during the executive officer's employment with us and to assign all right, title and interest in them to us, and assist us in obtaining and enforcing patents, copyrights and other legal rights for these inventions, designs and trade secrets.

In addition, each executive officer has agreed to be bound by non-competition and non-solicitation restrictions during the term of his or her employment and typically for two years following the last date of employment. Specifically, each executive officer has agreed not to (i) approach our suppliers, clients, customers or contacts or other persons or entities introduced to the executive officer in his or her capacity as a representative of us for the purpose of doing business with such persons or entities that will harm our business relationships with these persons or entities; (ii) assume employment with or provide services to any of our competitors, or engage, whether as principal, partner, licensor or otherwise, any of our competitors, without our express consent; or (iii) seek directly or indirectly, to solicit the services of any of our employees who is employed by us on or after the date of the executive officer's termination, or in the year preceding such termination, without our express consent.

We also intend to enter into indemnification agreements with our directors and executive officers. Under these agreements, we may agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being a director or officer of our company.

Compensation of Directors and Executive Officers

In 2013, we paid an aggregate of approximately RMB18 million (US\$3 million) in cash to our executive officers, and we did not pay any compensation to our non-executive directors. We have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our executive officers and directors. Our PRC subsidiaries and consolidated variable interest entities are required by law to make contributions equal to certain percentages of each employee's salary for his or her pension insurance, medical insurance, unemployment insurance and other statutory benefits and a housing provident fund.

2013 Share Incentive Plan

We adopted a 2008 stock issuance plan in June 2008, a 2009 employee stock incentive plan in February 2009, a 2010 employee stock incentive plan in March 2010, a 2011 employee stock incentive plan in April 2011 and a 2011 special employee stock incentive plan in April 2011, to attract and retain

the best available personnel, provide additional incentives to employees, directors and consultants and promote the success of our business. We refer to these plans collectively as the Original Plans. Pursuant to the Original Plans, we issued a total of 106,850,910 ordinary shares to Fortune Rising Holdings Limited. Fortune Rising Holdings Limited holds these 106,850,910 ordinary shares for the purpose of transferring such shares to the plan participants according to our awards under our Original Plans, which were replaced by the 2013 Plan as described below, and administers the awards and acts according to our instruction, and is therefore treated as our consolidated variable interest entity under U.S. GAAP.

On December 20, 2013, we adopted a 2013 Share Incentive Plan, or the 2013 Plan, which replaced all of the Original Plans in their entirety, and the Original Plans are no longer effective. We amended and restated the 2013 Plan on March 6, 2014, increasing the number of shares reserved for future awards under the 2013 Plan. The awards granted and outstanding under the Original Plans survive the termination of the Original Plans and remain effective and binding under the 2013 Plan, subject to certain amendments to the original award agreements.

The maximum aggregate number of our shares which may be issued pursuant to all awards under the 2013 Plan is 468,133,012 shares as of the date of this prospectus, consisting of 106,850,910 shares that have been issued to and reserved with Fortune Rising Holdings Limited under the Original Plans, and 361,282,102 shares that are reserved under the 2013 Plan. The number of shares reserved for future issuances under the 2013 Plan will be increased by a number equal to 1% of the total number of outstanding shares as of the last day of the immediately preceding fiscal year, on the first day of each fiscal year during the term of the 2013 Plan commencing with the sixth fiscal year that occurs after the date when the 2013 Plan was adopted.

The following paragraphs describe the principal terms of the 2013 Plan.

Types of Awards. The Plan permits the awards of options, restricted shares, restricted share units or any other type of awards that the committee or the board decides.

Plan Administration. Our board of directors, our compensation committee or a sub-committee designated by our board will administer the 2013 Plan. The committee or the full board of directors, as applicable, will determine the participants to receive awards, the type and number of awards to be granted to each participant, and the terms and conditions of each award grant. Fortune Rising Holdings Limited is the holder on record of the original award pool of 106,850,910 shares and will grant awards to plan participants and execute the award agreements and other related agreements with plan participants based on the instructions of the committee or the full board of directors who administers the 2013 Plan.

Award Agreement. Awards granted under the 2013 Plan are evidenced by an award agreement that sets forth terms, conditions and limitations for each award, which may include the term of the award, the provisions applicable in the event of the grantee's employment or service terminates, and our authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind the award.

Eligibility. We may grant awards to our employees, directors and consultants. However, we may grant options that are intended to qualify as incentive share options only to our employees.

Acceleration of Awards upon Change in Control. If a change in control of our company occurs, the plan administrator may, in its sole discretion, provide for (i) all awards outstanding to terminate at a specific time in the future and give each participant the right to exercise the vested portion of such awards during a specific period of time, or (ii) the purchase of any award for an amount of cash equal to the amount that could have been attained upon the exercise of such award, or (iii) the replacement of such award with other rights or property selected by the plan administrator in its sole discretion, or (iv) payment of award in cash based on the value of ordinary shares on the date of the change-in-control transaction plus reasonable interest.

Vesting Schedule. In general, the plan administrator determines the vesting schedule, which is specified in the relevant award agreement.

Exercise of Options. The plan administrator determines the exercise price for each award, which is stated in the award agreement. The vested portion of option will expire if not exercised prior to the time as the plan administrator determines at the time of its grant. However, the maximum exercisable term is the tenth anniversary after the date of a grant.

Transfer Restrictions. Awards may not be transferred in any manner by the recipient other than by will or the laws of descent and distribution, except as otherwise provided by the plan administrator.

Termination of the 2013 Plan. Unless terminated earlier, the 2013 Plan will terminate automatically on December 20, 2023. Our board of directors has the authority to amend or terminate the plan subject to shareholder approval to the extent necessary and desirable to comply with applicable law. Shareholder approval is required for any amendment to the 2013 Plan that (i) increases the number of shares available under the 2013 Plan, or (ii) permits the plan administrator to extend the term of the 2013 Plan or the exercise period for an option beyond ten years from the date of grant.

As of December 31, 2013, we had an aggregate of 54,258,365 restricted shares, which are treated as non-vested ordinary shares under U.S. GAAP, 40,494,351 restricted share units and options to purchase an aggregate of 26,912,328 ordinary shares that had been granted to our officers, employees and consultants and remained outstanding, excluding awards that were forfeited or cancelled after the relevant grant date. In March 2014, we granted 93,780,970 immediately vested restricted share units to Mr. Richard Qiangdong Liu, our founder, chairman and chief executive officer, pursuant to which we will issue 93,780,970 ordinary shares to Max Smart Limited, a British Virgin Islands company wholly owned by Mr. Richard Qiangdong Liu, immediately after the listing of our ADSs on [the NYSE/NASDAQ]. The number of restricted shares, restricted share units and options granted to each of our other directors and executive officers represents less than 1% of our total outstanding ordinary shares on an as-converted basis as of the date of this prospectus. The awards to our other directors and executive officers have two-year, four-year, five-year or six-year vesting schedule, with an equal installment vesting at the end of each calendar year following the grant.

PRINCIPAL [AND SELLING] SHAREHOLDERS

Except as specifically noted, the following table sets forth information with respect to the beneficial ownership of our ordinary shares as of the date of this prospectus by:

- each of our directors and executive officers, including one director who will resign upon the SEC's declaration of effectiveness of our registration statement on Form F-1 of which this prospectus is a part and the appointees who will become directors at that time;
- each of our principal shareholders, including all shareholders who own beneficially more than 5% of our total outstanding shares; and
- [each selling shareholder.]

The calculations in the table below are based on 2,458,142,290 ordinary shares on an as-converted basis outstanding as of the date of this prospectus (including the 93,780,970 ordinary shares we will issue to Max Smart Limited immediately after the listing of our ADSs on [the NYSE/NASDAQ], pursuant to the 93,780,970 restricted share units that were granted to Mr. Richard Qiangdong Liu in March 2014 under our 2013 Plan and became fully vested immediately upon grant), and Class A ordinary shares and Class B ordinary shares outstanding immediately after the completion of this offering, assuming the underwriters do not exercise their over-allotment option.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days, including through the exercise of any option, warrant or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person. Ordinary shares held by a shareholder are determined in accordance with our register of members.

	Ordinary Shares Held Prior to This Offering		Ordinary Shares Beneficially Owned Prior to This Offering		Ordinary Shares Being Sold in This Offering		Ordinary Shares Beneficially Owned After This Offering			
	Number	% [†]	Number	% [†] [nc_cad,217]	Number	% [†] [nc_cad,217]	Class A Ordinary Shares	Class B Ordinary Shares	Total Ordinary Shares on an As-converted Basis	% of Aggregate Voting Power [†] [nc_cad,217]
Directors and Executive Officers:										
Richard Qiangdong Liu ⁽¹⁾	463,345,349 ⁽¹⁾	18.8	1,374,985,025 ⁽²⁾	55.9						
Xufu Li ⁽³⁾	—	—	—	—						
Martin Chi Ping Lau ⁽⁴⁾	—	—	—	—						
Ming Huang	—	—	—	—						
Haoyu Shen	—	—	*	*						
Ye Lan	—	—	*	*						
Guoqing Zhao	—	—	*	*						
Rain Yu Long	—	—	*	*						
Sidney Xuande Huang	—	—	*	*						
Shengqiang Chen	—	—	*	*						
Daxue Li	—	—	*	*						
All Directors and Executive Officers as a Group	463,345,349	18.8	1,379,633,637	56.1						
Principal [and Selling] Shareholders:										
Max Smart Limited	463,345,349 ⁽¹⁾	18.8	1,258,921,165 ⁽⁵⁾	51.2						
Entities affiliated with Tiger Global Management ⁽⁶⁾	445,272,385	18.1	445,272,385	18.1						
Huang River Investment Limited ⁽⁷⁾	351,678,637	14.3	351,678,637	14.3						
HHGL 360Buy Holdings, Ltd. ⁽⁸⁾	318,962,191	13.0	318,962,191	13.0						
DST Global funds ⁽⁹⁾	225,744,465	9.2	225,744,465	9.2						
Best Alliance International Holdings Limited ⁽¹⁰⁾	191,894,000	7.8	191,894,000	7.8						
Fortune Rising Holdings Limited ⁽¹¹⁾	106,850,910	4.3	106,850,910	4.3						
Strong Desire Limited ⁽¹²⁾	53,640,484	2.2	53,640,484	2.2						
Sequoia Capital funds ⁽¹³⁾	39,821,655	1.6	39,821,655	1.6						

* Less than 1% of our total outstanding shares.

- ** Except for Mr. Xufu Li, the business address of our directors and executive officers is 10th Floor, Building A, North Star Century Center, No. 8 Beichen West Street, Chaoyang District, Beijing 100101, The People's Republic of China.
- † For each person and group included in this column, percentage ownership is calculated by dividing the number of shares held by such person or group by the sum of the total number of shares outstanding, which is 2,458,142,290 on an as-converted basis as of the date of this prospectus, including the 93,780,970 ordinary shares we will issue to Max Smart Limited immediately after the listing of our ADSs on [the NYSE/NASDAQ], pursuant to the 93,780,970 restricted share units that were granted to Mr. Richard Qiangdong Liu in March 2014 under our 2013 Plan and became fully vested immediately upon grant.
- †† For each person and group included in this column, percentage ownership is calculated by dividing the number of shares beneficially owned by such person or group (including voting rights granted by other shareholders who retain the economic interest in the shares being voted) by the sum of the total number of shares outstanding, which is 2,458,142,290 on an as-converted basis as of the date of this prospectus, including the 93,780,970 ordinary shares we will issue to Max Smart Limited immediately after the listing of our ADSs on [the NYSE/NASDAQ], pursuant to the 93,780,970 restricted share units that were granted to Mr. Richard Qiangdong Liu in March 2014 under our 2013 Plan and became fully vested immediately upon grant, and the number of shares such person or group has the right to acquire upon exercise of option, warrant or other right within 60 days after the date of this prospectus.
- ††† For each person and group included in this column, percentage of voting power is calculated by dividing the voting power beneficially owned by such person or group by the voting power of all of our Class A and Class B ordinary shares as a single class. Each holder of Class A ordinary shares is entitled to one vote per share and each holder of our Class B ordinary shares is entitled to twenty votes per share on all matters submitted to them for a vote. Our Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters submitted to a vote of our shareholders, except as may otherwise be required by law. Our Class B ordinary shares are convertible at any time by the holder thereof into Class A ordinary shares on a one-for-one basis.
- (1) Represents (i) 369,564,379 ordinary shares directly held by Max Smart Limited, a British Virgin Islands company of which Mr. Richard Qiangdong Liu is the sole shareholder and the sole director, and (ii) the 93,780,970 ordinary shares we will issue to Max Smart Limited immediately after the listing of our ADSs on [the NYSE/NASDAQ], pursuant to the 93,780,970 restricted share units that were granted to Mr. Richard Qiangdong Liu in March 2014 under our 2013 Plan and became fully vested immediately upon grant.
- (2) Represents (i) 369,564,379 ordinary shares directly held by Max Smart Limited, a British Virgin Islands company of which Mr. Richard Qiangdong Liu is the sole shareholder and the sole director, as described in footnote (5) below, (ii) 93,780,970 ordinary shares, which Mr. Richard Qiangdong Liu has the right to acquire pursuant to the 93,780,970 restricted share units that were granted to him under our 2013 Plan and became fully vested in March 2014, and has instructed us to issue to Max Smart Limited immediately after the listing of our ADSs on [the NYSE/NASDAQ], and which shares will be re-designated as Class B ordinary shares immediately prior to the completion of this offering, (iii) 795,575,816 ordinary shares beneficially owned by Max Smart Limited given the irrevocable grant of voting rights by certain of our ordinary shareholders as described in footnote (5) below, (iv) 9,212,950 ordinary shares, with respect to which two of our ordinary shareholders, Kaixin Asia Limited and Accurate Way Limited, have irrevocably granted the voting rights to Mr. Richard Qiangdong Liu as their exclusive proxy and attorney-in-fact pursuant to a voting agreement and irrevocable proxy, and (v) 106,850,910 ordinary shares held by Fortune Rising Holdings Limited, a British Virgin Islands company, as described in footnote (11) below. As Mr. Richard Qiangdong Liu is the sole shareholder and the sole director of Fortune Rising Holdings Limited, Mr. Liu may be deemed to beneficially own all of the ordinary shares held by Fortune Rising Holdings Limited in accordance with the rules and regulations of the SEC, notwithstanding the facts described in footnote (11) below.
- (3) Mr. Li is a director of our company appointed by Strong Desire Limited. Mr. Li disclaims beneficial ownership of the shares held by Strong Desire Limited, except to the extent of his pecuniary interest therein. The business address of Mr. Xufu Li is Room 1005A, 10/F, Bank of America Tower, No. 12 Harcourt Road, Central, Hong Kong.
- (4) Mr. Lau was appointed by Huang River Investment Limited. The business address of Mr. Lau is Level 29, Three Pacific Place, 1 Queen's Road East, Wanchai, Hong Kong.
- (5) Represents (i) 369,564,379 ordinary shares directly held by Max Smart Limited, which shares will be re-designated as Class B ordinary shares immediately prior to the completion of this offering, (ii) 93,780,970 ordinary shares, which Mr. Richard Qiangdong Liu has the right to acquire pursuant to the 93,780,970 restricted share units that were granted to him under our 2013 Plan and became fully vested in March 2014, and has instructed us to issue to Max Smart Limited immediately after the listing of our ADSs on [the NYSE/NASDAQ], and which shares will be re-designated as Class B ordinary shares immediately prior to the completion of this offering, and (iii) 795,575,816 ordinary shares, with respect to which certain holders of our ordinary shares, including the DST Global funds, the Sequoia funds, the Insight funds, the KPCB funds, Oeland Investments II LLC, Good Fortune Capital II, LLC, IGSB Internal Venture Fund II, LLC, the Kingdom 5-KR-233, Ltd. managed funds, HHGL 360Buy Holdings, Ltd., China Life Trustees Limited and Huang River Investment Limited have granted the voting rights to Max Smart Limited as their exclusive proxy and attorney-in-fact under our current amended and restated shareholders agreement, which rights will terminate upon the completion of this offering. Max Smart Limited is a company incorporated in the British Virgin Islands. Mr. Richard Qiangdong Liu is the sole shareholder and the sole director of Max Smart Limited. The registered address of Max Smart Limited is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.

- (6) Represents 281,392,400 ordinary shares held by Tiger Global Five 360 Holdings and 163,879,985 ordinary shares held by Tiger Global 360Buy Holdings. Such shares will be re-designated as Class A ordinary shares immediately prior to the completion of this offering. Both Tiger Global Five 360 Holdings and Tiger Global 360Buy Holdings are organized under the laws of Mauritius, and are ultimately controlled by Chase Coleman, Scott Shleifer and Lee Fixel. The business address of Tiger Global Five 360 Holdings and Tiger Global 360Buy Holdings is Twenty Seven, Cybercity, Ebene, Mauritius. We refer to these funds collectively as the Tiger Global funds.
- (7) Represents 351,678,637 ordinary shares, which shares will be re-designated as Class A ordinary shares immediately prior to the completion of this offering. Huang River Investment Limited is a company incorporated in the British Virgin Islands, and is wholly owned by Tencent Holdings Limited, a company listed on Hong Kong Stock Exchange. Pursuant to our current amended and restated shareholders agreement, Huang River Investment Limited irrevocably appointed Max Smart Limited as its exclusive proxy and attorney-in-fact to vote all its 351,678,637 shares on certain matters that will not have a dilutive effect on the shares of Huang River Investment Limited or a disproportionate, material and adverse effect on Huang River Investment Limited as compared to other shareholders and that do not specifically require the prior written approval of Huang River Investment Limited pursuant to the shareholders agreement, which voting arrangement will terminate upon the completion of this offering, and Huang River Investment Limited retain all other rights attached to the shares. The ordinary shares beneficially owned by Huang River Investment Limited after this offering include the Class A ordinary shares that Huang River Investment Limited has agreed to purchase from us at the per share equivalent of the price to the public in this offering that represents 5% of our total issued and outstanding share capital on a fully diluted basis immediately following the completion of this offering. The registered address of Huang River Investment Limited is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.
- (8) Represents 86,477,516 ordinary shares and 232,484,675 ordinary shares issuable upon the conversion of 232,484,675 series C preferred shares. All of these shares will be re-designated as Class A ordinary shares immediately prior to the completion of this offering. HHGL 360Buy Holdings, Ltd. is owned by Gaoling Fund, L.P. and YHG Investment, L.P., both of which are Cayman Islands limited partnerships. Hillhouse Capital Management, Ltd. acts as the sole management company of Gaoling Fund, L.P. and sole general partner of YHG Investment, L.P. Mr. Lei Zhang may be deemed to have controlling power over Hillhouse Capital Management, Ltd. Mr. Lei Zhang disclaims beneficial ownership of all of the shares held by Gaoling Fund, L.P. and YHG Investment, L.P., except to the extent of his pecuniary interest therein. Pursuant to our current amended and restated shareholders agreement, HHGL 360Buy Holdings, Ltd. irrevocably appointed Max Smart Limited as its exclusive proxy and attorney-in-fact to vote 2,524,716 of its ordinary shares on certain matters that will not have a dilutive effect on the shares of HHGL 360Buy Holdings, Ltd. or a disproportionate, material and adverse effect on HHGL 360Buy Holdings, Ltd. as compared to other shareholders, which voting arrangement will terminate upon the completion of this offering, and HHGL 360Buy Holdings, Ltd. retains all other rights attached to the shares. The registered address of HHGL 360Buy Holdings, Ltd. is Citco B.V. I. Limited, Flemming House, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands.
- (9) Represents 28,530,530 ordinary shares held by DST Global II, L.P., 19,954,850 ordinary shares held by DST China EC, L.P., 57,061,060 ordinary shares held by DST China EC II, L.P., 9,129,765 ordinary shares held by DST China EC III, L.P., 60,014,865 ordinary shares held by DST China EC 6 Limited, 27,886,125 ordinary shares held by DST Investments 1 Limited, 14,970,275 ordinary shares held by DST Investments 2 Limited, and 8,196,995 ordinary shares held by DST China EC X, L.P. All of these shares will be re-designated as Class A ordinary shares immediately prior to the completion of this offering. We refer to these funds collectively as the DST Global funds. The voting and dispositive power in the ordinary shares held by DST Global II, L.P., DST China EC, L.P., DST China EC II, L.P., DST China EC III, L.P. and DST China EC X, L.P. are controlled by their general partner, DST Managers Limited, which is ultimately controlled indirectly by Yuri Milner. The voting and dispositive power in the ordinary shares held by DST China EC 6 Limited, DST Investments 1 Limited and DST Investments 2 Limited are controlled by DST Global Advisors Limited, which is ultimately controlled indirectly by Yuri Milner. Certain shareholders of DST China EC 6 Limited, DST Investments 1 Limited and DST Investments 2 Limited have (i) consent rights over certain dispositions of shares held by such entity, and (ii) certain redemption and approval rights that could cause the disposition of shares held by such entity. Pursuant to our current amended and restated shareholders agreement, the DST Global funds irrevocably appointed Max Smart Limited as their exclusive proxy and attorney-in-fact to vote all their 225,744,465 shares on certain matters that will not have a dilutive effect on the shares of the DST Global funds or a disproportionate, material and adverse effect on the DST Global funds as compared to other shareholders, which voting arrangement will terminate upon the completion of this offering, and the DST Global funds retain all other rights attached to the shares. DST Global II, L.P., DST China EC, L.P., DST China EC III, L.P. and DST China EC X, L.P. are incorporated in the Cayman Islands, each with a registered address of One Capital Place, P.O. Box 847, Grand Cayman, KY1-1103, Cayman Islands. DST China EC II, L.P. is registered in Singapore with an address of 10 Changi Business Park Central 2, #05-01, Hansapoint@CBP, Singapore 486030. DST China EC 6 Limited is incorporated in the British Virgin Islands with a registered address of Trident Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands. DST Investments 1 Limited and DST Investments 2 Limited are incorporated in Isle of Man with a registered address of Queen Victoria House, 41-43 Victoria Street, Douglas, Isle of Man, IM1 2LF. The business address for the investment advisor to DST Global funds is c/o DST Investment Management Limited, 8 Finance Street, Two International Finance Centre, 67th Floor, Central, Hong Kong.
- (10) Represents 191,894,000 ordinary shares issuable upon the conversion of 191,894,000 series A preferred shares, which shares will be re-designated as Class A ordinary shares immediately prior to the completion of this offering. Best Alliance International Holdings Limited is a company incorporated in the British Virgin Islands, and controlled by Capital Today China Growth Fund, L.P., a limited partnership organized under the laws of the Cayman Islands. The general partner of Capital Today China Growth Fund, L.P. is Capita

Today China Growth GenPar, Ltd., a Cayman Islands company, which is controlled by Xin Xu. Xin Xu disclaims the beneficial ownership with respect to the shares held by Best Alliance International Holdings Limited except to the extent of her pecuniary interest therein. The registered address of Best Alliance International Holdings Limited is at the office of CCS Trustees Limited of 263 Main Street, P.O. Box 2196, Road Town, Tortola, British Virgin Islands.

- (11) Represents 106,850,910 ordinary shares, which shares will be re-designated as Class B ordinary shares immediately prior to the completion of this offering. Fortune Rising Holdings Limited holds these 106,850,910 ordinary shares for the purpose of transferring such shares to the plan participants according to our awards under our Original Plans, which were replaced by the 2013 Plan, and administers the awards and acts according to our instruction, and is therefore treated as our consolidated variable interest entity under U.S. GAAP. Fortune Rising Holdings Limited exercises the voting power with respect to these shares according to our instruction. Fortune Rising Holdings Limited is a company incorporated in the British Virgin Islands. Mr. Richard Qiangdong Liu is the sole shareholder and the sole director of Fortune Rising Holdings Limited. The registered address of Fortune Rising Holdings Limited is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.
- (12) Represents 53,640,484 ordinary shares issuable upon the conversion of 53,640,484 series B preferred shares, which shares will be re-designated as Class A ordinary shares immediately prior to the completion of this offering. Strong Desire Limited is a company incorporated in the British Virgin Islands, and is wholly owned by Peregrine Greater China Capital Appreciation Fund, L.P., an exempted limited partnership registered in the Cayman Islands. The general partner of Peregrine Greater China Capital Appreciation Fund, L.P. is Bull Capital Partners GP Ltd., a Cayman Islands limited liability company. Peregrine Greater China Capital Appreciation Fund, L.P. is managed by Bull Capital Partners Ltd., an exempted limited liability company incorporated in the Cayman Islands. Bull Capital Partners GP Ltd. is wholly owned by Bull Capital Partners Ltd., which is controlled by Mr. Wong Kun-Kau. Thus, Mr. Wong has indirect controlling voting power over Strong Desire Limited. The registered address of Strong Desire Limited is at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.
- (13) Represents 13,769,590 ordinary shares held by Sequoia Capital 2010 CGF HoldCo., Ltd. and 26,052,065 ordinary shares held by SC China Co-Investment 2011-A, L.P. All of these shares will be re-designated as Class A ordinary shares immediately prior to the completion of this offering. We refer to these funds collectively as Sequoia Capital funds. The general partner of the Sequoia Capital Funds is SC China Growth 2010 Management, L.P., whose general partner is SC China Holding Limited, a company incorporated in the Cayman Islands. SC China Holding Limited is wholly owned by SNP China Enterprise Limited, a company wholly owned by Mr. Neil Nanpeng Shen. Pursuant to our current amended and restated shareholders agreement, the Sequoia Capital Funds irrevocably appointed Max Smart Limited as their exclusive proxy and attorney-in-fact to vote all their 39,821,655 shares on certain matters that will not have a dilutive effect on the shares of the Sequoia Capital Funds or a disproportionate, material and adverse effect on the Sequoia Capital Funds as compared to other shareholders, which voting arrangement will terminate upon the completion of this offering, and the Sequoia Capital Funds retain all other rights attached to the shares. The registered address of Sequoia Capital Funds is Cricket Square, Hutchins Drive, P.O. BOX 2681, Grand Cayman, KY1-1111, Cayman Islands.

As of the date of this prospectus, a total of 28,337,910 ordinary shares are held of record by five ordinary shareholders in the United States and 12,915,815 series C preferred shares are held of record by one preferred shareholder in the United States, representing approximately 1.2% and 0.5%, respectively, of our total outstanding shares on an as-converted basis. None of our outstanding series A and series B preferred shares are held by record holders in the United States.

Immediately prior to the completion of this offering, our ordinary shares will be divided into Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares are entitled to one vote per share, while holders of Class B ordinary shares are entitled to twenty votes per share. The ADSs that we issue in this offering will represent Class A ordinary shares. Immediately prior to the completion of this offering, (i) 463,345,349 ordinary shares held by Max Smart Limited (including the 93,780,970 ordinary shares we will issue to Max Smart Limited immediately after the listing of our ADSs on [the NYSE/NASDAQ], pursuant to the 93,780,970 restricted share units that were granted to Mr. Richard Qiangdong Liu under our 2013 Plan and became fully vested in March 2014) and 106,850,910 ordinary shares held by Fortune Rising Holdings Limited will be re-designated as Class B ordinary shares on a one-for-one basis, and (ii) all of our remaining ordinary shares and preferred shares that are issued and outstanding will be re-designated as Class A ordinary shares on a one-for-one basis. See "Description of Share Capital—Ordinary Shares" for a more detailed description of our Class A ordinary shares and Class B ordinary shares.

Except for the above, we are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

RELATED PARTY TRANSACTIONS

Contractual Arrangements with Our Variable Interest Entities and Their Shareholders

PRC laws and regulations currently limit foreign ownership of companies that engage in a value-added telecommunications service business or the distribution of media products in China. Due to these restrictions, we operate our relevant business through contractual arrangements between Jingdong Century, our PRC subsidiary, and Jingdong 360 and Jiangsu Yuanzhou, our variable interest entities. For a description of these contractual arrangements, see "Corporate History and Structure."

Private Placements

See "Description of Share Capital—History of Securities Issuances."

Agreements with Tencent

Strategic Cooperation Agreement. On March 10, 2014, we entered into a strategic cooperation agreement and formed a strategic partnership with Tencent. As part of the strategic partnership, Tencent will offer us prominent level 1 access points in its mobile applications Weixin and Mobile QQ and provide internet traffic and other support from other key platforms to us. The two parties agreed to cooperate in a number of areas including mobile-related products, social networking services, membership systems and payment solutions. The strategic cooperation agreement has a term of five years and applies within the territory of the Greater China. Under the strategic cooperation agreement, we will become Tencent's preferred partner for all physical goods e-commerce businesses, and Tencent agrees not to engage in any direct sales or managed marketplace business model in physical goods e-commerce businesses in the Greater China and a few selected international markets for a period of eight years, other than through its controlled affiliate Shanghai Icton.

Share Purchase Agreement. In connection with the strategic cooperation agreement, we also entered into a share purchase agreement with Tencent and Huang River Investment Limited on March 10, 2014. Pursuant to the agreement, we issued a total of 351,678,637 ordinary shares to Huang River Investment Limited, a wholly-owned subsidiary of Tencent, representing 15% of our total issued and outstanding shares as of the closing of the transaction, calculated on a fully diluted basis under the treasury method. Huang River Investment Limited has agreed not to sell or transfer any of our shares it holds now during the three-year period commencing from March 10, 2014, subject to limited exceptions.

Share Subscription Agreement. We entered into a share subscription agreement with Tencent and Huang River Investment Limited on March 10, 2014. Pursuant to the agreement, Huang River Investment Limited has agreed to purchase a number of Class A ordinary shares from us at the per share equivalent of the price to the public in this offering that represents 5% of our total issued and outstanding share capital on a fully diluted basis immediately following the completion of this offering (including an option to further subscribe if the underwriters' over-allotment option is exercised). Huang River Investment Limited has agreed not to sell or transfer any of our shares it will acquire in the concurrent private placement during the three-year period commencing from March 10, 2014, subject to limited exceptions.

Shareholders Agreements

We entered into our thirteenth amended and restated shareholders agreement on March 10, 2014 with our shareholders, which consist of holders of ordinary shares, series A preferred shares, series B preferred shares and series C preferred shares.

Pursuant to this shareholders agreement, our board of directors may consist of a maximum of eleven directors. The Tiger Global funds are entitled to appoint one director so long as they hold in

aggregate more than 75,000,000 ordinary shares; Best Alliance International Holdings Limited is entitled to appoint one director so long as it holds in aggregate more than 75,000,000 series A preferred shares; Strong Desire Limited is entitled to appoint one director so long as it holds in aggregate more than 53,640,484 series B preferred shares; HHGL 360Buy Holdings, Ltd. is entitled to appoint one director so long as it holds in aggregate more than 75,000,000 series C preferred shares and ordinary shares; Huang River Investment Limited is entitled to appoint one director so long as it holds in aggregate 80% of the aggregate number of shares it acquired in March 2014 plus the shares acquired concurrently with this offering; and Max Smart Limited is entitled to appoint all the remaining directors, and in any event no less than six directors, one of which is the chairman of the board. Such shareholders' right to appoint directors will automatically terminate upon the completion of this offering, except for Huang River Investment Limited's right to appoint one director, which will survive the completion of this offering until the earlier of March 10, 2017 and the date on which Huang River Investment Limited holds less than 75% of the aggregate of the number of shares it acquired in March 2014 plus the shares acquired concurrently with this offering.

Under this shareholders agreement, our major shareholders, subject to certain conditions, have a right of first refusal with respect to any issuance of new shares by us, excluding the issuance of securities in connection with this offering and under our 2013 share incentive plan. In addition, we and certain of our major shareholders have a right of first refusal with respect to any transfer of our shares by our shareholders other than Fortune Rising Holdings Limited, and certain of our major shareholders also have a tag-along right with respect to any share transfer. We have also granted certain registration rights to our shareholders other than Max Smart Limited, Mr. Richard Qiangdong Liu and his associates as defined in the agreement. See "Description of Share Capital—Registration Rights." Except for the registration rights and Huang River Investment Limited's right to appoint one director, all the rights summarized above will automatically terminate upon the completion of this offering.

Pursuant to an agreement we entered into with our shareholders in February 2012 and the letter agreements we entered into with our other shareholders subsequently, our shareholders agreed and undertook to vote in favor of a new memorandum and articles of association immediately prior to the completion of this offering to adopt a dual class voting structure. It is agreed that the shares held by Max Smart Limited, Fortune Rising Holdings Limited, Mr. Richard Qiangdong Liu and any of their affiliates may be re-designated as Class B ordinary shares on a one-for-one basis and have twenty votes per share, while all the other ordinary shares may be re-designated as Class A ordinary shares on a one-for-one basis and have one vote per share, and all the preferred shares will be convertible into and then re-designated as Class A ordinary shares based on the then-applicable conversion ratio.

Loan to Jiangsu Suqian Network Co., Ltd.

In 2010, we loaned RMB1.5 million to Jiangsu Suqian Network Co., Ltd., a company controlled by a relative of Mr. Richard Qiangdong Liu, our founder, chairman and chief executive officer, to fund certain of its activities that were for our benefit. The loan was repaid in 2012, and no amount was outstanding as of December 31, 2013.

Services Provided to Beijing Haoyaoshi Medicine Co., Ltd.

In 2011, 2012 and 2013, we provided online marketplace services to Beijing Haoyaoshi Medicine Co., Ltd., our equity investee, in the amount of RMB1 million, RMB8 million and RMB8 million (US\$1 million), respectively. We provide online marketplace related services to Beijing Haoyaoshi Medicine Co., Ltd., a merchant of our online marketplace, and collect payments from customers on its behalf. As of December 31, 2011, 2012 and 2013, we had amounts of RMB1 million, RMB5 million and nil, respectively, due to Beijing Haoyaoshi Medicine Co., Ltd. for cash collections on its behalf related to online marketplace services. We disposed of the equity investment in Beijing Haoyaoshi Medicine Co., Ltd. in August 2013.

Employment Agreements and Indemnification Agreements

See "Management—Employment Agreements and Indemnification Agreements."

Share Incentive Plan

See "Management—2013 Share Incentive Plan."

DESCRIPTION OF SHARE CAPITAL

We are a Cayman Islands exempted company with limited liability and our affairs are governed by our memorandum and articles of association, as amended and restated from time to time, and the Companies Law (2013 Revision) of the Cayman Islands, which is referred to as the Companies Law below.

As of the date of this prospectus, the authorized capital of our company is US\$100,000 divided into 5,000,000,000 shares of a nominal or par value of US\$0.00002 each, which consist of 4,435,536,365 ordinary shares with a par value of US\$0.00002 each and 564,463,635 preferred shares with a par value of US\$0.00002 each. Of these preferred shares, 221,360,925 are designated as series A preferred shares, 84,786,405 are designated as series B preferred shares and 258,316,305 are designated as series C preferred shares. Immediately prior to the completion of this offering, (i) our authorized share capital will be US\$2,000,000 divided into 99,000,000,000 Class A ordinary shares with a par value of US\$0.00002 each and 1,000,000,000 Class B ordinary shares with a par value of US\$0.00002 each, (ii) 463,345,349 ordinary shares held by Max Smart Limited (including the 93,780,970 ordinary shares we will issue to Max Smart Limited immediately after the listing of our ADSs on [the NYSE/NASDAQ], pursuant to the 93,780,970 restricted share units that were granted to Mr. Richard Qiangdong Liu under our 2013 Plan and became fully vested in March 2014) and 106,850,910 ordinary shares held by Fortune Rising Holdings Limited will be designated as Class B ordinary shares on a one-for-one basis, and (iii) all of the remaining ordinary shares and preferred shares that are issued and outstanding will be designated as Class A ordinary shares on a one-for-one basis.

Our Post-Offering Memorandum and Articles

We have adopted an amended and restated memorandum and articles of association, which will become effective and replace our current amended and restated memorandum and articles of association in its entirety immediately prior to the completion of this offering. The following are summaries of material provisions of the post-offering amended and restated memorandum and articles of association that we expect to adopt and of the Companies Law, insofar as they relate to the material terms of our ordinary shares.

General. All of our outstanding ordinary shares are fully paid and non-assessable. Certificates representing the ordinary shares are issued in registered form. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their ordinary shares. Our company will issue only non-negotiable shares, and will not issue bearer or negotiable shares.

Ordinary Shares. Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of our Class A ordinary shares and Class B ordinary shares will have the same rights except for voting and conversion rights. Our ordinary shares are issued in registered form. Our shareholders who are nonresidents of the Cayman Islands may freely hold and vote their shares.

Conversion. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof. Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon (i) any transfer of Class B ordinary shares or the voting power attached to Class B ordinary shares by a holder thereof to any person or entity that is not an Affiliate (as defined in our post-offering amended and restated memorandum and articles of association) of such holder, or (ii) the transfer of a majority of the issued and outstanding voting securities or the voting power attached to such voting securities or the sale of all or substantially all of the assets of a holder of Class B ordinary shares that is an entity to any person or entity that is not an Affiliate of such holder, such Class B ordinary shares will be automatically and immediately converted into an equal number of Class A ordinary shares. All Class B ordinary shares will be automatically and immediately converted into an equal number of Class A ordinary shares when Mr. Richard Qiangdong Liu ceases to be a director and the chief executive officer of our company, or in some other specified situations.

Dividends. The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors (provided always that dividends may be declared and paid only out of funds legally available therefor, namely out of either profit or our share premium account, and provided further that a dividend may not be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business). Dividends received by each Class B ordinary share and Class A ordinary share in any dividend distribution shall be the same.

Voting Rights. Our Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters submitted to a vote of our shareholders, except as may otherwise be required by law or provided for in our post-offering amended and restated memorandum and articles of association. In respect of matters requiring shareholders' vote, each Class A ordinary share is entitled to one vote, and each Class B ordinary share is entitled to twenty votes. Voting at any shareholders' meeting is by show of hands unless a poll is demanded. A poll may be demanded by the chairman of such meeting or any one or more shareholders who together hold not less than 10% of the votes of the outstanding voting shares in our company present in person or by proxy.

A quorum required for a meeting of shareholders consists of one or more shareholders present and holding shares which represent, in aggregate, not less than one-third of the votes attaching to the issued and outstanding voting shares in our company. Shareholders may be present in person or by proxy or, if the shareholder is a legal entity, by its duly authorized representative. Shareholders' meetings may be convened by our board of directors on its own initiative or upon a request to the directors by shareholders holding shares which represent, in aggregate, no less than one-third of the votes attaching to our voting share capital. Advance notice of at least seven days is required for the convening of our annual general shareholders' meeting and any other general shareholders' meeting.

An ordinary resolution to be passed by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast by those shareholders who are present in person or by proxy at a general meeting. Holders of the ordinary shares may, among other things, divide or combine their shares by ordinary resolution. A special resolution requires the affirmative vote of no less than two-thirds of the votes attaching to the ordinary shares cast by those shareholders who are present in person or by proxy at a general meeting. A special resolution will be required for important matters such as a change of name or making changes to our post-offering amended and restated memorandum and articles of association. Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all the shareholders of our company, as permitted by the Companies Law and our post-offering memorandum and articles of association.

Under our post-offering memorandum and article of association, so long as the total issued and outstanding Class B ordinary shares constitute a majority of our aggregate voting rights and a majority of the total issued and outstanding Class A ordinary shares are held by the persons (exclusive of Max Smart Limited, Fortune Rising Holdings Limited, Mr. Richard Qiangdong Liu and their Affiliates) that were our shareholders immediately prior to the completion of this offering, any amendments to our post-offering memorandum and articles of association and certain related party transactions between Mr. Richard Qiangdong Liu or any of his immediate family members or Affiliates, on one hand, and us on the other hand, require approval by both (i) holders of a majority of the total issued and outstanding Class A ordinary shares (exclusive of Max Smart Limited, Fortune Rising Holdings Limited, Mr. Richard Qiangdong Liu and their Affiliates) and (ii) an ordinary resolution passed by holders of a majority of our aggregate voting rights.

Liquidation. On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of shares), assets available for distribution among the holders of ordinary shares shall be distributed among the holders of our ordinary shares on a pro rata basis. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders proportionately.

Calls on Shares and Forfeiture of Shares. Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their shares. The shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, Repurchase and Surrender of Shares. We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders thereof, on such terms and in such manner as may be determined, before the issue of such shares, by our board of directors or by a special resolution of our shareholders. Our company may also repurchase any of our shares provided that the manner and terms of such purchase have been approved by our board of directors or by ordinary resolution of our shareholders, or are otherwise authorized by our memorandum and articles of association. Under the Companies Law, the redemption or repurchase of any share may be paid out of our company's profits or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if our company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Law no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares outstanding, or (c) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

Variations of Rights of Shares. The rights attached to any class or series of shares (unless otherwise provided by the terms of issue of the shares of that class or series), whether or not our company is being wound-up, may be varied with the consent in writing of the holders of a majority of the issued shares of that class or series or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the class or series.

Anti-Takeover Provisions. Some provisions of our post-offering memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including provisions that:

- authorize our board of directors to issue preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by our shareholders; and
- limit the ability of shareholders to requisition and convene general meetings of shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our post-offering memorandum and articles of association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

General Meetings of Shareholders and Shareholder Proposals. Our shareholders' general meetings may be held in such place within or outside the Cayman Islands as our board of directors considers appropriate.

As a Cayman Islands exempted company, we are not obliged by the Companies Law to call shareholders' annual general meetings. Our post-offering memorandum and articles of association provide that we may (but are not obliged to) in each year hold a general meeting as our annual general meeting.

Shareholders' annual general meetings and any other general meetings of our shareholders may be convened by a majority of our board of directors or our chairman. Our board of directors shall give not less than seven days' written notice of a shareholders' meeting to those persons whose names appear as members in our register of members on the date the notice is given (or on any other date determined by our directors to be the record date for such meeting) and who are entitled to vote at the meeting.

Cayman Islands law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our post-offering memorandum and articles of association allow our shareholders holding shares representing in aggregate not less than one-third of the votes attaching to the issued and outstanding shares of our company entitled to vote at general meetings, to requisition an extraordinary general meeting of our shareholders, in which case our directors are obliged to call such meeting and to put the resolutions so requisitioned to a vote at such meeting; however, our post-offering memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

Limitations on the Right to Own Shares. There are no limitations on the right to own our shares.

Transfer of Shares. Any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors.

However, our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which our company has a lien. Our board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is properly stamped, if required;
- the ordinary shares transferred are free of any lien in favor of us;
- any fee related to the transfer has been paid to us; and
- in the case of a transfer to joint holders, the transfer is not to more than four joint holders.

If our directors refuse to register a transfer they are required, within three months after the date on which the instrument of transfer was lodged, to send to each of the transferor and the transferee notice of such refusal.

Directors' Power to Issue Shares. Our post-offering memorandum and articles of association authorize our board of directors to issue additional ordinary shares from time to time as our board of directors shall determine, to the extent of available authorized but unissued shares.

Our post-offering memorandum and articles of association also authorize our board of directors to establish from time to time one or more series of preference shares and to determine, with respect to any series of preference shares, the terms and rights of that series, including:

- the designation of the series;
- the number of shares of the series;
- the dividend rights, dividend rates, conversion rights, voting rights; and
- the rights and terms of redemption and liquidation preferences.

Our board of directors may issue preference shares without action by our shareholders to the extent authorized but unissued. Issuance of these shares may dilute the voting power of holders of ordinary shares.

Exempted Company. We are an exempted company with limited liability under the Companies Law of the Cayman Islands. The Companies Law in the Cayman Islands distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except for the exemptions and privileges listed below:

- an exempted company does not have to file an annual return of its shareholders with the Registrar of Companies;
- an exempted company's register of members is not required to be open to inspection;
- an exempted company does not have to hold an annual general meeting;
- an exempted company may issue no par value, negotiable or bearer shares;
- an exempted company may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- an exempted company may register as a limited duration company; and
- an exempted company may register as a segregated portfolio company.

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on that shareholder's shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil). Upon the closing of this offering, we will be subject to reporting and other informational requirements of the Exchange Act, as applicable to foreign private issuers. Except as otherwise disclosed in this prospectus, we currently intend to comply with the _____ rules in lieu of following home country practice after the closing of this offering.

Register of Members. Under the Companies Law, we must keep a register of members and there should be entered therein:

- the names and addresses of our members, a statement of the shares held by each member, and of the amount paid or agreed to be considered as paid, on the shares of each member;
- the date on which the name of any person was entered on the register as a member; and
- the date on which any person ceased to be a member.

Under Cayman Islands law, the register of members of our company is prima facie evidence of the matters set out therein (i.e. the register of members will raise a presumption of fact on the matters referred to above unless rebutted) and a member registered in the register of members is deemed as a matter of Cayman Islands law to have legal title to the shares as set against its name in the register of members. Upon the completion of this offering, the register of members will be immediately updated to record and give effect to the issue of shares by us to the depository (or its nominee) as the depository. Once our register of members has been updated, the shareholders recorded in the register of members will be deemed to have legal title to the shares set against their name.

If the name of any person is incorrectly entered in or omitted from our register of members, or if there is any default or unnecessary delay in entering on the register the fact of any person having ceased to be a member of our company, the person or member aggrieved (or any member of our company or our company itself) may apply to the Grand Court of the Cayman Islands for an order that the register be rectified, and the Court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

Differences in Corporate Law

The Companies Law is derived, to a large extent, from the older Companies Acts of England but does not follow recent United Kingdom statutory enactments, and accordingly there are significant differences between the Companies Law and the current Companies Act of England. In addition, the Companies Law differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Law applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements. The Companies Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company and (b) a "consolidation" means the combination of two or more constituent companies into a combined company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

In addition, there are statutory provisions that facilitate the reconstruction and amalgamation of companies, provided that the arrangement is approved by a majority in number of each class of shareholders or creditors (representing 75% by value) with whom the arrangement is to be made and who must, in addition, represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Law.

When a takeover offer is made and accepted by holders of 90% of the shares affected within four months, the offeror may, within a two-month period commencing on the expiration of such four month period, require the holders of the remaining shares to transfer such shares on the terms of the

offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction is thus approved, the dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits. In principle, we will normally be the proper plaintiff and as a general rule a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands court can be expected to apply and follow the common law principles (namely the rule in *Foss v. Harbottle* and the exceptions thereto) which permit a minority shareholder to commence a class action against, or derivative actions in the name of, a company to challenge the following:

- an acts which is illegal or ultra vires;
- an act which, although not ultra vires, could only be effected duly if authorized by a special or qualified majority vote that has not been obtained; and
- an act which constitutes a fraud on the minority where the wrongdoers are themselves in control of the company.

Indemnification of Directors and Executive Officers and Limitation of Liability. Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our post-offering memorandum and articles of association provide that our directors and officers shall be indemnified against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such director or officer, other than by reason of such person's own dishonesty, willful default or fraud, in or about the conduct of our company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such director or officer in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation. In addition, we intend to enter into indemnification agreements with our directors and executive officers that will provide such persons with additional indemnification beyond that provided in our post-offering memorandum and articles of association.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors' Fiduciary Duties. Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director act in a manner he or she reasonably believes to be in the best interests of the corporation. He or she must not use his or her corporate position for personal gain or advantage. This duty prohibits self-dealing by a director

and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, a director must prove the procedural fairness of the transaction and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore he owes the following duties to the company: a duty to act in good faith in the best interests of the company, a duty not to make a personal profit based on his or her position as director (unless the company permits him to do so), a duty not to put himself in a position where the interests of the company conflict with his or her personal interest or his or her duty to a third party and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

Shareholder Proposals. Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

Cayman Islands law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our post-offering memorandum and articles of association allow our shareholders holding shares representing in aggregate not less than one-third of the votes attaching to the issued and outstanding shares of our company entitled to vote at general meetings, to requisition an extraordinary general meeting of the shareholders, in which case our directors are obliged to call such meeting and to put the resolutions so requisitioned to a vote at such meeting; however, our post-offering memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

Cumulative Voting. Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. Cayman Islands law does not prohibit cumulative voting, but our post-offering memorandum and articles of association do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors. Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our post-offering memorandum and articles of association, directors may be removed by ordinary resolution of our shareholders.

Transactions with Interested Shareholders. The Delaware General Corporation Law contains a business combination statute applicable to Delaware public corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation or bylaws that is approved by its shareholders, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting stock or who or which is an affiliate or associate of the corporation and owned 15% or more of the corporation's outstanding voting stock within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that such transactions must be entered into bona fide in the best interests of the company and for a proper corporate purpose and not with the effect of constituting a fraud on the minority shareholders.

Dissolution; Winding Up. Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board.

Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Variation of Rights of Shares. Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under Cayman Islands law and our articles of association, if our share capital is divided into more than one class of shares, we may vary the rights attached to any class only with the written consent of the holders of a majority of the issued shares of that class or with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class.

Amendment of Governing Documents. Under the Delaware General Corporation Law, a corporation's certificate of incorporation may be amended only if adopted and declared advisable by the board of directors and approved by a majority of the outstanding shares entitled to vote and the bylaws may be amended with the approval of a majority of the outstanding shares entitled to vote and may, if so provided in the certificate of incorporation, also be amended by the board of directors. Under the Companies Law, our memorandum and articles of association may only be amended by special resolution of our shareholders.

Rights of Non-Resident or Foreign Shareholders. There are no limitations imposed by our post-offering memorandum and articles of association on the rights of non-resident or foreign

shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our post-offering memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

Inspection of Books and Records

Holders of our ordinary shares have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records. However, we intend to provide our shareholders with annual audited financial statements. See "Where You Can Find Additional Information."

History of Securities Issuances

The following is a summary of our securities issuances in the past three years.

Ordinary Shares. In April 2011, we issued and sold a total of 94,295,585 ordinary shares to DST Global funds for an aggregate consideration of approximately US\$314 million.

In June 2011, we issued and sold a total of 59,360,990 ordinary shares to DST Global funds for an aggregate purchase price of approximately US\$200 million, and concurrently we issued and sold a total of 63,890,895 ordinary shares to DST Global funds for an aggregate purchase price of approximately US\$232 million.

In June 2011, we issued and sold a total of 59,099,095 ordinary shares, including 39,821,655 ordinary shares to the Sequoia funds, which consist of Sequoia Capital 2010 CGF HoldCo., Ltd. and SC China Co-Investment 2011-A, L.P., and 19,277,440 ordinary shares to the Insight funds, which consist of Insight Venture Partners VII, L.P., Insight Venture Partners VII (Co-Investors), L.P., Insight Venture Partners (Cayman) VII, L.P. and Insight Venture Partners (Cayman) VII, L.P., for an aggregate consideration of approximately US\$215 million.

In February 2012, we issued a total of 83,952,800 ordinary shares to a fund affiliated with HHGL 360Buy Holdings, Ltd., upon its exercise of the warrants, which were granted to it in September 2010, and payment of an aggregate exercise price of approximately US\$65 million.

In November 2012, we issued and sold a total of 44,182,531 ordinary shares to Classroom Investments Inc. and 18,935,370 ordinary shares to Tiger Global 360Buy Holdings, for an aggregate consideration of approximately US\$250 million.

In February 2013, we issued and sold a total of 100,988,642 ordinary shares to Kingdom 5-KR-232, Ltd., Kingdom 5-KR-225, Ltd., Supreme Universal Holdings Ltd. and Goldstone Capital Ltd. for an aggregate consideration of approximately US\$400 million. Concurrently, we issued and sold 8,196,995 ordinary shares to DST Global funds for a purchase price of approximately US\$32 million.

In February 2013, we issued a total of 9,960,005 ordinary shares at par value to Fortune Rising Holdings Limited, which holds such ordinary shares for future awards to our employees as part of our Original Plans.

In March 2014, we issued a total of 351,678,637 ordinary shares to Huang River Investment Limited, a wholly-owned subsidiary of Tencent, in connection with our acquisition of 100% interests in Tencent's QQ Wanggou B2C and PaiPai C2C marketplace businesses, a minority stake in Shanghai Icson, logistics personnel and certain other assets and a strategic cooperation agreement that Tencent has entered into with us.

Restricted Shares, Restricted Share Units and Options. In 2011 and 2012, we granted an aggregate of 6,878,360 restricted share units and 33,965,411 restricted share units, respectively, to our employees and certain consultants. In 2013, we granted an aggregate of 15,183,405 restricted share units and options to purchase an aggregate of 3,048,750 ordinary shares to our employees and certain

consultants. In December 2013, certain of our employees elected to exchange an aggregate of 7,954,526 restricted share units which had been previously granted to them for options to purchase an aggregate of 23,863,578 ordinary shares.

In March 2014, we granted 93,780,970 immediately vested restricted share units to Mr. Richard Qiangdong Liu, our founder, chairman and chief executive officer, pursuant to which we will issue 93,780,970 ordinary shares to Max Smart Limited, a British Virgin Islands company wholly owned by Mr. Richard Qiangdong Liu, immediately after the listing of our ADSs on [the NYSE/NASDAQ].

Share Split. On April 18, 2012, we effected a 5-for-1 share split whereby all of our 259,084,486 ordinary shares, par value US\$0.0001 each, that were issued and outstanding at the time were converted into 1,295,422,430 ordinary shares, par value US\$0.00002 each; all of our 38,378,800 series A preferred shares, par value US\$0.0001 each, that were issued and outstanding at the time were converted into 191,894,000 series A preferred shares, par value US\$0.00002 each; all of our 16,957,281 series B preferred shares, par value US\$0.0001 each, that were issued and outstanding at the time were converted into 84,786,405 series B preferred shares, par value US\$0.00002 each; and all of our 51,663,261 series C preferred shares, par value US\$0.0001 each, that were issued and outstanding at the time were converted into 258,316,305 series C preferred shares, par value US\$0.00002 each. As a result of the share split, the number of our total authorized shares was increased from 500,000,000 to 2,500,000,000 on April 18, 2012. The number of our authorized ordinary shares was increased from 387,107,273 to 1,935,536,365, the number of our authorized series A preferred shares was increased from 44,272,185 to 221,360,925, the number of our authorized series B preferred shares was increased from 16,957,281 to 84,786,405 and the number of our authorized series C preferred shares was increased from 51,663,261 to 258,316,305. The share split has been retroactively reflected for all periods presented herein. In January 2013, the number of our total authorized shares was further increased to 3,000,000,000, and the number of our authorized ordinary shares was further increased to 2,435,536,365. In March 2014, the number of our total authorized shares was further increased to 5,000,000,000, and the number of our authorized ordinary shares was further increased to 4,435,536,365.

Registration Rights

Pursuant to our thirteenth amended and restated shareholders agreement, we have granted certain registration rights to holders of our registrable securities, which include our ordinary shares issued or issuable pursuant to conversion of our preferred shares, except those held by Mr. Richard Qiangdong Liu, Max Smart Limited and Mr. Richard Qiangdong Liu's associate as defined in the agreement. Set forth below is a description of the registration rights granted under the agreement.

Demand Registration Rights. At any time after six months following the completion of this offering, holders of at least 15% of our outstanding registrable securities have the right to demand that we file a registration statement covering the registration of more than 10% of the total registrable securities then outstanding or the registration of the registrable securities with anticipated aggregate gross proceeds in excess of US\$20 million. We, however, are not obligated to effect a demand registration if we have already effected a registration within six months preceding the date of such request or if we have effected three demand registrations. We have the right to defer filing of a registration statement for a period of not more than 90 days after the receipt of the request of the initiating holders if our board of directors determines in good faith that filing of a registration will be materially detrimental to us and our shareholders, but we cannot exercise the deferral right more than once in any 12-month period and cannot register any securities during such 12-month period. Further, if the registrable securities are offered by means of an underwriting and the underwriter advises us in writing that marketing factors require a limitation of the number of securities to be underwritten, a maximum of 75% of such registrable securities may be reduced as required by the underwriters and the number of the registrable securities will be allocated among the holders on a pro rata basis according to the number of registrable securities then outstanding held by each holder requesting registration,

provided that in no event may any registrable securities be excluded from such underwriting unless all other securities are first excluded.

Piggyback Registration Rights. If we propose to file a registration statement for a public offering of our securities other than relating to any employee benefit plan or a corporate reorganization, we must offer holders of our registrable securities an opportunity to include in the registration all or any part of their registrable securities. If the managing underwriters of any underwritten offering determine in good faith that marketing factors require a limitation of the number of shares to be underwritten, the managing underwriters may decide to exclude shares from the registration and the underwriting and to allocate the number of securities first to us and second to each of holders requesting for the inclusion of their registrable securities on a pro rata basis based on the total number of registrable securities held by each such holder and third, to holders of other securities of our company, provided that (1) in no event may any registrable securities be excluded from such offering unless all other securities are first excluded, and (2) in no event may the amount of securities of selling holders of registrable securities be reduced below 25% of the aggregate number of registrable securities requested to be included in such offering.

Form F-3 Registration Rights. Holders of at least 15% of our outstanding registrable securities have the right to request that we effect registration statements on Form F-3 at any time after our initial public offering. We, however, are not obligated to effect such registration if, among other things, (1) Form F-3 is not available for such offering by the holders of registrable securities, (2) the aggregate anticipated price of such offering is less than US\$5 million, (3) we have effected a registration within the six-month period preceding the date of such request for Form F-3 registration and (4) we have effected at least three Form F-3 registrations in any 12-month period. We have the right to defer filing of a Form F-3 registration statement for a period of not more than 90 days after the receipt of the request of relevant holders if our board of directors determines in good faith that filing of such registration will be materially detrimental to us and our shareholders, but we cannot exercise the deferral right more than once in any 12-month period and cannot register any other securities during such 90-day period.

Expenses of Registration. We will bear all registration expenses, other than underwriting discounts and selling commissions incurred in connection with any demand, piggyback or F-3 registration, except each holder that exercised its demand, piggyback or F-3 registration rights will bear such holder's proportionate share (based on the total number of shares sold in such registration other than for our account) of all underwriting discounts and selling commissions or other amounts payable to underwriters or brokers. We are also not required to pay for any expenses of any registration proceeding begun in response to holders' exercise of their demand registration rights if the registration request is subsequently withdrawn at the request of the holders of a majority of the registrable securities to be registered, subject to a few exceptions.

Termination of Obligations. We have no obligation to effect any demand, piggyback or Form F-3 registration upon the earlier of (i) the second anniversary after the completion of this offering; and (ii) as to any registrable security holder, at such time as all registrable securities owned by such holder may be sold in any 90-day period without registration pursuant to Rule 144 under the Securities Act, except that Huang River Investment Limited has the right to demand on one occasion registration of its shares during the two-year period following March 10, 2017.

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

American Depositary Receipts

, as depositary will issue the ADSs which you will be entitled to receive in this offering. Each ADS will represent an ownership interest in Class A ordinary shares which we will deposit with the custodian, as agent of the depositary, under the deposit agreement among ourselves, the depositary and yourself as an ADR holder. In the future, each ADS will also represent any securities, cash or other property deposited with the depositary but which they have not distributed directly to you. Unless specifically requested by you, all ADSs will be issued on the books of our depositary in book-entry form and periodic statements will be mailed to you which reflect your ownership interest in such ADSs. In our description, references to American depositary receipts or ADRs shall include the statements you will receive which reflect your ownership of ADSs.

The depositary's office is located at .

You may hold ADSs either directly or indirectly through your broker or other financial institution. If you hold ADSs directly, by having an ADS registered in your name on the books of the depositary, you are an ADR holder. This description assumes you hold your ADSs directly. If you hold the ADSs through your broker or financial institution nominee, you must rely on the procedures of such broker or financial institution to assert the rights of an ADR holder described in this section. You should consult with your broker or financial institution to find out what those procedures are.

As an ADR holder, we will not treat you as a shareholder of ours and you will not have any shareholder rights. Cayman Islands law governs shareholder rights. Because the depositary or its nominee will be the shareholder of record for the shares represented by all outstanding ADSs, shareholder rights rest with such record holder. Your rights are those of an ADR holder. Such rights derive from the terms of the deposit agreement to be entered into among us, the depositary and all registered holders from time to time of ADSs issued under the deposit agreement. The obligations of the depositary and its agents are also set out in the deposit agreement. Because the depositary or its nominee will actually be the registered owner of the shares, you must rely on it to exercise the rights of a shareholder on your behalf. The deposit agreement and the ADSs are governed by New York law.

The following is a summary of what we believe to be the material terms of the deposit agreement. Notwithstanding this, because it is a summary, it may not contain all the information that you may otherwise deem important. For more complete information, you should read the entire deposit agreement and the form of ADR which contains the terms of your ADSs. You can read a copy of the deposit agreement which is filed as an exhibit to the registration statement of which this prospectus forms apart. You may also obtain a copy of the deposit agreement at the SEC's Public Reference Room which is located at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-732-0330. You may also find the registration statement and the attached deposit agreement on the SEC's website at <http://www.sec.gov>.

Share Dividends and Other Distributions

How will I receive dividends and other distributions on the shares underlying my ADSs?

We may make various types of distributions with respect to our securities. The depositary has agreed that, to the extent practicable, it will pay to you the cash dividends or other distributions it or the custodian receives on shares or other deposited securities, after converting any cash received into U.S. dollars and, in all cases, making any necessary deductions provided for in the deposit agreement. You will receive these distributions in proportion to the number of underlying securities that your ADSs represent.

Except as stated below, the depositary will deliver such distributions to ADR holders in proportion to their interests in the following manner:

- *Cash.* The depositary will distribute any U.S. dollars available to it resulting from a cash dividend or other cash distribution or the net proceeds of sales of any other distribution or portion thereof (to the extent applicable), on an averaged or other practicable basis, subject to (i) appropriate adjustments for taxes withheld, (ii) such distribution being impermissible or impracticable with respect to certain registered ADR holders, and (iii) deduction of the depositary's expenses in (1) converting any foreign currency to U.S. dollars to the extent that it determines that such conversion may be made on a reasonable basis, (2) transferring foreign currency or U.S. dollars to the United States by such means as the depositary may determine to the extent that it determines that such transfer may be made on a reasonable basis, (3) obtaining any approval or license of any governmental authority required for such conversion or transfer, which is obtainable at a reasonable cost and within a reasonable time and (4) making any sale by public or private means in any commercially reasonable manner. The depositary will hold any cash amounts it is unable to distribute in a non-interest-bearing account for the benefit of the applicable holders and beneficial owners of ADSs until the distribution can be effected or the funds that the depositary holds must be escheated as unclaimed property in accordance with the laws of the relevant states of the United States. *If exchange rates fluctuate during a time when the depositary cannot convert a foreign currency, you may lose some or all of the value of the distribution.*
- *Shares.* In the case of a distribution in shares, the depositary will issue additional ADRs to evidence the number of ADSs representing such shares. Only whole ADSs will be issued. Any shares which would result in fractional ADSs will be sold and the net proceeds will be distributed in the same manner as cash to the ADR holders entitled thereto.
- *Rights to Receive Additional Shares.* In the case of a distribution of rights to subscribe for additional shares or other rights, if we provide evidence satisfactory to the depositary that it may lawfully distribute such rights, the depositary will distribute warrants or other instruments in the discretion of the depositary representing such rights. However, if we do not furnish such evidence, the depositary may:
 - sell such rights if practicable and distribute the net proceeds in the same manner as cash to the ADR holders entitled thereto; or
 - if it is not practicable to sell such rights, do nothing and allow such rights to lapse, in which case ADR holders will receive nothing.

We have no obligation to file a registration statement under the Securities Act in order to make any rights available to ADR holders.

- *Other Distributions.* In the case of a distribution of securities or property other than those described above, the depositary may either (i) distribute such securities or property in any manner it deems equitable and practicable or (ii) to the extent the depositary deems distribution of such securities or property not to be equitable and practicable, sell such securities or property and distribute any net proceeds in the same way it distributes cash.

If the depositary determines that any distribution described above is not practicable with respect to any specific registered ADR holder, the depositary may choose any method of distribution that it deems practicable for such ADR holder, including the distribution of foreign currency, securities or property, or it may retain such items, without paying interest on or investing them, on behalf of the ADR holder as deposited securities, in which case the ADSs will also represent the retained items.

Any U.S. dollars will be distributed by checks drawn on a bank in the United States for whole dollars and cents. Fractional cents will be withheld without liability and dealt with by the depositary in accordance with its then current practices.

The depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADR holders.

We cannot assure you that the depositary will be able to convert any currency at a specified exchange rate or sell any property, rights, shares or other securities at a specified price, nor that any of such transactions can be completed within a specified time period.

Deposit, Withdrawal and Cancellation

How does the depositary issue ADSs?

The depositary will issue ADSs if you or your broker deposit shares or evidence of rights to receive shares with the custodian and pay the fees and expenses owing to the depositary in connection with such issuance. In the case of the ADSs to be issued under this prospectus, we will arrange with the underwriters named herein to deposit such shares.

Shares deposited in the future with the custodian must be accompanied by certain delivery documentation and shall, at the time of such deposit, be registered in the name of _____, as depositary for the benefit of holders of ADRs or in such other name as the depositary shall direct.

The custodian will hold all deposited shares (including those being deposited by or on our behalf in connection with the offering to which this prospectus relates) for the account of the depositary. ADR holders thus have no direct ownership interest in the shares and only have such rights as are contained in the deposit agreement. The custodian will also hold any additional securities, property and cash received on or in substitution for the deposited shares. The deposited shares and any such additional items are referred to as "deposited securities".

Upon each deposit of shares, receipt of related delivery documentation and compliance with the other provisions of the deposit agreement, including the payment of the fees and charges of the depositary and any taxes or other fees or charges owing, the depositary will issue an ADR or ADRs in the name or upon the order of the person entitled thereto evidencing the number of ADSs to which such person is entitled. All of the ADSs issued will, unless specifically requested to the contrary, be part of the depositary's direct registration system, and a registered holder will receive periodic statements from the depositary which will show the number of ADSs registered in such holder's name. An ADR holder can request that the ADSs not be held through the depositary's direct registration system and that a certificated ADR be issued.

How do ADR holders cancel an ADS and obtain deposited securities?

When you turn in your ADR certificate at the depositary's office, or when you provide proper instructions and documentation in the case of direct registration ADSs, the depositary will, upon payment of certain applicable fees, charges and taxes, deliver the underlying shares to you or upon your written order. At your risk, expense and request, the depositary may deliver deposited securities at such other place as you may request.

The depositary may only restrict the withdrawal of deposited securities in connection with:

- temporary delays caused by closing our transfer books or those of the depositary or the deposit of shares in connection with voting at a shareholders' meeting, or the payment of dividends;
- the payment of fees, taxes and similar charges; or

- compliance with any U.S. or foreign laws or governmental regulations relating to the ADRs or to the withdrawal of deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

Record Dates

The depositary may, after consultation with us if practicable, fix record dates for the determination of the registered ADR holders who will be entitled (or obligated, as the case may be):

- to receive any distribution on or in respect of shares,
- to give instructions for the exercise of voting rights at a meeting of holders of shares,
- to pay the fee assessed by the depositary for administration of the ADR program and for any expenses as provided for in the ADR, or
- to receive any notice or to act in respect of other matters

all subject to the provisions of the deposit agreement.

Voting Rights

How do I vote?

If you are an ADR holder and the depositary asks you to provide it with voting instructions, you may instruct the depositary how to exercise the voting rights for the shares which underlie your ADSs. As soon as practicable after receiving notice of any meeting or solicitation of consents or proxies from us, the depositary will distribute to the registered ADR holders a notice stating such information as is contained in the voting materials received by the depositary and describing how you may instruct the depositary to exercise the voting rights for the shares which underlie your ADSs. For instructions to be valid, the depositary must receive them in the manner and on or before the date specified. No voting instructions may be deemed given to the depositary to give a discretionary proxy to a person designated by us if no instructions are received by the depositary from you on or before the response date established by the depositary. The depositary will try, as far as is practical, subject to the provisions of and governing the underlying shares or other deposited securities, to vote or to have its agents vote the shares or other deposited securities as you instruct. The depositary will only vote or attempt to vote as you instruct. The depositary will not itself exercise any voting discretion. Furthermore, neither the depositary nor its agents are responsible for any failure to carry out any voting instructions, for the manner in which any vote is cast or for the effect of any vote. Notwithstanding anything contained in the deposit agreement or any ADR, the depositary may, to the extent not prohibited by law or regulations, or by the requirements of the stock exchange on which the ADSs are listed, in lieu of distribution of the materials provided to the depositary in connection with any meeting of, or solicitation of consents or proxies from, holders of deposited securities, distribute to the registered holders of ADRs a notice that provides such holders with, or otherwise publicizes to such holders, instructions on how to retrieve such materials or receive such materials upon request (i.e., by reference to a website containing the materials for retrieval or a contact for requesting copies of the materials).

Under our constituent documents the depositary would be able to provide us with voting instructions without having to personally attend meetings in person or by proxy. Such voting instructions may be provided to us via facsimile, email, mail, courier or other recognized form of delivery and we agree to accept any such delivery so long as it is timely received prior to the meeting. We will endeavor to provide the depositary with written notice of each meeting of shareholders promptly after determining the date of such meeting so as to enable it to solicit and receive voting instructions. In general, the depositary will require that voting instructions be received by the depositary no less than five business days prior to the date of each meeting of shareholders. Under the post-offering memorandum and articles of association that will become effective immediately prior to the completion of this offering, the minimum notice period required to convene a general meeting is seven days. The depositary may not have sufficient time to solicit voting instructions, and it is possible that you, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote.

Notwithstanding the above, we have advised the depositary that under the Cayman Islands law and our constituent documents, each as in effect as of the date of the deposit agreement, voting at any meeting of shareholders is by show of hands unless a poll is (before or on the declaration of the results of the show of hands) demanded. In the event that voting on any resolution or matter is conducted on a show of hands basis in accordance with our constituent documents, the depositary will refrain from voting and the voting instructions (or the deemed voting instructions, as set out above) received by the depositary from holders shall lapse. The depositary will not demand a poll or join in demanding a poll, whether or not requested to do so by holders of ADSs.

There is no guarantee that you will receive voting materials in time to instruct the depositary to vote and it is possible that you, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote.

Reports and Other Communications

Will ADR holders be able to view our reports?

The depositary will make available for inspection by ADR holders at the offices of the depositary and the custodian the deposit agreement, the provisions of or governing deposited securities, and any written communications from us which are both received by the custodian or its nominee as a holder of deposited securities and made generally available to the holders of deposited securities.

Additionally, if we make any written communications generally available to holders of our shares, and we furnish copies thereof (or English translations or summaries) to the depositary, it will distribute the same to registered ADR holders.

Fees and Expenses

What fees and expenses will I be responsible for paying?

The depositary may charge each person to whom ADSs are issued, including, without limitation, issuances against deposits of shares, issuances in respect of share distributions, rights and other distributions, issuances pursuant to a stock dividend or stock split declared by us or issuances pursuant to a merger, exchange of securities or any other transaction or event affecting the ADSs or deposited securities, and each person surrendering ADSs for withdrawal of deposited securities or whose ADRs are cancelled or reduced for any other reason, US\$5.00 for each 100 ADSs (or any portion thereof) issued, delivered, reduced, cancelled or surrendered, as the case may be. The depositary may sell (by public or private sale) sufficient securities and property received in respect of a share distribution, rights and/or other distribution prior to such deposit to pay such charge.

The following additional charges shall be incurred by the ADR holders, by any party depositing or withdrawing shares or by any party surrendering ADSs or to whom ADSs are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by us or an exchange of stock regarding the ADRs or the deposited securities or a distribution of ADSs), whichever is applicable:

- a fee of US\$ per ADR or ADRs for transfers of certificated or direct registration ADRs;
- a fee of up to US\$ per ADS for any cash distribution made pursuant to the deposit agreement;
- a fee of up to US\$ per ADS per calendar year (or portion thereof) for services performed by the depositary in administering the ADRs (which fee may be charged on a periodic basis during each calendar year and shall be assessed against holders of ADRs as of the record date or record dates set by the depositary during each calendar year and shall be payable in the manner described in the next succeeding provision);
- reimbursement of such fees, charges and expenses as are incurred by the depositary and/or any of the depositary's agents (including, without limitation, the custodian and expenses incurred on behalf of holders in connection with compliance with foreign exchange control regulations or any law or regulation relating to foreign investment) in connection with the servicing of the shares or other deposited securities, the delivery of deposited securities or otherwise in connection with the depositary's or its custodian's compliance with applicable law, rule or regulation (which charge shall be assessed on a proportionate basis against holders as of the record date or dates set by the depositary and shall be payable at the sole discretion of the depositary by billing such holders or by deducting such charge from one or more cash dividends or other cash distributions);
- a fee for the distribution of securities (or the sale of securities in connection with a distribution), such fee being in an amount equal to the fee for the execution and delivery of ADSs which would have been charged as a result of the deposit of such securities (treating all such securities as if they were shares and there would be a fee of five cents per ADS outstanding);
- stock transfer or other taxes and other governmental charges;
- cable, telex and facsimile transmission and delivery charges incurred at your request in connection with the deposit or delivery of shares;
- transfer or registration fees for the registration of transfer of deposited securities on any applicable register in connection with the deposit or withdrawal of deposited securities; and
- expenses of the depositary in connection with the conversion of foreign currency into U.S. dollars.

We will pay all other charges and expenses of the depositary and any agent of the depositary (except the custodian) pursuant to agreements from time to time between us and the depositary. The charges described above may be amended from time to time by agreement between us and the depositary.

Our depositary has agreed to reimburse us for certain expenses we incur that are related to establishment and maintenance of the ADR program, including investor relations expenses and exchange application and listing fees. Neither the depositary nor we can determine the exact amount to be made available to us because (i) the number of ADSs that will be issued and outstanding, (ii) the level of fees to be charged to holders of ADSs and (iii) our reimbursable expenses related to the ADR

program are not known at this time. The depositary collects its fees for issuance and cancellation of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions, or by directly billing investors, or by charging the book-entry system accounts of participants acting for them. The depositary will generally set off the amounts owing from distributions made to holders of ADSs. If, however, no distribution exists and payment owing is not timely received by the depositary, the depositary may refuse to provide any further services to holders that have not paid those fees and expenses owing until such fees and expenses have been paid. At the discretion of the depositary, all fees and charges owing under the deposit agreement are due in advance and/or when declared owing by the depositary.

Payment of Taxes

ADR holders must pay any tax or other governmental charge payable by the custodian or the depositary on any ADS or ADR, deposited security or distribution. If an ADR holder owes any tax or other governmental charge, the depositary may (i) deduct the amount thereof from any cash distributions, or (ii) sell deposited securities (by public or private sale) and deduct the amount owing from the net proceeds of such sale. In either case the ADR holder remains liable for any shortfall. Additionally, if any taxes or other governmental charges (including any penalties and/or interest) shall become payable by or on behalf of the custodian or the depositary with respect to any ADR, any deposited securities represented by the ADSs evidenced thereby or any distribution thereon, including, without limitation, any Chinese Enterprise Income Tax owing if the Circular Guoshuifa [2009] No. 82 issued by the Chinese State Administration of Taxation or any other circular, edict, order or ruling, as issued and as from time to time amended, is applied or otherwise, such tax or other governmental charge shall be paid by the holder thereof to the depositary, and by holding or having held an ADR the holder and all prior holders thereof, jointly and severally, agree to indemnify, defend and save harmless each of the depositary and its agents in respect thereof. If any tax or governmental charge is unpaid, the depositary may also refuse to effect any registration, registration of transfer, split-up or combination of deposited securities or withdrawal of deposited securities until such payment is made. If any tax or governmental charge is required to be withheld on any cash distribution, the depositary may deduct the amount required to be withheld from any cash distribution or, in the case of a non-cash distribution, sell the distributed property or securities (by public or private sale) to pay such taxes and distribute any remaining net proceeds to the ADR holders entitled thereto.

By holding an ADR or an interest therein, you will be agreeing to indemnify us, the depositary, its custodian and any of our or their respective directors, employees, agents and affiliates against, and hold each of them harmless from, any claims by any governmental authority with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced rate of withholding at source or other tax benefit obtained.

Reclassifications, Recapitalizations and Mergers

If we take certain actions that affect the deposited securities, including (i) any change in par value, split-up, consolidation, cancellation or other reclassification of deposited securities or (ii) any distributions not made to holders of ADRs or (iii) any recapitalization, reorganization, merger, consolidation, liquidation, receivership, bankruptcy or sale of all or substantially all of our assets, then the depositary may choose to:

- amend the form of ADR;
- distribute additional or amended ADRs;

- distribute cash, securities or other property it has received in connection with such actions;
- sell any securities or property received and distribute the proceeds as cash; or
- none of the above.

If the depository does not choose any of the above options, any of the cash, securities or other property it receives will constitute part of the deposited securities and each ADS will then represent a proportionate interest in such property.

Amendment and Termination

How may the deposit agreement be amended?

We may agree with the depository to amend the deposit agreement and the ADSs without your consent for any reason. ADR holders must be given at least 30 days notice of any amendment that imposes or increases any fees or charges (other than stock transfer or other taxes and other governmental charges, transfer or registration fees, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or otherwise prejudices any substantial existing right of ADR holders. Such notice need not describe in detail the specific amendments effectuated thereby, but must give ADR holders a means to access the text of such amendment. If an ADR holder continues to hold an ADR or ADRs after being so notified, such ADR holder is deemed to agree to such amendment and to be bound by the deposit agreement as so amended. Notwithstanding the foregoing, if any governmental body or regulatory body should adopt new laws, rules or regulations which would require amendment or supplement of the deposit agreement or the form of ADR to ensure compliance therewith, we and the depository may amend or supplement the deposit agreement and the ADR at any time in accordance with such changed laws, rules or regulations, which amendment or supplement may take effect before a notice is given or within any other period of time as required for compliance. No amendment, however, will impair your right to surrender your ADSs and receive the underlying securities, except in order to comply with mandatory provisions of applicable law.

How may the deposit agreement be terminated?

The depository may, and shall at our written direction, terminate the deposit agreement and the ADRs by mailing notice of such termination to the registered holders of ADRs at least 30 days prior to the date fixed in such notice for such termination; provided, however, if the depository shall have (i) resigned as depository under the deposit agreement, notice of such termination by the depository shall not be provided to registered holders unless a successor depository shall not be operating under the deposit agreement within 45 days of the date of such resignation, and (ii) been removed as depository under the deposit agreement, notice of such termination by the depository shall not be provided to registered holders of ADRs unless a successor depository shall not be operating under the deposit agreement on the 90th day after our notice of removal was first provided to the depository. After termination, the depository's only responsibility will be (i) to deliver deposited securities to ADR holders who surrender their ADRs, and (ii) to hold or sell distributions received on deposited securities. As soon as practicable after the expiration of six months from the termination date, the depository will sell the deposited securities which remain and hold the net proceeds of such sales (as long as it may lawfully do so), without liability for interest, in trust for the ADR holders who have not yet surrendered their ADRs. After making such sale, the depository shall have no obligations except to account for such proceeds and other cash.

Limitations on Obligations and Liability to ADS Holders

Limits on our obligations and the obligations of the depositary; limits on liability to ADR holders and holders of ADSs

Prior to the issue, registration, registration of transfer, split-up, combination, or cancellation of any ADRs, or the delivery of any distribution in respect thereof, and from time to time, we or the depositary or its custodian may require:

- payment with respect thereto of (i) any stock transfer or other tax or other governmental charge, (ii) any stock transfer or registration fees in effect for the registration of transfers of shares or other deposited securities upon any applicable register and (iii) any applicable fees and expenses described in the deposit agreement;
- the production of proof satisfactory to it of (i) the identity of any signatory and genuineness of any signature and (ii) such other information, including without limitation, information as to citizenship, residence, exchange control approval, beneficial ownership of any securities, compliance with applicable law, regulations, provisions of or governing deposited securities and terms of the deposit agreement and the ADRs, as it may deem necessary or proper; and
- compliance with such regulations as the depositary may establish consistent with the deposit agreement.

The issuance of ADRs, the acceptance of deposits of shares, the registration, registration of transfer, split-up or combination of ADRs or the withdrawal of shares, may be suspended, generally or in particular instances, when the ADR register or any register for deposited securities is closed or when any such action is deemed advisable by the depositary; provided that the ability to withdrawal shares may only be limited under the following circumstances: (i) temporary delays caused by closing transfer books of the depositary or our transfer books or the deposit of shares in connection with voting at a shareholders' meeting, or the payment of dividends, (ii) the payment of fees, taxes, and similar charges, and (iii) compliance with any laws or governmental regulations relating to ADRs or to the withdrawal of deposited securities.

The deposit agreement expressly limits the obligations and liability of the depositary, ourselves and our respective agents. Neither we nor the depositary nor any such agent will be liable if:

- any present or future law, rule, regulation, fiat, order or decree of the United States, the Cayman Islands, the People's Republic of China or any other country, or of any governmental or regulatory authority or securities exchange or market or automated quotation system, the provisions of or governing any deposited securities, any present or future provision of our charter, any act of God, war, terrorism or other circumstance beyond our, the depositary's or our respective agents' control shall prevent or delay, or shall cause any of them to be subject to any civil or criminal penalty in connection with, any act which the deposit agreement or the ADRs provide shall be done or performed by us, the depositary or our respective agents (including, without limitation, voting);
- it exercises or fails to exercise discretion under the deposit agreement or the ADR;
- it performs its obligations under the deposit agreement and ADRs without gross negligence or bad faith;
- it takes any action or refrains from taking any action in reliance upon the advice of or information from legal counsel, accountants, any person presenting shares for deposit, any registered holder of ADRs, or any other person believed by it to be competent to give such advice or information; or

- it relies upon any written notice, request, direction or other document believed by it to be genuine and to have been signed or presented by the proper party or parties.

Neither the depositary nor its agents have any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities or the ADRs. We and our agents shall only be obligated to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities or the ADRs, which in our opinion may involve us in expense or liability, if indemnity satisfactory to us against all expense (including fees and disbursements of counsel) and liability is furnished as often as may be required. The depositary and its agents may fully respond to any and all demands or requests for information maintained by or on its behalf in connection with the deposit agreement, any registered holder or holders of ADRs, any ADRs or otherwise related to the deposit agreement or ADRs to the extent such information is requested or required by or pursuant to any lawful authority, including without limitation laws, rules, regulations, administrative or judicial process, banking, securities or other regulators. The depositary shall not be liable for the acts or omissions made by any securities depository, clearing agency or settlement system in connection with or arising out of book-entry settlement of deposited securities or otherwise. Furthermore, the depositary shall not be responsible for, and shall incur no liability in connection with or arising from, the insolvency of any custodian that is not a branch or affiliate of . The depositary and the custodian(s) may use third-party delivery services and providers of information regarding matters such as pricing, proxy voting, corporate actions, class action litigation and other services in connection with the ADRs and the deposit agreement, and use local agents to provide extraordinary services such as attendance at annual meetings of issuers of securities. Although the depositary and the custodian will use reasonable care (and cause their agents to use reasonable care) in the selection and retention of such third-party providers and local agents, they will not be responsible for any errors or omissions made by them in providing the relevant information or services.

Additionally, none of us, the depositary or the custodian shall be liable for the failure by any registered holder of ADRs or beneficial owner therein to obtain the benefits of credits on the basis of non-U.S. tax paid against such holder's or beneficial owner's income tax liability. Neither we nor the depositary shall incur any liability for any tax consequences that may be incurred by holders or beneficial owners on account of their ownership of ADRs or ADSs.

Neither the depositary nor its agents will be responsible for any failure to carry out any instructions to vote any of the deposited securities, for the manner in which any such vote is cast or for the effect of any such vote. Neither the depositary nor any of its agents shall be liable to registered holders of ADRs or beneficial owners of interests in ADSs for any indirect, special, punitive or consequential damages (including, without limitation, lost profits) of any form incurred by any person or entity, whether or not foreseeable and regardless of the type of action in which such a claim may be brought.

In the deposit agreement each party thereto (including, for avoidance of doubt, each holder and beneficial owner and/or holder of interests in ADRs) irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any suit, action or proceeding against the depositary and/or the company directly or indirectly arising out of or relating to the shares or other deposited securities, the ADSs or the ADRs, the deposit agreement or any transaction contemplated therein, or the breach thereof (whether based on contract, tort, common law or any other theory).

The depositary may own and deal in any class of our securities and in ADSs.

Disclosure of Interest in ADSs

To the extent that the provisions of or governing any deposited securities may require disclosure of or impose limits on beneficial or other ownership of deposited securities, other shares and

other securities and may provide for blocking transfer, voting or other rights to enforce such disclosure or limits, you agree to comply with all such disclosure requirements and ownership limitations and to comply with any reasonable instructions we may provide in respect thereof. We reserve the right to instruct you to deliver your ADSs for cancellation and withdrawal of the deposited securities so as to permit us to deal with you directly as a holder of shares and, by holding an ADS or an interest therein, you will be agreeing to comply with such instructions.

Books of Depositary

The depositary or its agent will maintain a register for the registration, registration of transfer, combination and split-up of ADRs, which register shall include the depositary's direct registration system. Registered holders of ADRs may inspect such records at the depositary's office at all reasonable times, but solely for the purpose of communicating with other holders in the interest of the business of our company or a matter relating to the deposit agreement. Such register may be closed from time to time, when deemed expedient by the depositary.

The depositary will maintain facilities for the delivery and receipt of ADRs.

Pre-release of ADSs

In its capacity as depositary, the depositary shall not lend shares or ADSs; provided, however, that the depositary may issue ADSs prior to the receipt of shares (each such transaction a "pre-release"). The depositary may receive ADSs in lieu of shares (which ADSs will promptly be canceled by the depositary upon receipt by the depositary). Each such pre-release will be subject to a written agreement whereby the person or entity (the "applicant") to whom ADSs are to be delivered (a) represents that at the time of the pre-release the applicant or its customer owns the shares that are to be delivered by the applicant under such pre-release, (b) agrees to indicate the depositary as owner of such shares in its records and to hold such shares in trust for the depositary until such shares are delivered to the depositary or the custodian, (c) unconditionally guarantees to deliver to the depositary or the custodian, as applicable, such shares, and (d) agrees to any additional restrictions or requirements that the depositary deems appropriate. Each such pre-release will be at all times fully collateralized with cash, U.S. government securities or such other collateral as the depositary deems appropriate, terminable by the depositary on not more than five (5) business days' notice and subject to such further indemnities and credit regulations as the depositary deems appropriate. The depositary will normally limit the number of ADSs involved in such pre-release at any one time to thirty percent (30%) of the ADSs outstanding (without giving effect to pre-released ADSs outstanding), provided, however, that the depositary reserves the right to change or disregard such limit from time to time as it deems appropriate. The depositary may also set limits with respect to the number of ADSs involved in pre-release with any one person on a case-by-case basis as it deems appropriate. The depositary may retain for its own account any compensation received by it in conjunction with the foregoing. Collateral provided in connection with pre-release transactions, but not the earnings thereon, shall be held for the benefit of the registered holders of ADRs (other than the applicant).

Appointment

In the deposit agreement, each registered holder of ADRs and each person holding an interest in ADSs, upon acceptance of any ADSs (or any interest therein) issued in accordance with the terms and conditions of the deposit agreement will be deemed for all purposes to:

- be a party to and bound by the terms of the deposit agreement and the applicable ADR or ADRs, and
- appoint the depositary its attorney-in-fact, with full power to delegate, to act on its behalf and to take any and all actions contemplated in the deposit agreement and the applicable

ADR or ADRs, to adopt any and all procedures necessary to comply with applicable laws and to take such action as the depository in its sole discretion may deem necessary or appropriate to carry out the purposes of the deposit agreement and the applicable ADR and ADRs, the taking of such actions to be the conclusive determinant of the necessity and appropriateness thereof.

Governing Law

The deposit agreement and the ADSs shall be governed by and construed in accordance with the laws of the State of New York. In the deposit agreement, we have submitted to the jurisdiction of the courts of the State of New York and appointed an agent for service of process on our behalf. Notwithstanding anything contained in the deposit agreement, any ADR or any present or future provisions of the laws of the State of New York, the rights of holders of Shares and of any other deposited securities, as such, shall be governed by the laws of the Cayman Islands (or, if applicable, such other laws as may govern the deposited securities).

By holding an ADS or an interest therein, registered holders of ADSs and beneficial owners of ADSs each irrevocably agree that any legal suit, action or proceeding against or involving us or the depository, arising out of or based upon the deposit agreement or the transactions contemplated thereby, may only be instituted in a state or federal court in New York, New York, and each irrevocably waives any objection which it may have to the laying of venue of any such proceeding, and irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

SHARES ELIGIBLE FOR FUTURE SALES

Upon completion of this offering, we will have _____ ADSs outstanding, representing approximately _____ % of our outstanding ordinary shares, which (i) assume the underwriters do not exercise their over-allotment option to purchase additional ADSs, and (ii) include the _____ Class A ordinary shares we issue and sell through a concurrent private placement to Huang River Investment Limited, assuming the underwriters do not exercise their over-allotment option. All of the ADSs sold in this offering will be freely transferable by persons other than by our "affiliates" without restriction or further registration under the Securities Act. Sales of substantial amounts of our ADSs in the public market could adversely affect prevailing market prices of our ADSs. Prior to this offering, there has been no public market for our ordinary shares or the ADSs. We intend to apply to list the ADSs on the _____, but we cannot assure you that a regular trading market will develop in the ADSs. We do not expect that a trading market will develop for our ordinary shares not represented by the ADSs.

Lock-up Agreements

[We have agreed, for a period of 180 days after the date of this prospectus, [not to offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale, lend or otherwise dispose of, except in this offering, any of our ordinary shares or ADSs or securities that are substantially similar to our ordinary shares or ADSs, including but not limited to any options or warrants to purchase our ordinary shares, ADSs or any securities that are convertible into or exchangeable for, or that represent the right to receive, our ordinary shares, ADSs or any such substantially similar securities (other than pursuant to employee stock option plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding as of, the date such lock-up agreement was executed), without the prior written consent of the representatives of the underwriters.]

[Furthermore, [each of our directors, executive officers and existing shareholders] has also entered into a similar lock-up agreement for a period of 180 days from the date of this prospectus, subject to certain exceptions, with respect to our ordinary shares, ADSs and securities that are substantially similar to our ordinary shares or ADSs. [These restrictions also apply to any ADSs acquired by our directors and executive officers in the offering pursuant to the directed share program, if any.] These parties collectively own [all of] our outstanding ordinary shares, without giving effect to this offering.]

The restrictions described in the preceding paragraphs will be automatically extended under certain circumstances. See "Underwriting."

Other than this offering, we are not aware of any plans by any significant shareholders to dispose of significant numbers of our ADSs or ordinary shares. However, one or more existing shareholders or owners of securities convertible or exchangeable into or exercisable for our ADSs or ordinary shares may dispose of significant numbers of our ADSs or ordinary shares. We cannot predict what effect, if any, future sales of our ADSs or ordinary shares, or the availability of ADSs or ordinary shares for future sale, will have on the trading price of our ADSs from time to time. Sales of substantial amounts of our ADSs or ordinary shares in the public market, or the perception that these sales could occur, could adversely affect the trading price of our ADSs.

Rule 144

All of our ordinary shares that will be outstanding upon the completion of this offering, other than those class A ordinary shares sold in this offering, are "restricted securities" as that term is defined in Rule 144 under the Securities Act and may be sold publicly in the United States only if they are subject to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirement such as those provided by Rule 144 and Rule 701 promulgated under

the Securities Act. In general, beginning 90 days after the date of this prospectus, a person (or persons whose shares are aggregated) who at the time of a sale is not, and has not been during the three months preceding the sale, an affiliate of ours and has beneficially owned our restricted securities for at least six months will be entitled to sell the restricted securities without registration under the Securities Act, subject only to the availability of current public information about us, and will be entitled to sell restricted securities beneficially owned for at least one year without restriction. Persons who are our affiliates and have beneficially owned our restricted securities for at least six months may sell a number of restricted securities within any three-month period that does not exceed the greater of the following:

- 1% of the then outstanding ordinary shares of the same class, in the form of ADSs or otherwise, which immediately after this offering will equal _____ class A ordinary shares, assuming the underwriters do not exercise their over-allotment option, or _____ class B ordinary shares; or
- the average weekly trading volume of our ordinary shares of the same class, in the form of ADSs or otherwise, during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Sales by our affiliates under Rule 144 are also subject to certain requirements relating to manner of sale, notice and the availability of current public information about us.

Rule 701

In general, under Rule 701 of the Securities Act as currently in effect, each of our employees, consultants or advisors who purchases our ordinary shares from us in connection with a compensatory stock plan or other written agreement executed prior to the completion of this offering is eligible to resell those ordinary shares in reliance on Rule 144, but without compliance with some of the restrictions, including the holding period, contained in Rule 144. However, the Rule 701 shares would remain subject to lock-up arrangements and would only become eligible for sale when the lock-up period expires.

TAXATION

The following summary of the material Cayman Islands, PRC and U.S. federal income tax consequences of an investment in our ADSs or ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this registration statement, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in our ADSs or ordinary shares, such as the tax consequences under U.S. state and local tax laws or under the tax laws of jurisdictions other than the Cayman Islands, the People's Republic of China and the United States. To the extent that the discussion relates to matters of Cayman Islands tax law, it represents the opinion of Maples and Calder, our special Cayman Islands counsel; to the extent it relates to PRC tax law, it is the opinion of Zhong Lun Law Firm, our special PRC counsel; and to the extent that the discussion states specific legal conclusions under U.S. federal income tax law as to the material U.S. federal income tax consequences of an investment in our ADSs or ordinary shares, and subject to the qualifications herein, it represents the opinion of Skadden, Arps, Slate, Meagher & Flom LLP, our special United States counsel.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or after execution brought within the jurisdiction of, the Cayman Islands. The Cayman Islands is not party to any double tax treaties which are applicable to any payments made by or to our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

There is no income tax treaty or convention currently in effect between the United States and the Cayman Islands.

People's Republic of China Taxation

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with "de facto management body" within the PRC is considered a resident enterprise and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control and overall management over the business, productions, personnel, accounts and properties of an enterprise. In 2009, the State Administration of Taxation issued a circular, known as Circular 82, which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect the State Administration of Taxation's general position on how the "de facto management body" text should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in China only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

We believe that none of JD.com, Inc. and its subsidiaries outside of China is a PRC resident enterprise for PRC tax purposes. JD.com, Inc. is not controlled by a PRC enterprise or PRC enterprise

group and we do not believe that JD.com, Inc. meets all of the conditions above. JD.com, Inc. is a company incorporated outside the PRC. As a holding company, its key assets are its ownership interests in its subsidiaries, and its key assets are located, and its records (including the resolutions of its board of directors and the resolutions of its shareholders) are maintained, outside the PRC. For the same reasons, we believe our other subsidiaries outside of China are not PRC resident enterprises either. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body."

If the PRC tax authorities determine that JD.com, Inc. is a PRC resident enterprise for enterprise income tax purposes, we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises, including the holders of our ADSs. In addition, non-resident enterprise shareholders (including our ADS holders) may be subject to a 10% PRC withholding tax on gains realized on the sale or other disposition of ADSs or ordinary shares, if such income is treated as sourced from within the PRC. It is unclear whether our non-PRC individual shareholders (including our ADS holders) would be subject to any PRC tax on dividends or gains obtained by such non-PRC individual shareholders in the event we are determined to be a PRC resident enterprise. If any PRC tax were to apply to dividends or gains realized by non-PRC individuals, it would generally apply at a rate of 20% unless a reduced rate is available under an applicable tax treaty. However, it is also unclear whether non-PRC shareholders of JD.com, Inc. would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that JD.com, Inc. is treated as a PRC resident enterprise.

Provided that our Cayman Islands holding company, JD.com, Inc., is not deemed to be a PRC resident enterprise, holders of our ADSs and ordinary shares who are not PRC residents will not be subject to PRC income tax on dividends distributed by us or gains realized from the sale or other disposition of our shares or ADSs. However, under SAT Circular 698, where a non-resident enterprise transfers the equity interests of a PRC resident enterprise indirectly by disposition of the equity interests of an overseas holding company, or Indirect Transfer, and such overseas holding company is located in certain low tax jurisdictions, the non-resident enterprise, being the transferor, must report this Indirect Transfer to the relevant tax authority of the PRC resident enterprise. The PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such Indirect Transfer may be subject to PRC tax at a rate of up to 10%. See "Risks Related to Doing Business in China—We face uncertainties with respect to the application of the Circular on Strengthening the Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises."

Material United States Federal Income Tax Considerations

The following is a discussion of the material United States federal income tax considerations relating to the acquisition, ownership, and disposition of our ADSs or ordinary shares by a U.S. Holder (as defined below) that will hold our ADSs or ordinary shares as "capital assets" (generally, property held for investment) under the United States Internal Revenue Code of 1986, as amended (the "Code"). This discussion is based upon existing United States federal tax law, which is subject to differing interpretations or change, possibly with retroactive effect. This discussion does not address all aspects of United States federal income taxation that may be important to particular investors in light of their individual investment circumstances, including investors subject to special tax rules (for example, certain financial institutions, insurance companies, broker-dealers, traders in securities that elect mark-to-market treatment, partnerships and their partners, tax-exempt organizations (including private foundations), investors who are not U.S. Holders, investors who own (directly, indirectly, or constructively) 10% or more of our voting stock, investors that will hold their ADSs or ordinary shares as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for United

States federal income tax purposes, or investors that have a functional currency other than the United States dollar), all of whom may be subject to tax rules that differ significantly from those summarized below.

In addition, this discussion does not address any state, local or non-United States tax considerations (other than the discussion below relating to certain withholding rules and the United States—PRC income tax treaty). Each U.S. Holder is urged to consult its tax advisor regarding the United States federal, state, local, and non-United States income and other tax considerations of an investment in ADSs or ordinary shares.

General

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of our ADSs or ordinary shares that is, for United States federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other entity treated as a corporation for United States federal income tax purposes) created in, or organized under the law of, the United States or any state thereof or the District of Columbia, (iii) an estate the income of which is includible in gross income for United States federal income tax purposes regardless of its source, or (iv) a trust (A) the administration of which is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise elected to be treated as a United States person under the Code.

If a partnership (or other entity treated as a partnership for United States federal income tax purposes) owns our ADSs or ordinary shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding our ADSs or ordinary shares and their partners are urged to consult their tax advisors regarding an investment in our ADSs or ordinary shares.

Passive Foreign Investment Company Considerations

A non-United States corporation, such as our company, will be classified as a "passive foreign investment company," or PFIC, for United States federal income tax purposes for any taxable year, if either (i) 75% or more of its gross income for such year consists of certain types of "passive" income or (ii) 50% or more of the value of its assets (determined on the basis of a quarterly average) during such year produce or are held for the production of passive income. For this purpose, cash is categorized as a passive asset and the company's unbooked intangibles associated with active business activity are taken into account as a non-passive asset. The average percentage of a corporation's assets that produce or are held for the production of passive income generally is determined on the basis of the fair market value of the corporation's assets at the end of each quarter. This determination is based on the adjusted tax basis of the corporation's assets, however, if the corporation is a controlled foreign corporation, or CFC, that is not a publicly traded corporation for the taxable year. We would be treated as a CFC for any year on any day in which U.S. Holders each own (directly, indirectly or by attribution) at least 10% of our voting shares and together own more than 50% of the total combined voting power of all classes of our voting shares or more than 50% of the total value of all of our shares. If we are treated as a CFC for United States federal income tax purposes for any portion of our taxable year that includes this offering, we would likely be classified as a PFIC for our taxable year ending December 31, 2014. The CFC determination involves a highly complex and technical factual analysis and, in certain cases such as our own, potentially cannot be made with complete certainty. However, although no assurances can be made in this regard because of these complexities, based on our current shareholder composition, we believe that we are not a CFC.

In addition, we will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly,

more than 25% (by value) of the stock. Although the law in this regard is unclear, we treat our VIEs as being owned by us for United States federal income tax purposes because we control their management decisions and we are entitled to substantially all of the economic benefits associated with these entities, and, as a result, we consolidate their results of operations in our U.S. GAAP financial statements and treat them as being owned by us for United States federal income tax purposes. If it were determined, however, that that we are not the owner of our VIEs for United States federal income tax purposes, we may be treated as a PFIC for our current taxable year and in future taxable years.

Subject to the foregoing uncertainties, based on our current income and assets and projections of the value of our ADSs and outstanding ordinary shares, we do not expect to be classified as a PFIC for our taxable year ending December 31, 2014 or in the foreseeable future. While we do not anticipate becoming a PFIC following the year of the offering, changes in the nature of our income or assets, or fluctuations in the market price of our ADSs or ordinary shares, may cause us to become a PFIC for future taxable years. In estimating the value of our goodwill and other unbooked intangibles, we have taken into account our anticipated market capitalization following the close of this offering. Among other factors, if our market capitalization is less than anticipated or subsequently declines, we may be or become classified as a PFIC for the current or future taxable years. Under circumstances where revenues from activities that produce passive income significantly increase relative to our revenues from activities that produce non-passive income or where we determine not to deploy significant amounts of cash for working capital or other purposes, our risk of becoming classified as a PFIC may substantially increase.

If we are classified as a PFIC for any taxable year during which a U.S. Holder holds our ADSs or ordinary shares, the PFIC tax rules discussed below under "*Passive Foreign Investment Company Rules*" generally will apply to such U.S. Holder for such taxable year and, unless the U.S. Holder makes certain elections, will apply in future years even if we cease to be a PFIC. The discussion below under "*Dividends*" and "*Sale or Other Disposition of ADSs or Ordinary Shares*" assumes that we will not be classified as a PFIC for United States federal income tax purposes.

Dividends

Any cash distributions (including any amount of any PRC tax withheld) paid on our ADSs or ordinary shares out of our current or accumulated earnings and profits, as determined under United States federal income tax principles, will generally be includible in the gross income of a U.S. Holder as dividend income on the day actually or constructively received by the U.S. Holder, in the case of ordinary shares, or by the depository, in the case of ADSs. Because we do not intend to determine our earnings and profits on the basis of United States federal income tax principles, any distribution we pay will generally be treated as a "dividend" for United States federal income tax purposes. Dividends received on our ADSs or ordinary shares will not be eligible for the dividends received deduction allowed to corporations under the Code.

A non-corporate recipient will be subject to tax at the lower capital gain tax rate applicable to "qualified dividend income" on dividends paid on our ADSs, provided that certain conditions are satisfied, including that (1) our ADSs are readily tradable on an established securities market in the United States, or, in the event that we are deemed to be a PRC resident enterprise under the PRC tax law, we are eligible for the benefit of the United States-PRC income tax treaty (the "Treaty"), (2) we are neither a passive foreign investment company nor treated as such with respect to a U.S. Holder (as discussed below) for the taxable year in which the dividend was paid and the preceding taxable year, and (3) certain holding period requirements are met. Because we do not expect our ordinary shares will be listed on an established securities market, we do not believe that dividends we pay on our ordinary shares that are not represented by ADSs will meet the conditions required for such reduced tax rates, unless we are deemed to be a PRC resident enterprise (as described above). In the event that

we are deemed to be a PRC resident enterprise under the PRC Enterprise Income Tax Law, a U.S. Holder may be subject to PRC taxes on dividends paid on our ADSs or ordinary shares. We may, however, be eligible for the benefits of the United States-PRC income tax treaty. If we are eligible for such benefits, dividends we pay on our ordinary shares, regardless of whether such shares are represented by the ADSs, would be eligible for the reduced rates of taxation described in the preceding paragraph.

For United States foreign tax credit purposes, dividends generally will be treated as income from foreign sources and generally will constitute passive category income. A U.S. Holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit not in excess of any applicable treaty rate in respect of any foreign withholding taxes imposed on dividends received on our ADSs or ordinary shares. A U.S. Holder who does not elect to claim a foreign tax credit for foreign tax withheld may instead claim a deduction, for United States federal income tax purposes, in respect of such withholding, but only for a year in which such holder elects to do so for all creditable foreign income taxes. The rules governing the foreign tax credit are complex. U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Sale or Other Disposition of ADSs or Ordinary Shares

A U.S. Holder will generally recognize capital gain or loss upon the sale or other disposition of ADSs or ordinary shares in an amount equal to the difference between the amount realized upon the sale or other disposition and the holder's adjusted tax basis in such ADSs or ordinary shares. Any capital gain or loss will be long-term if the ADSs or ordinary shares have been held for more than one year and will generally be United States-source gain or loss for United States foreign tax credit purposes. However, in the event that gain from the disposition of the ADSs or ordinary shares is subject to tax in the PRC because we are deemed to be a PRC resident enterprise, a U.S. Holder may be able to elect to treat such gain as PRC-source gain. The deductibility of a capital loss may be subject to limitations. U.S. Holders are urged to consult their tax advisors regarding the tax consequences if a foreign tax is imposed on a disposition of our ADSs or ordinary shares, including the availability of the foreign tax credit under their particular circumstances.

Passive Foreign Investment Company Rules

If we are classified as a PFIC for any taxable year during which a U.S. Holder holds our ADSs or ordinary shares, and unless the U.S. Holder makes a "mark-to-market" election (as described below), the U.S. Holder will generally be subject to special tax rules that have a penalizing effect, regardless of whether we remain a PFIC, on (i) any excess distribution that we make to the U.S. Holder (which generally means any distribution paid during a taxable year to a U.S. Holder that is greater than 125 percent of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for the ADSs or ordinary shares), and (ii) any gain realized on the sale or other disposition, including a pledge, of ADSs or ordinary shares. Under the PFIC rules:

- the excess distribution or gain will be allocated ratably over the U.S. Holder's holding period for the ADSs or ordinary shares;
- amounts allocated to the current taxable year and any taxable years in a U.S. Holder's holding period prior to the first taxable year in which we are classified as a PFIC (a "pre-PFIC year") will be taxable as ordinary income; and
- amounts allocated to each prior taxable year, other than the current taxable year or a pre-PFIC year, will be subject to tax at the highest tax rate in effect applicable to such U.S.

Holder for that year, and such amounts will be increased by an additional tax equal to interest on the resulting tax deemed deferred with respect to such years.

If we are a PFIC for any taxable year during which a U.S. Holder holds our ADSs or ordinary shares and any of our subsidiaries is also a PFIC, such U.S. Holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. U.S. Holders should consult their tax advisors regarding the application of the PFIC rules to any of our subsidiaries.

As an alternative to the foregoing rules, a U.S. Holder of "marketable stock" in a PFIC may make a mark-to-market election with respect to our ADSs, but not our ordinary shares, provided that the listing of the ADSs on the [NASDAQ/NYSE] is approved and that the ADSs are regularly traded. We anticipate that our ADSs should qualify as being regularly traded, but no assurances may be given in this regard. If a U.S. Holder makes this election, the holder will generally (i) include as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of ADSs held at the end of the taxable year over the adjusted tax basis of such ADSs and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of the ADSs over the fair market value of such ADSs held at the end of the taxable year, but such deduction will only be allowed to the extent of the amount previously included in income as a result of the mark-to-market election. The U.S. Holder's adjusted tax basis in the ADSs would be adjusted to reflect any income or loss resulting from the mark-to-market election. If a U.S. Holder makes a mark-to-market election in respect of our ADSs and we cease to be a PFIC, the holder will not be required to take into account the gain or loss described above during any period that we are not classified as a PFIC. If a U.S. Holder makes a mark-to-market election, any gain such U.S. Holder recognizes upon the sale or other disposition of our ADSs in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as ordinary loss, but such loss will only be treated as ordinary loss to the extent of the net amount previously included in income as a result of the mark-to-market election.

Because, as a technical matter, a mark-to-market election cannot be made for any lower-tier PFICs that we may own, a U.S. Holder may continue to be subject to the general PFIC rules described above with respect to such U.S. Holder's indirect interest in any investments held by us that are treated as an equity interest in a PFIC for United States federal income tax purposes.

A U.S. Holder that holds ADSs or ordinary shares in any year in which we are classified as a PFIC may make a "deemed sale" election with respect to such ADSs or ordinary shares in a subsequent taxable year in which we are not classified as a PFIC. If a U.S. Holder makes a valid deemed sale election with respect to such ADSs or ordinary shares, such U.S. Holder will be treated as having sold all of its ADSs or ordinary shares for their fair market value on the last day of the last taxable year in which we were a PFIC and such ADSs or ordinary shares will no longer be treated as PFIC stock. A U.S. Holder will recognize gain (but not loss), which will be subject to tax as an 'excess distribution' received on the last day of the last taxable year in which we were a PFIC. A U.S. Holder's basis in the ADSs or ordinary shares would be increased to reflect gain recognized, and such U.S. Holder's holding period would begin on the day after we ceased to be a PFIC.

The deemed sale election is only relevant to U.S. Holders that hold the ADSs or ordinary shares during a taxable year in which we cease to be a PFIC. U.S. Holders are urged to consult their tax advisors regarding the advisability of making a deemed sale election and the consequences thereof in light of the U.S. Holder's individual circumstances.

We do not intend to provide information necessary for U.S. Holders to make qualified electing fund elections which, if available, would result in tax treatment different from the tax treatment for PFICs described above.

If a U.S. Holder owns our ADSs or ordinary shares during any taxable year that we are a PFIC, the holder must file an annual Internal Revenue Service Form 8621.

Each U.S. Holder is urged to consult its tax advisor concerning the United States federal income tax consequences of purchasing, holding, and disposing of ADSs or ordinary shares if we are or become classified as a PFIC, including the possibility of making a mark-to-market election and the unavailability of the qualified electing fund election.

Medicare Tax

An additional 3.8% tax is imposed on a portion or all of the net investment income of certain individuals with a modified adjusted gross income of over \$200,000 (or \$250,000 in the case of joint filers or \$125,000 in the case of married individuals filing separately) and on the undistributed net investment income of certain estates and trusts. For these purposes, "net investment income" generally includes interest, dividends (including dividends paid with respect to our ADSs or ordinary shares), annuities, royalties, rents, net gain attributable to the disposition of property not held in a trade or business (including net gain from the sale, exchange or other taxable disposition of an ADS or ordinary share) and certain other income, reduced by any deductions properly allocable to such income or net gain. U.S. Holders are urged to consult their tax advisors regarding the applicability of this tax to their income and gains in respect of an investment in the ADSs or ordinary shares.

Backup Withholding and Information Reporting

Individual U.S. Holders and certain entities may be required to submit to the IRS certain information with respect to his or her beneficial ownership of the ADSs or ordinary shares, if such ADSs or ordinary shares are not held on his or her behalf by a financial institution. This new law also imposes penalties if an individual U.S. Holder is required to submit such information to the IRS and fails to do so.

Proceeds from the sale, exchange or other disposition of, or a distribution on, the ADSs or ordinary shares may be subject to information reporting to the IRS and possible backup withholding. Backup withholding generally will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number and makes any other required certification or who is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status generally must provide such certification on IRS Form W-9.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against a U.S. Holder's United States federal income tax liability if the required information is furnished by the U.S. Holder on a timely basis to the IRS. Each U.S. Holder is encouraged to consult its own tax advisor regarding the application of the information reporting and backup withholding rules.

UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated and UBS Securities LLC are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement between us[, the selling shareholders] and the underwriters, we [and the selling shareholders] have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us [and the selling shareholders], the number of ADSs set forth opposite its name below.

<u>Underwriter</u>	<u>Number of ADSs</u>
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
UBS Securities LLC	
Total	

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the ADSs sold under the underwriting agreement if any of these ADSs are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the ADSs, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the ADSs, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The representatives have advised us that the underwriters propose initially to offer the ADSs to the public at the public offering price set forth on the cover page of this prospectus and to dealers at that price less a concession not in excess of US\$ per share. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us[and the selling shareholders]. The information assumes either no exercise or full exercise by the underwriters of their option to purchase additional ADSs.

	<u>Per Share</u>	<u>Without Option</u>	<u>With Option</u>
Public offering price	US\$	US\$	US\$
Underwriting discount	US\$	US\$	US\$
Proceeds, before expenses, to us	US\$	US\$	US\$
[Proceeds, before expenses, to the selling shareholders	US\$	US\$	US\$]

Option to Purchase Additional ADSs

We have granted an option to the underwriters, exercisable for 30 days after the date of this prospectus, to purchase up to _____ additional ADSs at the public offering price, less the underwriting discount. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional ADSs proportionate to that underwriter's initial amount reflected in the above table.

Reserved ADSs

[At our request, the underwriters have reserved for sale, at the initial public offering price, up to _____ or _____ % of the ADSs offered by this prospectus for sale to some of our directors, officers, employees, distributors, dealers, business associates and related persons. If these persons purchase reserved ADSs, this will reduce the number of ADSs available for sale to the general public. Any reserved ADSs that are not so purchased will be offered by the underwriters to the general public on the same terms as the other ADSs offered by this prospectus.]

No Sales of Similar Securities

We, our executive officers and directors and our other existing security holders have agreed not to sell or transfer any ordinary shares or securities convertible into, exchangeable for, exercisable for, or repayable with ordinary shares, for 180 days after the date of this prospectus without first obtaining the written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated and UBS Securities LLC. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly:

- offer, pledge, sell or contract to sell any ordinary shares and ADSs;
- sell any option or contract to purchase any ordinary shares and ADSs;
- purchase any option or contract to sell any ordinary shares and ADSs;
- grant any option, right or warrant for the sale of any ordinary shares and ADSs;
- lend or otherwise dispose of or transfer any ordinary shares and ADSs;
- request or demand that we file a registration statement related to the ordinary shares and ADSs; or
- enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any ordinary shares and ADSs whether any such swap or transaction is to be settled by delivery of ADSs or other securities, in cash or otherwise.

This lock-up provision applies to ordinary shares, ADSs and to securities convertible into or exchangeable or exercisable for or repayable with ordinary shares and ADSs. It also applies to ordinary shares and ADSs owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition. In the event that either (x) during the last 17 days of the lock-up period referred to above, we issue an earnings release or material news or a material event relating to us occurs or (y) prior to the expiration of the lock-up period, we announce that we will release earnings results or become aware that material news or a material event will occur during the 16-day period beginning on the last day of the lock-up period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

[New York Stock Exchange/NASDAQ Global Market] Listing

We expect the ADSs to be approved for listing [on the New York Stock Exchange][on the NASDAQ Global Market, subject to notice of issuance,] under the symbol " " [In order to meet the requirements for listing on that exchange, the underwriters have undertaken to sell a minimum number of ADSs to a minimum number of beneficial owners as required by that exchange.]

Before this offering, there has been no public market for our ordinary shares or ADSs. The initial public offering price will be determined through negotiations between us and the representatives. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are:

- the valuation multiples of publicly traded companies that the representatives believe to be comparable to us;
- our financial information;
- the history of, and the prospects for, our company and the industry in which we compete;
- an assessment of our management, its past and present operations, and the prospects for, and timing of, our future revenues;
- the present state of our development; and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for the ADSs may not develop. It is also possible that after the offering the ADSs will not trade in the public market at or above the initial public offering price.

The underwriters do not expect to sell more than 5% of the ADSs in the aggregate to accounts over which they exercise discretionary authority.

Price Stabilization, Short Positions and Penalty Bids

Until the distribution of the ADSs is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our ADSs. However, the representatives may engage in transactions that stabilize the price of the ADSs, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriters may purchase and sell our ADSs in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of ADSs than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional ADSs described above. The underwriters may close out any covered short position by either exercising their option to purchase additional ADSs or purchasing ADSs in the open market. In determining the source of ADSs to close out the covered short position, the underwriters will consider, among other things, the price of ADSs available for purchase in the open market as compared to the price at which they may purchase ADSs through the option granted to them. "Naked" short sales are sales in excess of such option. The underwriters must close out any naked short position by purchasing ADSs in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our ADSs in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of ADSs made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased ADSs sold by or for the account of such underwriter in stabilizing or short covering transactions.

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our ADSs or preventing or retarding a decline in the market price of our ADSs. As a result, the price of our ADSs may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on the [New York Stock Exchange] [Nasdaq Global Market], in the over-the-counter market or otherwise.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our ADSs. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

The address of Merrill Lynch, Pierce, Fenner & Smith Incorporated is One Bryant Park, New York, New York 10036, United States of America. The address of UBS Securities LLC is 299 Park Avenue, New York, New York 10171, United States of America.

Electronic Distribution

In connection with the offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail.

Other Relationships

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area (each, a "Relevant Member State"), no offer of ADSs may be made to the public in that Relevant Member State other than:

- A. to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- B. to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives; or
- C. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of ADSs shall require us or the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State who initially acquires any ADSs or to whom any offer is made will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive. In the case of any ADSs being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the ADSs acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any ADSs to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

We, the representatives and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

This prospectus has been prepared on the basis that any offer of ADSs in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of ADSs. Accordingly any person making or intending to make an offer in that Relevant Member State of ADSs which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for us or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the underwriters have authorized, nor do they authorize, the making of any offer of ADSs in circumstances in which an obligation arises for us or the underwriters to publish a prospectus for such offer.

For the purpose of the above provisions, the expression "an offer to the public" in relation to any ADSs in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the ADSs to be offered so as to enable an investor to decide to purchase or subscribe the ADSs, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in Switzerland

The ADSs may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the ADSs or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, us, the ADSs have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of ADSs will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of ADSs has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of ADSs.

Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The ADSs to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the ADSs offered should conduct their own due diligence on the ADSs. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Notice to Prospective Investors in Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission ("ASIC"), in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the "Corporations Act"), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the ADSs may only be made to persons (the "Exempt Investors") who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional investors" (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the ADSs without disclosure to investors under Chapter 6D of the Corporations Act.

The ADSs applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring ADSs must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Notice to Prospective Investors in Hong Kong

The ADSs have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the ADSs has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to ADSs which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Notice to Prospective Investors in Japan

The ADSs have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the ADSs may not be circulated or distributed, nor may the ADSs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the ADSs are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the ADSs pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (ADSs and Debentures) Regulations 2005 of Singapore.

EXPENSES RELATED TO THIS OFFERING

Set forth below is an itemization of the total expenses, excluding underwriting discount, that we expect to incur in connection with this offering. With the exception of the SEC registration fee, the Financial Industry Regulatory Authority, or FINRA, filing fee, and the market entry and listing fee, all amounts are estimates.

SEC Registration Fee	US\$
FINRA Fee	
Market Entry and Listing Fee	
Printing and Engraving Expenses	
Legal Fees and Expenses	
Accounting Fees and Expenses	
Miscellaneous	
Total	<u>US\$</u>

LEGAL MATTERS

We are being represented by Skadden, Arps, Slate, Meagher & Flom LLP with respect to certain legal matters as to United States federal securities and New York State law. The underwriters are being represented by Davis Polk & Wardwell LLP with respect to certain legal matters as to United States federal securities and New York State law. The validity of the ordinary shares represented by the ADSs offered in this offering will be passed upon for us by Maples and Calder. Certain legal matters as to PRC law will be passed upon for us by Zhong Lun Law Firm and for the underwriters by Commerce & Finance Law Offices. Skadden, Arps, Slate, Meagher & Flom LLP may rely upon Maples and Calder with respect to matters governed by Cayman Islands law and Zhong Lun Law Firm with respect to matters governed by PRC law. Davis Polk & Wardwell LLP may rely upon Commerce & Finance Law Offices with respect to matters governed by PRC law.

EXPERTS

The financial statements as of December 31, 2011, 2012 and 2013 and for each of the three years in the period ended December 31, 2013 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers Zhong Tian LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The registered business address of PricewaterhouseCoopers Zhang Tian LLP is 6/F DBS Bank Tower, 1318, Lu Jia Zui Ring Road, Pudong New Area, Shanghai, People's Republic of China.

The combined financial statements of Combined Platform Business as of December 31, 2011, 2012 and 2013 and for each of the three years in the period ended December 31, 2013 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers, an independent auditor, given on the authority of said firm as experts in auditing and accounting.

The registered business address of PricewaterhouseCoopers is 22nd Floor, Prince's Building, Central, Hong Kong.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed a registration statement, including relevant exhibits, with the SEC on Form F-1 under the Securities Act with respect to the underlying ordinary shares represented by the ADSs to be sold in this offering. We have also filed a related registration statement on Form F-6 with the SEC to register the ADSs. This prospectus, which constitutes a part of the registration statement on Form F-1, does not contain all of the information contained in the registration statement. You should read our registration statements and their exhibits and schedules for further information with respect to us and our ADSs.

Immediately upon the effectiveness of the registration statement on Form F-1 of which this prospectus forms a part, we will become subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Accordingly, we will be required to file reports, including annual reports on Form 20-F, and other information with the SEC. All information filed with the SEC can be obtained over the internet at the SEC's website at www.sec.gov or inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of documents, upon payment of a duplicating fee, by writing to the SEC.

JD.COM, INC.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of JD.com, Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations and comprehensive loss, of changes in shareholders' equity and of cash flows present fairly, in all material respects, the financial position of JD.com, Inc. and its subsidiaries (collectively, the "Group") at December 31, 2011, 2012 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers Zhong Tian LLP
Beijing, the People's Republic of China

March 19, 2014

JD.com, Inc.

CONSOLIDATED BALANCE SHEETS

As of December 31, 2011, 2012 and 2013

(All amounts in thousands, except for share and per share data)

	As of December 31,					
	2011	2012	2013		2013	
	RMB	RMB	RMB	US\$ Note 2(e)	RMB	US\$ Note 2(e)
	Pro-forma (Note 29) (unaudited)					
ASSETS						
Current assets						
Cash and cash equivalents	6,288,777	7,177,294	10,812,339	1,786,071	10,812,339	1,786,071
Restricted cash	289,971	1,920,130	1,887,387	311,774	1,887,387	311,774
Short-term investments	—	1,080,000	1,903,224	314,390	1,903,224	314,390
Accounts receivable, net	245,534	479,138	502,089	82,939	502,089	82,939
Advance to suppliers	168,397	109,765	769,765	127,156	769,765	127,156
Inventories, net	2,763,587	4,753,829	6,386,155	1,054,918	6,386,155	1,054,918
Prepayments and other current assets	124,594	159,418	219,102	36,193	219,102	36,193
Amount due from related party	1,500	—	—	—	—	—
Total current assets	9,882,360	15,679,574	22,480,061	3,713,441	22,480,061	3,713,441
Non-current assets						
Equity investments	840	2,840	36,502	6,030	36,502	6,030
Property, equipment and software, net	320,476	639,334	1,024,428	169,223	1,024,428	169,223
Construction in progress	—	361,913	1,237,644	204,444	1,237,644	204,444
Intangible assets, net	2,381	229,793	215,802	35,648	215,802	35,648
Land use rights, net	96,565	528,001	598,853	98,923	598,853	98,923
Goodwill	—	14,649	14,649	2,420	14,649	2,420
Other non-current assets	276,347	429,950	401,873	66,385	401,873	66,385
Total non-current assets	696,609	2,206,480	3,529,751	583,073	3,529,751	583,073
Total assets	10,578,969	17,886,054	26,009,812	4,296,514	26,009,812	4,296,514
LIABILITIES						
Current liabilities (including amounts of the consolidated VIEs and VIEs' subsidiaries without recourse to the primary beneficiaries of RMB 432,291, RMB 680,697 and RMB 952,566 as of December 31, 2011, 2012 and 2013, respectively. Note 1)						
Short-term bank loans	—	867,399	932,826	154,092	932,826	154,092
Accounts payable	3,636,101	8,096,753	11,018,865	1,820,187	11,018,865	1,820,187
Advance from customers	286,275	896,880	2,055,625	339,565	2,055,625	339,565
Deferred revenues	61,017	105,269	208,527	34,446	208,527	34,446
Taxes payable	88,874	165,305	278,256	45,965	278,256	45,965
Amount due to related party	1,428	4,885	—	—	—	—
Accrued expenses and other current liabilities	571,440	1,340,878	2,269,798	374,944	2,269,798	374,944
Deferred tax liabilities	—	6,127	6,087	1,006	6,087	1,006
Total current liabilities	4,645,135	11,483,496	16,769,984	2,770,205	16,769,984	2,770,205
Total liabilities	4,645,135	11,483,496	16,769,984	2,770,205	16,769,984	2,770,205

The accompanying notes are an integral part of these consolidated financial statements.

JD.com, Inc.

CONSOLIDATED BALANCE SHEETS

As of December 31, 2011, 2012 and 2013

(All amounts in thousands, except for share and per share data)

	As of December 31,					
	2011	2012	2013		2013	
	RMB	RMB	RMB	US\$ Note 2(e)	RMB Pro-forma (Note 29) (unaudited)	US\$ Note 2(e)
Commitments and contingencies (Note 27)						
MEZZANINE EQUITY						
Series C convertible redeemable preferred shares (US\$0.00002 par value; 258,316,305 shares authorized, issued and outstanding as of December 31, 2011, 2012 and 2013; Redemption value of RMB 10,789,686, RMB 7,788,910 and RMB 7,918,251 as of December 31, 2011, 2012 and 2013, respectively; Liquidation value of RMB 1,260,180, RMB 1,257,100 and RMB 1,219,380 as of December 31, 2011, 2012 and 2013, respectively; None issued and outstanding on a pro-forma basis as of December 31, 2013 (unaudited).)	3,150,443	4,737,897	7,173,263	1,184,939	—	—
SHAREHOLDERS' EQUITY:						
Series A and A-1 convertible preferred shares (US\$0.00002 par value; 221,360,925 shares authorized, 191,894,000 shares issued and outstanding as of December 31, 2011, 2012 and 2013; None issued and outstanding on a pro-forma basis as of December 31, 2013 (unaudited).)	255,850	255,850	255,850	42,263	—	—
Series B convertible preferred shares (US\$0.00002 par value; 84,786,405 shares authorized, issued and outstanding as of December 31, 2011, 2012 and 84,786,405 shares authorized, 59,539,244 shares issued and outstanding as of December 31, 2013; None issued and outstanding on a pro-forma basis as of December 31, 2013 (unaudited).)	126,417	126,417	88,241	14,576	—	—
Ordinary shares (US\$0.00002 par value, 1,935,536,365 shares authorized, 1,211,469,630 shares issued and 1,162,790,555 shares outstanding as of December 31, 2011, and 1,935,536,365 shares authorized, 1,358,540,331 shares issued and 1,320,456,845 shares outstanding as of December 31, 2012, and 2,435,536,365 shares authorized, 1,502,933,134 shares issued and 1,463,654,092 shares outstanding as of December 31, 2013, and 1,536,267,394 Class A ordinary shares issued and outstanding, 476,415,289 Class B ordinary shares issued and 437,136,247 Class B ordinary shares outstanding on a pro-forma basis as of December 31, 2013 (unaudited).)	163	182	199	33	261	43
Additional paid-in capital	5,025,325	5,654,991	6,251,869	1,032,735	13,806,732	2,280,710
Statutory reserves	—	1,838	2,648	437	2,648	437
Treasury stock	(11,712)	(7,781)	—	—	—	—
Warrants	15,327	—	—	—	—	—
Accumulated deficit	(2,481,604)	(4,212,915)	(4,263,624)	(704,301)	(4,301,195)	(710,508)
Accumulated other comprehensive loss	(146,375)	(153,921)	(268,618)	(44,373)	(268,618)	(44,373)
Total shareholders' equity	2,783,391	1,664,661	2,066,565	341,370	9,239,828	1,526,309
Total liabilities, mezzanine equity and shareholders' equity	10,578,969	17,886,054	26,009,812	4,296,514	26,009,812	4,296,514

The accompanying notes are an integral part of these consolidated financial statements.

JD.com, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the years ended December 31, 2011, 2012 and 2013
(All amounts in thousands, except for share and per share data)

	For the year ended December 31,			
	2011	2012	2013	
	RMB	RMB	RMB	US\$ Note 2(e)
Net revenues				
Online direct sales	20,888,011	40,334,551	67,017,977	11,070,582
Services and others	240,948	1,045,970	2,321,835	383,539
Total net revenues	<u>21,128,959</u>	<u>41,380,521</u>	<u>69,339,812</u>	<u>11,454,121</u>
Operating expenses				
Cost of revenues	(19,976,528)	(37,898,387)	(62,495,538)	(10,323,527)
Fulfillment	(1,515,245)	(3,061,024)	(4,108,939)	(678,748)
Marketing	(479,325)	(1,096,765)	(1,590,171)	(262,678)
Technology and content	(239,923)	(636,346)	(963,653)	(159,184)
General and administrative	(321,981)	(639,097)	(760,338)	(125,599)
Total operating expenses	<u>(22,533,002)</u>	<u>(43,331,619)</u>	<u>(69,918,639)</u>	<u>(11,549,736)</u>
Loss from operations	<u>(1,404,043)</u>	<u>(1,951,098)</u>	<u>(578,827)</u>	<u>(95,615)</u>
Other income/(expense)				
Interest income	56,098	175,751	343,770	56,787
Interest expense	—	(8,324)	(8,437)	(1,394)
Others, net	64,200	60,325	193,555	31,973
Loss before tax	<u>(1,283,745)</u>	<u>(1,723,346)</u>	<u>(49,939)</u>	<u>(8,249)</u>
Income tax expenses	—	(6,127)	40	7
Net loss	<u>(1,283,745)</u>	<u>(1,729,473)</u>	<u>(49,899)</u>	<u>(8,242)</u>
Preferred shares redemption value accretion	(1,660,619)	(1,587,454)	(2,435,366)	(402,294)
Net loss attributable to holders of permanent equity securities	<u>(2,944,364)</u>	<u>(3,316,927)</u>	<u>(2,485,265)</u>	<u>(410,536)</u>
Net loss	(1,283,745)	(1,729,473)	(49,899)	(8,242)
Other comprehensive loss	(141,493)	(7,546)	(114,697)	(18,947)
Comprehensive loss	<u>(1,425,238)</u>	<u>(1,737,019)</u>	<u>(164,596)</u>	<u>(27,189)</u>
Net loss per share of permanent equity securities				
Basic	(2.23)	(2.18)	(1.47)	(0.24)
Diluted	(2.23)	(2.18)	(1.47)	(0.24)
Weighted average number of permanent equity securities				
Basic	1,322,840,034	1,523,639,783	1,694,495,048	1,694,495,048
Diluted	1,322,840,034	1,523,639,783	1,694,495,048	1,694,495,048
Share-based compensation expenses included in:				
Fulfillment	(37,734)	(77,393)	(81,013)	(13,382)
Marketing	(6,131)	(8,979)	(8,741)	(1,444)
Technology and content	(1,124)	(25,176)	(33,269)	(5,496)
General and administrative	(25,975)	(113,491)	(138,150)	(22,821)

The accompanying notes are an integral part of these consolidated financial statements.

JD.com, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2011, 2012 and 2013

(All amounts in thousands, except for share and per share data)

	For the year ended December 31,			
	2011	2012	2013	US\$ Note 2(e)
	RMB	RMB	RMB	
Cash flows from operating activities:				
Net loss	(1,283,745)	(1,729,473)	(49,899)	(8,242)
Adjustments to reconcile net loss to net cash (used in)/ provided by operating activities:				
Depreciation and amortization	73,946	185,730	293,141	48,423
Share-based compensation	70,964	225,039	261,173	43,143
Allowance for doubtful accounts	17,921	(2,406)	(107)	(18)
Loss from disposal of property, equipment and software	6,834	10,982	22,726	3,754
Shareholder contribution	—	—	24,682	4,077
Deferred income tax	—	6,127	(40)	(7)
Investment loss	—	—	309	51
Foreign exchange gains	(41,309)	(13,762)	(92,761)	(15,323)
Changes in operating assets and liabilities:				
Accounts receivable	(183,848)	(226,931)	(22,844)	(3,774)
Restricted cash	(25,063)	(628,358)	577,743	95,436
Inventories	(1,684,694)	(1,989,996)	(1,632,326)	(269,641)
Advance to suppliers	(109,288)	58,651	(660,000)	(109,024)
Prepayments and other current assets	(76,655)	(30,292)	(59,684)	(9,859)
Amount due from related party	—	1,500	—	—
Other non-current assets	(14,663)	(101,350)	(78,644)	(12,991)
Accounts payable	2,420,088	4,155,911	2,687,361	443,920
Advance from customers	215,990	604,053	1,158,745	191,411
Deferred revenues	41,131	44,252	103,258	17,057
Taxes payable	72,532	76,220	112,951	18,658
Accrued expenses and other current liabilities	412,040	754,298	928,920	153,447
Amount due to related party	1,428	3,457	(4,885)	(807)
Net cash (used in)/provided by operating activities	(86,391)	1,403,652	3,569,819	589,691
Cash flows from investing activities:				
Purchase of short term investments	(300,000)	(2,590,000)	(9,966,200)	(1,646,299)
Maturity of short term investments	300,000	510,000	9,166,200	1,514,148
Deposits for capital verification	—	—	(545,000)	(90,027)
Cash paid for equity investments	(840)	(2,000)	(35,133)	(5,804)
Cash received from disposal of equity investment	—	—	1,162	192
Purchase of property, equipment and software	(288,545)	(497,312)	(439,881)	(72,663)
Cash paid for construction in progress	—	(136,122)	(737,411)	(121,812)
Purchase of intangible assets	(4,635)	(45,300)	(10,237)	(1,691)
Purchase of office building	(161,400)	(100,000)	—	—
Purchase of land use rights	(168,830)	(369,001)	(104,552)	(17,271)
Cash paid for business combination, net of cash acquired	—	(139,719)	—	—
Net cash used in investing activities	(624,250)	(3,369,454)	(2,671,052)	(441,227)
Cash flows from financing activities:				
Proceeds from issuance of ordinary shares, net	6,248,610	1,571,431	2,720,076	449,325
Proceeds from exercise of Warrants-C	—	410,164	—	—
Repurchase of ordinary shares	(11,712)	—	—	—
Proceeds from short-term bank loans	—	872,036	940,216	155,313
Repayment of short-term bank loan	—	—	(865,108)	(142,906)
Net cash provided by financing activities	6,236,898	2,853,631	2,795,184	461,732
Effect of exchange rate changes on cash and cash equivalents	(107,439)	688	(58,906)	(9,730)
Net increase in cash and cash equivalents	5,418,818	888,517	3,635,045	600,466
Cash and cash equivalents at beginning of year	869,959	6,288,777	7,177,294	1,185,605
Cash and cash equivalents at end of year	6,288,777	7,177,294	10,812,339	1,786,071
Supplemental disclosures of non-cash financing activities:				
Conversion of Series A-1 preferred shares to ordinary shares	45,804	—	—	—
Conversion of Series B preferred shares to ordinary shares	—	—	38,176	6,306

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2011, 2012 and 2013

(All amounts in thousands, except for share and per share data)

	Ordinary shares		Treasury stock		Series A and A-1 convertible preferred shares		Series B convertible preferred shares		Additional paid-in capital	Statutory reserves	Accumulated other comprehensive loss	Warrants	Accumulated deficit	Total Shareholders' equity
	Shares	Amount RMB	Shares	Amount RMB	Shares	Amount RMB	Shares	Amount RMB						
Balance as of December 31, 2010	<u>905,356,140</u>	<u>123</u>	<u>(57,021,615)</u>	<u>—</u>	<u>221,360,925</u>	<u>301,654</u>	<u>84,786,405</u>	<u>126,417</u>	<u>—</u>	<u>—</u>	<u>(4,882)</u>	<u>15,327</u>	<u>(869,998)</u>	<u>(431,359)</u>
Issuance of ordinary shares	276,646,565	36	—	—	—	—	—	—	6,248,574	—	—	—	—	6,248,610
Conversion of Series A-1 preferred shares to ordinary shares	29,466,925	4	—	—	(29,466,925)	(45,804)	—	—	38,545	—	7,255	—	—	—
Share-based compensation	—	—	9,981,805	—	—	—	—	—	70,964	—	—	—	—	70,964
Repurchase of ordinary shares	—	—	(1,639,265)	(11,712)	—	—	—	—	—	—	—	—	—	(11,712)
Preferred shares redemption value accretion	—	—	—	—	—	—	—	—	(1,332,758)	—	—	—	(327,861)	(1,660,619)
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	(1,283,745)	(1,283,745)
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	(148,748)	—	—	(148,748)
Balance as of December 31, 2011	<u>1,211,469,630</u>	<u>163</u>	<u>(48,679,075)</u>	<u>(11,712)</u>	<u>191,894,000</u>	<u>255,850</u>	<u>84,786,405</u>	<u>126,417</u>	<u>5,025,325</u>	<u>—</u>	<u>(146,375)</u>	<u>15,327</u>	<u>(2,481,604)</u>	<u>2,783,391</u>
Issuance of ordinary shares	63,117,901	8	—	—	—	—	—	—	1,571,423	—	—	—	—	1,571,431
Exercise of Warrants-C	83,952,800	11	—	—	—	—	—	—	424,589	—	891	(15,327)	—	410,164
Share-based compensation	—	—	10,595,589	3,931	—	—	—	—	221,108	—	—	—	—	225,039
Preferred shares redemption value accretion	—	—	—	—	—	—	—	—	(1,587,454)	—	—	—	—	(1,587,454)
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	(1,729,473)	(1,729,473)
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	(8,437)	—	—	(8,437)
Statutory reserves	—	—	—	—	—	—	—	—	—	1,838	—	—	(1,838)	—
Balance as of December 31, 2012	<u>1,358,540,331</u>	<u>182</u>	<u>(38,083,486)</u>	<u>(7,781)</u>	<u>191,894,000</u>	<u>255,850</u>	<u>84,786,405</u>	<u>126,417</u>	<u>5,654,991</u>	<u>1,838</u>	<u>(153,921)</u>	<u>—</u>	<u>(4,212,915)</u>	<u>1,664,661</u>
Issuance of ordinary shares	119,145,642	14	(9,960,005)	—	—	—	—	—	2,720,062	—	—	—	—	2,720,076
Conversion of Series B preferred shares to ordinary shares	25,247,161	3	—	—	—	—	(25,247,161)	(38,176)	34,108	—	4,065	—	—	—
Share-based compensation	—	—	8,764,449	7,781	—	—	—	—	253,392	—	—	—	—	261,173
Preferred shares redemption value accretion	—	—	—	—	—	—	—	—	(2,435,366)	—	—	—	—	(2,435,366)
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	(49,899)	(49,899)
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	(141,986)	—	—	(141,986)
Fair value changes of available for sale securities	—	—	—	—	—	—	—	—	—	—	23,224	—	—	23,224
Shareholder contribution	—	—	—	—	—	—	—	—	24,682	—	—	—	—	24,682
Statutory reserves	—	—	—	—	—	—	—	—	—	810	—	—	(810)	—
Balance as of December 31, 2013	<u>1,502,933,134</u>	<u>199</u>	<u>(39,279,042)</u>	<u>—</u>	<u>191,894,000</u>	<u>255,850</u>	<u>59,539,244</u>	<u>88,241</u>	<u>6,251,869</u>	<u>2,648</u>	<u>(268,618)</u>	<u>—</u>	<u>(4,263,624)</u>	<u>2,066,565</u>

The accompanying notes are an integral part of these consolidated financial statements.

JD.com, Inc.**Notes to the Consolidated Financial Statements****(All amounts in thousands, except for share and per share data)****1. Principal activities and organization**

JD.com, Inc. (the "Company", formerly known as 360buy Jingdong Inc. and Starwave Investments Holdings Limited), through its wholly-owned subsidiaries, variable interest entities ("VIEs") and VIEs' subsidiaries (collectively, the "Group") serves consumers through its retail website jd.com and focuses on selection, price and convenience. The Group also offers programs that enable third party sellers to sell their products on its website and to fulfill the orders either by the sellers or through the Group (known as "online marketplace"). The Group's principal operations and geographic markets are in the People's Republic of China ("PRC"). The accompanying consolidated financial statements include the financial statements of the Company, its subsidiaries, VIEs and VIEs' subsidiaries.

As of December 31, 2013, the Company's major subsidiaries, VIEs and VIEs' subsidiaries are as follows:

<u>Subsidiaries</u>	<u>Equity interest held</u>	<u>Place and Date of incorporation or date of acquisition</u>
Beijing Jingdong Century Trade Co., Ltd. ("Jingdong Century")	100%	Beijing, China, April 2007
Guangzhou Jingdong Trading Co., Ltd.	100%	Guangzhou, China, July 2007
Shanghai Yuanmai Trading Co., Ltd.	100%	Shanghai, China, August 2007
Jiangsu Jingdong Information Technology Co., Ltd.	100%	Jiangsu, China, June 2009
Chengdu Jingdong Century Trading Co., Ltd.	100%	Chengdu, China, December 2009
Beijing Jingdong Century Information Technology Co., Ltd.	100%	Beijing, China, September 2010
Wuhan Jingdong Century Trading Co., Ltd.	100%	Wuhan, China, February 2011
Shanghai Shengdayuan Information Technology Co., Ltd. ("Shanghai Shengdayuan")	100%	Shanghai, China, April 2011
360buy E-Commerce (Jingdong) Hong Kong Co., Ltd.	100%	Hong Kong, China, August 2011
Jingdong Technology Group Corporation	100%	Cayman Islands, November 2011
Shenyang Jingdong Century Trading Co., Ltd.	100%	Shenyang, China, January 2012
Jingdong Logistics Group Corporation	100%	Cayman Islands, January 2012
360buy E-Commerce (Logistics) Hong Kong Co., Ltd.	100%	Hong Kong, China, February 2012
360buy E-Commerce (Trade) Hong Kong Co., Ltd.	100%	Hong Kong, China, February 2012
Beijing Jingdong Shangke Information Technology Co., Ltd.	100%	Beijing, China, March 2012
Tianjin Star East Co., Ltd.	100%	Tianjing, China, April 2012
Beijing Jingbangda Trade Co., Ltd.	100%	Beijing, China, August 2012

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****1. Principal activities and organization (Continued)**

<u>VIEs</u>	<u>Economic interest held</u>	<u>Place and Date of incorporation or date of acquisition</u>
Beijing Jingdong 360 Degree E-commerce Co., Ltd. ("Jingdong 360")	100%	Beijing, China, April 2007
Fortune Rising Holdings Ltd. ("Fortune Rising")	100%	British Virgin Islands, May 2008
Jiangsu Yuanzhou E-commerce Co., Ltd. ("Jiangsu Yuanzhou")	100%	Jiangsu, China, September 2010

<u>VIEs' Subsidiaries</u>	<u>Economic interest held</u>	<u>Place and Date of incorporation or date of acquisition</u>
Chinabank Payment Business Services Co., Ltd. ("Chinabank Payment")	100%	Beijing, China, in October 2012
Chinabank Payment Technology Co., Ltd ("Chinabank Payment Technology")	100%	Beijing, China, in October 2012

Organization

The Company was incorporated in the British Virgin Islands ("BVI") on November 6, 2006 and was re-domiciled in the Cayman Islands in January 2014 as an exempted company registered under the laws of the Cayman Islands, and was renamed as JD.com, Inc. Prior to November 2006, the Group carried out its operations through a Beijing company and a Shanghai company, which were controlled by Mr. Richard Qiangdong Liu (the "Founder").

Through a series of contemplated transactions between November 2006 and April 2007, the Group undertook a reorganization and the Company became the parent company of the Group. The reorganization was necessary to comply with the PRC laws and regulations which prohibit or restrict foreign ownership of the companies where the PRC operating licenses are required. In connection with the reorganization, the Founder established the Company, Jingdong Century and Jingdong 360, and transferred all the Group's business from the Beijing company and the Shanghai company to Jingdong Century and Jingdong 360. By entering into a series of agreements, the Beijing company and the Shanghai company became VIEs of Jingdong Century. Consequently, Jingdong Century became the primary beneficiary of the Beijing company and the Shanghai company. The Shanghai company and the Beijing company ceased business operations and were liquidated and dissolved in 2008 and 2010, respectively.

In conjunction with the above reorganization in April, 2007, the Company issued 319,000,000 ordinary shares to the Founder at par value. On the same day, the Company issued 155,000,000 Series A convertible redeemable preferred shares for US\$5,000.

On April 4, 2007 and September 26, 2010, Jingdong 360 and Jiangsu Yuanzhou were incorporated in the PRC, respectively. The paid-in capital of these entities were funded by the Company, and they were established to facilitate the Group's operation and business expansion plans.

On May 18, 2008, Fortune Rising, a BVI incorporated company and a consolidated variable interest entity of the Group, was established by the Group to facilitate the adoption of the Company's stock incentive plans.

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****1. Principal activities and organization (Continued)*****Share split***

On April 18, 2012, the Company effected a 5-for-1 share split. Each ordinary share and preferred share of the Company was subdivided into 5 shares at a par value of US\$0.00002. All shares and per share amounts presented in the accompanying consolidated financial statements and notes have been revised on a retroactive basis to reflect the effect of the share split. The par value per ordinary share has been retroactively revised as if it had been adjusted in proportion to the 5-for-1 share split.

Variable interest entities

In order to comply with the PRC law and regulations which prohibit or restrict foreign control of companies involved in provision of internet content and sales of audio, video products and books, the Group operates its website and provides sales of audio, video products and books in the PRC through Jingdong 360 and Jiangsu Yuanzhou, respectively. The equity interests of Jingdong 360 and Jiangsu Yuanzhou are legally held by Mr. Richard Qiangdong Liu, the Company's Chairman and Chief Executive Officer, and Mr. Jiaming Sun, an employee of the Company (collectively as "Nominee Shareholders"). The Company obtained control over Jingdong 360 through Jingdong Century in April 2007 by entering into a series of contractual arrangements with Jingdong 360 and the Nominee Shareholders of Jingdong 360. The Company obtained control over Jiangsu Yuanzhou through Jingdong Century in September 2010 by commitments between Jiangsu Yuanzhou, the Nominee Shareholders of Jiangsu Yuanzhou and Jingdong Century at the time when Jiangsu Yuanzhou was established. In April 2011, Jingdong Century entered into a series of contractual arrangements with Jiangsu Yuanzhou and its Nominee Shareholders to formalize the control over Jiangsu Yuanzhou. These contractual agreements include loan agreements, exclusive purchase option agreements, exclusive technology consulting and services agreement, software license agreements, trademark license agreements, website copyright license agreement, domain name license agreement, equity pledge agreements, power of attorney and business cooperation agreement. As a result, the Company maintains the ability to control Jingdong 360 and Jiangsu Yuanzhou, is entitled to substantially all of the economic benefits from Jingdong 360 and Jiangsu Yuanzhou and is obligated to absorb all of Jingdong 360 and Jiangsu Yuanzhou's expected losses. Management concluded that Jingdong 360 and Jiangsu Yuanzhou are VIEs of the Company, of which the Company is the ultimate primary beneficiary. As such, the Group consolidated the financial results of Jingdong 360 and Jiangsu Yuanzhou and their subsidiaries in the Group's consolidated financial statements. Refer to Note 2(b) to the consolidated financial statements for the principles of consolidation.

The following is a summary of the contractual agreements (collectively, "Contractual Agreements") that the Company, through Jingdong Century, entered into with Jiangsu Yuanzhou and Jingdong 360 and their Nominee Shareholders:

- *Loan agreements*

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****1. Principal activities and organization (Continued)**

Jingdong Century has granted interest-free loans to the Nominee Shareholders with the sole purpose of providing funds necessary for the capital injection of Jingdong 360 and Jiangsu Yuanzhou. The loans for initial and subsequent capital injections are eliminated with the capital of the Jingdong 360 and Jiangsu Yuanzhou during consolidation. The loans to the Nominee Shareholders of Jingdong 360 and Jiangsu Yuanzhou as of December 31, 2011, 2012 and 2013 were RMB15,000, RMB20,000 and RMB44,000, respectively. Jingdong Century can require the Nominee Shareholders to settle the loan amount through the equity interests of Jingdong 360 and Jiangsu Yuanzhou. The loan agreements relating to Jingdong 360 and Jiangsu Yuanzhou will expire on April 27, 2017 and April 15, 2021, respectively, and are renewable upon expiration.

- *Exclusive purchase option agreements*

The Nominee Shareholders of Jingdong 360 and Jiangsu Yuanzhou have granted Jingdong Century the exclusive and irrevocable right to purchase from the Nominee Shareholders, to the extent permitted under PRC laws and regulations, part or all of the equity interests in these entities for a purchase price equal to the lowest price permitted by PRC laws and regulations. Jingdong Century may exercise such option at any time. In addition, Jingdong 360 and Jiangsu Yuanzhou and their Nominee Shareholders agree that without Jingdong Century's prior written consent, they will not transfer or otherwise dispose the equity interests or declare any dividend. The exclusive purchase option agreements relating to Jingdong 360 and Jiangsu Yuanzhou will expire on April 27, 2017 and April 15, 2021, respectively, and can be renewed for another ten years at Jingdong Century's option.

- *Exclusive technology consulting and services agreement*

Jingdong Century, Jingdong 360 and Jiangsu Yuanzhou entered into exclusive technology consulting and services agreement under which Jingdong 360 and Jiangsu Yuanzhou engage Jingdong Century as their exclusive provider of technical platform and technical support, maintenance and other services. Jingdong 360 and Jiangsu Yuanzhou shall pay to Jingdong Century service fees determined based on the volume and market price of the service provided, and the minimum amount of which shall be RMB10 per quarter subject to annual evaluation. Jingdong Century shall exclusively own any intellectual property arising from the performance of this agreement. During the term of the agreement, Jingdong 360 and Jiangsu Yuanzhou may not enter into any agreement with third parties for the provision of identical or similar services without prior consent of Jingdong Century. The term of the agreement with Jingdong 360 will expire on April 27, 2017 and the term of the agreement with Jiangsu Yuanzhou will expire on April 15, 2021. The term of the agreements may be extended unilaterally by Jingdong Century with Jingdong Century's written confirmation prior to the expiration date.

- *Software license agreements*

Pursuant to the software license agreements, Jingdong Century grants Jingdong 360 and Jiangsu Yuanzhou non-exclusive rights to use certain software products developed by Jingdong Century. Jingdong 360 and Jiangsu Yuanzhou are permitted to use the software products only within the scope of their internet information service operation and in the territory of PRC. Jingdong 360 and Jiangsu Yuanzhou agree to pay license fees to Jingdong Century in an amount of RMB10 per year subject to annual evaluation. If there is any adjustment in the license fee, approvals from Jingdong Century and the Company are required. The term of the agreement with Jingdong 360 will expire on April 27, 2017

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****1. Principal activities and organization (Continued)**

and the term of the agreement with Jiangsu Yuanzhou will expire on April 15, 2021. The term of the agreements may be extended unilaterally by Jingdong Century with Jingdong Century's written confirmation prior to the expiration date.

- *Trademark license agreements*

Pursuant to the trademark license agreements, Jingdong Century grants Jingdong 360 and Jiangsu Yuanzhou non-exclusive rights to use certain trademarks owned by Jingdong Century. Jingdong 360 and Jiangsu Yuanzhou are permitted to use the trademarks only within the scope of their internet information service operation and in the territory of PRC. Jingdong 360 and Jiangsu Yuanzhou agree to pay license fees to Jingdong Century in an amount of RMB10 per year subject to annual evaluation. If there is any adjustment in the service fee, approvals from Jingdong Century and the Company are required. The term of the agreement with Jingdong 360 will expire on April 27, 2017 and the term of the agreement with Jiangsu Yuanzhou will expire on April 15, 2021. The term of the agreements may be extended unilaterally by Jingdong Century with Jingdong Century's written confirmation prior to the expiration date.

- *Website copyright license agreement*

Jingdong Century entered into a website copyright license agreement with Jingdong 360, pursuant to which Jingdong Century grants Jingdong 360 a non-exclusive and non-assignable right to use the copyrights of certain websites owned by Jingdong Century. Jingdong 360 is permitted to use the website copyrights only within its business scope and in the territory of PRC. Jingdong 360 agrees to pay license fees to Jingdong Century in an amount of RMB10 per year subject to annual evaluation. If there is any adjustment in the service fee, approvals from Jingdong Century and the Company are required. The term of this agreement will expire on April 27, 2017 and may be extended unilaterally by Jingdong Century with Jingdong Century's written confirmation prior to the expiration date.

- *Domain name license agreement*

Jingdong Century entered into a domain name license agreement with Jingdong 360, pursuant to which Jingdong Century grants Jingdong 360 the right to use certain domain names owned by Jingdong Century. Jingdong 360 is permitted to use the domain names only within the scope of its internet information service operation and in the territory of PRC. Jingdong 360 agrees to pay license fees to Jingdong Century in an amount of RMB10 per year subject to annual evaluation. If there is any adjustment in the service fee, approvals from Jingdong Century and the Company are required. The term of this agreement will expire on April 27, 2017 and may be extended unilaterally by Jingdong Century with Jingdong Century's written confirmation prior to the expiration date.

- *Equity pledge agreements*

The Nominee Shareholders of Jingdong 360 and Jiangsu Yuanzhou entered into equity pledge agreements with Jingdong Century under which the Nominee Shareholders pledged all of their equity interests in Jingdong 360 and Jiangsu Yuanzhou to Jingdong Century as collateral for all of their payments due to Jingdong Century and to secure their obligations under the above agreements. The Nominee Shareholders may not transfer or assign the equity interests, the rights and obligations in the share pledge agreements or create or permit to create any pledges which may have an adverse effect on the rights or benefits of Jingdong Century without Jingdong Century's preapproval. Jingdong Century is

JD.com, Inc.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

1. Principal activities and organization (Continued)

entitled to transfer or assign in full or in part the equity interests pledged. In the event of default, Jingdong Century as the pledgee, will be entitled to request immediate repayment of the loans or to dispose of the pledged equity interests through transfer or assignment. The equity pledge agreements will expire on the second anniversary of the date when the Nominee Shareholders have completed all their obligations under the above agreements unless otherwise terminated earlier by Jingdong Century.

• *Power of attorney*

Pursuant to the irrevocable power of attorney, each of the Nominee Shareholders appointed Jingdong Century's designated person as their attorney-in-fact to exercise all shareholder rights under PRC law and the relevant articles of association, including but not limited to, voting on their behalf on all matters requiring shareholder approval, disposing of all or part of the Nominee Shareholders' equity interests, and electing, appointing or removing directors and the general manager. Each power of attorney will remain in force during the period when the Nominee Shareholders continues to be shareholders of the Jingdong 360 or Jiangsu Yuanzhou. Each Nominee Shareholders has waived all the rights which have been authorized to Jingdong Century's designated person under each power of attorney.

• *Business cooperation agreement*

Jingdong Century entered into business cooperation agreement with Jingdong 360, pursuant to which Jingdong 360 agrees to provide services to Jingdong Century, including operating websites owned by Jingdong Century, posting Jingdong Century's product and service information on the websites, transmitting the users' order and transaction information to Jingdong Century and other services reasonably requested by Jingdong Century. Jingdong Century agreed 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, but in no event more than RMB20 per quarter. The business cooperation agreement will expire on April 27, 2017 and is renewable for another ten years upon Jingdong Century's request.

Further amendments on Contractual Agreements

Subsequent to entering into the original Contractual Agreements, the Company, Jingdong 360, Jiangsu Yuanzhou and the Nominees Shareholders restated and amended certain contractual agreements. These changes had no impact to the Group's effective control over Jingdong 360 and Jiangsu Yuanzhou, and therefore the Group continued to consolidate Jingdong 360 and Jiangsu Yuanzhou.

On April 15, 2011, the loan agreement, exclusive purchase option agreement and equity pledge agreement relating to Jingdong 360 were amended and restated, and their contract terms were extended to April 15, 2021 to reflect the increase of registered capital of Jingdong 360 by its Nominee Shareholders of Jingdong 360. No other terms or conditions of these agreements were changed or altered. In addition, each of the Nominee Shareholders of Jingdong 360 granted Jingdong Century or representative designated by Jingdong Century another irrevocable power of attorney on April 15, 2011, upon which no terms or conditions of the original power of attorney was changed or altered.

On May 29, 2012, the original software license agreement, the trademark license agreement, website copyright license agreement and domain name license agreement relating to Jingdong 360 were

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****1. Principal activities and organization (Continued)**

amended and combined into an intellectual property rights license agreement with Jingdong Century and three of its subsidiaries. On the same date, the original software license agreement and the trademark license agreement relating to Jiangsu Yuanzhou were amended and combined into an intellectual property rights license agreement with Jingdong Century and three of its subsidiaries. The term of these two intellectual property rights license agreements will expire on May 29, 2022. The loan agreement, exclusive purchase option agreement, exclusive technology consulting and services agreement, and equity pledge agreement relating to Jingdong 360 and Jiangsu Yuanzhou were also amended and restated on May 29, 2012 and their terms are extended to May 29, 2022. In addition, the business cooperation agreement relating to Jingdong 360 was amended and restated on May 29, 2012 and extended to May 29, 2022, in which Shanghai Shengdayuan was added as an additional service receiver from Jingdong 360. No other terms or conditions of the original agreements were changed or altered. In conjunction with these changes, each of the Nominee Shareholders of Jingdong 360 and Jiangsu Yuanzhou granted another irrevocable power of attorney on May 29, 2012 to Jingdong Century or representative designated by Jingdong Century, upon which no terms or conditions of the original power of attorney was changed or altered.

On November 6, 2012, the loan agreement, exclusive purchase option agreement, equity pledge agreement and power of attorney relating to Jiangsu Yuanzhou were amended and restated and their contract terms were extended to November 6, 2022 to reflect the increase of registered capital of Jiangsu Yuanzhou by its Nominee Shareholders in November 2012. No other terms or conditions of the original agreements were changed or altered.

On December 18 and 25, 2013, the loan agreement, exclusive purchase option agreement, equity pledge agreement and power of attorney relating to Jiangsu Yuanzhou and Jingdong 360 were amended and restated, and their contract terms were extended to December 18 and 25, 2023 to reflect the increase of registered capital of Jingdong 360 and Jiangsu Yuanzhou by the Nominee Shareholders in December 2013, respectively. As a result of such capital increase, in both Jingdong 360 and Jiangsu Yuanzhou, the equity interests held by Mr. Richard Qiangdong Liu decreased from 99% to 45% while the equity interests held by Mr. Jiaming Sun increased from 1% to 55%. No other terms or conditions of the original agreements were changed or altered. On December 18 and 25, 2013, the intellectual property rights license agreement relating to Jiangsu Yuanzhou and Jingdong 360 were amended and restated and their contractual term were extended to December 18 and 25, 2023, respectively to include 3 other subsidiaries of Jingdong Century as service providers. No other terms or conditions of the original agreements were changed or altered.

Risks in relations to the VIE structure

In the opinion of management, Jingdong Century's contractual arrangements with Jingdong 360 and Jiangsu Yuanzhou and the Nominee Shareholders are in compliance with PRC laws and regulations and are legally binding and enforceable. The Nominee Shareholders are also shareholders or nominees of shareholders of the Company and therefore have no current interest in seeking to act contrary to the contractual arrangements. However, there are substantial uncertainties regarding the interpretation and application of PRC laws and regulations including those that govern the Group's contractual arrangements, which could limit the Group's ability to enforce these contractual arrangements and if the Nominee Shareholders of the VIEs were to reduce their interests in the Company, their interest may diverge from that of the Company and that may potentially increase the

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****1. Principal activities and organization (Continued)**

risk that they would seek to act contrary to the contractual arrangements. The Company's ability to control the VIEs also depends on the power of attorney Jingdong Century has to vote on all matters requiring shareholder approval in the VIEs. As noted above, the Company believes these power of attorney are legally enforceable but may not be as effective as direct equity ownership. In addition, if the Group's corporate structure and contractual arrangements with Jingdong 360 and Jiangsu Yuanzhou through which the Group conducts its business in PRC were found to be in violation of any existing or future PRC laws and regulations, the relevant PRC regulatory authorities could:

- revoke or refuse to grant or renew the Group's business and operating licenses;
- restrict or prohibit related party transactions between Jingdong Century and its subsidiaries, Jingdong 360 and Jiangsu Yuanzhou;
- impose fines, confiscate income or other requirements which the Group may find difficult or impossible to comply with;
- require the Group to alter the corporate structure operations; and
- restrict or prohibit the Group's ability to finance its operations.

The imposition of any of these government actions could result in a material adverse effect on the Group's ability to conduct its operations. In such case, the Group may not be able to operate or control Jingdong 360 and Jiangsu Yuanzhou, which may result in deconsolidation of Jingdong 360 and Jiangsu Yuanzhou in the Group's consolidated financial statements. In the opinion of management, the likelihood for the Company to lose such ability is remote based on current facts and circumstances. The Company's operations depend on the VIEs to honor their contractual agreements with the Company. Almost all of these agreements are governed by PRC law and disputes arising out of these agreements are expected to be decided by arbitration in China. The management believes that each of the contractual agreements constitutes valid and legally binding obligations of each party to such contractual agreements under PRC Laws. However, the interpretation and implementation of the laws and regulations in the PRC and their application to an effect on the legality, binding effect and enforceability of contracts are subject to the discretion of competent PRC authorities, and therefore there is no assurance that relevant PRC authorities will take the same position as the Group herein in respect of the legality, binding effect and enforceability of each of the contractual agreements. Meanwhile, since the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involve uncertainties, which may limit legal protections available to the Company to enforce the contractual arrangements should the VIEs or the Nominee Shareholders of the VIEs fail to perform their obligations under those arrangements.

JD.com, Inc.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

1. Principal activities and organization (Continued)

The following consolidated financial information of the Group's VIEs and VIEs' subsidiaries as of December 31, 2011, 2012 and 2013 have been included in the accompanying consolidated financial statements:

	As of December 31,		
	2011	2012	2013
	RMB	RMB	RMB
Total assets	411,465	921,990	1,285,176
Total liabilities	432,380	1,097,082	1,642,412

	For the year ended December 31,		
	2011	2012	2013
	RMB	RMB	RMB
Total net revenues	456,395	1,310,602	2,023,143
Net loss	(28,034)	(159,177)	(206,144)

	For the year ended December 31,		
	2011	2012	2013
	RMB	RMB	RMB
Net cash (used in)/provided by operating activities	(971)	173,830	(144,315)
Net cash used in investing activities	(1,640)	(183,542)	(22,659)
Net cash provided by financing activities	8,000	240,490	262,270
Net increase in cash and cash equivalents	5,389	230,778	95,296
Cash and cash equivalents at beginning of the year	1,915	7,304	238,082
Cash and cash equivalents at end of the year	7,304	238,082	333,378

As of December 31, 2011, 2012 and 2013, the total assets of Group's VIEs and VIEs' subsidiaries were mainly consisting of cash and cash equivalents, accounts receivable, inventories, prepayments and other current assets and intangible assets. As of December 31, 2011, 2012 and 2013, the total liabilities of VIEs and VIEs' subsidiaries were mainly consisting of accounts payable and liabilities to the Group's other subsidiaries. These balances have been reflected in the Group's consolidated financial statements with intercompany transactions eliminated.

In accordance with the Contractual Agreements, Jingdong Century has the power to direct activities of the Group's VIEs and VIEs' subsidiaries, and can have assets transferred out of the Group's VIEs and VIEs' subsidiaries. Therefore, Jingdong Century considers that there is no asset in the Group's VIEs and VIEs' subsidiaries that can be used only to settle their obligations except for registered capitals of Jingdong 360 and Jiangsu Yuanzhou amounting to RMB44,000 as of December 31, 2013. As the Group's VIEs and VIEs' subsidiaries are incorporated as limited liability companies under the PRC Company Law, the creditors do not have recourse to the general credit of Jingdong Century for all the liabilities of the Group's VIEs and VIEs' subsidiaries. The total shareholders' deficit of the Group's VIEs and VIEs' subsidiaries was RMB20,915, RMB175,092 and RMB357,236 as of December 31, 2011, 2012 and 2013, respectively.

JD.com, Inc.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

1. Principal activities and organization (Continued)

Currently there is no contractual arrangement that could require Jingdong Century or the Group to provide additional financial support to Jingdong 360 and Jiangsu Yuanzhou. As the Group is conducting certain businesses in the PRC through Jingdong 360 and Jiangsu Yuanzhou, the Group may provide additional financial support on a discretionary basis in the future, which could expose the Group to a loss.

There is no VIE where the Company or any subsidiary has a variable interest but is not the primary beneficiary.

Liquidity

The Group has been incurring recurring losses from operations since inception. Accumulated deficit amounted to RMB2,481,604, RMB4,212,915 and RMB4,263,624 as of December 31, 2011, 2012 and 2013, respectively. The net cash used in operating activities was approximately RMB86,391 for the year ended December 31, 2011. The net cash provided by operating activities was approximately RMB1,403,652 and RMB3,569,819 for the year ended December 31, 2012 and 2013, respectively.

The Group's liquidity is based on its ability to generate cash to fund its operations, its ability to attract investors and its ability to borrow funds on favorable economic terms. Historically, the Group has relied principally on both operational sources of cash and non-operational sources of financing from investors to fund its operations and capital expansion needs, including construction of office buildings and warehouses. The Group's ability to continue as a going concern is dependent on management's ability to successfully execute its business plan, which includes increasing revenues while controlling operating expenses, as well as, generating operational cash flows, and continued support from outside sources of financing. The Group believes its current cash balance will be sufficient to meet the Group's operating cash needs for the period of twelve months from the balance sheet date. In addition, if the Group successfully completed a qualified initial public offering (see Note 18) at any time before January 1, 2014 (which has been deferred to January 1, 2015 upon the Group's request in December 2013), thereby triggering the automatic conversion of Series C Preferred Shares into ordinary shares and eliminating any future cash outflow as a result of Series C Preferred Shares redemption. Based on the above considerations, the Group's consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations.

2. Summary of significant accounting policies

a. Basis of presentation

The consolidated financial statements of the Group have been prepared in accordance with the accounting principles generally accepted in the United States of America ("U.S. GAAP"). Significant accounting policies followed by the Group in the preparation of the accompanying consolidated financial statements are summarized below.

JD.com, Inc.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

2. Summary of significant accounting policies (Continued)

b. Principles of consolidation

The consolidated financial statements of the Group have been prepared in accordance with U.S. GAAP. The consolidated financial statements include the financial statements of the Company, its subsidiaries, the VIEs and VIEs' subsidiaries for which the Company is the ultimate primary beneficiary. Subsidiaries are those entities in which the Company, directly or indirectly, controls more than one half of the voting power or has the power to govern the financial and operating policies, to appoint or remove the majority of the members of the board of directors, or to cast a majority of votes at the meeting of directors.

A VIE is an entity in which the Company, or its subsidiary, through contractual arrangements, bears the risks of, and enjoys the rewards normally associated with ownership of the entity, and therefore the Company or its subsidiary is the primary beneficiary of the entity.

All transactions and balances among the Company, its subsidiaries, the VIEs and VIEs' subsidiaries have been eliminated upon consolidation.

c. Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, related disclosures of contingent liabilities at the balance sheet date, and the reported revenues and expenses during the reported period in the consolidated financial statements and accompanying notes. Significant accounting estimates are used for, but not limited to, sales returns, vendor and customer incentives, the valuation and recognition of share-based compensation arrangements, realization of deferred tax assets, fair value of assets and liabilities acquired in business combinations, assessment for impairment of long-lived assets, intangible assets and goodwill, allowance for doubtful accounts, inventory valuation for excess and obsolete inventories, lower of cost and market value of inventories, depreciable lives of property, equipment and software, useful life of intangible assets and redemption value of the redeemable preferred shares. Actual results may differ materially from those estimates.

d. Foreign currency translation

The Group's reporting currency is Renminbi ("RMB"). The functional currency of the Group's entities incorporated in Cayman Islands, British Virgin Islands ("BVI") and Hong Kong ("HK") is the United States dollars ("US\$"). The Group's PRC subsidiaries, VIEs and VIEs' subsidiaries determined their functional currency to be RMB. The determination of the respective functional currency is based on the criteria of ASC 830, *Foreign Currency Matters*.

Transactions denominated in currencies other than functional currency are translated into functional currency at the exchange rates quoted by authoritative banks prevailing at the dates of the transactions. Exchange gains and losses resulting from those foreign currency transactions denominated in a currency other than the functional currency are recorded as a component of Others, net in the Consolidated Statements of Operations and Comprehensive Loss. Total exchange gains were RMB41,309, RMB13,762 and RMB92,761 for the years ended December 31, 2011, 2012 and 2013, respectively.

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****2. Summary of significant accounting policies (Continued)**

The financial statements of the Group are translated from the functional currency into RMB. Assets and liabilities denominated in foreign currencies are translated into RMB using the applicable exchange rates at the balance sheet date. Equity accounts other than earnings generated in current period are translated into RMB at the appropriate historical rates. Revenues, expenses, gains and losses are translated into RMB using the periodic average exchange rates. The resulting foreign currency translation adjustments are recorded as a component of accumulated other comprehensive income or loss in the Consolidated Statements of Changes in Shareholders' Equity. Total foreign currency translation adjustment losses were RMB141,493, RMB7,546 and RMB137,921 for the years ended December 31, 2011, 2012 and 2013, respectively. The grant-date fair value of the Group's share-based awards is reported in US\$ as the respective valuation is conducted on US\$ basis.

e. Convenience translation

Translations of balances in the Consolidated Balance Sheets, Consolidated Statements of Operations and Comprehensive Loss and Consolidated Statements of Cash Flows from RMB into US\$ as of and for the year ended December 31, 2013 are solely for the convenience of the readers and were calculated at the rate of US\$1.00=RMB6.0537, representing the noon buying rate set forth in the H.10 statistical release of the U.S. Federal Reserve Board on December 31, 2013. No representation is made that the RMB amounts could have been, or could be, converted, realized or settled into US\$ at that rate on December 31, 2013, or at any other rate.

f. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, time deposits, as well as highly liquid investments, some of which are subject to certain penalty as to early withdrawal, which have original maturities of three months or less.

g. Restricted cash

Cash that is restricted as to withdrawal for use or pledged as security is reported separately on the face of the Consolidated Balance Sheets, and is not included in the total cash and cash equivalents in the Consolidated Statements of Cash Flows. The Group's restricted cash mainly represents (a) the secured deposits held in designated bank accounts for issuance of bank acceptance and letter of guarantee; (b) time deposit that are pledged for short term loan; and (c) deposits held in designated bank accounts for capital verification for the establishment of new entities.

h. Short-term investments

The Group classifies the short-term investment in debt securities as "available-for-sale". The Group made certain deposits with variable interest rates or principal not-guaranteed with certain financial institutions. These investments were recorded at fair market value with the unrealized gains or losses recorded as a component of accumulated other comprehensive income in Consolidated Statements of Changes in Shareholders' Equity. Realized gains are reflected as a component of interest income.

In addition, short-term investments also comprise of time deposits placed with banks with original maturities longer than three months but less than one year.

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****2. Summary of significant accounting policies (Continued)**

The Group assesses whether there are any other-than-temporary impairment to its short-term investments due to declines in fair value or other market conditions. Declines in fair values that are considered other-than-temporary are recorded as an impairment loss in the Consolidated Statements of Operations and Comprehensive Loss. No impairment losses were recorded for the years ended December 31, 2011, 2012 and 2013.

i. Accounts receivable, net

Accounts receivables mainly represent amounts due from customers and online payment channels and are recorded net of allowance for doubtful accounts. The Group considers many factors in assessing the collectability of its accounts receivable, such as the age of the amounts due, the customer's payment history, credit-worthiness, financial conditions of the customers and industry trend. An allowance for doubtful accounts is recorded in the period in which a loss is determined to be probable. The Group also makes specific allowance if there is strong evidence indicating that the accounts receivable is likely to be unrecoverable. Accounts receivable balances are written off after all collection efforts have been exhausted.

j. Inventories, net

Inventories, consisting of products available for sale, are stated at the lower of cost or market value. Cost of inventory is determined using the weighted average cost method. Adjustments are recorded to write down the cost of inventory to the estimated market value due to slow-moving merchandise and damaged goods, which is dependent upon factors such as historical and forecasted consumer demand, and promotional environment. The Group takes ownership, risks and rewards of the products purchased, but has arrangements to return unsold goods with certain vendors. Write downs are recorded in cost of revenues in the Consolidated Statements of Operations and Comprehensive Loss.

The Group also provides fulfillment-related services in connection with the Group's online marketplace. Third-party sellers maintain ownership of their inventories and therefore these products are not included in the Group's inventories.

k. Equity investments

The Group accounts for an equity investment over which it has significant influence but does not own a majority of the equity interest or lack of control using the equity method. For equity investments which the Group does not have significant influence, the cost method accounting is applied.

The Group assesses its equity investments for other-than-temporary impairment by considering factors as well as all relevant and available information including, but not limited to, current economic and market conditions, the operating performance of the companies including current earnings trends and other company-specific information such as financing rounds. No impairment charges were recorded for the years ended December 31, 2011, 2012 and 2013.

l. Property, equipment and software, net

Property, equipment and software are stated at cost less accumulated depreciation and impairment. Property, equipment and software are depreciated at rates sufficient to write off their costs

JD.com, Inc.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

2. Summary of significant accounting policies (Continued)

less impairment and residual value, if any, over the estimated useful lives on a straight-line basis. The estimated useful lives are as follows:

Category	Estimated useful lives
Electronic equipment	3 years
Office equipment	5 years
Vehicles	5 years
Logistic and warehouse equipment	5 years
Leasehold improvement	Over the shorter of the expected life of leasehold improvements or the lease term
Software	3-5 years
Building	40 years

Repairs and maintenance costs are charged to expenses as incurred, whereas the cost of renewals and betterment that extends the useful lives of property, equipment and software are capitalized as additions to the related assets. Retirements, sales and disposals of assets are recorded by removing the costs, accumulated depreciation and impairment with any resulting gain or loss recognized in the Consolidated Statements of Operations and Comprehensive Loss.

m. Construction in progress

Direct costs that are related to the construction of property, equipment and software and incurred in connection with bringing the assets to their intended use are capitalized as construction in progress. Construction in progress is transferred to specific property, equipment and software items and the depreciation of these assets commences when the assets are ready for their intended use. As of December 31, 2011, 2012 and 2013, the balance of construction in progress were RMB Nil, RMB361,913 and RMB1,237,644, which was primarily related to the construction of office buildings and warehouses.

*n. Intangible assets, net**Domain name and copyrights*

Domain name and copyrights purchased from third parties are initially recorded at cost and amortized on a straight-line basis over the estimated economic useful lives of approximately ten years and two to five years, respectively.

Intangible assets arising from business combination

The Group performs valuation of the intangible assets arising from business combination to determine the relative fair value to be assigned to each asset acquired. The acquired intangible assets are recognized and measured at fair value and are expensed or amortized using the straight-line approach over the estimated economic useful life of the assets as follows:

	Estimated useful lives
Online payment and other licenses	15 years

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****2. Summary of significant accounting policies (Continued)*****o. Land use rights, net***

Land use rights are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful lives which are generally 50 years and represent the shorter of the estimated usage periods or the terms of the agreements.

p. Goodwill

Goodwill represents the excess of the purchase price over the fair value of the identifiable assets and liabilities acquired in a business combination.

Goodwill is not depreciated or amortized but is tested for impairment on an annual basis as of December 31, and in between annual tests when an event occurs or circumstances change that could indicate that the asset might be impaired. In accordance with the FASB guidance on "Testing of Goodwill for Impairment," a company first has the option to assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the company decides, as a result of its qualitative assessment, that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is mandatory. Otherwise, no further testing is required. The quantitative impairment test consists of a comparison of the fair value of each reporting unit with its carrying amount, including goodwill. If the carrying amount of each reporting unit exceeds its fair value, an impairment loss equal to the difference between the implied fair value of the reporting unit's goodwill and the carrying amount of goodwill will be recorded. Application of a goodwill impairment test requires significant management judgment, including the identification of reporting units, assigning assets and liabilities to reporting units, assigning goodwill to reporting units, and determining the fair value of each reporting unit. The judgment in estimating the fair value of reporting units includes estimating future cash flows, determining appropriate discount rates and making other assumptions. Changes in these estimates and assumptions could materially affect the determination of fair value for each reporting unit.

No impairment loss was recognized for any of the periods presented.

q. Impairment of long-lived assets

Long-lived assets are evaluated for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate that the carrying value of an asset may not be fully recoverable or that the useful life is shorter than the Group had originally estimated. When these events occur, the Group evaluates the impairment for the long-lived assets by comparing the carrying value of the assets to an estimate of future undiscounted cash flows expected to be generated from the use of the assets and their eventual disposition. If the sum of the expected future undiscounted cash flows is less than the carrying value of the assets, the Group recognizes an impairment loss based on the excess of the carrying value of the assets over the fair value of the assets. No impairment charge was recognized for any of the periods presented.

r. Fair value

Accounting guidance defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****2. Summary of significant accounting policies (Continued)**

be recorded at fair value, the Group considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

Accounting guidance establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Accounting guidance establishes three levels of inputs that may be used to measure fair value:

Level 1—Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2—Include other inputs that are directly or indirectly observable in the marketplace.

Level 3—Unobservable inputs which are supported by little or no market activity.

Accounting guidance also describes three main approaches to measuring the fair value of assets and liabilities: (1) market approach; (2) income approach and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

Financial assets and liabilities of the Group primarily consist of cash and cash equivalents, restricted cash, short-term investments, accounts receivable, prepayments and other current asset, accounts payable, short-term bank loan, taxes payable, advance from customers and accrued expenses and other current liabilities. As of December 31, 2011, 2012 and 2013, the carrying values of these financial instruments approximated to their fair values due to the short-term maturity of these instruments.

s. Revenue

The Group engages primarily in the sale of electronics and home appliance products and general merchandise products (including audio, video products and books) sourced from manufacturers, distributors and publishers in China on the internet through its website jd.com. The Group also offers an online marketplace that enables third-party sellers to sell their products to customers on jd.com. Customers place their orders for products online through the website jd.com. Payment for the purchased products is generally made either before delivery or upon delivery.

Consistent with the criteria of ASC 605, *Revenue Recognition*, the Group recognizes revenues when the following four revenue recognition criteria are met: (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered, (iii) the selling price is fixed or determinable, and (iv) collectability is reasonably assured.

In accordance with ASC 605, *Revenue Recognition*, the Group evaluates whether it is appropriate to record the gross amount of product sales and related costs or the net amount earned as commissions. When the Group is primarily obligated in a transaction, is subject to inventory risk, has latitude in establishing prices and selecting suppliers, or has several but not necessary all of these

JD.com, Inc.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

2. Summary of significant accounting policies (Continued)

indicators, revenues should be recorded on a gross basis. When the Group is not the primary obligor, doesn't bear the inventory risk and doesn't have the ability to establish the price, revenues are recorded on a net basis.

Revenue arrangements with multiple deliverables are divided into separate units of accounting and arrangement consideration is allocated using estimated selling prices if we do not have vendor-specific objective evidence or third-party evidence of the selling prices of the deliverables.

The Group recognizes revenue net of discounts and return allowances when the products are delivered and title passes to customers. Return allowances, which reduce net revenues, are estimated based on historical experiences.

The Group also sells prepaid cards which can be redeemed to purchase products sold by the Group. The cash collected from the sales of prepaid cards is initially recorded in advance from customers in the Consolidated Balance Sheets and subsequently recognized as revenues for the sales of the respective product when the prepaid cards are redeemed.

Revenue is recorded net of value-added taxes, business taxes and related surcharges.

Online Direct Sales

The Group primarily sells electronics and home appliance products and general merchandise products through online direct sales. The Group recognizes the revenues from the online direct sales on a gross basis as the Group is primarily obligated in these transactions, is subject to inventory risk, has latitude in establishing prices and selecting suppliers, or has met several but not necessary all of these indicators. Revenues from the sales of electronics and home appliance products were RMB18,387,816, RMB34,011,756 and RMB56,814,078, and revenues from the sales of general merchandise products were RMB2,500,195, RMB6,322,795 and RMB10,203,899, for the years ended December 31, 2011, 2012 and 2013, respectively.

Services and Others

The revenues of services and others primarily consist of fees charged to third-party sellers for participating in the Group's online marketplace, where the Group generally is not the primary obligor, does not bear the inventory risk, does not have the ability to establish the price and control the related shipping services when utilized by the online marketplace merchants. Upon successful sales at jd.com, the Group will charge the third-party sellers a negotiated amount or a fixed rate commission fee based on the sales amount. Commission fee revenues are recognized on a net basis at the point of delivery of products, net of return allowance.

The Group also provides advertising placements for a specified period of time on its various website channels and in various formats, including but not limited to banners, links, logos, buttons, and content integration. The Group recognizes revenues ratably over the period during which the advertising services were provided. Advertising arrangements involving multiple deliverables are allocated into single-element arrangements based on their relative selling price in the absence of both vendor specific objective evidence and third party evidence, and the related revenue is recognized over the period during which the element is provided. Significant assumptions and estimates have been made in estimating the relative selling price of each single-element, and changes in judgments on these assumptions and estimates could materially impact the timing of advertising revenue recognition. The

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****2. Summary of significant accounting policies (Continued)**

Group did not enter into material advertising-for-advertising barter transactions, or any other types of barter transactions.

The Group earns transaction fees from processing transactions for online payment customers. Revenues resulting from these transactions are recognized when transactions are completed. Transaction fee is charged based on certain criteria (such as account type and volume of payments received per month) for funds they receive.

The Group offers comprehensive customer services, primarily include 7*24 hours customer service to respond to customer post-sales requests, return and exchange service to facilitate customer's return, exchange and repair of defective goods. These services are free of charge. The Group also provides return/exchange logistic service to the customers, of which the revenues recognized was not material for the periods presented.

t. Customer incentives and loyalty programs

The Group provides two types of discounted coupons, referred to as D Coupons and J Coupons, for free to its customers to incentivize purchase.

- D Coupons are given to a customer upon their current purchase or can be given for free to promote future purchases. This coupon requires the customer to make future purchase of a minimum value in order to enjoy the value provided by the coupon. The right to purchase discounted products in the future is not considered an element of an arrangement within the scope of the multiple-element arrangements guidance in ASC 605, as the right does not represent a significant and incremental discount to the customer. The Group assesses the significance of the discount by considering its percentage of the total future minimum purchase value, historical usage pattern by the customers and relative outstanding volume and monetary value of D Coupons compared to the other discounts offered by the Group. D Coupons are accounted for as a reduction of revenue on the future purchase.
- J Coupons are given to a customer that has made a qualified purchase and is to be used on a future purchase, with no limitation as to the minimum value of the future purchase. Accordingly, the Group has determined that J Coupons awarded during a purchase activity are considered an element of an arrangement within the scope of ASC 605-25, as the J Coupons represent a significant and incremental discount to the customer. Therefore, the delivered products and the J Coupons awarded are treated as separate unit of accounting. The selling price of the J Coupons awarded is generally determined by management's best estimate of the selling price in the absence of both vendor specific objective evidence and third party evidence. The amount allocated to the J Coupons is deferred and recognized when the J Coupons are redeemed or at the coupon's expiration, whichever occurs first. J Coupons have an expiration of one year after issuance. For the years ended December 31, 2011, 2012 and 2013, the amount of expired J Coupons was not material.

Registered customers may also earn loyalty points based on certain activities performed on the Group's website such as purchasing merchandise or reviewing their buying experiences. Customers may redeem the loyalty points for J Coupons used for future purchase of selected items without minimum purchase requirements. The Group considers loyalty points awarded from sales of products and reviewing buying experiences to be part of its revenue generating activities, and such arrangements are

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****2. Summary of significant accounting policies (Continued)**

considered to have multiple elements. Therefore, the sales consideration is allocated to the products and loyalty points based on the relative selling price of the products and loyalty points awarded. Consideration allocated to the loyalty points is initially recorded as deferred revenues, and recognized as revenues when the J Coupons for which the loyalty points are redeemed are used. As of December 31, 2013, loyalty points have no expiration date.

u. Cost of revenues

Cost of revenues consists of the purchase price of products and inbound shipping charges, as well as write-downs of inventory. Shipping charges to receive products from the suppliers are included in the inventories, and recognized as cost of revenues upon sale of the products to the customers. Payment processing and related transaction costs, including those associated with the sales transactions as well as packaging material costs, are classified in fulfillment in the Consolidated Statements of Operations and Comprehensive Loss.

v. Rebates and subsidies

The Group periodically receives consideration from certain vendors, representing rebates for products sold and subsidies for the sales of the vendors' products over a period of time. The rebates are not sufficiently separable from the Group's purchase of the vendors' products and they do not represent a reimbursement of costs incurred by the Group to sell vendors' products. The Group accounts for the rebates received from its vendors as a reduction to the price it pays for the products purchased and therefore the Group records such amounts as a reduction of cost of revenues when recognized in the Consolidated Statements of Operations and Comprehensive Loss. Rebates are earned based on reaching minimum purchase thresholds for a specified period. When volume rebates can be reasonably estimated based on the Group's past experiences and current forecasts, a portion of the rebate is recognized as the Group makes progress towards the purchase threshold. Subsidies are calculated based on the volume of products sold through the Group and are recorded as a reduction of cost of revenues when the sales have been completed and the amount is determinable.

w. Fulfillment

Fulfillment costs represent packaging material costs and those costs incurred in outbound shipping, operating and staffing the Group's fulfillment and customer service centers, including costs attributable to buying, receiving, inspecting and warehousing inventories; picking, packaging and preparing customer orders for shipment; processing payment and related transaction costs and responding to inquiries from customers. Fulfillment costs also contain third party transaction fees, such as credit card processing and debit card processing fees. Shipping cost amounted to RMB832,164, RMB1,615,912 and RMB2,068,781 for the years ended December 31, 2011, 2012 and 2013, respectively.

x. Marketing

Marketing expenses consist primarily of advertising costs and related expenses for personnel engaged in marketing and business development activities.

Advertising costs, which consist primarily of online advertising, offline television, movie and outdoor advertising, are expensed as incurred, and totaled RMB427,804, RMB1,015,991 and RMB1,491,467 for the years ended December 31, 2011, 2012 and 2013, respectively.

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****2. Summary of significant accounting policies (Continued)****y. Technology and content**

Technology and content expenses consist primarily of technology infrastructure expenses and payroll and related expenses for employees involved in platform development, category expansion, editorial content, buying and merchandising selection systems support, as well as costs associated with the compute, storage and telecommunications infrastructure for internal use that supports the Group's web services. Technology and content expenses are expensed as incurred. Software development costs are recorded in "Technology and content" as incurred as the cost qualifying for capitalization have been immaterial.

z. General and administrative

General and administrative expenses consist of payroll and related expenses for employees involved in general corporate functions, including accounting, finance, tax, legal and human relations; costs associated with use by these functions of facilities and equipment, such as depreciation expenses, rental and other general corporate related expenses.

aa. Share-based compensation

The Company grants restricted ordinary shares, non-vested ordinary shares, restricted share units ("RSUs") and share options to eligible employees, non-employee consultants and the Founder of the Company and accounts for these share-based awards in accordance with ASC 718 *Compensation—Stock Compensation* and ASC 505-50 *Equity-Based Payments to Non-Employees*.

Employees' share-based awards are measured at the grant date fair value of the awards and recognized as expenses a) immediately at grant date if no vesting conditions are required; or b) using graded vesting method, net of estimated forfeitures, over the requisite service period, which is the vesting period.

All transactions in which goods or services are received in exchange for equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

Non-employees' share-based awards are measured at fair value at the earlier of the commitment date or the date the services are completed. Awards granted to non-employees are re-measured at each reporting date using the fair value at each period end until the measurement date, generally when the services are completed and awards are vested. Changes in fair value between the reporting dates are recognized by graded vesting method.

Founder share-based awards are measured at the grant date fair value of the awards and recognized as expenses based on the probable outcome of the performance conditions.

If a share-based award is modified after the grant date, we evaluate for such modifications in accordance with ASC 718 *Compensation—Stock Compensation* and the modification is determined to be a probable-to-probable (Type 1) modification, additional compensation expenses are recognized in an amount equal to the excess of the fair value of the modified equity instrument over the fair value of the original equity instrument immediately before modification. The additional compensation expenses are recognized immediately on the date of modification or over the remaining requisite service period, depending on the vesting status of the award.

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****2. Summary of significant accounting policies (Continued)**

The fair value of the restricted ordinary shares, non-vested ordinary shares and RSUs were assessed using the income approach/discounted cash flow method, with a discount for lack of marketability given that the shares underlying the awards were not publicly traded at the time of grant. This assessment required complex and subjective judgments regarding the Company's projected financial and operating results, its unique business risks, the liquidity of its ordinary shares and its operating history and prospects at the time the grants were made. In addition, the binomial option-pricing model is used to measure the value of share options. The determination of the fair value is affected by the fair value of the ordinary shares as well as assumptions regarding a number of complex and subjective variables, including the expected share price volatility, actual and projected employee and non-employee share option exercise behavior, risk-free interest rates and expected dividends. The fair value of these awards was determined partly in reliance on a valuation report prepared by an independent valuation firm using management's estimates and assumptions.

The assumptions used in share-based compensation expense recognition represent management's best estimates, but these estimates involve inherent uncertainties and application of management judgment. If factors change or different assumptions are used, the share-based compensation expenses could be materially different for any period. Moreover, the estimates of fair value of the awards are not intended to predict actual future events or the value that ultimately will be realized by grantees who receive share-based awards, and subsequent events are not indicative of the reasonableness of the original estimates of fair value made by the Company for accounting purposes.

Forfeitures are estimated at the time of grant and revised in the subsequent periods if actual forfeitures differ from those estimates.

bb. Income tax

Current income taxes are provided on the basis of net income for financial reporting purposes, adjusted for income and expense items which are not assessable or deductible for income tax purposes, in accordance with the regulations of the relevant tax jurisdictions. The Group follows the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the temporary differences between the financial statements carrying amounts and tax bases of existing assets and liabilities by applying enacted statutory tax rates that will be in effect in the period in which the temporary differences are expected to reverse. The Group records a valuation allowance to reduce the amount of deferred tax assets if based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rates is recognized in the Consolidated Statements of Operations and Comprehensive Loss in the period of change.

The Group recognizes in its consolidated financial statements the benefit of a tax position if the tax position is "more likely than not" to prevail based on the facts and technical merits of the position. Tax positions that meet the "more likely than not" recognition threshold are measured at the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement. The Group estimates its liability for unrecognized tax benefits which are periodically assessed and may be affected by changing interpretations of laws, rulings by tax authorities, changes and/or developments with respect to tax audits, and expiration of the statute of limitations. The ultimate outcome for a particular tax position may not be determined with certainty prior to the conclusion of a tax audit and, in some cases, appeal or litigation process. The actual benefits ultimately

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****2. Summary of significant accounting policies (Continued)**

realized may differ from the Group's estimates. As each audit is concluded, adjustments, if any, are recorded in the Group's consolidated financial statements in the period in which the audit is concluded. Additionally, in future periods, changes in facts, circumstances and new information may require the Group to adjust the recognition and measurement estimates with regard to individual tax positions. Changes in recognition and measurement estimates are recognized in the period in which the changes occur. As of December 31, 2011, 2012 and 2013, the Group did not have any significant unrecognized uncertain tax positions.

cc. Leases

Each lease is classified at the inception date as either a capital lease or an operating lease. For the lessee, a lease is a capital lease if any of the following conditions exist: a) ownership is transferred to the lessee by the end of the lease term, b) there is a bargain purchase option, c) the lease term is at least 75% of the property's estimated remaining economic life or d) the present value of the minimum lease payments at the beginning of the lease term is 90% or more of the fair value of the leased property to the lessor at the inception date. A capital lease is accounted for as if there was an acquisition of an asset and an incurrence of an obligation at the inception of the lease. All other leases are accounted for as operating leases. Payments made under operating lease are charged to the Consolidated Statements of Operations and Comprehensive Loss on a straight-line basis over the terms of underlying lease. The Group has no capital leases for any of the periods presented.

dd. Comprehensive income/(loss)

Comprehensive income/(loss) is defined to include all changes in equity of the Group during a period arising from transactions and other event and circumstances except those resulting from investments by shareholders and distributions to shareholders. For the periods presented, the Group's comprehensive income/(loss) includes net income/(loss) and foreign currency translation adjustments and is presented in the Consolidated Statements of Operations and Comprehensive Loss.

ee. Earnings (Loss) per share

Basic earnings (loss) per share is computed by dividing net income (loss) attributable to holders of ordinary shares, considering the accretions to redemption value of the preferred shares, by the weighted average number of ordinary shares outstanding during the period using the two-class method. Under the two-class method, net income is allocated between ordinary shares and other participating securities based on their participating rights. Diluted earnings (loss) per share is calculated by dividing net income (loss) attributable to ordinary shareholders, as adjusted for the accretion and allocation of net income related to the preferred shares, if any, by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Ordinary equivalent shares consist of shares issuable upon the conversion of the preferred shares using the if-converted method, unvested restricted shares, restricted share units and ordinary shares issuable upon the exercise of outstanding share option (using the treasury stock method). Ordinary equivalent shares are not included in the denominator of the diluted earnings per share calculation when inclusion of such shares would be anti-dilutive.

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****2. Summary of significant accounting policies (Continued)*****ff. Segment reporting***

The Group engages primarily in the sale of electronics and home appliances products and general merchandise products (including audio, video products and books) sourced from manufacturers, distributors and publishers in PRC on the internet through its website jd.com. The Group also operates its online marketplace under which third-party sellers sell products on the Group's website to customers. The Group does not distinguish revenues, costs and expenses between segments in its internal reporting, and reports costs and expenses by nature as a whole. The Group's chief operating decision maker, who has been identified as the Chief Executive Officer, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. The Group operates and manages its business as a single segment mainly through the provision of a single class of services for accelerating and improving the delivery of its products over the internet. The Group does not distinguish between markets or segments for the purpose of internal reports. As the Group's long-lived assets are all located in the PRC and most of all the Group's revenues are derived from the PRC, no geographical segments are presented.

gg. Statutory reserves

The Group's subsidiaries, VIEs and VIEs' subsidiaries established in the PRC are required to make appropriations to certain non-distributable reserve funds.

In accordance with the laws applicable to the Foreign Investment Enterprises established in the PRC, the Group's subsidiaries registered as wholly-owned foreign enterprise have to make appropriations from their after-tax profits (as determined under generally accepted accounting principles in the PRC ("PRC GAAP")) to reserve funds including general reserve fund, enterprise expansion fund and staff bonus and welfare fund. The appropriation to the general reserve fund must be at least 10% of the after-tax profits calculated in accordance with PRC GAAP. Appropriation is not required if the general reserve fund has reached 50% of the registered capital of the company. Appropriations to the enterprise expansion fund and staff bonus and welfare fund are made at the respective company's discretion.

In addition, in accordance with the PRC Company Laws, the Group's VIE and VIEs subsidiaries, registered as Chinese domestic companies, must make appropriations from their after-tax profits as determined under the PRC GAAP to non-distributable reserve funds including statutory surplus fund and discretionary surplus fund. The appropriation to the statutory surplus fund must be 10% of the after-tax profits as determined under PRC GAAP. Appropriation is not required if the statutory surplus fund has reached 50% of the registered capital of the company. Appropriation to the discretionary surplus fund is made at the discretion of the respective company.

The use of the general reserve fund, enterprise expansion fund, statutory surplus fund and discretionary surplus fund are restricted to the offsetting of losses or increasing of the registered capital of the respective company. The staff bonus and welfare fund is a liability in nature and is restricted to fund payments of special bonus to employees and for the collective welfare of employees. None of these reserves are allowed to be transferred to the company in terms of cash dividends, loans or advances, nor can they be distributed except under liquidation.

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****2. Summary of significant accounting policies (Continued)**

For the years ended December 31, 2011, 2012 and 2013, profit appropriation to statutory surplus fund for the Group's entities incorporated in the PRC was approximately RMB Nil, RMB1,838 and RMB810, respectively. No appropriation to other reserve funds was made for any of the periods presented.

hh. Recent accounting pronouncements

In July 2012, the FASB issued revised guidance on "Testing Indefinite-Lived Intangible Assets for Impairment." The revised guidance provides an entity the option first to assess qualitative factors to determine whether the existence of events and circumstances indicates that it is more likely than not that an indefinite-lived intangible asset is impaired. If, after assessing the totality of events and circumstances, an entity concludes that it is not more likely than not that the indefinite-lived intangible asset is impaired, then the entity is not required to take further action. However, if an entity concludes otherwise, then it is required to determine the fair value of the indefinite-lived intangible asset and perform a quantitative impairment test by comparing the fair value with the carrying amount in accordance with U.S. GAAP. The revised guidance is effective for the Company for annual and interim impairment tests performed for the fiscal year beginning on January 1, 2013. This amendment will not have a material effect on the Group's financial position, results of operations or liquidity.

In February 2013, the FASB issued revised guidance on "Comprehensive Income: Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income." The revised guidance does not change the current requirements for reporting net income or other comprehensive income in financial statements. However, the revised guidance requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under U.S. GAAP that provide additional detail about those amounts. The revised guidance is effective prospectively for the Company for the reporting periods beginning on January 1, 2013. The revised guidance will not have a material effect on the Group's financial position, results of operations or liquidity.

In July 2013, the FASB issued ASU 2013-11, "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists", which is an update to provide guidance on the financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward exists. The guidance requires an entity to present an unrecognized tax benefit in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, except for when a net operating loss carryforward is not available as of the reporting date to settle taxes that would result from the disallowance of the tax position or when the entity does not intend to use the deferred tax asset for purposes of reducing the net operating loss carry forward. The guidance is effective for fiscal years beginning after December 15, 2013 and for interim periods within that fiscal year. The Group does not expect the adoption of this pronouncement to have a significant impact on its consolidated financial statements.

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****3. Concentration and risks***Concentration of customers and suppliers*

There are no customers or suppliers from whom revenues or purchases individually represent greater than 10% of the total revenues or the total purchases of the Group for the years ended December 31, 2011, 2012 and 2013.

Concentration of credit risk

Assets that potentially subject the Group to significant concentrations of credit risk primarily consist of cash and cash equivalents, restricted cash, accounts receivable and short-term investments. The maximum exposure of such assets to credit risk is their carrying amounts as of the balance sheet dates. As of December 31, 2011, 2012 and 2013, all of the Group's cash and cash equivalents, restricted cash and short-term investments were held by major financial institutions located in the PRC and Hong Kong which management believes are of high credit quality. PRC does not have an official deposit insurance program, nor does it have an agency similar to the Federal Deposit Insurance Corporation (FDIC) in the United States. However, the Group believes that the risk of failure of any of these PRC banks is remote. Bank failure is uncommon in China and the Group believes that those Chinese banks that hold the Group's cash and cash equivalents, restricted cash and short-term investments are financially sound based on public available information. Accounts receivable are typically unsecured and are derived from revenues earned from customers in the PRC. The risk with respect to accounts receivable is mitigated by credit evaluations the Group performs on its customers and its ongoing monitoring process of outstanding balances.

Currency convertibility risk

The PRC government imposes controls on the convertibility of RMB into foreign currencies. The Group's cash and cash equivalents, restricted cash and short-term investments denominated in RMB that are subject to such government controls amounted to RMB1,538,305, RMB6,359,129 and RMB9,865,714 as of December 31, 2011, 2012 and 2013, respectively. The value of RMB is subject to changes in the central government policies and to international economic and political developments affecting supply and demand in the PRC foreign exchange trading system market. In the PRC, certain foreign exchange transactions are required by law to be transacted only by authorized financial institutions at exchange rates set by the People's Bank of China (the "PBOC"). Remittances in currencies other than RMB by the Group in the PRC must be processed through PBOC or other Chinese foreign exchange regulatory bodies which require certain supporting documentation in order to process the remittance.

Foreign currency exchange rate risk

From July 21, 2005, the RMB is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. While the international reaction to the RMB appreciation has generally been positive, there remains significant international pressure on the PRC government to adopt an even more flexible currency policy, which could result in a further and more significant appreciation of the RMB against the U.S. dollar.

JD.com, Inc.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

4. Restricted cash and restricted time deposit

To meet the requirements of specific business operations, including secured deposits held in designated bank accounts for issuance of bank acceptance and letter of guarantee, the Group held restricted cash of RMB289,971, RMB920,130 and RMB342,387 as of December 31, 2011, 2012 and 2013, respectively. Changes in the restricted cash balance associated with the bank acceptance are classified as cash flows from operating activities as the Group considers restricted cash arising from these activities directly related to the Group's ordinary business operations.

To maintain guarantee balances at the bank as collaterals for the short-term bank loans of US\$138,000 and US\$153,000 (see Note 14), the Group held restricted cash of RMB1,000,000 and RMB1,000,000 as of December 31, 2012 and 2013, which were bank deposits with the original term of one year at the bank, respectively. In addition, the Group held restricted cash of RMB545,000 for capital verification of establishment of new entities as of December 31, 2013. Changes in the restricted cash balance associated with short-term bank loans and capital verification are classified as cash flow from investing activities as the Group considers restricted cash arising from these activities similar to an investment.

5. Fair value measurement

As of December 31, 2011, 2012 and 2013, information about inputs into the fair value measurements of the Group's assets that are measured at fair value on a recurring basis in periods subsequent to their initial recognition is as follows:

Description	December 31, 2011 RMB	Fair value measurement at reporting date using		
		Quoted Prices in Active Markets for Identical Assets (Level 1) RMB	Significant Other Observable Inputs (Level 2) RMB	Significant Unobservable Inputs (Level 3) RMB
Assets				
Cash equivalents:				
Time deposits	315,045	—	315,045	—
Restricted cash	289,971	—	289,971	—
Total assets	605,016	—	605,016	—

Description	December 31, 2012 RMB	Fair value measurement at reporting date using		
		Quoted Prices in Active Markets for Identical Assets (Level 1) RMB	Significant Other Observable Inputs (Level 2) RMB	Significant Unobservable Inputs (Level 3) RMB
Assets				
Cash equivalents:				
Time deposits	1,303,851	—	1,303,851	—
Money market fund	854,985	854,985	—	—
Restricted cash	1,920,130	—	1,920,130	—
Short-term investments				
Time deposits	1,080,000	—	1,080,000	—
Total assets	5,158,966	854,985	4,303,981	—

JD.com, Inc.
Notes to the Consolidated Financial Statements (Continued)
(All amounts in thousands, except for share and per share data)
5. Fair value measurement (Continued)

<u>Description</u>	<u>December 31,</u> <u>2013</u>	<u>Fair value measurement at reporting date using</u>		
		<u>Quoted Prices</u> <u>in Active Markets</u> <u>for Identical Assets</u> <u>(Level 1)</u>	<u>Significant Other</u> <u>Observable Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>
	<u>RMB</u>	<u>RMB</u>	<u>RMB</u>	<u>RMB</u>
Assets				
Cash equivalents:				
Time deposits	4,605,262	—	4,605,262	—
Restricted cash	1,887,387	—	1,887,387	—
Short-term investments				
Available for sale securities	1,903,224	—	1,903,224	—
Total assets	8,395,873	—	8,395,873	—

When available, the Group uses quoted market prices to determine the fair value of an asset or liability. If quoted market prices are not available, the Group will measure fair value using valuation techniques that use, when possible, current market-based or independently sourced market parameters, such as interest rates and currency rates. Following is a description of the valuation techniques that the Group uses to measure the fair value of assets that the Group reports on its consolidated balance sheets at fair value on a recurring basis.

Cash equivalents

Money market fund. The Group values its money market fund using observable inputs that reflect quoted prices for securities with identical characteristics, and accordingly, the Group classifies the valuation techniques that use these inputs as Level 1.

Time deposits. The Group values its time deposits held in certain bank accounts using quoted prices for securities with similar characteristics and other observable inputs, and accordingly, the Group classifies the valuation techniques that use these inputs as Level 2.

Restricted cash

Restricted cash is valued based on the pervasive interest rate in the market, and accordingly, the Group classifies the valuation techniques that use these inputs as Level 2.

Available for sale securities

Available-for-sale securities are valued using alternative pricing sources and models utilizing market observable inputs, and accordingly the Group classifies the valuation techniques that use these inputs as Level 2.

Other financial instruments

The followings are other financial instruments not measured at fair value in the consolidated balance sheets, but for which the fair value is estimated for disclosure purposes.

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****5. Fair value measurement (Continued)**

Short-term receivables and payables. Accounts receivable and prepayments and other assets are financial assets with carrying values that approximate fair value due to their short term nature. Accounts payable, advance from customers, accrued expenses and other liabilities and deferred revenues are financial liabilities with carrying values that approximate fair value due to their short term nature.

Short-term bank loan. The rates of interest under the loan agreements with the lending banks were determined based on the prevailing interest rates in the market. The Group classifies the valuation techniques that use these inputs as Level 2 of fair value measurements of short-term bank loan.

Prepayments and other assets in non-current assets. Prepayments and other assets in non-current assets are financial assets with carrying values that approximates fair value due to the change in fair value after considering the discount rate. The Group estimated fair values of non-current prepayments and other assets using the discount cash flow method. The Group classifies the valuation technique as Level 3 of fair value measurement, as it uses estimated cash flow input which is unobservable in the market.

6. Business Combination

On October 31, 2012, the Group invested RMB145,500 through Jingdong 360 to acquire 100% of the equity interests in Chinabank Payment and its wholly owned subsidiary Chinabank Payment Technology. The main purpose of the acquisition is to offer flexible payment service to the Group's online shopping customers and to improve cost efficiency in the Group's payment processing.

The acquisition had been accounted for as a business combination and the results of operations of Chinabank Payment from the acquisition date have been included in the Group's consolidated financial statements. The Group made estimates and judgments in determining the fair value of acquired assets and liabilities, based on an independent valuation report and management's experiences with similar assets and liabilities. The allocation of the purchase price is as follows:

	<u>RMB</u>	<u>Weighted average amortization period at the acquisition date (in years)</u>
Tangible assets acquired and liabilities assumed		
Cash	5,781	
Accounts payable	(53,936)	
Advance from customers	(6,552)	
Others	(3,442)	
Identifiable intangible assets:		
Online payment and other licenses	189,000	15
Identifiable net assets acquired (a)	<u>130,851</u>	
Cash consideration (b)	<u>145,500</u>	
Goodwill (b-a)	<u><u>14,649</u></u>	

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****6. Business Combination (Continued)**

Goodwill primarily represents the expected synergies from combining operations of the Group, Chinabank Payment and Chinabank Payment Technology, which are complementary to each other, and any other intangible benefits that would accrue to the Group that do not qualify for separate recognition. The excess of purchase price over net tangible assets and identifiable intangible assets acquired were recorded as goodwill. The goodwill is not expected to be deductible for tax purposes. No measurement period adjustment has been recorded.

Based on the assessment on the acquired companies' financial performance made by the Group, the acquired company including its subsidiary is not considered material to the Group. Thus the presentation of the pro-forma financial information with regard to a summary of the results of operations of the Group for the business combination is not required.

7. Accounts receivable, net

Accounts receivable, net, consists of the following:

	As of December 31,		
	2011 RMB	2012 RMB	2013 RMB
Product sales and online marketplace receivables	241,395	428,869	380,938
Advertising receivables	6,424	25,762	44,372
Others	18,923	26,384	78,549
Allowance for doubtful accounts			
Balance at beginning of the year	(3,287)	(21,208)	(1,877)
Additions	(17,921)	(831)	(559)
Reversals	—	3,237	666
Write-offs	—	16,925	—
Balance at end of the year	(21,208)	(1,877)	(1,770)
Accounts receivable, net	<u>245,534</u>	<u>479,138</u>	<u>502,089</u>

The value-added tax receivables from customers, which ranges from 6% to 17% for the revenue from sales of various products or services rendered, are recorded in product sales and online marketplace receivables.

8. Inventories, net

Inventories, net, consist of the following:

	As of December 31,		
	2011 RMB	2012 RMB	2013 RMB
Products	2,747,509	4,720,771	6,358,151
Packing materials and others	16,078	33,058	28,004
Inventories, net	<u>2,763,587</u>	<u>4,753,829</u>	<u>6,386,155</u>

JD.com, Inc.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

9. Prepayments and other current assets

Prepayments and other current assets consist of the following:

	As of December 31,		
	2011 RMB	2012 RMB	2013 RMB
Interest receivables	6,437	58,475	28,654
Prepaid rental fees	23,930	48,434	79,423
Prepaid advertising costs	6,972	10,218	31,977
Deposits	6,617	14,967	20,386
Employee advances	10,904	15,174	12,809
Trade-in program receivables	59,965	—	—
Others	9,769	12,150	45,853
	<u>124,594</u>	<u>159,418</u>	<u>219,102</u>

Trade-in program receivables represent funds to be collected from local municipalities that funded the home appliance trade-in program, which are mainly sponsored by the government's economy stimulus plan and in part provided as subsidies to customer purchases of energy efficient appliances.

10. Property, equipment and software, net

Property, equipment and software, net, consist of the following:

	As of December 31,		
	2011 RMB	2012 RMB	2013 RMB
Electronic equipment	203,426	454,510	671,491
Office equipment	12,930	22,245	30,326
Vehicles	72,187	154,116	199,780
Logistic and warehouse equipment	104,582	191,337	232,603
Leasehold improvement	24,773	46,020	59,983
Software	12,597	40,803	57,508
Building	—	—	275,717
Total	<u>430,495</u>	<u>909,031</u>	<u>1,527,408</u>
Less: Accumulated depreciation	<u>(110,019)</u>	<u>(269,697)</u>	<u>(502,980)</u>
Net book value	<u>320,476</u>	<u>639,334</u>	<u>1,024,428</u>

Depreciation expenses were RMB73,441, RMB169,277 and RMB257,213 for the years ended December 31, 2011, 2012 and 2013, respectively.

JD.com, Inc.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

11. Intangible assets, net

Intangible assets, net, consist of the following:

	As of December 31,		
	2011 RMB	2012 RMB	2013 RMB
Domain names	2,621	36,032	40,353
Online payment and other licenses (Note 6)	—	189,000	189,000
Copyrights	—	11,889	17,805
Less: Accumulated amortization	(240)	(7,128)	(31,356)
Intangible assets, net	<u>2,381</u>	<u>229,793</u>	<u>215,802</u>

Amortization expenses for intangible assets were RMB240, RMB6,888 and RMB24,228 for the years ended December 31, 2011, 2012 and 2013, respectively.

As of December 31, 2013, amortization expenses related to the intangible assets for future periods are estimated to be as follows:

	For the years ended December 31,					
	2014 RMB	2015 RMB	2016 RMB	2017 RMB	2018 RMB	2019 and thereafter RMB
Amortization expenses	20,999	18,620	17,279	16,718	16,635	125,551

12. Land use rights, net

Land use rights, net, consist of the following:

	As of December 31,		
	2011 RMB	2012 RMB	2013 RMB
Land use rights	96,830	537,831	620,383
Less: Accumulated amortization	(265)	(9,830)	(21,530)
Net book value	<u>96,565</u>	<u>528,001</u>	<u>598,853</u>

Amortization expenses for land use rights were RMB265, RMB9,565 and RMB11,700 for the years ended December 31, 2011, 2012 and 2013, respectively.

As of December 31, 2013, amortization expenses related to the land use rights for future periods are estimated to be as follows:

	For the years ended December 31,					
	2014 RMB	2015 RMB	2016 RMB	2017 RMB	2018 RMB	2019 and thereafter RMB
Amortization expenses	12,408	12,408	12,408	12,408	12,408	536,813

JD.com, Inc.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

13. Other non-current assets

Other non-current assets consist of the following:

	As of December 31,		
	2011 RMB	2012 RMB	2013 RMB
Prepayments for purchase of office building	161,400	261,400	100,000
Staff loans	2,150	74,682	132,932
Prepayments for purchase of land use rights	72,000	—	22,000
Rental deposits	23,694	51,547	54,408
Prepayments for purchase of property, equipment and software	11,470	35,543	34,456
Prepayments for construction in progress	—	—	33,765
Others	5,633	6,778	24,312
Total	<u>276,347</u>	<u>429,950</u>	<u>401,873</u>

14. Short-term bank loan

In June 2012, the Group entered into a loan agreement, whereby on June 14, 2012 the Group effectively pledged certain time deposits to secure the bank loan, totaling US\$138,000 (RMB872,036) and bearing interest at 1.50% per annum over 1-month London Inter-Bank Offered Rate ("LIBOR") with the maturity date of June 14, 2013. The loan was fully repaid in June 2013.

In November 2013, the Group entered into another loan agreement, whereby on November 4, 2013 the Group effectively pledged certain time deposits to secure the bank loan, totaling US\$153,000 (RMB940,216) and bearing interest at 1.30% per annum over 1-month London Inter-Bank Offered Rate ("LIBOR") with the maturity date of November 3, 2014.

15. Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consist of the following:

	As of December 31,		
	2011 RMB	2012 RMB	2013 RMB
Salary and welfare payable	412,988	800,364	1,080,072
Vendor deposits	60,149	392,976	857,573
Rental fee payables	19,412	16,816	22,155
Professional fee accruals	37,810	55,491	63,280
Others	41,081	75,231	246,718
Total	<u>571,440</u>	<u>1,340,878</u>	<u>2,269,798</u>

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****16. Others, net**

Others, net, consist of the following:

	For the year ended December 31,		
	2011	2012	2013
	RMB	RMB	RMB
Foreign exchange gains, net	41,309	13,762	92,761
Government financial incentives	25,560	41,690	120,301
Others	(2,669)	4,873	(19,507)
Total	<u>64,200</u>	<u>60,325</u>	<u>193,555</u>

Government financial incentives represent rewards provided by the relevant PRC municipal government authorities to the Group for business achievements made by the Group. As there is no further obligation for the Group to perform, government financial incentives are recognized as other income when received. The amount of such government financial incentives are determined solely at the discretion of the relevant government authorities, and there is no assurance that the Group will continue to receive these government financial incentives in the future.

17. Taxation**a) Transition from PRC Business Tax to PRC Value Added Tax**

A pilot program for transition from Business Tax to Value Added Tax ("VAT") for certain services revenues was launched in Shanghai on January 1, 2012. Starting from September 1, 2012, the pilot program was expanded from Shanghai to other cities and provinces in China, including Beijing, Wuhan, Guangzhou, Tianjin and Suqian, in which the Group has its operations.

b) Value added tax

During the periods presented, the Group was subject to 13% and 17% VAT for revenues from sales of audio, video products and books and sales of other products, respectively, in the PRC.

Prior to the pilot program, the Group were subject to 5% or 3% Business Tax for revenues from online advertising and other services or for revenues from intercompany logistic services, which is eliminated in consolidation, respectively. After the launch of the pilot program, the Group is subject to 11% VAT for the revenues from logistics services and 6% VAT for the revenues from online advertising and other services.

The Group is also subject to surcharges of VAT payments according to PRC tax law.

c) Business tax

Chinabank Payment and Chinabank Payment Technology are subject to 5% business tax and related surcharges for revenues from online payment services. Business tax and the related surcharges are recognized when the revenue is earned.

Not affected by the pilot program, the Group is also subject to 3% cultural undertaking development fees on revenues from online advertising services in China.

JD.com, Inc.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

17. Taxation (Continued)

d) Income tax

Cayman Islands

Under the current laws of the Cayman Islands, the Company and its subsidiaries incorporated in the Cayman Islands are not subject to tax on income or capital gain. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

British Virgin Islands

Under the current laws of the British Virgin Islands, entities incorporated in British Virgin Island are not subject to tax on their income or capital gains.

Hong Kong

Under the current Hong Kong Inland Revenue Ordinance, the Group's subsidiaries in Hong Kong are subject to 16.5% Hong Kong profit tax on its taxable income generated from operations in Hong Kong. Additionally, payments of dividends by the subsidiaries incorporated in Hong Kong to the Company are not subject to any Hong Kong withholding tax.

China

On March 16, 2007, the National People's Congress of PRC enacted a new Corporate Income Tax Law ("new CIT law"), under which Foreign Investment Enterprises ("FIEs") and domestic companies would be subject to corporate income tax at a uniform rate of 25%. The new CIT law became effective on January 1, 2008. Under the new CIT law, preferential tax treatments will continue to be granted to entities which conduct businesses in certain encouraged sectors and to entities otherwise classified as "high and new technology enterprises".

Chinabank Payment Technology has been qualified as "high and new technology enterprise" since 2010, and enjoyed a preferential corporate income tax rate of 15% from 2011 to 2013. Chinabank Payment Technology will continue to benefit from the same income tax rate in 2014, provided that it continues to be qualified as "high and new technology enterprise" during such period.

The Group's other PRC subsidiaries, VIEs and VIEs' subsidiaries are subject to the statutory income tax rate of 25%.

Withholding tax on undistributed dividends

The new CIT Law also provides that an enterprise established under the laws of a foreign country or region but whose "de facto management body" is located in the PRC be treated as a resident enterprise for PRC tax purposes and consequently be subject to the PRC income tax at the rate of 25% for its global income. The Implementing Rules of the EIT Law merely define the location of the "de facto management body" as "the place where the exercising, in substance, of the overall management and control of the production and business operation, personnel, accounting, property, etc., of a non-PRC company is located." Based on a review of surrounding facts and circumstances, the

JD.com, Inc.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

17. Taxation (Continued)

Group does not believe that it is likely that its operations outside of the PRC should be considered a resident enterprise for PRC tax purposes.

The new CIT law also imposes a withholding income tax of 10% on dividends distributed by an FIE to its immediate holding company outside of China, if such immediate holding company is considered as a non-resident enterprise without any establishment or place within China or if the received dividends have no connection with the establishment or place of such immediate holding company within China, unless such immediate holding company's jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. The Cayman Islands, where the Company incorporated, does not have such tax treaty with China. According to the arrangement between Mainland China and Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion in August 2006, dividends paid by an FIE in China to its immediate holding company in Hong Kong will be subject to withholding tax at a rate of no more than 5% (if the foreign investor owns directly at least 25% of the shares of the FIE). The Company did not record any dividend withholding tax, as it has no retained earnings for any of the periods presented.

Reconciliations of the differences between PRC statutory income tax rate and the Group's effective income tax rate for the years ended December 31, 2011, 2012 and 2013 are as follows:

	For the year ended December 31,		
	2011	2012	2013
Statutory income tax rate	25.0%	25.0%	25.0%
Tax effect of preferential tax treatments	—	0.0%	172.3%
Tax effect of tax-exempt entities	1.9%	0.3%	54.7%
Effect on tax rates in different tax jurisdiction	—	0.2%	22.1%
Tax effect of non-deductible expenses	(1.4%)	(3.3%)	(148.4%)
Tax effect of non-taxable income	—	0.3%	36.5%
Changes in valuation allowance	(25.5%)	(22.0%)	(97.0%)
Expiration of loss carry forward	—	(0.9%)	(65.1%)
Effective tax rates	—	(0.4%)	0.1%

JD.com, Inc.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

17. Taxation (Continued)

e) *Deferred tax assets and deferred tax liabilities*

	As of December 31,		
	2011 RMB	2012 RMB	2013 RMB
Deferred tax assets			
—Allowance for doubtful accounts	5,302	469	443
—Deferred revenues	—	—	52,132
—Net operating loss carry forwards	472,818	856,944	853,258
Less: valuation allowance	(478,120)	(857,413)	(905,833)
Net deferred tax assets	—	—	—
Current deferred tax liabilities:			
—Interest income	—	6,127	6,087
Total current deferred tax liabilities	—	6,127	6,087

As of December 31, 2013, the Group had net operating loss carry forwards of approximately RMB3,426,981 which arose from the subsidiaries, VIEs and VIEs' subsidiaries established in the PRC. The loss carry forwards will expire during the period from 2014 to 2018.

A valuation allowance is provided against deferred tax assets when the Group determines that it is more likely than not that the deferred tax assets will not be utilized in the future. In making such determination, the Group evaluates a variety of factors including the Group's operating history, accumulated deficit, existence of taxable temporary differences and reversal periods.

The Group has incurred net accumulated operating losses for income tax purposes since its inception. The Group believes that it is more likely than not that these net accumulated operating losses and other deferred tax assets will not be utilized in the future. Therefore, the Group has provided full valuation allowances for the deferred tax assets as of December 31, 2011, 2012 and 2013.

Movement of valuation allowance

	As of December 31,		
	2011 RMB	2012 RMB	2013 RMB
Balance at beginning of the period	150,352	478,120	857,413
Additions	327,768	399,568	81,119
Reversals	—	(20,275)	(32,699)
Balance at end of the period	478,120	857,413	905,833

18. Convertible Preferred Shares

In conjunction with the Group's reorganization in 2007, the Group issued 155,000,000 Series A Convertible Redeemable Preferred Shares ("Series A Preferred Shares") and warrants to purchase

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****18. Convertible Preferred Shares (Continued)**

additional 130,940,000 Series A Preferred Shares ("Warrants-A") for an aggregate purchase price of RMB38,672.

In August 2007, upon the exercise of the Warrants-A by the investor, the Group issued 130,940,000 Series A-1 Convertible Redeemable Preferred Shares ("Series A-1 Preferred Shares") for an aggregate purchase price of RMB37,961.

In January 2009, the Group issued 178,164,555 Series B Convertible Redeemable Preferred Shares ("Series B Preferred Shares") for an aggregate purchase price of RMB108,719. In addition, the Company also issued 57,145,445 Series B Preferred Shares upon the conversion of the convertible notes, which was issued to a Series A Preferred Shares investor for a cash consideration of US\$5,100 on July 16, 2008.

In September 2010, the Group issued 178,238,250 Series C Convertible Redeemable Preferred Shares ("Series C Preferred Shares") for an aggregate purchase price of RMB924,559. Additionally, 64,579,075 Series A-1 Preferred Shares and 15,498,980 Series B Preferred Shares were extinguished in exchange for 80,078,055 Series C Preferred Shares. Please refer to Note 19 for the exchange and re-designation of the Series A-1 and B Preferred Shares. In conjunction of the issuance of the Series C Preferred Shares, the Group also granted warrants ("Warrants-C") to two of the Series C Preferred Shares investors to acquire 78,786,475 and 5,166,325 shares of ordinary shares, respectively. (Note 20).

The Series A, A-1, B and C Preferred Shares are collectively referred to as the "Preferred Shares". As of December 31, 2013, Preferred Shares are comprised of the following:

Series	Issuance Date	Shares Issued	Issue Price per Share US\$	Proceeds from Issuance US\$	As of December 31, 2013	
					Shares Outstanding	Carrying Amount RMB
A	March 27, 2007	155,000,000	0.0323	5,000	155,000,000	215,626
A-1*	August 15, 2007	130,940,000	0.0382	5,000	36,894,000	40,224
B*	January 12, 2009	235,310,000	0.0892	21,000	59,539,244	88,241
C*	September 21, 2010	178,238,250	0.7742	138,000	258,316,305	7,173,263

* Refer to Note 19 for exchange and re-designation of Preferred Shares.

All series of Preferred Shares have a par value of US\$0.00002 per share.

The Company determined that the Series A, A-1 and B Preferred Shares should be classified as mezzanine equity upon their respective issuance since the Series A, A-1 and B Preferred Shares were contingently redeemable by the holders 4 years from the Series B Preferred Shares issuance date in the event that a qualified initial public offering ("First Qualified IPO") has not occurred and the Series A, A-1 and B Preferred Shares have not been converted. As of December 31, 2011, as a result of the waivers to their redemption and preferential liquidation rights, the Series A, A-1 and B Preferred Shares were reclassified from mezzanine equity to permanent equity. The Company has also determined that the Series C Preferred Shares should be classified as mezzanine equity since its insurance as they are contingently redeemable by the holders in the event that a qualified initial public offering ("Second Qualified IPO") has not occurred by January 1, 2014 (which has been deferred to January 1, 2015 upon the Group's request in December 2013). The First Qualified IPO is defined as a

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Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

18. Convertible Preferred Shares (Continued)

firm commitment underwritten registered public offering in the United States, with gross proceeds to the Company in excess of US\$50,000 and the total securities issued by the Company in such offering no more than twenty-five percent of all outstanding share capital of the Company before the offering, or in a similar public offering of the ordinary shares of the Company in Hong Kong or another jurisdiction which results in the ordinary shares trading publicly on a recognized international securities exchange. The Second Qualified IPO is defined as a firm commitment underwritten registered public offering in the United States, with an implied pre-offering valuation of the Group of at least US\$1,500,000 or in a similar public offering in Hong Kong or another jurisdiction which results in the ordinary shares trading publicly on a recognized international securities exchange.

The Company records accretion on the Preferred Shares, where applicable, to the redemption value from the issuance dates to the earliest redemption dates.

The Company determined that there were no embedded derivatives requiring bifurcation as the economic characteristics and risks of the embedded conversion and redemption features are clearly and closely related to that of the Preferred Shares. The Preferred Shares are not readily convertible into cash as there is not a market mechanism in place for trading of the Company's shares.

The Group has determined that there was no embedded beneficial conversion feature attributable to the Preferred Shares because the initial effective conversion prices of Preferred Shares were higher than the fair value of the Group's ordinary shares determined by the Group with the assistance from an independent valuation firm.

The rights, preferences and privileges of the Preferred Shares are as follows:

- *Dividend rights*

No dividends shall be made to ordinary shareholders until dividends in like amount have been paid on each outstanding Preferred Shares (on an as-if-converted basis).

Prior to the issuance of Series B Preferred Shares, the holders of the Series A and A-1 Preferred Shares shall be entitled to: (i) receive, on an annual basis, preferential, non-cumulative dividends at the rate of eight percent (8%) of the Series A and A-1 Preferred Shares issue price, payable in cash when and as such cash becomes legally available therefore on parity with each other, prior and in preference to any dividend on any other shares; provided that such dividends shall be payable only when, as, and if declared by the Board of Directors; (ii) receive on a pari passu basis, when, as and if declared at the sole discretion of the Board of Directors, but only out of funds that are legally available therefore, cash dividends at the rate or in the amount as the Board of Directors considers appropriate.

Upon the issuance of Series B Preferred Shares on January 12, 2009, the dividend rights of the Series A and A-1 Preferred Shares were modified to be the same as Series B Preferred Shares, in which the holders of Series A, A-1 and B Preferred Shares shall be entitled to receive on a pari passu basis, when, as and if declared at the sole discretion of the Board of Directors, but only out of funds that are legally available therefore, cash dividends at the rate or in the amount as the Board of Directors considers appropriate. In addition, no dividend shall be paid out unless approved by holder(s) of (i) at least fifty percent (50%) of the Series A and A-1 Preferred Shares, which holder(s) in each case shall include Best Alliance International Holdings Limited ("Best Alliance"), and (ii) at least

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Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

18. Convertible Preferred Shares (Continued)

seventy five percent (75%) of the Series B Preferred Shares, which holder(s) in each case shall include Strong Desire Limited ("Strong Desire") and Capital Today Investment XIII Limited ("CTI").

In association with the issuance of the Series C Preferred Shares on September 21, 2010, the dividend rights of the Series A, A-1 and B Preferred Shares were modified to be the same as Series C Preferred Shares, in which the holders of the Preferred Shares shall be entitled to receive on a pari passu basis, when, as and if declared at the sole discretion of the Board of Directors, but only out of funds that are legally available therefore, cash dividends at the rate or in the amount as the Board of Directors considers appropriate. In addition, no dividend shall be paid out unless approved by (i) Max Smart Limited ("Max Smart") and (ii) the holder(s) of a majority of the voting power of the then outstanding Preferred Shares, ordinary shares held by certain investors (voting together as a single class and calculated on an as converted basis).

No dividends on Preferred Shares and ordinary shares have been declared since the inception through December 31, 2013. Max Smart is an ordinary shareholder of the Company, which is owned and controlled by the Founder.

- *Liquidation preferences*

In the event of any liquidation, dissolution or winding up of the Group, either voluntarily or involuntarily, the holders of the Series A, A-1 and B Preferred Shares shall be entitled to receive an amount equal to 120% of the original purchase price plus all declared but unpaid dividends, while the holders of the Series C Preferred Shares shall be entitled to receive an amount equal to 100% of the original purchase price plus all declared but unpaid dividends.

In association with the issuance of the Series C Preferred Shares in 2010, the Series A, A-1 and B Preferred Shares holders waived their liquidation preference rights and rank pari passu with the ordinary shareholders.

- *Redemption rights*

Prior to the issuance of Series B Preferred Shares, the Series A and A-1 Preferred Shares were redeemable if (i) the Group failed to consummate a First Qualified IPO by the end of the year 2013, or (ii) there was a material breach by any of the Group's entities or the Founder, subject to the applicable laws of the British Virgin Islands, and if so requested by holder(s) of at least fifty percent of the Series A and A-1 Preferred Shares. The redemption price shall be equal to: Issuance price $\times (108\%)^N$, where "N" equals a fraction the numerator of which is the number of calendar days from the date on which the Series A and A-1 Preferred Shares were issued up to the date on which such preferred shares are redeemed and the denominator of which is 365.

Upon the issuance of Series B Preferred Shares on January 12, 2009, the redemption rights of the Series A and A-1 Preferred Shares were modified to be the same as Series B Preferred Shares, in which they were redeemable if (i) the Group failed to consummate a First Qualified IPO at any time after four years from January 12, 2009, or (ii) there was a material breach by any of the Group's entities or the Founder, subject to the applicable laws of the British Virgin Islands, and in the case of the Series A and A-1 Preferred Shares, if so requested by holder(s) of at least fifty percent of the Series A and A-1 Preferred Shares, and in the case of Series B Preferred Shares, if so requested by holder(s) of at least seventy five percent of the Series B Preferred Shares.

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Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

18. Convertible Preferred Shares (Continued)

The redemption price was to have been equal to the higher of (i) or (ii) below:

- (i) Issuance price $\times (108\%)^N$, "N" means a fraction the numerator of which is the number of calendar days from the date on which the Series A, A-1 and B Preferred Shares were issued up to the date on which such preferred shares are redeemed and the denominator of which is 365.
- (ii) the fair market value of Series A, A-1 and B Preferred Shares at the redemption date.

In association with the issuance of the Series C Preferred Shares in September 2010, the Series A, A-1 and B Preferred Shares holders waived their redemption rights and ranked pari passu with the ordinary shareholders.

The Series C Preferred Shares are redeemable if (i) the Group fails to consummate a Second Qualified IPO at any time before January 1, 2014 (which has been deferred to January 1, 2015 upon the request of the Group in December 2013) or (ii) there is a material breach by any of the Group's entities or the Founder, then subject to the applicable laws of the British Virgin Islands, and if so requested by holder(s) of at least fifty percent of the Series C Preferred Shares.

The redemption price shall be equal to the higher of (i) or (ii) below:

- (i) Issuance price $\times (108\%)^N$, "N" means a fraction the numerator of which is the number of calendar days from the date on which the Series C Preferred Shares were issued up to the date on which such preferred shares are redeemed and the denominator of which is 365.
- (ii) the fair market value of Series C Preferred Shares at the redemption date.

Due to the redemption features described above, the Group initially classified the Series A, A-1, B and C Preferred Shares in the mezzanine equity of the Consolidated Balance Sheets. As a result of the waiver to the redemption and preferential liquidation rights in 2010 in association with the issuance of Series C Preferred Shares, the Series A, A-1 and B Preferred Shares were reclassified from mezzanine equity to permanent equity in the Consolidated Balance Sheets.

The fair market value of the Preferred Shares was greater than their original purchase price as of December 31, 2011, 2012 and 2013. The Company accretes changes in the redemption value over the period from the date of issuance to the earliest redemption date of the Preferred Shares using effective interest method. Changes in the redemption value are considered to be changes in accounting estimates. The Company ceased to record accretion charges related to Series A, A-1 and B Preferred Shares upon the waiver of their redemption rights. Upon closing of the initial public offering, the Preferred Shares will convert into ordinary shares and the Series C Preferred Shares redemption value accretion will cease. The accretion is recorded against retained earnings, or in the absence of retained earnings, by charges against additional paid-in-capital. Once additional paid-in-capital has been exhausted, additional charges are recorded by increasing the accumulated deficit.

JD.com, Inc.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

18. Convertible Preferred Shares (Continued)

The Company's Preferred Shares activities for the years ended December 31, 2011, 2012 and 2013 are summarized below:

	Series A and A-1 Preferred Shares		Series B Preferred Shares		Series C Preferred Shares	
	Number of shares	Amount RMB	Number of shares	Amount RMB	Number of shares	Amount RMB
Balance as of January 1, 2011	221,360,925	301,654	84,786,405	126,417	258,316,305	1,489,824
Preferred shares redemption value accretion	—	—	—	—	—	1,660,619
Conversion of Series A-1 Preferred Shares to ordinary shares	(29,466,925)	(45,804)	—	—	—	—
Balance as of December 31, 2011	191,894,000	255,850	84,786,405	126,417	258,316,305	3,150,443
Preferred shares redemption value accretion	—	—	—	—	—	1,587,454
Balance as of December 31, 2012	191,894,000	255,850	84,786,405	126,417	258,316,305	4,737,897
Preferred shares redemption value accretion	—	—	—	—	—	2,435,366
Conversion of Series B Preferred Shares to ordinary shares	—	—	(25,247,161)	(38,176)	—	—
Balance as of December 31, 2013	191,894,000	255,850	59,539,244	88,241	258,316,305	7,173,263

- Voting rights*

The holder of each ordinary share issued and outstanding have one vote for each ordinary share held and the holder of each Preferred Shares have the number of votes as equals to the number of ordinary shares then issuable upon their conversion into ordinary shares. The holders of Preferred Shares shall vote together with the holders of ordinary shares on all matters submitted to a vote of the shareholders of the Company and not as a separate class or series.

- Conversion rights*

Each Preferred Shares is convertible, at the option of the holder, at any time after the date of issuance of such Preferred Shares according to a conversion ratio, subject to adjustments for dilution, including but not limited to stock splits, stock dividends and recapitalization. Each Preferred Shares is convertible into a number of ordinary shares determined by dividing the applicable original issuance price by the conversion price. The conversion price of each Preferred Shares is the same as its original issuance price if no adjustments to conversion price have occurred. As of December 31, 2013, each Preferred Shares is convertible into one ordinary share.

Prior to the issuance of Series B Preferred Shares, each Series A and A-1 Preferred Shares would automatically be converted, based on the then-effective conversion price, into ordinary share upon the earlier of (i) the closing of a First Qualified IPO or (ii) the vote or written consent of the holders of more than 50% of the then outstanding Series A and A-1 Preferred Shares (voting together as a single class).

Upon the issuance of Series B Preferred Shares on January 12, 2009, each Series A, A-1 and B Preferred Shares would automatically be converted, based on the then-effective conversion price, into ordinary share upon the earlier of (i) the closing of a First Qualified IPO or (ii) the vote or written

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****18. Convertible Preferred Shares (Continued)**

consent of the holders of (i) more than fifty percent of the Series A and A-1 Preferred Shares, which holder(s) in each case shall include Best Alliance, and (ii) more than seventy five percent of the Series B Preferred Shares, which holder(s) in each case shall include Strong Desire and CTI (voting separately on an as-converted basis).

In association with the issuance of the Series C Preferred Shares on September 21, 2010, each Preferred Shares is automatically converted into ordinary share at the then effective applicable conversion price, upon the earlier of (i) the closing of a Second Qualified IPO, or (ii) the vote or written consent of holders of more than fifty percent of the outstanding Preferred Shares of each class with respect to conversion of each class.

Upon the issuance of Series A and A-1 Preferred Shares, in the event that the Group issues additional ordinary shares at a price less than the then-applicable conversion price for the Series A and A-1 Preferred Shares, the conversion price shall be reduced, as of the opening of business on the date of such issuance, to a price equal to the price of such additional ordinary shares. Upon the issuance of Series B Preferred Shares on January 12, 2009, in the event that the Group issues additional ordinary shares at a price less than the then-applicable conversion price for the Series A, A-1 and B Preferred Shares, the conversion price of the Series A, A-1 and B Preferred Shares shall be reduced on a weighted average basis to a price determined by multiplying such conversion price by a fraction, the numerator of which shall be the number of ordinary shares outstanding immediately prior to such issuance on a fully diluted basis, plus the number of ordinary shares which the aggregate consideration received by the Group for such issuance would purchase at such conversion price in effect immediately prior to such issuance, and the denominator of which shall be the number of ordinary shares outstanding immediately prior to such issuance plus the number of such additional ordinary shares so issued. The conversion rights of Series C Preferred Shares were same as Series A, A-1 and B Preferred Shares.

19. Exchange and Re-designation of Series A-1 and Series B Preferred Shares

In 2010 and 2011, a certain number of Series A-1 and B Preferred Shares were exchanged for and re-designated into Series C Preferred Shares or ordinary shares. The table below summarizes these transactions:

<u>Exchange/re-designation</u>		<u>Exchange/re-designation date</u>	<u>Number of shares exchanged/re-designated</u>
<u>From</u>	<u>To</u>		
Series B Preferred Shares	ordinary shares	May, 2010	135,024,615
Series A-1 Preferred Shares	Series C Preferred Shares	September, 2010	64,579,075
Series B Preferred Shares	Series C Preferred Shares	September, 2010	15,498,980
Series A-1 Preferred Shares	ordinary shares	August, 2011	29,466,925
Series B Preferred Shares	ordinary shares	December, 2013	25,247,161

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****19. Exchange and Re-designation of Series A-1 and Series B Preferred Shares (Continued)**

- *Exchange for Series C Preferred Shares*

Upon the issuance of the Series C Preferred Shares, the Group extinguished 64,579,075 Series A-1 Preferred Shares and 15,498,980 Series B Preferred Shares in exchange for a total of 80,078,055 Series C Preferred Shares. The transaction represents a repurchase of the Series A-1 and B Preferred Shares and issuance of the Series C Preferred Shares to the new investors and is accounted for under extinguishment accounting. The excess of the fair value of the consideration transferred in the amount of RMB415,381 to the holders of the Series A-1 and B Preferred Shares over the carrying amount of the Series A-1 and B Preferred Shares in the amount of RMB123,596, net of foreign exchange impact, would be recognized as deemed dividends. However, since the Group did not have any retained earnings, the excess was charged to additional paid-in capital which equaled to RMB304,054 with total translation adjustment gain amounted to RMB12,269.

The fair value of the Series C Preferred Shares was assessed using the income approach/discounted cash flow method, with a discount for lack of marketability given that the shares underlying the award were not publicly traded at the time of grant, and was determined partly in reliance on a report prepared by an independent valuation firm using management's estimates and assumptions.

- *Re-designated into Ordinary Shares*

135,024,615 Series B Preferred Shares, 29,466,925 Series A-1 Preferred Shares and 25,247,161 Series B Preferred Shares were transferred to new investors and re-designated into ordinary shares in May 2010, August 2011 and December 2013, respectively. These transactions would be viewed as if the holders of the Series B and A-1 Preferred Shares exercised their option to convert Series B and A-1 Preferred Shares into ordinary shares, and then subsequently transferred the newly converted ordinary shares to the new investors. Accordingly, the carrying amounts of the Series B and A-1 Preferred Shares were reduced, offset by increases in the ordinary shares and additional paid-in capital which equaled to RMB148,490, RMB38,545 and RMB34,108, respectively, with total translation adjustment gains amounted to RMB187, RMB7,255 and RMB4,065, respectively.

20. Warrants

In conjunction of the issuance of the Series C Preferred Shares, the Group granted warrants ("Warrants-C") to two of the Series C Preferred Shares investors to acquire 78,786,475 and 5,166,325 shares of ordinary shares, respectively. The warrants have an exercise price of US\$0.7742 per ordinary share, and exercisable at any time during a period commencing on the issuance of the warrants and expiring on the earlier of (i) a Second Qualified IPO (as defined in Note 18); or (ii) 20 months from the date of issuance of the warrants.

Warrants-C were classified in permanent equity in the Consolidated Balance Sheets because they were exercisable to purchase ordinary shares, and the Group had sufficient authorized and unissued ordinary shares to settle the warrant contract. In addition, there were no other terms that would require cash settlement. Warrants-C were initially measured at fair value, and the cash proceeds of the Series C Preferred Shares were allocated on a relative fair value basis to the Series C Preferred Shares issued and Warrants-C.

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****20. Warrants (Continued)**

The relative fair value of the Warrants-C at issuance was RMB15,327, which was estimated on the basis of Black-Scholes Option Pricing Model with the following assumptions:

	<u>Issuance</u>
Expected volatility	53.1%
Risk-free interest rate	1.5%
Expected dividend yield	—
Expected life of the warrants	1.67
Fair value of ordinary shares	US\$ 0.374

The volatility of the Group's ordinary shares was estimated by management based on the historical volatility of similar U.S. and Hong Kong public companies. The risk-free interest rate was implied yield rate of China government bonds denominated in US\$ for a term applicable to the expected life of the warrants. The dividend yield was estimated based on the Group's expected dividend policy over the expected life of the warrants. The expected life reflects the best estimated period during which the warrants would be exercised.

In February 2012, upon the exercise of the Warrants-C, the Company issued 83,952,800 ordinary shares for considerations amounted to RMB410,164.

21. Ordinary Shares

Upon inception, each ordinary share was issued at a par value of US\$0.00002 per share. In March 2007, the Company issued 319,000,000 ordinary shares at a par value of US\$0.00002 and became the holding company of the Group pursuant to the reorganization events described in Note 1. Subsequently, various numbers of ordinary shares were issued to share-based compensation award recipients and investors. As of December 31, 2013, the authorized share capital of the Company is US\$60 divided into 2,435,536,365 ordinary shares, 221,360,925 Series A and A-1 Preferred Shares, 84,786,405 Series B Preferred Shares and 258,316,305 Series C Preferred Shares at a par value of US\$0.00002 per share.

The ordinary shares reserved for issuance upon exercise of Warrants-C, conversion of Preferred Shares, exercise of the restricted share units (RSUs) and share options were as follows:

	<u>As of December 31,</u>		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
Reserved for exercise of Warrants-C (Note 20)	83,952,800	—	—
Reserved for conversion of the Preferred Shares (Note 18)	534,996,710	534,996,710	509,749,549
Reserved for future exercise of the RSUs and share options (Note 22)	4,905,776	30,818,337	54,093,176
	<u>623,855,286</u>	<u>565,815,047</u>	<u>563,842,725</u>

JD.com, Inc.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

22. Share-based Compensation

For the years ended December 31, 2011, 2012 and 2013, total share-based compensation expenses recognized were RMB70,964, RMB225,039 and RMB261,173, respectively.

The ordinary shares issued for the Company's equity incentive plans are held by Fortune Rising, a consolidated variable interest entity of the Company, and accounted for as treasury stocks of the Company prior to their vest.

Adoption of 2013 Plan

Before December 20, 2013, the Company granted share-based awards to eligible employees and non-employees pursuant to the 2008, 2009, 2010, 2011 stock incentive plans and 2011 special stock incentive plan (collectively, the "Original Plans"), which govern the terms of the awards. On December 20, 2013, the Company adopted the 2013 Share Incentive Plan ("2013 Plan"), which was approved by the Board of Directors of the Company, to replace the Original Plans. The awards granted and outstanding under the Original Plans will survive and remain effective and binding under the 2013 Plan. As of December 31, 2013, the Group had 229,241,756 ordinary shares available for future grants of share-based awards.

Share option exchange program

On December 20, 2013, the Company launched a one-time stock option exchange program (the "Program") pursuant to which eligible employees were able to exchange certain unvested RSUs for share options with the exercise price of US\$3.96. The Program expired on December 27, 2013. As a result of the Program, 155 employees exchanged 7,954,526 unvested RSU for options to purchase 23,863,578 ordinary shares at exercise price of US\$3.96 per share. The new awards are subject to the original vesting schedule with the corresponding exchanged RSUs. The Company determined the modification is a probable-to-probable modification (TYPE 1 modification), as the Program does not change the expectation that these award will ultimately vest. The incremental value of RMB89,030 as the result of the exchange will be recognized as expenses over the remaining vesting periods of 1 to 6 years.

1) Employee awards

The non-vested ordinary shares, RSUs and share options are scheduled to be vested over three to six years:

- (1). One-third, one-fourth, one fifth or one-sixth of the awards, depending on different vesting schedules of the 2013 Plans, shall be vested upon the end of the calendar year in which the awards were granted or the first anniversary dates of the grants;
- (2). The remaining of the awards shall be vested on straight line basis at the end of the remaining calendar or the anniversary years.

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****22. Share-based Compensation (Continued)***Non-vested ordinary shares*

A summary of the non-vested ordinary shares activities for the years ended December 31, 2011, 2012 and 2013 is presented below:

	<u>Number of Shares</u>	<u>Weighted-Average Grant-Date Fair Value</u> US\$
Unvested at January 1, 2011	17,176,755	0.16
Granted	—	
Vested	(8,065,546)	0.12
Forfeited	(422,365)	0.20
Unvested at December 31, 2011	<u>8,688,844</u>	0.19
Unvested at January 1, 2012	8,688,844	0.19
Granted	—	
Vested	(5,642,161)	0.16
Forfeited	(217,603)	0.17
Unvested at December 31, 2012	<u>2,829,080</u>	0.24
Unvested at January 1, 2013	2,829,080	0.24
Granted	—	
Vested	(2,320,633)	0.24
Forfeited	(508,447)	0.24
Unvested at December 31, 2013	<u>—</u>	—

In January 2011, the Company agreed to purchase certain vested ordinary shares from various employees at RMB7.0 per share. A total of 1,639,265 vested ordinary shares were repurchased for cash consideration of RMB11,712.

For the years ended December 31, 2011, 2012 and 2013, total share-based compensation expenses recognized by the Group for the non-vested ordinary shares granted were RMB6,442, RMB3,156 and RMB1,142, respectively.

As of December 31, 2013, all share-based compensation expenses related to the non-vested ordinary shares granted have been recognized.

JD.com, Inc.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

22. Share-based Compensation (Continued)

RSUs

A summary of the RSUs activities for the years ended December 31, 2011, 2012 and 2013 is presented below:

	Number of RSUs	Weighted-Average Grant-Date Fair Value US\$
Unvested at January 1, 2011	—	
Granted	6,597,360	3.42
Vested	(1,635,259)	3.42
Forfeited	(56,325)	3.42
Unvested at December 31, 2011	<u>4,905,776</u>	3.42
Unvested at January 1, 2012	4,905,776	3.42
Granted	33,701,641	3.67
Vested	(4,689,658)	3.59
Forfeited	(3,099,422)	3.63
Unvested at December 31, 2012	<u>30,818,337</u>	3.65
Unvested at January 1, 2013	30,818,337	3.65
Granted	15,075,413	3.95
RSUs exchanged in connection with the share option exchange program	(7,954,526)	3.83
Vested	(6,365,824)	3.62
Forfeited	(4,422,552)	3.66
Unvested at December 31, 2013	<u>27,150,848</u>	3.77

For the years ended December 31, 2011, 2012 and 2013, total share-based compensation expenses recognized by the Group for the RSUs granted were RMB58,552, RMB215,713 and RMB254,124, respectively.

As of December 31, 2013, there were RMB484,932 of unrecognized share-based compensation expenses related to the RSUs granted. That expenses are expected to be recognized over a weighted-average period of 4.8 years.

Share Options

The Company granted Nil, Nil and 3,048,750 service-based share options to its employees for the years ended December 31, 2011, 2012 and 2013, respectively. In December, 2013, the Company launched a one-time stock option exchange program under which 7,954,526 RSUs were exchanged for 23,863,578 share options, with the exercise price of US\$3.96 per share.

JD.com, Inc.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

22. Share-based Compensation (Continued)

The summary of service-based share options activities for the year ended December 31, 2013 is presented below:

<u>Share options</u>	<u>Number of share options</u>	<u>Weighted Average Exercise Price</u> US\$	<u>Weighted Average Remaining Contractual Term (years)</u>	<u>Aggregate Intrinsic Value</u> US\$
Outstanding as of January 1, 2013	—	—	—	—
Granted	3,048,750			
Share options exchanged in connection with the share option exchange program	23,863,578			
Exercised	—			
Forfeited	—			
Expired	—			
Outstanding as of December 31, 2013	<u>26,912,328</u>	3.96	9.4	—
Vested and expected to vest as of December 31, 2013	24,221,095	3.96	9.4	—
Exercisable as of December 31, 2013	—			—

No options were granted for the years ended December 31, 2011 and 2012. The weighted average grant date fair value of options granted for the year ended December 31, 2013 was US\$1.94 per share.

For the years ended December 31, 2011, 2012 and 2013, total share-based compensation expenses recognized by the Group for the share options granted were Nil, Nil and RMB4,007, respectively. As of December 31, 2013, there were RMB227,994 of unrecognized share-based compensation expenses related to the share options granted. That expenses are expected to be recognized over a weighted-average period of 5.4 years.

The estimated fair value of each option grant is estimated on the date of grant using the Binominal option-pricing model with the following assumptions:

	<u>2013</u>
Expected volatility	47%~50%
Risk-free interest rate (per annum)	1.83%~2.91%
Exercise multiples	2.8
Expected dividend yield	—
Expected term (in years)	7.4~10.0
Fair value of the underlying shares on the date of option grants (US\$)	\$ 3.96

The Group estimated the risk free rate based on the yield to maturity of U.S. treasury bonds denominated in USD at the option valuation date. The exercise multiple is estimated as the ratio of fair value of underlying shares over the exercise price as at the time the option is exercised, based on a

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Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

22. Share-based Compensation (Continued)

consideration of research study regarding exercise pattern based on historical statistical data. Expected term is the contract life of the option. The expected volatility at the date of grant date and each option valuation date was estimated based on the annualized standard deviation of the daily return embedded in historical share prices of comparable peer companies with a time horizon close to the expected expiry of the term. The Group has never declared or paid any cash dividends on its capital stock, and the Group does not anticipate any dividend payments in the foreseeable future.

2) Non-employee awards

RSUs

A summary of activities for the non-employee RSUs for the years ended December 31, 2011, 2012 and 2013 is presented below:

	<u>Number of RSUs</u>	<u>Weighted-Average Grant-Date Fair Value</u> US\$
Unvested at January 1, 2011	—	
Granted	281,000	3.42
Vested	<u>(281,000)</u>	<u>3.42</u>
Unvested at December 31, 2011	—	
Unvested at January 1, 2012	—	
Granted	263,770	3.67
Vested	<u>(263,770)</u>	<u>3.67</u>
Unvested at December 31, 2012	—	
Unvested at January 1, 2013	—	
Granted	107,992	3.96
Vested	<u>(77,992)</u>	<u>3.96</u>
Unvested at December 31, 2013	<u>30,000</u>	3.96

For the years ended December 31, 2011, 2012 and 2013, total share-based compensation expenses recognized for the non-employee awards granted were RMB5,970, RMB6,170 and RMB1,900, respectively.

As of December 31, 2013, there were RMB638 of unrecognized share-based compensation expenses related to the RSUs granted. That expenses are expected to be recognized over a weighted-average period of 6.0 years.

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Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

23. Net loss per share

Basic and diluted net loss per share for each of the years presented are calculated as follows:

	For the year ended December 31,		
	2011 RMB	2012 RMB	2013 RMB
Numerator:			
Net loss	(1,283,745)	(1,729,473)	(49,899)
Series C Preferred Shares redemption value accretion	(1,660,619)	(1,587,454)	(2,435,366)
Net loss attributable to the holders of permanent equity securities	(2,944,364)	(3,316,927)	(2,485,265)
Numerator for basic net loss per share of permanent equity securities	(2,944,364)	(3,316,927)	(2,485,265)
Numerator for diluted net loss per share of permanent equity securities	(2,944,364)	(3,316,927)	(2,485,265)
Denominator:			
Weighted average number of permanent equity securities—basic	1,322,840,034	1,523,639,783	1,694,495,048
Weighted average number of permanent equity securities—diluted	1,322,840,034	1,523,639,783	1,694,495,048
Basic net loss per share attributable to the holders of permanent equity securities	(2.23)	(2.18)	(1.47)
Diluted net loss per share attributable to the holders of permanent equity securities	(2.23)	(2.18)	(1.47)

Generally, basic net loss per share is computed using the weighted average number of ordinary shares outstanding during the period. Diluted net loss per share is computed using the weighted average number of ordinary shares and dilutive potential ordinary shares outstanding during the period.

As a result of the modification of the Series A, A-1 and B Preferred Shares on September 21, 2010 (refer to Note 18), the Series A, A-1 and B Preferred Shares were classified as separate classes of permanent equity securities with no senior or prior rights to ordinary shares, except for those dividend rights discussed in Note 18. Accordingly for the years ended December 31, 2011, 2012 and 2013, the "two-class" method is required to be used for the calculation of net loss per share. Since the Company did not declare any dividends for the years ended December 31, 2011, 2012 and 2013, the net loss per share attributable to each class would be the same under the "two-class" method for the years ended December 31, 2011, 2012 and 2013. As such, the three classes of shares have been presented on a combined basis in the Consolidated Statements of Operations and Comprehensive Loss and in the above computation of net loss per share.

Diluted net loss per share is computed using the weighted average number of ordinary shares, Series A, A-1 and B Preferred Shares and dilutive potential ordinary shares outstanding during the respective year. The potentially dilutive securities that were not included in the calculation of diluted net loss per share in the periods presented where their inclusion would be anti-dilutive include non-vested ordinary shares, RSUs and options to purchase ordinary shares of 21,008,288, 27,484,412 and 33,084,709, and Warrants-C of 83,952,800, 8,303,024 and Nil for the years ended December 31, 2011, 2012 and 2013 on a weighted average basis, respectively. For the years ended December 31, 2011, 2012 and 2013, the assumed conversion of the Series C Preferred Shares was anti-dilutive and excluded from the calculation of diluted net loss per share.

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Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

24. Related party transactions

The table below sets forth the major related parties and their relationships with the Group as of December 31, 2013:

<u>Name of related parties</u>	<u>Relationship with the Group</u>
Jiangsu Suqian Network Co., Ltd.	Controlled by an individual related to the Founder
Beijing Haoyaoshi Medicine Co., Ltd. ("Haoyaoshi")	An investee of the Group, and the Group disposed the equity investment in August 2013

- (a) The Group entered into the following transactions with related parties:

<u>Transactions</u>	<u>For the year ended December 31,</u>		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
	<u>RMB</u>	<u>RMB</u>	<u>RMB</u>
Loan repayment from Jiangsu Suqian Network Co., Ltd.	—	1,500	—
Online marketplace service provided to Haoyaoshi	677	8,391	8,297

- (b) The Group had the following balances with related parties:

	<u>As of December 31,</u>		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
	<u>RMB</u>	<u>RMB</u>	<u>RMB</u>
Loan receivable from Jiangsu Suqian Network Co., Ltd.	1,500	—	—
Total	1,500	—	—
Due to Haoyaoshi for cash collections on behalf of Haoyaoshi related to online marketplace service	1,428	4,885	—
Total	1,428	4,885	—

* Haoyaoshi is a merchant of the Company's online marketplace. The Company provided related services to Haoyaoshi, and collected the payments from customers on behalf of Haoyaoshi.

25. Employee benefit

Full time employees of the Group in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to the employees. Chinese labor regulations require that the PRC subsidiaries and VIEs and VIEs' subsidiaries of the Group make contributions to the government for these benefits based on certain percentages of the employees' salaries, up to a maximum amount

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Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

25. Employee benefit (Continued)

specified by the local government. The Group has no legal obligation for the benefits beyond the contributions made. The total amounts for such employee benefit expenses, which were expensed as incurred, were approximately RMB236,397, RMB528,524 and RMB618,052 for the years ended December 31, 2011, 2012 and 2013, respectively.

26. Lines of credit

As of December 31, 2013, the Group had agreements with fifteen PRC commercial banks for unsecured revolving lines of credit, and increased its revolving lines of credit to RMB9.2 billion. There are no financial covenants under these lines of credit with which the Group must comply as of December 31, 2013.

As of December 31, 2013, under the lines of credit, the Company had no outstanding borrowings and RMB1,452,038 outstanding for the issuance of bank acceptance and RMB422,510 outstanding for the guarantee of supply chain financing.

27. Commitments and contingencies*Operating lease commitments*

The Group leases office, fulfillment centers and bandwidth under non-cancelable operating lease agreements. The rental and bandwidth leasing expenses were RMB180,477, RMB419,235 and RMB621,629 for the years ended December 31, 2011, 2012 and 2013, respectively, and were charged to Consolidated Statements of Operations and Comprehensive Loss when incurred.

Future minimum lease payments under non-cancelable operating lease agreements with initial terms of one year or more consist of the following:

	<u>Office and fulfillment centers rental</u>	<u>Bandwidth leasing</u>	<u>Total</u>
	RMB	RMB	RMB
2014	422,648	93,658	516,306
2015	206,474	4,707	211,181
2016	57,554	—	57,554
2017	27,536	—	27,536
2018	20,378	—	20,378
2019 and Thereafter	29,006	—	29,006
	<u>763,596</u>	<u>98,365</u>	<u>861,961</u>

Capital commitments

The Group's capital commitments primarily relate to commitments on construction of office building and warehouses. Total capital commitments contracted but not yet reflected in the consolidated financial statements amounted to RMB911,812 as of December 31, 2013. All of these capital commitments will be fulfilled in the following years according to the construction progress.

JD.com, Inc.**Notes to the Consolidated Financial Statements (Continued)****(All amounts in thousands, except for share and per share data)****27. Commitments and contingencies (Continued)***Legal proceedings*

From time to time, the Group is subject to legal proceedings and claims in the ordinary course of business. Third parties assert patent infringement claims against the Group from time to time in the form of letters, lawsuits and other forms of communication. In addition, from time to time, the Group receives notification from customers claiming that they are entitled to indemnification or other obligations from the Group related to infringement claims made against them by third parties. Litigation, even if the Group is ultimately successful, can be costly and divert management's attention away from the day-to-day operations of the Group.

The Group records a liability when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. The Group reviews the need for any such liability on a regular basis. The Group has not recorded any such liabilities as of December 31, 2011, 2012 and 2013.

28. Restricted net assets

The Group's ability to pay dividends is primarily dependent on the Group receiving distributions of funds from its subsidiaries. Relevant PRC statutory laws and regulations permit payments of dividends by the Group's subsidiaries, VIEs and VIEs' subsidiaries incorporated in PRC only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. The results of operations reflected in the financial statements prepared in accordance with U.S. GAAP differ from those reflected in the statutory financial statements of the Group's subsidiaries.

In accordance with the PRC Regulations on Enterprises with Foreign Investment and their articles of association, a foreign invested enterprise established in the PRC is required to provide certain statutory reserve funds, namely general reserve fund, the enterprise expansion fund and staff welfare and bonus fund which are appropriated from net profits as reported in the enterprise's PRC statutory financial statements. A foreign invested enterprise is required to allocate at least 10% of its annual after-tax profits to the general reserve fund until such reserve fund has reached 50% of its registered capital based on the enterprise's PRC statutory financial statements. Appropriations to the enterprise expansion fund and staff welfare and bonus fund are at the discretion of the board of directors for all foreign invested enterprises. The aforementioned reserved funds can only be used for specific purposes and are not distributable as cash dividends.

Additionally, in accordance with the Company Law of the PRC, a domestic enterprise is required to provide statutory surplus fund at least 10% of its annual after-tax profits until such statutory surplus fund has reached 50% of its registered capital based on the enterprise's PRC statutory financial statements. A domestic enterprise is also required to provide discretionary surplus fund, at the discretion of the board of directors, from the net profits reported in the enterprise's PRC statutory financial statements. The aforementioned reserve funds can only be used for specific purposes and are not distributable as cash dividends.

As a result of these PRC laws and regulations that require annual appropriations of 10% of net after-tax profits to be set aside prior to payment of dividends as general reserve fund or statutory surplus fund, the Group's PRC subsidiaries, VIEs and VIEs' subsidiaries are restricted in their ability to transfer a portion of their net assets to the Company.

JD.com, Inc.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

28. Restricted net assets (Continued)

Amounts restricted include paid-in capital and statutory reserve funds, as determined pursuant to PRC GAAP, totaling approximately RMB12,262,757 as of December 31, 2013; therefore in accordance with Rules 4.08 (e) (3) of Regulation S-X, the condensed parent company only financial statements as of December 31, 2011, 2012 and 2013 and for the years ended December 31, 2011, 2012 and 2013 are disclosed in Note 31.

29. Unaudited pro-forma balance sheet and net loss per share

Immediately prior to the completion of the Second Qualified IPO, the Company will adopt a Post IPO Memorandum and Articles of Association in which the shares held by Max Smart and Fortune Rising may be re-designated as Class B ordinary shares, while the shares held by all other shareholders of the Company will be re-designated as Class A ordinary shares. Holders of Class A ordinary shares and Class B ordinary shares have the same rights, except for voting rights and conversion rights. Holders of Class A ordinary shares are entitled to one vote per share in all shareholders' meetings, while holders of Class B ordinary shares are entitled to twenty votes per share. Each Class B ordinary share is convertible into one Class A ordinary share at any time at the discretion of the Class B shareholders thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances.

The unaudited pro-forma balance sheet as of December 31, 2013 assumes the Second Qualified IPO has occurred and presents an adjusted financial position as if the re-designation of all outstanding ordinary shares and the conversion of all outstanding Preferred Shares into Class A and Class B ordinary shares at the conversion ratio as described in Note 18 occurred on December 31, 2013.

The unaudited pro-forma basic and diluted net loss per share reflecting the effect to the re-designation of all outstanding ordinary shares and conversion of all outstanding Preferred Shares into Class A and Class B ordinary shares as if the re-designation and conversion had occurred at the beginning of the year:

	For the year ended December 31, 2013
	RMB
Numerator:	
Net loss attributable to holders of permanent equity securities	(2,485,265)
Series C Preferred Shares redemption value accretion	2,435,366
Compensation to the Founder related to dual class ordinary shares arrangements	(37,571)
Numerator for pro-forma basic and diluted net loss per share	<u>(87,470)</u>
Denominator:	
Weighted average number of ordinary shares outstanding	1,419,255,378
Pro-forma effect of the conversion of Series A and A-1 Preferred Shares	191,894,000
Pro-forma effect of the conversion of Series B Preferred Shares	83,345,670
Pro-forma effect of the conversion of Series C Preferred Shares	258,316,305
Denominator for pro-forma basic and diluted net loss per share	<u>1,952,811,353</u>

JD.com, Inc.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

29. Unaudited pro-forma balance sheet and net loss per share (Continued)

	For the year ended December 31, 2013
	RMB
Pro-forma net loss per share:	
Basic	(0.04)
Diluted	(0.04)

The potentially dilutive securities that were not included in the calculation of above pro-forma dilutive net loss per share in the period presented where their inclusion would be anti-dilutive include non-vested ordinary shares and RSUs and options to purchase ordinary shares of 33,084,709, for the year ended December 31, 2013 on a weighted average basis.

30. Subsequent events

The Group evaluated subsequent events through March 19, 2014, which was the date these financial statements were issued.

a. Transaction with Tencent Holdings Limited

On March 10, 2014, the Company entered into a Strategic Cooperation Agreement ("Agreement") with Tencent Holdings Limited ("Tencent"), with a period of 5 years from April 1, 2014 to March 31, 2019. Pursuant to the Agreement, the Company will become Tencent's preferred partner in the development of physical goods e-commerce business in Greater China, including: (a) Tencent will grant the Company level-1 access points in Weixin and mobile QQ applications; (b) Tencent will provide internet traffic and other support from other key platforms to the Company; (c) the Company will cooperate with Tencent in a number of areas primarily mobile-related products, social networking services, membership systems and payment solutions. Terms described in (a), (b) and (c) above are hereinafter collectively referred to as "Strategic Cooperation". In addition, for a period of 8 years from April 1, 2014 to March 31, 2022, other than the operation of Shanghai Ison, a subsidiary of Tencent, Tencent will not engage in any online direct sales or managed marketplace business model in physical goods e-commerce businesses in Greater China and a few selected international markets, hereinafter referred to as "Non-Compete".

On the same date, the Company also entered into a series of agreements with Tencent and its affiliates, pursuant to which, the Company acquired from Tencent: (i) 100% business operation of two online marketplace platforms, Paipai and QQ Wanggou; (ii) 9.9% equity interest in Shanghai Ison; (iii) a call option to acquire the remaining equity interest of Shanghai Ison, with a price higher of the fair value of the remaining equity interest or RMB800 million within 3 years commencing the closing of the Transaction; (iv) certain logistic workforce; and (v) a land use right. The above (i) to (v), Strategic Cooperation and Non-Compete are collectively referred to as "Transaction".

As consideration for the Transaction, the Company issued 351,678,637 ordinary shares to Huang River Investment Limited, a wholly-owned subsidiary of Tencent, representing 15% shares on a diluted basis under treasury method upon the closing of the Transaction, on March 10, 2014.

JD.com, Inc.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

30. Subsequent events (Continued)

b. Grant of RSUs to the Founder

In March, 2014, the Company approved a grant of 93,780,970 RSUs to the Founder. The share awards were immediately vested and the Company will record an share-based compensation charge of USD\$590,820 in the quarter ended March 31, 2014.

c. Short-term bank loan

In March, 2014, the Group entered into a loan agreement, whereby on March 7, 2014 the Group effectively pledged RMB2,000,000 time deposits to secure the bank loan, totaling US\$309,000 (RMB1,891,111) and bearing interest at 0.8% per annum over 1-month London Inter-Bank Offered Rate ("LIBOR") with the maturity date of March 6, 2015.

31. Parent company only condensed financial information

The Company performed a test on the restricted net assets of consolidated subsidiaries, VIEs and VIEs' subsidiaries in accordance with Securities and Exchange Commission Regulation S-X Rule 4-08 (e) (3), "General Notes to Financial Statements" and concluded that it was applicable for the Company to disclose the financial statements for the parent company.

The subsidiaries did not pay any dividend to the Company for the years presented. Certain information and footnote disclosures generally included in financial statements prepared in accordance with U.S. GAAP have been condensed and omitted. The footnote disclosures contain supplemental information relating to the operations of the Company, as such, these statements should be read in conjunction with the notes to the consolidated financial statements of the Company.

The Company did not have significant capital and other commitments, long-term obligations, or guarantees as of December 31, 2013.

Condensed Balance Sheet

	As of December 31			
	2011 RMB	2012 RMB	2013 RMB	US\$ Note 2(e)
ASSETS				
Current assets:				
Cash and cash equivalents	4,309,493	2,745,209	12,475	2,061
Total current assets	<u>4,309,493</u>	<u>2,745,209</u>	<u>12,475</u>	<u>2,061</u>
Non-current assets:				
Investments in subsidiaries and VIEs	1,639,924	3,664,365	9,237,302	1,525,892
Intangible assets, net	2,381	26,119	1,845	305
Total non-current assets	<u>1,642,305</u>	<u>3,690,484</u>	<u>9,239,147</u>	<u>1,526,197</u>
Total assets	<u>5,951,798</u>	<u>6,435,693</u>	<u>9,251,622</u>	<u>1,528,258</u>

JD.com, Inc.
Notes to the Consolidated Financial Statements (Continued)
(All amounts in thousands, except for share and per share data)
31. Parent company only condensed financial information (Continued)

	As of December 31			US\$ Note 2(e)
	2011 RMB	2012 RMB	2013 RMB	
LIABILITIES				
Current liabilities:				
Accrued expenses and other liabilities	17,964	33,135	11,794	1,949
Total liabilities	<u>17,964</u>	<u>33,135</u>	<u>11,794</u>	<u>1,949</u>
MEZZANINE EQUITY				
Series C convertible redeemable preferred shares (US\$0.00002 par value; 258,316,305 shares authorized, issued and outstanding as of December 31, 2011, 2012 and 2013, Redemption value of RMB 10,789,686, RMB 7,788,910 and RMB7,918,251 as of December 31, 2011, 2012 and 2013, respectively; Liquidation value of RMB 1,260,180, RMB 1,257,100 and RMB1,219,380 as of December 31, 2011, 2012 and 2013, respectively.)	3,150,443	4,737,897	7,173,263	1,184,939
Shareholders' equity				
Series A and A-1 convertible preferred shares (US\$0.00002 par value; 221,360,925 shares authorized, 191,894,000 shares issued and outstanding as of December 31, 2011, 2012 and 2013.)	255,850	255,850	255,850	42,263
Series B convertible preferred shares (US\$0.00002 par value; 84,786,405 shares authorized, issues and outstanding as of December 31, 2011, 2012 and 84,786,405 shares authorized, 59,539,244 shares issued and outstanding as of December 31, 2013.)	126,417	126,417	88,241	14,576
Ordinary shares (US\$0.00002 par value, 1,935,536,365 shares authorized, 1,211,469,630 shares issued and 1,162,790,555 shares outstanding as of December 31, 2011, and 1,935,536,365 shares authorized, 1,358,540,331 shares issued and 1,320,456,845 shares outstanding as of December 31, 2012 and 2,435,536,365 shares authorized, 1,502,933,134 shares issued and 1,463,654,092 shares outstanding as of December 31, 2013.)	163	182	199	33
Additional paid-in capital	5,025,325	5,654,991	6,251,869	1,032,735
Statutory reserves	—	1,838	2,648	437
Treasury stock	(11,712)	(7,781)	—	—
Warrants	15,327	—	—	—
Accumulated deficit	(2,481,604)	(4,212,915)	(4,263,624)	(704,301)
Accumulated other comprehensive loss	(146,375)	(153,921)	(268,618)	(44,373)
Total shareholders' equity	<u>2,783,391</u>	<u>1,664,661</u>	<u>2,066,565</u>	<u>341,370</u>
Total liabilities, mezzanine equity and shareholders' equity	<u>5,951,798</u>	<u>6,435,693</u>	<u>9,251,622</u>	<u>1,528,258</u>

JD.com, Inc.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

31. Parent company only condensed financial information (Continued)

Condensed Statements of Operations and Comprehensive Loss

	For the year ended December 31,			
	2011 RMB	2012 RMB	2013 RMB	US\$
Operating expenses				
Fulfillment	—	—	—	—
Marketing	—	—	—	—
Technology and content	—	—	—	—
General and administrative	(6,129)	(18,581)	(4,065)	(671)
Loss from operations	(6,129)	(18,581)	(4,065)	(671)
Equity in loss of subsidiaries and VIEs	(1,382,036)	(1,750,074)	(164,843)	(27,230)
Interest income, net	16,980	37,190	3,987	659
Others, net	87,440	1,992	115,022	19,000
Net loss	(1,283,745)	(1,729,473)	(49,899)	(8,242)
Preferred shares redemption value accretion	(1,660,619)	(1,587,454)	(2,435,366)	(402,294)
Net loss attributable to holders of permanent equity securities	(2,944,364)	(3,316,927)	(2,485,265)	(410,536)

Condensed Statements of Cash Flow

	For the year ended December 31,			
	2011 RMB	2012 RMB	2013 RMB	US\$
Net cash provided by operating activities	291,710	35,559	(1,209)	(199)
Net cash used in investing activities	(2,537,311)	(3,574,993)	(5,399,613)	(891,953)
Net cash provided by financing activities	6,236,898	1,981,595	2,720,076	449,325
Effect of exchange rate changes on cash and cash equivalents	(61,308)	(6,445)	(51,988)	(8,588)
Net increase/(decrease) in cash and cash equivalents	3,929,989	(1,564,284)	(2,732,734)	(451,415)
Cash and cash equivalents at beginning of year	379,504	4,309,493	2,745,209	453,476
Cash and cash equivalents at end of year	4,309,493	2,745,209	12,475	2,061

Basis of presentation

The Company's accounting policies are the same as the Group's accounting policies with the exception of the accounting for the investments in subsidiaries, VIEs and VIEs' subsidiaries.

For the Company only condensed financial information, the Company records its investments in subsidiaries, VIEs and VIEs' subsidiaries under the equity method of accounting as prescribed in ASC 323, *Investments-Equity Method and Joint Ventures*. Such investments are presented on the condensed balance sheets as "Investment in subsidiaries and VIEs" and the subsidiaries and VIEs' loss

JD.com, Inc.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in thousands, except for share and per share data)

31. Parent company only condensed financial information (Continued)

as "Equity in loss of subsidiaries and VIEs" on the Condensed Statements of Operations and Comprehensive Loss. The parent company only condensed financial statements should be read in conjunction with the Group' consolidated financial statements.

**COMBINED PLATFORM BUSINESS
COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2011, 2012 AND 2013**

**COMBINED PLATFORM BUSINESS
COMBINED FINANCIAL STATEMENTS**
For the years ended 31 December 2011, 2012 and 2013

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INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF TENCENT HOLDINGS LIMITED
(incorporated in Cayman Islands with limited liability)

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of the two e-Commerce open platform operations (the "Combined Platform Business") listed in Note 1, which comprise the combined statements of financial position as at 31 December, 2011, 2012 and 2013, and the related combined statements of comprehensive loss, changes in invested capital, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management of the Combined Platform Business is responsible for the preparation and fair presentation of these combined financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Combined Platform Business' preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Combined Platform Business' internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Combined Platform Business at 31 December 2011, 2012 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with IFRS as issued by the IASB.

/s/ PricewaterhouseCoopers
Hong Kong, 19 March 2014

Combined Platform Business

COMBINED BALANCE SHEETS

As at 31 December 2011, 2012 and 2013

(All amounts in thousands of RMB, except for share and per share data)

		As at 31 December		
	Note	2011	2012	2013
ASSETS				
Current assets				
Accounts receivable	5	228	3,507	1,027
Prepayments and other receivables	6	1,066	356	2,560
Total current assets		<u>1,294</u>	<u>3,863</u>	<u>3,587</u>
Non-current assets				
Property, plant and equipment	7	14,698	15,448	17,647
Intangible assets	8	77,540	64,750	54,729
Total non-current assets		<u>92,238</u>	<u>80,198</u>	<u>72,376</u>
Total assets		<u>93,532</u>	<u>84,061</u>	<u>75,963</u>
LIABILITIES				
Current liabilities				
Accounts payable	9	581	3,949	8,502
Accrued expenses and other current liabilities	10	19,705	31,692	44,199
Receipt in advance	11	5,230	9,383	11,170
Total liabilities		<u>25,516</u>	<u>45,024</u>	<u>63,871</u>
EQUITY				
Invested capital		68,016	39,037	12,092
Total equity and liabilities		<u>93,532</u>	<u>84,061</u>	<u>75,963</u>

The notes on pages F-74 to F-96 are an integral part of these combined financial statements.

Combined Platform Business

COMBINED STATEMENTS OF COMPREHENSIVE LOSS

For the Years ended 31 December 2011, 2012 and 2013

(All amounts in thousands of RMB, except for share and per share data)

	Note	Year ended 31 December		
		2011	2012	2013
Net Revenues				
Commission revenue		389	144,951	185,473
Online advertising and others		70,404	189,542	170,061
Total net revenues		<u>70,793</u>	<u>334,493</u>	<u>355,534</u>
Operating expenses				
Cost of revenues (including handling charges for online payment platform charged by an entity of Tencent Holdings: 2011: Nil, 2012: RMB29,348 and 2013: RMB27,187)		(61,275)	(111,566)	(135,032)
Marketing		(56,799)	(94,160)	(103,061)
Technology and contents		(45,415)	(66,277)	(68,103)
General and administrative (including corporate administrative and management fees charged by entities of Tencent Holdings: 2011: RMB47,029, 2012: RMB44,615 and RMB57,143)		(59,757)	(72,503)	(98,224)
Total operating expenses	12	<u>(223,246)</u>	<u>(344,506)</u>	<u>(404,420)</u>
Loss before income tax		(152,453)	(10,013)	(48,886)
Income tax expense	14	—	—	—
Net loss and total comprehensive loss		<u>(152,453)</u>	<u>(10,013)</u>	<u>(48,886)</u>
Attributable to:				
Owner of the Combined Platform Business		<u>(152,453)</u>	<u>(10,013)</u>	<u>(48,886)</u>

The notes on pages F-74 to F-96 are an integral part of these combined financial statements.

Combined Platform Business

COMBINED STATEMENTS OF CASH FLOWS

For the Years ended 31 December 2011, 2012 and 2013

(All amounts in thousands of RMB, except for share and per share data)

	Year ended 31 December		
	2011	2012	2013
Cash flows from operating activities:			
Net loss	(152,453)	(10,013)	(48,886)
Adjustments to reconcile net loss to net cash (used in)/generated from operating activities			
Depreciation and amortization	21,470	30,204	31,195
Loss on retirement of property, plant and equipment	1,461	2,741	571
Changes in operating assets and liabilities:			
Accounts receivable	(228)	(3,279)	2,480
Prepayments and other receivables	(805)	710	(2,204)
Accounts payable	408	3,368	4,553
Accrued expenses and other current liabilities	10,623	16,140	14,294
Net cash (used in)/generated from operating activities	(119,524)	39,871	2,003
Cash flows from investing activities:			
Purchase of property, plant and equipment	(16,455)	(20,905)	(21,020)
Purchase of intangible assets	(3,911)	—	(2,924)
Net cash flow used in investing activities	(20,366)	(20,905)	(23,944)
Cash flows from financing activities:			
Deemed contributions from/(return of contributions to) owner of the Combined Platform Business	139,890	(18,966)	21,941
Net cash generated from/(used in) financing activities	139,890	(18,966)	21,941
Net change in cash and cash equivalents	—	—	—
Cash and cash equivalents at beginning of the year	—	—	—
Cash and cash equivalents at end of the year	—	—	—

The notes on pages F-74 to F-96 are an integral part of these combined financial statements.

Combined Platform Business**COMBINED STATEMENTS OF CHANGES IN INVESTED CAPITAL****For the Years ended 31 December 2011, 2012 and 2013****(All amounts in thousands of RMB, except for share and per share data)**

	<u>Invested capital</u>
Balance at 1 January 2011	80,579
Loss and total comprehensive loss for the year	(152,453)
Contributions from owner of the Combined Platform Business	139,890
Balance at 31 December 2011 and 1 January 2012	68,016
Loss and total comprehensive loss for the year	(10,013)
Return of contributions to owner of the Combined Platform Business	(18,966)
Balance at 31 December 2012 and 1 January 2013	39,037
Loss and total comprehensive loss for the year	(48,886)
Contributions from owner of the Combined Platform Business	21,941
Balance at 31 December 2013	<u>12,092</u>

The notes on pages F-74 to F-96 are an integral part of these combined financial statements.

Combined Platform Business

Notes to the Combined Financial Statements

For the Years Ended 31 December 2011, 2012 and 2013

(All amounts in thousands of RMB, except for share and per share data)

1 General information

Tencent Holdings Limited ("Tencent Holdings") was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The shares of Tencent Holdings have been listed on the Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange") since 16 June 2004. Tencent Holdings and its subsidiaries ("Tencent Group") are principally engaged in the provision of Internet value-added services, mobile and telecommunications value-added services, online advertising services and e-Commerce transactions to users.

In 2006 and 2011, Tencent Group set up two e-Commerce platforms, www.paipai.com website ("Paipai") and www.wanggou.com website ("Wanggou"), as unincorporated operating units of the Tencent Group for engaging in physical goods e-Commerce business (collectively defined as "Combined Platform Business"). The Combined Platform Business offers online marketplace that enable third-party sellers ("Third-party sellers") to sell their products to online buyers ("Buyers") on Paipai and Wanggou. Paipai offers its marketplace to individual sellers, which is regarded as a customer-to-customer ("C2C") sector, whereas Wanggou offers its marketplace to corporate sellers which is regarded as a business-to-customer ("B2C") sector. The Combined Platform Business forms part of the e-Commerce transactions service segment of Tencent Holdings.

Pursuant to a Share Subscription Agreement entered into between JD.com, Inc. ("JD") and Tencent Holdings dated 10 March 2014 (the "SSA"), Tencent Holdings agreed to transfer the Combined Platform Business which includes employees, business contracts for online outlets and advertising agreements, intellectual properties, licenses and permits in connection with the operation of the Combined Platform Business to JD or its affiliates as part of the consideration for JD to allot and issue 351,678,637 Ordinary Shares of JD to Tencent Holdings (the "Transaction").

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the combined financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The combined financial statements comprise financial statements of Paipai and Wanggou. Throughout the period presented in the combined financial statements, the Combined Platform Business did not exist as a separate, legally constituted group. The combined financial statements have therefore been derived from the consolidated financial statements of Tencent Holdings and its subsidiaries in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") to represent the financial position and performance of the Combined Platform Business on a standalone basis throughout the period. The directors of Tencent Holdings determined that this presentation represents the Combined Platform Business most appropriately based on several factors, including (1) the scope of the Combined Platform Business is clearly defined within the above agreement; (2) business nature of Paipai and Wanggou forming the Combined Platform Business are similar, they have been under common control and

Combined Platform Business

Notes to the Combined Financial Statements (Continued)

For the Years Ended 31 December 2011, 2012 and 2013

(All amounts in thousands of RMB, except for share and per share data)

2 Summary of significant accounting policies (Continued)

managed by a standalone management team throughout the period covered by the financial statements; and (3) the approach is consistent with custom and practice in relation to broadly equivalent transactions within the United States market.

The combined financial statements comprise an aggregation of the earnings, financial position and cash flows of the Combined Platform Business after making such adjustments as were considered appropriate and reasonable in relation to the items set out below.

- (a) Any funding received from/paid to Tencent Holdings and its group entities/operations other than the Combined Platform Business ("Tencent Group Entities") in the period covered by these combined financial statements are treated as deemed capital contributions or return of contributions within invested capital.
- (b) Accounts receivables and other current assets, and accounts payable and other current liabilities received or settled by Tencent Group Entities are also treated as deemed capital contributions or return of contributions within invested capital.
- (c) Revenues and operating expenses generated or incurred solely by the Combined Platform Business are carved out directly from the consolidated financial statements of Tencent Holdings and its subsidiaries.
- (d) Certain common operating and administrative expenses incurred by the Combined Platform Business in conjunction with other e-Commerce business operations operated by Tencent Holdings, including financial, human resources, office administration and other support functions are reallocated to the combined financial statements primarily based on percentage of employees, which management believes represent a reasonable allocation methodology. Details of these expenses are disclosed in Note 17.
- (e) All intercompany transactions, mainly referring to handling charges for online payment platform and corporate administrative and management fee, enacted between the Combined Platform Business with Tencent Group Entities have been eliminated in the consolidated financial statements of Tencent Holdings and its subsidiaries but reinstated for the purpose of these combined financial statements, and disclosed as related party transactions as disclosed in Note 17.

The combined financial statements may not necessarily be indicative of the Combined Platform Business' financial position, results of operating activities or cash flows had it operated as a separate entity throughout the period presented or for future periods.

The invested capital balance within the combined financial statements represents the deficit or excess of total assets over total liabilities. The movements in invested capital throughout the period are analysed within the combined statements of changes in invested capital. Given the nature of the combined financial statements, it is not possible to establish a separate balance for the retained earnings/accumulated deficits within the invested capital balance at 1 January 2011 and so no such split is provided.

Combined Platform Business**Notes to the Combined Financial Statements (Continued)****For the Years Ended 31 December 2011, 2012 and 2013****(All amounts in thousands of RMB, except for share and per share data)****2 Summary of significant accounting policies (Continued)**

The combined financial statements have been prepared in accordance with IFRS and under the historical cost convention.

New standards, amendments and interpretation to the existing standards that are effective during the years presented have been adopted by the Combined Platform Business consistently throughout the years presented unless prohibited by the relevant standard to apply retrospectively.

The following are new standards, amendments and interpretations to standards published by IASB but are not effective and have not been early adopted by the Combined Platform Business.

IFRSs (amendment)	Improvements to IFRSs 2010-2012 cycle ⁽²⁾
IFRSs (amendment)	Improvements to IFRSs 2011-2013 cycle ⁽²⁾
IFRS 7 (amendment)	Mandatory effective date of IFRS 9 and transition disclosures ⁽³⁾
IFRS 9	Financial instruments ⁽³⁾
Additions to IFRS 9	Financial instruments—financial liabilities ⁽³⁾
IFRS 10, IFRS 12 and IAS 27 (2011) (amendment)	Investment entities ⁽¹⁾
IAS 19 (amendment)	Defined benefit plans: employee contribution ⁽²⁾
IAS 32 (amendment)	Financial instruments: presentation—offsetting financial assets and financial liabilities ⁽¹⁾
IAS 36 (amendment)	Recoverable amount disclosures for non-financial assets ⁽¹⁾
IAS 39 (amendment)	Novation of derivatives and continuation of hedge accounting ⁽¹⁾
IFRIC Int 21	Levies ⁽¹⁾

(1) Effective for the Combined Platform Business for annual period beginning on 1 January 2014.

(2) Effective for the Combined Platform Business for annual period beginning on 1 January 2015.

(3) Effective date to be determined.

The Combined Platform Business is in the process of making an assessment on the impact of these standards, amendments and interpretations on the combined financial statements of the Combined Platform Business in the initial application. The adoption of the above is not expected to have a material effect on the Combined Platform Business' operating results or financial position.

These combined financial statements of the Combined Platform Business for the years ended 31 December 2011, 2012 and 2013 are presented in Renminbi ("RMB"), unless otherwise stated. These combined financial statements have been approved for issue by the Board of Directors of Tencent Holdings on 19 March 2014.

2.2 Going concern

As at 31 December 2013, the Combined Platform Business reported net current liabilities of approximately RMB60,284. As stated in the SSA, Tencent Holdings will settle all liabilities except for

Combined Platform Business

Notes to the Combined Financial Statements (Continued)

For the Years Ended 31 December 2011, 2012 and 2013

(All amounts in thousands of RMB, except for share and per share data)

2 Summary of significant accounting policies (Continued)

the receipt in advance of the Combined Platform Business upon closing of the Transaction. In addition, Tencent Holdings also undertake to pay the cash, equivalent to the balance of receipt in advance, to JD or its affiliates. Consequently, the directors of Tencent Holdings believe that the Combined Platform Business will continue as a going concern and have prepared the combined financial statements on a going concern basis.

2.3 Estimates

The preparation of combined financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the combined financial statements are disclosed in Note 4.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

None of the changes in estimates has a material effect on the Combined Platform Business' combined financial statements as at and for the years ended 31 December 2011, 2012 and 2013.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the combined financial statements of the Combined Platform Business are measured using the currency of the primary economic environment in which the Combined Platform Business operates ("functional currency"). The combined financial statements are presented in RMB, which is the Combined Platform Business' functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the combined statements of comprehensive loss.

2.5 Property, plant and equipment

Property, plant and equipment comprise mainly of servers and electronic and other equipment. Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment charge. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Combined Platform Business**Notes to the Combined Financial Statements (Continued)****For the Years Ended 31 December 2011, 2012 and 2013****(All amounts in thousands of RMB, except for share and per share data)****2 Summary of significant accounting policies (Continued)**

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Combined Platform Business and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the combined statements of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated on the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Servers	3–5 years
Electronic and other equipment	3–5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals and write-offs are determined by comparing the proceeds with the carrying amount and are recognized within general and administrative expense in the combined statements of comprehensive income.

2.6 Intangible assets**(a) Domain names**

Domain names purchased from related or third parties are initially recorded at cost and amortized on a straight-line basis over the estimated economic useful lives of five years.

(b) Trademarks and licences

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the costs of trademarks and licences over their estimated useful lives of five years.

(c) Research and development

Research expenditure is recognized as an expense as incurred within "technology and content".

Costs incurred on development projects (relating to the design and testing of new or improved products, or internally developed software) are capitalized as intangible assets when recognition criteria are fulfilled and tests for impairment are performed annually. Other development expenditures that do not meet those criteria are recognized as expenses as incurred within "technology and contents". Development costs previously recognized as expenses are not recognized as assets in subsequent periods. Capitalized development costs are amortized from the point at which the assets are ready for use on a straight-line basis over their estimated useful lives, not exceeding five years.

Combined Platform Business

Notes to the Combined Financial Statements (Continued)

For the Years Ended 31 December 2011, 2012 and 2013

(All amounts in thousands of RMB, except for share and per share data)

2 Summary of significant accounting policies (Continued)

During the years, the Combined Platform Business did not capitalize any development costs.

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life—for example, goodwill or intangible assets not ready to use are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 Accounts receivable

Accounts receivable are amounts due from customers for services performed in the ordinary course of business. If collection of accounts receivable is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. Accounts receivable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less allowance for impairment.

2.9 Other receivables

Other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment, if any.

2.10 Other current liabilities

Other payables and accruals are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.11 Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave are recognized when they are accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick and maternity leave are not recognized until the time of leave.

(b) Pension obligations

The Combined Platform Business contributes on a monthly basis to various defined contribution plans organized by the relevant governmental authorities or trustees. The Combined Platform Business' liability in respect of these plans is limited to the contributions

Combined Platform Business

Notes to the Combined Financial Statements (Continued)

For the Years Ended 31 December 2011, 2012 and 2013

(All amounts in thousands of RMB, except for share and per share data)

2 Summary of significant accounting policies (Continued)

payable in each period. Contributions to these plans are expensed as incurred. Assets of the plans are held and managed by government authorities or trustees and are separate from those of the Combined Platform Business.

(c) Share-based compensation benefits

Tencent Holdings operates a number of share-based compensation plans (including share option schemes and share award schemes), under which Tencent Group, including the Combined Platform Business, receives services from employees as consideration for equity instruments (including share options and awarded shares) of Tencent Holdings. The fair value of the employee services received by the Combined Platform Business in exchange for the grant of equity instruments of Tencent Holdings is recognized as an expense over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied, and credited to invested equity as part of the contributions from Tencent Holdings into the Combined Platform Business.

For the grant of share options, the total amount to be expensed is determined by reference to the fair value of the options granted by using an option-pricing model—Black-Scholes valuation model (the "BS Model"), which includes the impact of market performance conditions (such as Tencent Holding's share price) but excludes the impact of service condition and non-market performance conditions. For the grant of award shares, the total amount to be expensed is determined by reference to the market price of Tencent Holdings' shares at the grant date.

Non-market performance and services conditions are included in assumptions about the number of options that are expected to become vested.

2.12 Provisions

Provisions are recognized when the Combined Platform Business has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Combined Platform Business

Notes to the Combined Financial Statements (Continued)

For the Years Ended 31 December 2011, 2012 and 2013

(All amounts in thousands of RMB, except for share and per share data)

2 Summary of significant accounting policies (Continued)

2.13 Revenue recognition

The Combined Platform Business offers online marketplace that enable Third-party sellers to sell their products to Buyers on Paipai and Wanggou and also provides advertising placements for a specified period of time on its websites and in various formats, including but not limited to banners, links, logos, buttons, and content integration.

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services rendered, stated net of discounts and value added taxes. The Combined Platform Business recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Combined Platform Business; and when specific criteria have been met for each of the Combined Platform Business' activities, as described below.

(a) Commission income

The revenues of services and others primarily consist of fees charged to the Third-party sellers for participating in the Combined Platform Business' online marketplace, where the Combined Platform Business generally is not the primary obligor, does not bear the inventory risk, does not have the ability to establish the price and control the related shipping services when utilized by the online marketplaces' Third-party sellers. Upon successful sales on Paipai and Wanggou, the Combined Platform Business will charge the Third-party sellers a negotiated amount or a fixed rate commission fee based on the sales amount. Commission fee revenues are recognized on a net basis at the point of delivery of products, assuming all other revenue criteria have been met. An annual fixed fee is also charged to the Third-party sellers for their participation in the online marketplaces and is recognized as revenue on a time proportion basis.

(b) Online advertising

The Combined Platform Business recognizes revenues over the period during which the advertising services were provided. Advertising arrangements involving multiple deliverables are allocated into separate units of accounting based on their estimated fair values of the consideration received or receivable, and the related revenue is recognized over the period during which the element is provided. Significant assumptions and estimates have been made in estimating the fair value of consideration of each unit of accounting, and changes in judgments on these assumptions and estimates could materially impact the timing of advertising revenue recognition. The Combined Platform Business did not enter into material advertising-for-advertising barter transactions, or any other types of barter transactions.

2.14 Promotion and marketing programs

The Combined Platform Business provides discount coupons for free to potential Buyers of the online marketplaces to incentivise purchases as part of their promotion and marketing programs.

Combined Platform Business

Notes to the Combined Financial Statements (Continued)

For the Years Ended 31 December 2011, 2012 and 2013

(All amounts in thousands of RMB, except for share and per share data)

2 Summary of significant accounting policies (Continued)

The discount coupons require the Buyers to make future purchases of merchandises offered on the marketplace of the Combined Platform Business at a minimum value in order to enjoy the value indicated by the coupons. The Combined Platform Business is required to compensate the Third party sellers of the merchandises upon redemption of these discount coupons by the Buyers.

Due to fact that the Combined Platform Business is acting as an agent in the operations of the marketplace and the discount coupons are expected to benefit the whole marketplace, the compensation that is paid or payable to the Third party sellers is recognized as a marketing and promotional expense of the Combined Platform Business.

2.15 Cost of revenues

Cost of revenues consists primarily of the costs associated with the broadband and server charges that are directly related to operating the marketplace as well as storage and telecommunications infrastructure for internal use that supports the Combined Platform Business. These costs are expensed as incurred

2.16 Marketing

Marketing expenses consist primarily of advertising costs and related expenses for personnel engaged in marketing and business development activities, including the costs of discount coupons (mentioned in 2.14). Advertising costs, which consist primarily of online advertising, offline television, movie and outdoor advertising, are expensed as incurred.

2.17 Technology and content

Technology and content expenses consist primarily of technology infrastructure expenses and payroll and related expenses for employees involved in platform development, product category expansion, editorial content, and systems support.

2.18 General and administrative

General and administrative expenses consist of payroll and related expenses for employees involved in general corporate functions, including accounting, finance, tax, legal and human relations, and costs such as depreciation expenses, rental and other general corporate related expenses for the use of facilities and equipments.

2.19 Income tax

Income tax charges have been determined based on the separate tax return method in these combined financial statements.

Current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Combined Platform Business operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Combined Platform Business

Notes to the Combined Financial Statements (Continued)

For the Years Ended 31 December 2011, 2012 and 2013

(All amounts in thousands of RMB, except for share and per share data)

2 Summary of significant accounting policies (Continued)

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction neither accounting nor taxable profit or loss is affected. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3 Financial risk management

3.1 Financial risk factors

The Combined Platform Business' activities expose it to credit risk and liquidity risk. The Combined Platform Business' aim is therefore to achieve an appropriate balance between risk and return and minimize the potential adverse effects on the Combined Platform Business' financial performance.

Management considers that the Combined Platform Business is not exposed to any significant foreign exchange risk because it mainly operates in the PRC with most of the transactions settled in RMB.

3.1.1 Credit risk

The Combined Platform Business is exposed to credit risk in relation to its accounts receivable and other receivables. The carrying amount of these financial assets represents the maximum exposure to credit risk in relation to the corresponding financial assets of the Combined Platform Business.

Buyers are required to pay in advance for their orders placed on Wanggou through an online payment platform operated by Tencent Holdings. Commission fees from majority of the Third-party sellers are calculated based on the order amount that will be settled by the end of each month. Paipai generally does not offer credit to its customers. As a result, the Combined Platform Business does not have significant accounts receivable.

As at 31 December 2011, 2012 and 2013, accounts receivable represents commission fees from a limited number of Third-party sellers of which balances are not settled through the online payment platform. These receivables are typically unsecured and the credit quality of each Third-party seller is

Combined Platform Business

Notes to the Combined Financial Statements (Continued)

For the Years Ended 31 December 2011, 2012 and 2013

(All amounts in thousands of RMB, except for share and per share data)

3 Financial risk management (Continued)

assessed, which takes into account its financial position, past collection experience and other factors. Such business arrangement no longer existed as at 31 December 2013.

3.1.2 Liquidity risk

There is no independent treasury function of the Combined Platform Business as it is managed centrally by Tencent Group.

As at 31 December 2011, 2012 and 2013, all of the financial liabilities of the Combined Platform Business have contractual maturity date within one year. As stated in the SSA, all financial liabilities of the Combined Platform Business will be settled by Tencent Holdings upon closing of the Transaction.

3.2 Capital risk management

The Combined Platform Business' objectives when managing capital (including funding from Tencent Holdings and related parties) are to safeguard the Combined Platform Business' ability to continue as a going concern in order to provide returns for Tencent Holdings and benefits for other stakeholders and to maintain an optimal capital structure to enhance equity value in the long term.

3.3 Fair value estimation

The Combined Platform Business adopts the amendment to IFRS 7 for financial instruments that are measured in the combined balance sheets at fair value, which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As at 31 December 2011, 2012 and 2013, the Combined Platform Business did not have any significant financial assets or financial liabilities in the balance sheet which is measured at fair value.

The carrying amounts of the Combined Platform Business' financial assets, including accounts receivable and other receivables; and the Combined Platform Business' financial liabilities, including accounts payable, accrued expenses and other payables approximate their fair values due to their short maturities.

The nominal values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Combined Platform Business for similar financial instruments.

Combined Platform Business

Notes to the Combined Financial Statements (Continued)

For the Years Ended 31 December 2011, 2012 and 2013

(All amounts in thousands of RMB, except for share and per share data)

4 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management of the Combined Platform Business makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

a) Useful lives of property, plant and equipment and intangible assets

Management of the Combined Platform Business determines the estimated useful lives, and related depreciation and amortization expense for its property, plant and equipment and intangible assets, respectively. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment and intangible assets of similar nature and functions. Management of the Combined Platform Business will increase the depreciation and amortization expense where useful lives are less than previously estimated lives, and will write-off or write-down technically obsolete or nonstrategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore depreciation and amortization expense in future periods.

b) Accounts and other receivables

Management of the Combined Platform Business determines the provision for impairment of accounts and other receivables based on an assessment of the recoverability of the receivables. The assessment is based on the credit history of its customers, other debtors and the current market condition and requires the use of judgments and estimates. Management of the Combined Platform Business reassesses the provision at the end of each reporting period.

c) Revenue recognition

Advertising revenues are derived principally from arrangements where the customers pay to place their advertisements on the Combined Platform Business' platforms in different formats over a particular period of time. Such formats generally include but not limited to banners, links, logos and buttons. Advertisements on the Combined Platform Business' platforms are generally charged on the basis of duration, and advertising contracts are signed to establish the fixed price and the advertising services to be provided.

Where the Combined Platform Business' customers purchase multiple advertising spaces with different display periods in the same contract, the Combined Platform Business allocates the total consideration to the various advertising elements based on their relative fair values and recognizes revenue for the different elements over their respective display periods. The Combined Platform Business determines the fair values of different advertising elements based on the prices charged when these elements were sold on a standalone basis. The Combined Platform Business recognizes revenue on the elements delivered and defers the recognition of revenue for the fair value of the undelivered

Combined Platform Business

Notes to the Combined Financial Statements (Continued)

For the Years Ended 31 December 2011, 2012 and 2013

(All amounts in thousands of RMB, except for share and per share data)

4 Critical accounting estimates and judgments (Continued)

elements until the remaining obligations have been satisfied. Where all of the elements within an arrangement are delivered uniformly over the agreement period, the revenue is recognized on a straight line basis over the contract period.

d) Share-based compensation expenses

As mentioned in Note 2.11(c), Tencent Holdings has granted share options to the employees of the Combined Platform Business. Management of Tencent Holdings has used the BS Model to determine the total fair value of the options granted, which is to be expensed and charged to the Combined Platform Business over the vesting period. Significant judgment on parameters, such as risk free rate, dividend yield and expected volatility, is required to be made by the management of Tencent Holdings in applying the BS Model (Note 15). In addition, Tencent Holdings also granted shares to the employees of the Combined Platform Business under its share award schemes at fair value.

Tencent Group estimates the expected yearly percentage of grantees of share options/awarded shares who will stay within Tencent Group at the end of the vesting periods ("Expected Retention Rate of Grantees") in order to determine the amount of share-based compensation expenses charged into its income statement and allocated to the Combined Platform Business. As at 31 December 2011, 2012 and 2013, the Expected Retention Rate of Grantees was assessed to be 91 percent.

e) Deferred income tax

Deferred income tax assets relating to certain temporary differences and tax losses are recognized when the management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilized. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed. Management assessed that the realization of losses against future taxable profit is not probable. Furthermore, the Combined Platform Business does not constitute a tax entity in the PRC, any tax losses incurred by the Combined Platform Business will not be available against future taxable income. As a result, no deferred income tax assets had been recognized as at 31 December 2011, 2012 and 2013.

5 Accounts receivable

As at 31 December 2011, 2012 and 2013, insignificant amounts of accounts receivable were past due but not impaired after management of the Combined Platform Business had performed assessment on their credit quality with reference to historical counterparty default rates.

As at 31 December 2011, 2012 and 2013, accounts receivable were denominated in RMB and the carrying amounts approximate their fair values.

Combined Platform Business**Notes to the Combined Financial Statements (Continued)****For the Years Ended 31 December 2011, 2012 and 2013****(All amounts in thousands of RMB, except for share and per share data)****6 Prepayments and other receivables**

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Other receivables	926	88	307
Prepayments	140	268	2,253
Total prepayments and other receivables	<u>1,066</u>	<u>356</u>	<u>2,560</u>

Other receivables were mainly denominated in RMB and the carrying amounts approximate their fair values as at 31 December 2011, 2012 and 2013.

Other receivables were neither past due nor impaired.

Combined Platform Business

Notes to the Combined Financial Statements (Continued)

For the Years Ended 31 December 2011, 2012 and 2013

(All amounts in thousands of RMB, except for share and per share data)

7 Property, plant and equipment

	Servers	Electronic and other equipment	Total
At 1 January 2011			
Cost	22,046	1,719	23,765
Accumulated depreciation	(13,602)	(1,398)	(15,000)
Net book amount	<u>8,444</u>	<u>321</u>	<u>8,765</u>
Year ended 31 December 2011			
Opening net book amount	8,444	321	8,765
Additions	15,652	803	16,455
Write-offs upon retirement	(1,163)	(298)	(1,461)
Depreciation	(8,605)	(456)	(9,061)
Closing net book amount	<u>14,328</u>	<u>370</u>	<u>14,698</u>
At 31 December 2011 and 1 January 2012			
Cost	36,535	2,224	38,759
Accumulated depreciation	(22,207)	(1,854)	(24,061)
Net book amount	<u>14,328</u>	<u>370</u>	<u>14,698</u>
Year ended 31 December 2012			
Opening net book amount	14,328	370	14,698
Additions	20,706	199	20,905
Write-offs upon retirement	(2,741)	—	(2,741)
Depreciation	(17,340)	(74)	(17,414)
Closing net book amount	<u>14,953</u>	<u>495</u>	<u>15,448</u>
At 31 December 2012 and 1 January 2013			
Cost	54,500	2,423	56,923
Accumulated depreciation	(39,547)	(1,928)	(41,475)
Net book amount	<u>14,953</u>	<u>495</u>	<u>15,448</u>
Year ended 31 December 2013			
Opening net book amount	14,953	495	15,448
Additions	18,954	2,066	21,020
Write-offs upon retirement	(221)	(350)	(571)
Depreciation	(16,853)	(1,397)	(18,250)
Closing net book amount	<u>16,833</u>	<u>814</u>	<u>17,647</u>
At 31 December 2013			
Cost	73,233	4,139	77,372
Accumulated depreciation	(56,400)	(3,325)	(59,725)
Net book amount	<u>16,833</u>	<u>814</u>	<u>17,647</u>

Combined Platform Business**Notes to the Combined Financial Statements (Continued)****For the Years Ended 31 December 2011, 2012 and 2013****(All amounts in thousands of RMB, except for share and per share data)****7 Property, plant and equipment (Continued)**

During the years ended 31 December 2011, 2012 and 2013, depreciation has been charged to the combined statements of comprehensive loss as follows:

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Cost of revenues	8,605	17,340	16,853
General and administrative expenses	456	74	1,397
	<u>9,061</u>	<u>17,414</u>	<u>18,250</u>

Combined Platform Business

Notes to the Combined Financial Statements (Continued)

For the Years Ended 31 December 2011, 2012 and 2013

(All amounts in thousands of RMB, except for share and per share data)

8 Intangible assets

	Software	Domain	Trademark	Total
At 1 January 2011				
Cost	120,000	39	—	120,039
Accumulated amortization	(34,000)	(1)	—	(34,001)
Net book amount	<u>86,000</u>	<u>38</u>	<u>—</u>	<u>86,038</u>
Year ended 31 December 2011				
Opening net book amount	86,000	38	—	86,038
Additions	—	3,906	5	3,911
Amortization	(12,000)	(408)	(1)	(12,409)
Closing net book amount	<u>74,000</u>	<u>3,536</u>	<u>4</u>	<u>77,540</u>
At 31 December 2011 and 1 January 2012				
Cost	120,000	3,945	5	123,950
Accumulated amortization	(46,000)	(409)	(1)	(46,410)
Net book amount	<u>74,000</u>	<u>3,536</u>	<u>4</u>	<u>77,540</u>
Year ended 31 December 2012				
Opening net book amount	74,000	3,536	4	77,540
Amortization	(12,000)	(789)	(1)	(12,790)
Closing net book amount	<u>62,000</u>	<u>2,747</u>	<u>3</u>	<u>64,750</u>
At 31 December 2012 and 1 January 2013				
Cost	120,000	3,945	5	123,950
Accumulated amortization	(58,000)	(1,198)	(2)	(59,200)
Net book amount	<u>62,000</u>	<u>2,747</u>	<u>3</u>	<u>64,750</u>
Year ended 31 December 2013				
Opening net book amount	62,000	2,747	3	64,750
Additions	—	2,924	—	2,924
Amortization	(12,000)	(944)	(1)	(12,945)
Closing net book amount	<u>50,000</u>	<u>4,727</u>	<u>2</u>	<u>54,729</u>
At 31 December 2013				
Cost	120,000	6,869	5	126,874
Accumulated amortization	(70,000)	(2,142)	(3)	(72,145)
Net book amount	<u>50,000</u>	<u>4,727</u>	<u>2</u>	<u>54,729</u>

During the years ended 31 December 2011, 2012 and 2013, amortization has been charged in general and administrative expenses.

Combined Platform Business**Notes to the Combined Financial Statements (Continued)****For the Years Ended 31 December 2011, 2012 and 2013****(All amounts in thousands of RMB, except for share and per share data)****9 Accounts payable**

As at 31 December 2011, 2012 and 2013, accounts payable were denominated in RMB and the carrying amounts approximate their fair values

10 Accrued expenses and other current liabilities

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Salaries and welfare payable	15,109	18,197	27,709
Accrued media and advertising costs	1,943	8,015	11,498
Customers' deposits	230	650	1,100
Others	2,423	4,830	3,892
	<u>19,705</u>	<u>31,692</u>	<u>44,199</u>

Salaries and welfare payable, accrued expenses, customers' deposits, and other payables were denominated in RMB.

11 Receipt in advance

Receipt in advance mainly represents advertising fees prepaid by customers in the form of prepaid tokens for which the related services had not been rendered as at 31 December 2011, 2012 and 2013.

12 Expenses by nature

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Employee benefit expenses (Note 13)	77,719	124,718	141,028
Contracted labor costs	13,406	11,085	19,187
Mobile and telecommunications charges and bandwidth and server custody fees	13,600	49,387	65,556
Promotion and advertising expenses	47,512	82,304	86,624
Depreciation	9,061	17,414	18,250
Amortization	12,409	12,790	12,945
Corporate administrative and management fees	47,029	44,615	57,143
Other expenses	2,510	2,193	3,687
Total operating expenses	<u>223,246</u>	<u>344,506</u>	<u>404,420</u>

Combined Platform Business**Notes to the Combined Financial Statements (Continued)****For the Years Ended 31 December 2011, 2012 and 2013****(All amounts in thousands of RMB, except for share and per share data)****13 Employee benefit expenses**

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Wages, salaries and bonuses	57,660	95,731	104,489
Pension, medical and other welfare (note)	9,427	14,480	21,131
Share-based compensation expenses (Note 15)	10,632	14,507	15,408
Total employee benefit expenses	<u>77,719</u>	<u>124,718</u>	<u>141,028</u>

Note:

All local employees of the subsidiaries in the PRC participate in employee social security plans established in the PRC, which cover pension, medical and other welfare benefits. The plans are organized and administered by the governmental authorities. Except for the contribution to these social security plans, the Combined Platform Business has no other material commitments owing to the employees. According to the relevant regulations, the portion of premium and welfare benefit contributions that should be borne by the Combined Platform Business as required by the above social security plans are principally determined based on percentages of the basic salaries of employees, subject to a certain ceiling, and are paid to the respective labor and social welfare authorities. Contributions to the plans are expensed as incurred. The applicable percentages used to provide for insurance premium and welfare benefit funds are listed below:

Pension insurance	10–22%
Medical insurance	6–12%
Unemployment insurance	0–2%
Housing fund	10–12%

The Combined Platform Business has no further obligations for the actual payment of post-retirement benefits beyond the contributions.

14 Income tax

The Combined Platform Business is subject to corporate income tax in the PRC at a statutory tax rate of 25%. During the years ended 31 December 2011, 2012 and 2013, no PRC corporate income tax has been provided for as the Combined Platform Business has no estimated assessable profit for these years.

15 Equity-settled share-based compensation

Tencent Holdings operates a number of share-based compensation plans (including share option schemes and share award schemes), under which Tencent Group, including the Combined Platform Business, receives services from employees as consideration for equity instruments (including share options and awarded shares) of Tencent Holdings granted.

For the years ended 31 December 2011, 2012 and 2013, total share-based compensation expenses recognized were RMB10,632, RMB14,507 and RMB15,408 respectively, in respect of the share options and/or shares granted to the employees of the Combined Platform Business.

Combined Platform Business

Notes to the Combined Financial Statements (Continued)

For the Years Ended 31 December 2011, 2012 and 2013

(All amounts in thousands of RMB, except for share and per share data)

15 Equity-settled share-based compensation (Continued)

(a) Share option schemes

Tencent Holdings has adopted four share option schemes, namely, the Pre-IPO Option Scheme, the Post-IPO Option Scheme I, the Post-IPO Option Scheme II and Post-IPO Option Scheme III, under which the directors of Tencent Holdings may, at their discretion, grant options to any qualifying participants to subscribe for shares in Tencent Holdings, subject to the terms and conditions stipulated therein. No options were granted under the Pre-IPO Option Scheme and the Post-IPO Option Scheme III to the employees of the Combined Platform Business.

In respect of Post-IPO Option Scheme II, the exercise price must be at least the higher of: (i) the closing price of Tencent Holdings' shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (ii) the average closing price of Tencent Holdings' shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Tencent Holdings' shares. In addition, the option vesting period is determined by the directors of Tencent Holdings provided that it is not later than the last day of a 7-year or 10-year period after the date of grant of option.

Movement in shares options granted to employees of the Combined Platform Business are as follows:

	Post-IPO Option Scheme I		Post-IPO Option Scheme II		Total
	Average exercise price HK\$	No. of options	Average exercise price HK\$	No. of options	No. of options
At 1 January 2011		16,199		353,578	369,777
Exercised	9.82	6,400	60.59	4,100	10,500
At 31 December 2011		9,799		349,478	359,277
At 1 January 2012		9,799		349,478	359,277
Exercised	15.05	4,400	53.09	17,352	21,752
At 31 December 2012		5,399		332,126	337,525
At 1 January 2013		5,399		332,126	337,525
Exercised	10.97	3,749	34.67	312,226	315,975
At 31 December 2013		1,650		19,900	21,550

Combined Platform Business

Notes to the Combined Financial Statements (Continued)

For the Years Ended 31 December 2011, 2012 and 2013

(All amounts in thousands of RMB, except for share and per share data)

15 Equity-settled share-based compensation (Continued)

Details of the expiry dates, exercise prices and the respective numbers of share options granted to the employees of the Combined Platform Business which remained outstanding as at 31 December 2011, 2012 and 2013 are as follows:

Expiry date	Range of exercise price	2011	2012	2013
10 years commencing from the adoption date of 24 March 2004 (Post-IPO Option Scheme I)	HKD3.67–HKD8.35	1,449	1,449	—
	HKD11.55–HKD25.26	8,350	3,950	1,650
		<u>9,799</u>	<u>5,399</u>	<u>1,650</u>
7 years commencing from the date of grant of options (Post-IPO Option Scheme II)	HKD31.75–HKD43.50	300,978	300,326	—
	HKD45.50–HKD90.30	48,500	31,800	19,900
		<u>349,478</u>	<u>332,126</u>	<u>19,900</u>
		<u>359,277</u>	<u>337,525</u>	<u>21,550</u>

The directors of Tencent Holdings have used the BS Model to determine the fair value of the options granted, which is to be expensed over the vesting period. The weighted average fair value of options granted during the years ended 31 December 2011 and 2012 were HK\$81.69 per option and HK\$87.89 per option, respectively. There were no share options granted to employees in 2013.

Other than the exercise price mentioned above, significant judgment on parameters, such as risk free rate, dividend yield and expected volatility, is required to be made by the directors of Tencent Holdings in applying the BS Model, which are summarized as below:

	2011	2012	2013 Note 1
Weighted average share price at the grant date	HKD191.19	HKD248.80	—
Risk free rate	1.35%–2.31%	0.40%	—
Dividend yield	0.36%	0.36%	—
Expected volatility (note 2)	49.10%–49.90%	48.1%	—

Note 1: There were no share options granted to employees in 2013.

Note 2: The expected volatility, measured as the standard deviation of expected share price returns, is determined based on the average daily trading price volatility of the shares of Tencent Holdings.

(b) Share award schemes

Tencent Holdings has adopted a share award scheme (the "Share Award Scheme"), which is managed by an independent trustee appointed by the Tencent Group (the "Trustee"). The vesting period of the awarded share is determined by the directors of Tencent Holdings.

Combined Platform Business**Notes to the Combined Financial Statements (Continued)****For the Years Ended 31 December 2011, 2012 and 2013****(All amounts in thousands of RMB, except for share and per share data)****15 Equity-settled share-based compensation (Continued)**

Movements in the number of awarded shares granted to the employees of the Combined Platform Business for the years ended 31 December 2011, 2012 and 2013 are as follows:

	Number of awarded shares		
	2011	2012	2013
At beginning of the year	71,258	90,828	105,798
Granted	30,500	33,200	40,300
Vested and exercised	10,930	18,230	29,030
At end of the year	90,828	105,798	117,068

The fair value of the awarded shares was calculated based on the market price of Tencent Holdings' shares at the respective grant date. The expected dividends during the vesting period have been taken into account when assessing the fair value of these awarded shares.

The weighted average fair value of awarded shares granted during the years ended 31 December 2011, 2012 and 2013 were HK\$193.14 per share, HK\$245.95 per share and HK\$311.24 per share, respectively.

16 Contingencies and commitments

The Combined Platform Business had no contingencies and commitments as at 31 December 2011, 2012 and 2013.

17 Related party transactions

Apart from the invested capital balance maintained with Tencent Holdings and entities owned by it, the following is a summary of the significant related party transactions entered into in the

Combined Platform Business**Notes to the Combined Financial Statements (Continued)****For the Years Ended 31 December 2011, 2012 and 2013****(All amounts in thousands of RMB, except for share and per share data)****17 Related party transactions (Continued)**

ordinary course of business between the Combined Platform Business and its related parties in addition to the related party information shown elsewhere in the combined financial statements:

	2011	2012	2013
Key management compensation (note a):			
—Salaries and bonuses	2,910	3,027	2,929
—Pension, medical and other welfare	110	110	97
—Share-based compensation expenses	2,918	2,383	1,945
Transactions with entities of Tencent Holdings other than the Combined Platform Business:			
—Handling charges for online payment platform	—	29,348	27,187
—Corporate administrative and management fees (note b)	47,029	44,615	57,143
Allocation of expenses (Note 2.1(d)):			
—Employee benefits expenses	34,907	45,026	39,879
—Other expenses	649	228	601

Notes:

- (a) Key management includes directors and certain executives who have important roles in making operational and financial decisions.
- (b) Corporate administrative and management fee reflected in the combined financial statements are based on the amounts historically due and have been recorded in the operating units comprising the Combined Platform Business.

18 Subsequent events

Pursuant to the SSA dated 10 March 2014, Tencent Holdings agreed to transfer the Combined Platform Business which includes employees, business contracts for online outlets and advertising agreements, intellectual properties, licenses and permits in connection with the operation of the Combined Platform Business to JD or its affiliates. As stated in the SSA, Tencent Holdings will settle all liabilities except for the receipt in advance of the Combined Platform Business upon closing of the Transaction. In addition, Tencent Holdings also undertake to pay cash, equivalent to the balance of receipt in advance, to JD or its affiliates.

The Combined Platform Business has evaluated any other subsequent events to 31 December 2013 and their impact on the reported results and disclosures, through 19 March 2014, the date of these combined financial statements were issued.

**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2013**

JD.com, Inc.**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS****Overview**

On March 10, 2014, the Company entered into a Strategic Cooperation Agreement ("Agreement") with Tencent Holdings Limited ("Tencent"), with a period of 5 years from April 1, 2014 to March 31, 2019. Pursuant to the Agreement, the Company will become Tencent's preferred partner in the development of physical goods e-Commerce business in Greater China including: (a) Tencent will grant the Company prominent level-1 access points in Weixin and mobile QQ applications; (b) Tencent will provide internet traffic and other support from other key platforms to the Company; (c) the Company will cooperate with Tencent in a number of areas primarily mobile-related products, social networking services, membership systems and payment solutions. Terms described in (a), (b) and (c) above are hereinafter collectively referred to as "Strategic Cooperation". In addition, for a period of 8 years from April 1, 2014 to March 31, 2022, other than the operation of Shanghai Icton, a subsidiary of Tencent. Tencent will not engage in any online direct sales or managed marketplace business model in physical goods e-Commerce businesses in Greater China and a few selected international markets, hereinafter referred to as "Non-Compete".

On the same date, the Company also entered into a series of agreements with Tencent and its affiliates, pursuant to which, the Company acquired from Tencent: (i) 100% business operation of two online marketplace platforms, Paipai and QQ Wanggou ("Combined Platform Business"); (ii) 9.9% equity interest in Shanghai Icton ("Investment in Shanghai Icton"); (iii) a call option ("Call Option") to acquire the remaining equity interest of Shanghai Icton, with a price higher of the fair value of the remaining equity interest or RMB800 million within three years commencing the closing of the Transaction; (iv) certain logistic workforce; and (v) a land use right. The above (i) to (v), Strategic Cooperation and Non-Compete are collectively referred to as "Transaction".

As consideration for the Transaction, the Company issued 351,678,637 ordinary shares to Huang River Investment Limited, a wholly-owned subsidiary of Tencent, representing 15% shares on a diluted basis under treasury method upon the closing of the Transaction, on March 10, 2014. Huang River Investment Limited also committed to subscribe additional ordinary shares upon the Company's IPO at the IPO price ("IPO subscription") in a concurrent private placement, which represents 5% shares on a diluted basis upon the completion of the IPO. Furthermore, Huang River Investment Limited has agreed not to sell or transfer any of the shares it hold now or will acquire in the concurrent private placement during the three-year period commencing from March 10, 2014.

The accompanying unaudited pro forma condensed combined balance sheet gives effect to the Transaction as if it had occurred on December 31, 2013. The unaudited pro forma condensed combined balance sheet combines the historical consolidated balance sheet of the Company and the historical balance sheet of the Combined Platform Business as of December 31, 2013. The accompanying unaudited pro forma condensed combined statement of operations and comprehensive loss gives effect to the Transaction as if it had occurred on January 1, 2013. The unaudited pro forma condensed combined statements of operations and comprehensive loss is based upon the historical associated statement of operations and comprehensive loss of the Company for the year ended December 31, 2013, combined with the historical statement of operations and comprehensive loss of the Combined Platform Business for the year ended December 31, 2013. The unaudited pro forma condensed combined financial statements included herein is derived from the Company's historical consolidated financial statements and those of the Combined Platform Business and is based upon available information and assumptions that we believe to be reasonable. We have not completed a final valuation analysis necessary to determine the fair values of Combined Platform Business, Investment in Shanghai Icton and other identifiable intangible assets or the allocation of our purchase price. Upon completion of the detailed valuation and the final determination of fair value, we may make additional adjustments

to the fair value allocation, which may differ significantly from the valuation set forth in the unaudited pro forma condensed combined financial statements.

The unaudited pro forma condensed combined financial statements reflect adjustments to give effect to pro forma events that are (1) directly attributable to the Transaction, (2) are factually supportable, and (3) with respect to the unaudited pro forma condensed combined statement of operations and comprehensive loss, expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined financial statements does not assume the future exercise of the Call Option or consummation of future IPO, and accordingly does not give effect to the acquisition of the remaining equity interest of Shanghai Icson and IPO subscription, respectively. The unaudited pro forma condensed combined financial statements are based on, and should be read in conjunction with, the respective historical consolidated financial statements and the notes thereto of the Company and Combined Platform Business, which are included in this prospectus. The pro forma adjustments are based on management's estimates and a preliminary valuation of the Transaction, assisted by an independent third-party appraiser.

The historical financial statements of Combined Platform Business were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board ("IASB"). There are no material adjustments on the conversion of the Combined Platform Business's financial statements from IFRS to US GAAP.

The unaudited pro forma condensed combined financial statements are for informational purposes only and are not necessarily indicative of future results or of actual results that would have been achieved had the Transaction been consummated on the date presented, and should not be taken as representation of our future operating results. The unaudited pro forma condensed combined financial statements do not reflect any operating efficiencies or cost savings that we may achieve, or any additional expenses that we may incur, with respect to the Transaction.

JD.com, Inc.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET

(All amounts in thousands, except for share and per share data)

	As of December 31, 2013					
	JD	Combined Platform Business	Pro Forma Adjustments	Notes	Pro Forma Combined	
	RMB	RMB	RMB		RMB	US\$ (Note 3)
ASSETS						
Current assets:						
Cash and cash equivalents	10,812,339	—	1,075,836	J	11,888,175	1,963,787
Restricted cash	1,887,387	—	—		1,887,387	311,774
Short-term investments	1,903,224	—	—		1,903,224	314,390
Accounts receivable, net	502,089	1,027	—		503,116	83,109
Advance to suppliers	769,765	—	—		769,765	127,156
Inventories, net	6,386,155	—	—		6,386,155	1,054,918
Prepayments and other current assets	219,102	2,560	—		221,662	36,616
Total current assets	22,480,061	3,587	1,075,836		23,559,484	3,891,750
Non-current assets:						
Equity investments	36,502	—	252,113	D	288,615	47,676
Property, equipment and software, net	1,024,428	17,647	—		1,042,075	172,139
Construction in progress	1,237,644	—	—		1,237,644	204,444
Intangible assets, net	215,802	54,729	7,679,304	A,E,F,H*	7,949,835	1,313,219
Land use rights, net	598,853	—	73,438	G	672,291	111,055
Goodwill	14,649	—	2,593,420	A	2,608,069	430,822
Other non-current assets	401,873	—	—		401,873	66,385
Total non-current assets	3,529,751	72,376	10,598,275		14,200,402	2,345,740
Total assets	26,009,812	75,963	11,674,111		37,759,886	6,237,490
LIABILITIES						
Current liabilities:						
Short-term bank loan	932,826	—	—		932,826	154,092
Accounts payable	11,018,865	8,502	—		11,027,367	1,821,591
Advance from customers	2,055,625	—	—		2,055,625	339,565
Deferred revenues	208,527	11,170	—		219,697	36,291
Taxes payable	278,256	—	—		278,256	45,965
Accrued expenses and other current liabilities	2,269,798	44,199	—		2,313,997	382,248
Deferred tax liabilities	6,087	—	41,893	A	47,980	7,926
Total current liabilities	16,769,984	63,871	41,893		16,875,748	2,787,678
Total liabilities	16,769,984	63,871	41,893		16,875,748	2,787,678

* (54,729)[A] + 222,300 [A] + 6,059,282 [E] + 1,438,588 [F] + 13,863[H] = 7,679,304

See accompanying notes to unaudited pro forma condensed combined financial statements.

JD.com, Inc.
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEETS (Continued)

(All amounts in thousands, except for share and per share data)

	As of December 31, 2013				
	JD	Combined Platform Business	Pro Forma Adjustments	Notes	Pro Forma Combined
	RMB	RMB	RMB		RMB
Commitments and contingencies					US\$ (Note 3)
MEZZANINE EQUITY					
Series C convertible redeemable preferred shares	7,173,263	—	—		7,173,263 1,184,939
SHAREHOLDERS' EQUITY:					
Series A and A-1 convertible preferred shares	255,850	—	—		255,850 42,263
Series B convertible preferred shares	88,241	—	—		88,241 14,576
Ordinary shares	199	—	43	K	242 40
Additional paid-in capital	6,251,869	—	11,644,267	K	17,896,136 2,956,231
Statutory reserves	2,648	—	—		2,648 437
Accumulated deficit	(4,263,624)	—	—		(4,263,624) (704,301)
Accumulated other comprehensive loss	(268,618)	—	—		(268,618) (44,373)
Invested capital	—	12,092	(12,092)	C	— —
Total shareholders' equity	<u>2,066,565</u>	<u>12,092</u>	<u>11,632,218</u>		<u>13,710,875</u> <u>2,264,873</u>
Total liabilities, mezzanine equity and shareholders' equity	<u>26,009,812</u>	<u>75,963</u>	<u>11,674,111</u>		<u>37,759,886</u> <u>6,237,490</u>

See accompanying notes to unaudited pro forma condensed combined financial statements.

JD.com, Inc.
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS
OF OPERATIONS AND COMPREHENSIVE LOSS**

(All amounts in thousands, except for share and per share data)

	For the year ended December 31, 2013				
	JD	Combined Platform Business	Pro Forma Adjustments	Notes	Pro Forma Combined
	RMB	RMB	RMB		RMB
Net revenues					US\$ (Note 3)
Online direct sales	67,017,977	—	—		11,070,581
Services and others	2,321,835	355,534	—		442,270
Total net revenues	69,339,812	355,534	—		11,512,851
Operating expenses					
Cost of revenues	(62,495,538)	(135,032)	135,032	L	(10,323,527)
Fulfillment	(4,108,939)	—	(103,124)	B,I,L*	(695,783)
Marketing	(1,590,171)	(103,061)	(1,223,342)	B,I****	(481,784)
Technology and content	(963,653)	(68,103)	(63,435)	B,I**	(180,912)
General and administrative	(760,338)	(98,224)	(166,879)	B,I***	(169,391)
Total operating expenses	(69,918,639)	(404,420)	(1,421,748)		(11,851,397)
Loss from operations	(578,827)	(48,886)	(1,421,748)		(338,546)
Other income/(expense)					
Interest income	343,770	—	—		56,787
Interest expense	(8,437)	—	—		(1,394)
Others, net	193,555	—	—		31,973
Loss before tax	(49,939)	(48,886)	(1,421,748)		(251,180)
Income tax expenses	40	—	5,903	B	982
Net loss	(49,899)	(48,886)	(1,415,845)		(250,198)
Preferred shares redemption value accretion	(2,435,366)	—	—		(402,294)
Net loss attributable to holders of permanent equity securities	(2,485,265)	(48,886)	(1,415,845)		(652,492)
Net loss	(49,899)	(48,886)	(1,415,845)		(250,198)
Other comprehensive loss	(114,697)	—	—		(18,947)
Comprehensive loss	(164,596)	(48,886)	(1,415,845)		(269,145)
Net loss per share of permanent equity securities					
Basic	(1.47)				(0.32)
Diluted	(1.47)				(0.32)
Weighted average number of permanent equity securities					
Basic	1,694,495,048		351,678,637	K	2,046,173,685
Diluted	1,694,495,048		351,678,637	K	2,046,173,685

* (3,310) [B] + (6,457) [I] + (93,357) [L] = (103,124)

** (21,760)[B] + (41,675) [L] = (63,435)

*** 12,945 [B] + (179,824) [I] = (166,879)

**** (11,486) [B] + (1,211,856) [I] = (1,223,342)

See accompanying notes to unaudited pro forma condensed combined financial statements.

JD.com, Inc.

**NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED
FINANCIAL STATEMENTS**

(All amounts in thousands, except for share and per share data)

1. Basis of Pro Forma Presentation

On March 10, 2014, the Company entered into a Strategic Cooperation Agreement ("Agreement") with Tencent Holdings Limited ("Tencent"), with a period of 5 years from April 1, 2014 to March 31, 2019. Pursuant to the Agreement, the Company will become Tencent's preferred partner in the development of physical goods e-Commerce business in Greater China, including: (a) Tencent will grant the Company prominent level-1 access points in Weixin and mobile QQ applications; (b) Tencent will provide internet traffic and other support from other key platforms to the Company; (c) the Company will cooperate with Tencent in a number of areas primarily mobile-related products, social networking services, membership systems and payment solutions. Terms described in (a), (b) and (c) above are hereinafter collectively referred to as "Strategic Cooperation". In addition, for a period of 8 years from April 1, 2014 to March 31, 2022, other than the operation of Shanghai Icsen, a subsidiary of Tencent, Tencent will not engage in any online direct sales or managed marketplace business model in physical goods e-Commerce businesses in Greater China and a few selected international markets, hereinafter referred to as "Non-Compete".

On the same date, the Company also entered into a series of agreements with Tencent and its affiliates, pursuant to which, the Company acquired from Tencent: (i) 100% business operation of two online marketplace platforms, Paipai and QQ Wanggou ("Combined Platform Business"); (ii) 9.9% equity interest in Shanghai Icsen ("Investment in Shanghai Icsen"); (iii) a call option ("Call Option") to acquire the remaining equity interest of Shanghai Icsen, with a price higher of the fair value of the remaining equity interest or RMB800 million within three years commencing the closing of the Transaction; (iv) certain logistic workforce; and (v) a land use right. The above (i) to (v), Strategic Cooperation and Non-Compete are collectively referred to as "Transaction".

As consideration for the Transaction, the Company issued 351,678,637 ordinary shares to Huang River Investment Limited, a wholly-owned subsidiary of Tencent, representing 15% shares on a diluted basis under treasury method upon the closing of the Transaction, on March 10, 2014.

The unaudited pro forma condensed combined financial statements reflect adjustments to give effect to pro forma events that are (1) directly attributable to the Transaction, (2) factually supportable, and (3) with respect to the unaudited pro forma condensed combined statement of operations and comprehensive loss, expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined financial statements does not assume the future exercise of the Call Option or consummation of future IPO, and accordingly does not give effect to the acquisition of the remaining equity interest of Shanghai Icsen and IPO subscription, respectively. The unaudited pro forma condensed combined financial statements are based on, and should be read in conjunction with, the respective historical consolidated financial statements and the notes thereto of the Company and Combined Platform Business, which are included in this prospectus. The pro forma adjustments are based on management's estimates and a preliminary valuation of the Transaction, assisted by an independent third-party appraiser.

The acquisition of Combined Platform Business is accounted for as a business combination. The Investment in Shanghai Icsen was accounted for under the cost method and recorded in equity investment. The identifiable intangible assets acquired are amortized on a straight-line basis over the respective useful lives. The Company has assumed that the fair value of all the assets and liabilities of Combined Platform Business as of the closing date of the Transaction, other than identifiable intangible

JD.com, Inc.

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED
FINANCIAL STATEMENTS (Continued)

(All amounts in thousands, except for share and per share data)

1. Basis of Pro Forma Presentation (Continued)

assets and goodwill, approximate the carrying value of those assets and liabilities as of December 31, 2013. In addition, the Company also assumed a deemed cash injection of RMB60,284 as of December 31, 2013 arising from the undertaking of Tencent to settle certain Liabilities of Combined Platform Business and the consummation is committed by Tencent upon the closing of the Transaction.

The table below summarizes the estimated fair value of Combined Platform Business, Investment in Shanghai Ictson and other identifiable intangible assets acquired as of the closing date of the Transaction, March 10, 2014. In accordance with ASC 820, ASC 505-50, ASC 718 and SAB Topic 14.A, non-transferability relating to lock-up period associated with the shares issued to Huang River Investment Limited for a period of three years commencing from March 10, 2014, is factored in estimating the fair value of shares issued to acquire Strategic Cooperation, Non-compete, Investment in Shanghai Ictson, Logistic Workforce and Land use right, but is not factored in estimating the fair value of shares issued to acquire Combined Platform Business. The transaction costs relating to the acquisition of Strategic Cooperation, Non-compete, Investment in Shanghai Ictson, Logistic Workforce and Land use right, which form part of their initial carrying values, have not been finalized and therefore not included in the estimated purchase price below. Based on these assumptions, the estimated purchase price was allocated as follows:

Transaction:	Amount RMB	Amount US\$(Note 3)	Amortization Period
Strategic Cooperation	6,059,282	1,000,922	5 years
Non-compete	1,438,588	237,638	8 years
Combined Platform Business			
Cash	60,284	9,958	
Other current assets	3,587	593	
Property, plant and equipment, net	17,647	2,915	
Current liabilities	(63,871)	(10,551)	
Technology	108,800	17,972	5 years
Domain names and trademark	33,100	5,468	10 years
Advertising customer relationship	80,400	13,281	7 years
Goodwill	2,593,420	428,402	
Deferred tax liability	(41,893)	(6,920)	
	2,791,474	461,118	
Investment in Shanghai Ictson	252,113	41,646	
Call Option	—	—	
Logistic workforce	13,863	2,290	3 years
Land use right	73,438	12,131	40 years
Net cash acquired	1,015,552	167,757	
Total Purchase price	11,644,310	1,923,502	

JD.com, Inc.

**NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED
FINANCIAL STATEMENTS (Continued)**

(All amounts in thousands, except for share and per share data)

2. Pro Forma Adjustments

Certain reclassifications were made to the combined financial statements of the Combined Platform Business to conform to the Company's financial statement presentation. These adjustments include: 1) reclassification of third party transaction fees and payroll and related expenses for employees involved in the operation of the Combined Platform Business from the cost of revenues to Fulfillment; and 2) reclassification of broadband and server charges that are related to operating the online marketplace platforms as well as storage and telecommunications infrastructure for internal use that supports the Combined Platform Business from cost of revenues to Technology and content.

For purpose of the pro forma condensed combined financial statements presented, the Company has performed a preliminary valuation of Combined Platform Business, Investment in Shanghai Ictson and other identifiable intangible assets as of the closing of the Transaction and assumed that such values will approximate the fair value of those business and assets as of December 31, 2013. The Company's unaudited pro forma condensed combined financial statements give effect to the following pro forma adjustments:

Note [A]: To record (1) the removal of historical carrying amount of intangible assets related the software, domain names and trademarks of RMB54,729 recorded by Combined Platform Business, respectively, (2) the estimated fair value of intangible assets related to technology, domain names and trademarks and advertising customer relationship and associated deferred tax liabilities of RMB222,300 and RMB41,893 respectively, (3) goodwill as the excess of the fair value of the purchase price allocated to Combined Platform Business over the fair value of the identifiable assets and liabilities acquired related to the Combined Platform Business of RMB2,593,420. The statutory income tax rate is 25%.

Note [B]: To record (1) the removal of amortization expenses for the year ended December 31, 2013 of RMB12,945 recorded by Combined Platform Business associated with software, domain names and trademarks, (2) the amortization expenses resulting from identifiable intangible assets related to the acquisition of Combined Platform Business in fulfillment, marketing and technology and content expense of RMB3,310, RMB11,486 and RMB21,760 for the year ended December 31, 2013, respectively, (3) the reversal of the deferred tax liabilities associated with identifiable intangible assets related to the Combined Platform Business for the year ended December 31, 2013 of RMB5,903.

Note [C]: To eliminate the invested capital of Combined Platform Business of RMB12,092.

Note [D]: To record the estimated fair value of Investment in Shanghai Ictson of RMB252,113. The investment was accounted for under cost method and recorded in equity investment.

Note [E]: To record the estimated fair value of Strategic Cooperation of RMB6,059,282.

Note [F]: To record the estimated fair value of Non-Compete of RMB1,438,588.

Note [G]: To record the estimated fair value of land use right of RMB73,438.

Note [H]: To record the estimated fair value of logistic workforce of RMB13,863.

Note [I]: To record the amortization expenses from Strategic Cooperation, Non-Compete, land use right and logistic workforce for the year ended December 31, 2013 of RMB1,211,856, RMB179,824, RMB1,836 and RMB4,621, respectively, which was recorded in fulfillment, marketing and general and administrative expenses amounted to RMB6,457, RMB1,211,856 and RMB179,824, respectively.

JD.com, Inc.

**NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED
FINANCIAL STATEMENTS (Continued)**

(All amounts in thousands, except for share and per share data)

2. Pro Forma Adjustments (Continued)

Note [J]: To record the net cash acquired associated with the Transaction of RMB1,015,552 and a deemed cash injection of RMB60,284 arising from the undertaking of Tencent for settle of certain liabilities of Combined Platform Business upon the closing of the Transaction.

Note [K]: To record the estimated fair value of the consideration of the Transaction. For the new issuance, the par value of 351, 678, 637 ordinary shares increased by RMB43 based on a par value of \$0.00002 per share, and the difference between the fair value of consideration over the par value of RMB11,644,267 was recorded as additional paid in capital.

Note [L]: To reclassify the cost of revenue of Combined Platform Business to fulfillment and technology and content of RMB93,357 and RMB41,675, respectively, to comply with the Company's financial statements presentation.

3. Convenience translation

Translations from RMB into US\$ are solely for the convenience of the readers and were calculated at the rate of US\$1.00=RMB6.0537, representing the noon buying rate set forth in the H.10 statistical release of the U.S. Federal Reserve Board on December 31, 2013. No representation is made that the RMB amounts could have been, or could be, converted, realized or settled into US\$ at that rate on December 31, 2013, or at any other rate.



JD.COM 京东

MAKE JOY HAPPEN



Through and including _____, 2014 (the 25th day after the date of this prospectus), all dealers effecting transactions in the ADSs, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

American Depositary Shares

JD.com, Inc.

Representing **Class A Ordinary Shares**

PROSPECTUS

BofA Merrill Lynch

UBS Investment Bank

, 2014

PART II**INFORMATION NOT REQUIRED IN PROSPECTUS****ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.**

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime.

The post-offering memorandum and articles of association that we expect to adopt and to become effective immediately prior to the completion of this offering, provide that each officer or director of our company shall be indemnified against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such director or officer, other than by reason of such person's own dishonesty, wilful default or fraud, in or about the conduct of our company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such director or officer in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere.

Pursuant to indemnification agreements the form of which is filed as Exhibit 10.2 to this registration statement, we agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being such a director or officer.

The underwriting agreement, the form of which will be filed as Exhibit 1.1 to this registration statement, will also provide for indemnification by the underwriters of us and our officers and directors for certain liabilities, including liabilities arising under the Securities Act, but only to the extent that such liabilities are caused by information relating to the underwriters furnished to us in writing expressly for use in this registration statement and certain other disclosure documents.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

ITEM 7. RECENT SALES OF UNREGISTERED SECURITIES.

During the past three years, we have issued the following securities. No underwriters were involved in these issuances of securities.

<u>Purchaser</u>	<u>Date of Sale or Issuance</u>	<u>Number of Securities⁽¹⁾</u>	<u>Consideration</u>	<u>Securities Registration Exemption</u>
DST Global Limited, DST China EC, L.P., DST Investments 1 Limited and DST Investments 2 Limited	April 1, 2011	94,295,585 ordinary shares	US\$314,474,963.14	Section 4(2) of the Securities Act ⁽³⁾

<u>Purchaser</u>	<u>Date of Sale or Issuance</u>	<u>Number of Securities⁽¹⁾</u>	<u>Consideration</u>	<u>Securities Registration Exemption</u>
DST Global Limited, DST Global II, L.P., DST China EC II, L.P. and DST China EC III, L.P.	June 8, 2011	59,360,990 ordinary shares	US\$199,999,994	Section 4(2) of the Securities Act ⁽³⁾
DST Global Limited, DST Global II, L.P., DST China EC II, L.P. and DST China EC III, L.P.	June 8, 2011	63,890,895 ordinary shares	US\$231,999,992	Section 4(2) of the Securities Act ⁽³⁾
Sequoia Capital 2010 CGF HoldCo., Ltd., SC China Co-Investment 2011-A, L.P., Insight Venture Partners VII, L.P., Insight Venture Partners VII (Co-Investors), L.P., Insight Venture Partners (Cayman) VII, L.P. and Insight Venture Partners (Delaware) VII, L.P.	June 30, 2011	59,099,095 ordinary shares	US\$214,600,054.98	Section 4(2) of the Securities Act ⁽³⁾
A fund affiliated with HHGL 360Buy Holdings, Ltd.	February 6, 2012	83,952,800 ordinary shares	US\$65,000,002.05	Section 4(2) of the Securities Act ⁽³⁾
Classroom Investments Inc.	November 5, 2012	44,182,531 ordinary shares	US\$175,000,000	Section 4(2) of the Securities Act ⁽³⁾
Tiger Global 360Buy Holdings	November 5, 2012	18,935,370 ordinary shares	US\$75,000,000	Section 4(2) of the Securities Act ⁽³⁾
Kingdom 5-KR-232, Ltd., Kingdom 5-KR-225, Ltd., Supreme Universal Holdings Ltd. and Goldstone Capital Ltd.	February 6, 2013	100,988,642 ordinary shares	US\$400,000,000	Section 4(2) of the Securities Act ⁽³⁾
DST China EC X, L.P.	February 6, 2013	8,196,995 ordinary shares	US\$32,466,998	Section 4(2) of the Securities Act ⁽³⁾
Fortune Rising Holdings Limited	February 6, 2013	9,960,005 ordinary shares	US\$199.20 ⁽²⁾	Regulation S of the Securities Act
Huang River Investment Limited	March 10, 2014	351,678,637 ordinary shares	Certain business, assets and strategic cooperation	Regulation S of the Securities Act

(1) Reflect the 5-for-1 share split effected by the registrant on April 18, 2012.

(2) Payment of par value for shares reserved for use with share incentive grants.

- (3) Each of the investors in these transactions was, or the registrant reasonably believed it to be, an "accredited investor" as defined under Regulation D under the Securities Act.

ITEM 8. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits

See Exhibit Index beginning on page II-8 of this registration statement.

The agreements included as exhibits to this registration statement contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties were made solely for the benefit of the other parties to the applicable agreement and (i) were not intended to be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate; (ii) may have been qualified in such agreement by disclosure that was made to the other party in connection with the negotiation of the applicable agreement; (iii) may apply contract standards of "materiality" that are different from "materiality" under the applicable securities laws; and (iv) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement.

We acknowledge that, notwithstanding the inclusion of the foregoing cautionary statements, we are responsible for considering whether additional specific disclosure of material information regarding material contractual provisions is required to make the statements in this registration statement not misleading.

(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the Consolidated Financial Statements or the Notes thereto.

ITEM 9. UNDERTAKINGS.

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 6, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

- (1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

- (2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) For the purpose of determining liability under the Securities Act to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.
- (4) For the purpose of determining any liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:
 - (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
 - (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
 - (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
 - (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Beijing, China, on March 19, 2014.

JD.COM, INC.

By: /s/ Richard Qiangdong Liu

Name: Richard Qiangdong Liu
Title: Chairman of the Board of Directors and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
/s/ Richard Qiangdong Liu _____ Richard Qiangdong Liu	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)	March 19, 2014
* _____ Xufu Li	Director	March 19, 2014
/s/ Martin Chi Ping Lau _____ Martin Chi Ping Lau	Director	March 19, 2014
/s/ Ming Huang _____ Ming Huang	Director	March 19, 2014
/s/ Sidney Xuande Huang _____ Sidney Xuande Huang	Chief Financial Officer (Principal Financial and Accounting Officer)	March 19, 2014
/s/ Richard Qiangdong Liu _____ Name: Richard Qiangdong Liu <i>Attorney-in-fact</i>		

*By:

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints each of Richard Qiangdong Liu and Sidney Xuande Huang as attorneys-in-fact with full power of substitution for him or her in any and all capacities to do any and all acts and all things and to execute any and all instruments which said attorney and agent may deem necessary or desirable to enable the registrant to comply with the Securities Act of 1933, as amended (the "Securities Act"), and any rules, regulations and requirements of the Securities and Exchange Commission thereunder, in connection with the registration under the Securities Act of ordinary shares of the registrant (the "Shares"), including, without limitation, the power and authority to sign the name of each of the undersigned in the capacities indicated below to the Registration Statement on Form F-1 (the "Registration Statement") to be filed with the Securities and Exchange Commission with respect to such Shares, to any and all amendments or supplements to such Registration Statement, whether such amendments or supplements are filed before or after the effective date of such Registration Statement, to any related Registration Statement filed pursuant to Rule 462(b) under the Securities Act, and to any and all instruments or documents filed as part of or in connection with such Registration Statement or any and all amendments thereto, whether such amendments are filed before or after the effective date of such Registration Statement; and each of the undersigned hereby ratifies and confirms all that such attorney and agent shall do or cause to be done by virtue hereof.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Martin Chi Ping Lau</u> Martin Chi Ping Lau	Director	March 19, 2014
<u>/s/ Ming Huang</u> Ming Huang	Director	March 19, 2014

SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the Securities Act of 1933, the undersigned, the duly authorized representative in the United States of JD.com, Inc. has signed this registration statement or amendment thereto in New York on March 19, 2014.

Authorized U.S. Representative

By: /s/ Amy Segler

Name: Amy Segler, on behalf of Law Debenture Corporate
Services Inc.

Title: Service of Process Officer

JD.com, Inc.**EXHIBIT INDEX**

<u>Exhibit Number</u>	<u>Description of Document</u>
1.1*	Form of Underwriting Agreement
3.1	Amended and Restated Memorandum and Articles of Association of the Registrant, as currently in effect
3.2	Form of Amended and Restated Memorandum and Articles of Association of the Registrant (effective upon the closing of this offering)
4.1*	Registrant's Specimen American Depositary Receipt (included in Exhibit 4.3)
4.2*	Registrant's Specimen Certificate for Ordinary Shares
4.3*	Form of Deposit Agreement, among the Registrant, the depositary and holder of the American Depositary Receipts
4.4	Thirteenth Amended and Restated Shareholders Agreement between the Registrant and other parties therein dated March 10, 2014
5.1	Opinion of Maples and Calder regarding the validity of the ordinary shares being registered and certain Cayman Islands tax matters
8.1	Opinion of Skadden, Arps, Slate, Meagher & Flom LLP regarding certain U.S. tax matters
8.2	Opinion of Maples and Calder regarding certain Cayman Islands tax matters (included in Exhibit 5.1)
8.3†	Opinion of Zhong Lun Law Firm regarding certain PRC tax matters (included in Exhibit 99.2)
10.1	2013 Share Incentive Plan
10.2	Form of Indemnification Agreement between the Registrant and its directors and executive officers
10.3†	Form of Employment Agreement between the Registrant and its executive officers
10.4†	English translation of the Amended and Restated Loan Agreement between Beijing Jingdong Century Trade Co., Ltd. and the shareholders of Beijing Jingdong 360 Degree E-Commerce Co., Ltd. dated December 25, 2013
10.5†	English translation of the Amended and Restated Equity Pledge Agreements between Beijing Jingdong Century Trade Co., Ltd. and the shareholders of Beijing Jingdong 360 Degree E-Commerce Co., Ltd. dated December 25, 2013
10.6†	English translation of the Power of Attorney by the shareholders of Beijing Jingdong 360 Degree E-Commerce Co., Ltd. dated December 25, 2013
10.7†	English translation of the Amended and Restated Exclusive Technology Consulting and Service Agreement between Beijing Jingdong Century Trade Co., Ltd. and Beijing Jingdong 360 Degree E-Commerce Co., Ltd. dated May 29, 2012
10.8†	English translation of the Amended and Restated Intellectual Property Rights License Agreement between Beijing Jingdong Century Trade Co., Ltd. and Beijing Jingdong 360 Degree E-Commerce Co., Ltd. dated December 25, 2013

<u>Exhibit Number</u>	<u>Description of Document</u>
10.9†	English translation of the Amended and Restated Business Cooperation Agreement between Beijing Jingdong Century Trade Co., Ltd., Shanghai Shengdayuan Information Technology Co., Ltd. and Beijing Jingdong 360 Degree E-Commerce Co., Ltd. dated May 29, 2012
10.10†	English translation of the Amended and Restated Exclusive Purchase Option Agreement between Beijing Jingdong Century Trade Co., Ltd., Beijing Jingdong 360 Degree E-Commerce Co., Ltd. and the shareholders of Beijing Jingdong 360 Degree E-Commerce Co., Ltd. dated December 25, 2013
10.11†	English translation of the Amended and Restated Loan Agreement between Beijing Jingdong Century Trade Co., Ltd. and the shareholders of Jiangsu Yuanzhou E-Commerce Co., Ltd. dated December 18, 2013
10.12†	English translation of the Amended and Restated Equity Pledge Agreements between Beijing Jingdong Century Trade Co., Ltd. and the shareholders of Jiangsu Yuanzhou E-Commerce Co., Ltd. dated December 18, 2013
10.13†	English translation of the Power of Attorney by the shareholders of Jiangsu Yuanzhou E-Commerce Co., Ltd. dated December 18, 2013
10.14†	English translation of the Amended and Restated Exclusive Technology Consulting and Service Agreement between Beijing Jingdong Century Trade Co., Ltd. and Jiangsu Yuanzhou E-Commerce Co., Ltd. dated May 29, 2012
10.15†	English translation of the Amended and Restated Intellectual Property Rights License Agreement between Beijing Jingdong Century Trade Co., Ltd. and Jiangsu Yuanzhou E-Commerce Co., Ltd. dated December 18, 2013
10.16†	English translation of the Amended and Restated Exclusive Purchase Option Agreement between Beijing Jingdong Century Trade Co., Ltd., Jiangsu Yuanzhou E-Commerce Co., Ltd. and the shareholders of Jiangsu Yuanzhou E-Commerce Co., Ltd. dated December 18, 2013
10.17	Ordinary Share Purchase Agreement by and among the Registrant, Classroom Investments Inc., Tiger Global 360Buy Holdings and other parties thereto dated November 1, 2012
10.18	Ordinary Share Purchase Agreement by and among the Registrant, Supreme Universal Holdings Ltd., Goldstone Capital Ltd., Kingdom 5-KR-225, Ltd. and Kingdom 5-KR-232, Ltd. and other parties thereto dated January 23, 2013
10.19	Ordinary Share Purchase Agreement by and among the Registrant, DST China EC X, L.P. and other parties thereto dated February 6, 2013
10.20	Share Purchase Agreement by and between the Registrant and Tencent Holdings Limited and Huang River Investment Limited dated March 10, 2014
10.21	Share Subscription Agreement by and between the Registrant and Tencent Holdings Limited and Huang River Investment Limited dated March 10, 2014
10.22	Strategic Cooperation Agreement by and between the Registrant and Tencent Holdings Limited dated March 10, 2014
21.1†	Principal Subsidiaries of the Registrant

<u>Exhibit Number</u>	<u>Description of Document</u>
23.1	Consent of PricewaterhouseCoopers Zhong Tian LLP, an independent registered public accounting firm
23.2	Consent of PricewaterhouseCoopers, an independent registered public accounting firm
23.3	Consent of Maples and Calder (included in Exhibit 5.1)
23.4	Consent of Skadden, Arps, Slate, Meagher & Flom LLP (included in Exhibit 8.1)
23.5†	Consent of Zhong Lun Law Firm (included in Exhibit 99.2)
23.6	Consent of Louis T. Hsieh
24.1	Powers of Attorney (included on signature page)
99.1*	Code of Business Conduct and Ethics of the Registrant
99.2†	Opinion of Zhong Lun Law Firm regarding certain PRC law matters
99.3†	Registrant's Waiver Request and Representation under Item 8.A.4

* To be filed by amendment.

† Previously filed.

THE COMPANIES LAW
EXEMPTED COMPANY LIMITED BY SHARES
SECOND AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION
OF
JD.COM, INC.

(Adopted by special resolution passed on March 6, 2014 and effective on March 10, 2014)

1. The name of the Company is **JD.com, Inc.**
2. The registered office of the Company shall be at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.
3. Subject to the following provisions of this Memorandum, the objects for which the Company is established are unrestricted.
4. Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of the Companies Law.
5. Nothing in this Memorandum shall permit the Company to carry on a business for which a licence is required under the laws of the Cayman Islands unless duly licensed.
6. The Company shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
7. The liability of each member is limited to the amount from time to time unpaid on such member's shares.
8. The share capital of the Company is US\$100,000 divided into 5,000,000,000 shares of a nominal or par value of US\$0.00002 each divided into:
 - (i) 4,435,536,365 Ordinary Shares with a par value of US\$0.00002 each; and
 - (ii) 564,463,635 Preferred Shares with a par value of US\$0.00002 each divided into:

-
- (a) 221,360,925 Series A Preferred Shares,
 - (b) 84,786,405 Series B Preferred Shares; and
 - (c) 258,316,305 Series C Preferred Shares,

the rights and restrictions of each of which are set out in Schedule A of the Articles of Association.

9. The Company may exercise the power contained in the Companies Law to deregister in the Cayman Islands and be registered by way of continuation in another jurisdiction.

SECOND AMENDED AND RESTATED ARTICLES OF ASSOCIATION
OF
JD.COM, INC.

(Adopted by special resolution passed on March 6, 2014 and effective on March 10, 2014)

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JD.com, Inc.

SECOND AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

JD.COM, INC.

(Adopted by special resolution passed on March 6, 2014 and effective on March 10, 2014)

Table A

The regulations in Table A in the First Schedule to the Law (as defined below) do not apply to the Company.

INTERPRETATION

1. Definitions

1.1 In these Articles including Schedule A hereto, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

Additional Ordinary Shares	all Ordinary Shares issued by the Company; <i>provided</i> that the term “Additional Ordinary Shares” does not include (i) Ordinary Shares issued upon conversion of the Series A Preferred Shares; (ii) Ordinary Shares issued upon conversion of the Series B Preferred Shares; (iii) Ordinary Shares issued upon conversion of the Series C Preferred Shares; (iv) Ordinary Shares issued upon exercise of the Warrants (as defined under the Restated Shareholders Agreement); or (v) Employee Securities;
Affiliate	with respect to any individual, corporation, partnership, association, trust, or any other entity (in each case, a “ Person ”), such Person’s principal or any Person which, directly or indirectly, controls, is

	without limitation any general partner, officer or director of such Person or such Person's principal and any venture capital fund, private equity fund or hedge fund or similar funds now or hereafter existing which is controlled by or under common control with one or more general partners controlling such Person or such Person's principal or shares with such Person or such Person's principal the same management company controlling such Person or such Person's principal;
Alternate Director	an alternate director appointed in accordance with these Articles;
Articles	these Articles of Association as altered from time to time;
Auditor	the person or firm for the time being appointed as Auditor of the Company and shall include an individual or partnership;
Best Alliance	Best Alliance International Holdings Limited, a BVI Business Company organized and existing under the laws of the British Virgin Islands;
Board	the board of directors (including, for the avoidance of doubt, a sole director) appointed or elected pursuant to these Articles and acting at a meeting of directors at which there is a quorum or by written resolution in accordance with these Articles;
Business Day	any day (other than a Saturday, Sunday and public holiday) on which banks are open generally for normal banking business in Hong Kong, the PRC, Zurich, Switzerland and the Cayman Islands;
CTI	Capital Today Investment XIII Limited, a BVI Business Company organized and existing under the

	laws of the British Virgin Islands;
CEO	the chief executive officer of the Company as appointed by the Board;
CFO	the chief financial officer of the Company as appointed by the Board;
Chairman of the Board	the chairman of the board of directors as referred to in Article 49;
China Life	CHINA LIFE TRUSTEES LIMITED, a Hong Kong company limited by shares and organized and existing under the laws of Hong Kong;
China Life Shares	the Ordinary Shares held by China Life as of the date hereof or hereafter acquired by China Life or its Affiliates;
Classroom	a wholly owned subsidiary of Ontario Teachers' Pension Plan Board and a company organized and existing under the laws of the Province of Ontario, Canada;
Classroom Shares	the Ordinary Shares held by Classroom;
Company	the company for which these Articles are approved and confirmed;
Conversion Price	has the meaning specified in <u>Section 4(d)</u> of <u>Schedule A</u> hereto;
Conversion Share	has the meaning specified in <u>Section 4(c)</u> of <u>Schedule A</u> hereto;
Director	a member of the Board of Directors, <i>i.e.</i> , any of Tiger Director, Series A Director, Series B Director, Series C Director and Max Smart Directors, and

	collectively, the " Directors ";
DST Global Parties	collectively, DST China EC6 Limited, a BVI Business Company limited by shares and organized and existing under the laws of the BVI, DST China EC, L.P., a company organized and existing under the laws of the Cayman Islands, DST Investments 1 Limited, a company organized under the laws of the Isle of Man, DST Investments 2 Limited, a company organized under the laws of the Isle of Man, DST Global II, L.P., a company organized and existing under the laws of the Cayman Islands, DST China EC II, L.P., a company organized and existing under the laws of the Cayman Islands, DST China EC III, L.P., a company organized and existing under the laws of the Cayman Islands and DST China EC X, L.P., a company organized and existing under the laws of the Cayman Islands (each, a " DST Global Party ");
DST Global Shares	the Ordinary Shares held by any DST Global Party as of the date hereof or hereafter acquired by any DST Global Party or its Affiliates;

with respect to any Ordinary Share Equivalents at a given time, an amount equal to the quotient of (i) the sum of any consideration, if any, received by the Company with respect to the issuance of such Ordinary Share Equivalents and the lowest aggregate consideration receivable by the Company, if any, upon the exercise, exchange or conversion of the Ordinary Share Equivalents over (ii) the number of Ordinary Shares issuable upon the exercise, conversion or exchange of the Ordinary Share Equivalents;

Electronic Record	has the same meaning as in the Electronic Transactions Law;
Electronic Transactions Law	means the Electronic Transactions Law (2003 Revision) of the Cayman Islands;
Employee Securities	any Ordinary Shares and any options to purchase Ordinary Shares issued to employees, consultants, officers or Directors pursuant to any stock option, share purchase, share bonus or other equity incentive plans, agreements or arrangements of the Company;
Exchange Act	the U.S. Securities Exchange Act of 1934, as amended, and any successor statute;
Founder	Liu Qiangdong, with the PRC ID Number of 321321197303104655;
Gaoling	HHGL 360Buy Holdings, Ltd., a BVI Business Company limited by shares and organized under the laws of the British Virgin Islands and having its registered office at Flemming House, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands;
Gaoling Ordinary Shares	the Ordinary Shares held by Gaoling as of the date hereof or hereafter acquired by Gaoling or its Affiliates;
Good Fortune	Good Fortune Capital II, LLC, a limited liability company organized and existing under the laws of the State of California, United States of America;
Grandwin	Grandwin Enterprises Limited, a company organized and existing under the laws of the British Virgin Islands;

Group Company	each of the Company, the Offshore Subsidiaries (as defined in the Restated Shareholders Agreement), the PRC Subsidiaries, the PRC Affiliates, any other direct or indirect Subsidiary of a Group Company, and any other entity whose financial statements are consolidated with those of the Company in accordance with generally accepted accounting principles in the United States and are recorded on the books of the Company for financial reporting purposes;
Hong Kong	the Hong Kong Special Administrative Region of the PRC;
Insight Parties	collectively, Insight Venture Partners VII, L.P., a company organized and existing under the laws of the Cayman Islands, Insight Venture Partners VII (Co-Investors), L.P., a company organized and existing under the laws of the Cayman Islands, Insight Venture Partners (Cayman) VII, L.P., a company organized and existing under the laws of the Cayman Islands, and Insight Venture Partners (Delaware) VII, L.P., a company organized and existing under the laws of Delaware (each, an “ Insight Party ”);
Investor	any of the Series A Investor, Series B Investors, Series C Investors, Tiger, the DST Global Parties, the Sequoia Parties, the Insight Parties, KPCB, Oeland, Good Fortune, IGSB, Classroom, Kingdom, Gaoling (in its capacity as a holder of the Gaoling Ordinary Shares), China Life and Tencent, collectively, the “ Investors ”;
Investor Director	any of Tiger Director, Series A Director, Series B Director, Series C Director and the Tencent Director,

	collectively, the “ Investor Directors ”;
IGSB	IGSB Internal Venture Fund II, LLC., a limited liability company organized and existing under the laws of the State of California, United States of America;
Kingdom or Kingdom Parties	collectively means Supreme Universal Holdings Ltd., Goldstone Capital Ltd., Kingdom 5-KR-232, Ltd. and Kingdom 5-KR-225, Ltd., each a company organized and existing under the laws of the Cayman Islands, except that Goldstone Capital Ltd. is a company organized and existing under the laws of Guernsey (each, a “ Kingdom Party ”);
Kingdom Shares	the Ordinary Shares held by Kingdom as of the date hereof or hereafter acquired by Kingdom or its Affiliates;

KPCB	collectively (i) KPCB Holdings, Inc., a corporation incorporated under the laws of the State of California, United States, as nominee, (ii) KPCB China Fund, L.P., an exempted limited partnership registered under the laws of the Cayman Islands, with its registered address at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, and (iii) KPCB China Founders Fund, L.P., an exempted limited partnership registered under the laws of the Cayman Islands, with its registered address at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands;
Law	the Companies Law of the Cayman Islands;
Madrone	Madrone Partners, L.P., a limited partnership organized and existing under the laws of the State of Delaware of the United States of America;

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Max Smart	Max Smart Limited, a BVI Business Company organized and existing under the laws of the British Virgin Islands;
Max Smart Director(s)	has the meaning specified in <u>Article 38.1(e)</u> of these Articles;
Member/Shareholder	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
Memorandum	the Memorandum of Association of the Company;
month	calendar month;
Non-Management Directors	any directors that do not include (i) the Founder, Max Smart or an of their Affiliates, or (ii) any member of the management of the Group Companies;
notice	written notice as further provided in these Articles unless otherwise specifically stated;
Oeland	Oeland Investments II LLC, a limited liability company organized and existing under the laws of the State of Delaware, United States of America;
Officer	any person appointed by the Board to hold an office in the Company;
ordinary resolution	a resolution shall be an ordinary resolution when it has been (i) passed by a simple majority of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Member being an organization, by its duly authorized representative

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	or, where proxies are allowed, by proxy at a general meeting of the Company; or (ii) approved in writing by all of the Members entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Members and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments if more than one, is executed;
Ordinary Share Equivalents	warrants, options and rights exercisable for Ordinary Shares or Securities convertible into or exchangeable for Ordinary Shares, including, without limitation, the Preferred Shares;
Ordinary Shares	the Company's Ordinary Shares with a par value of US\$0.00002 per share, together with the other rights attaching thereto under these Articles;
paid-up	paid-up or credited as paid-up;
Person	any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity;
PRC	the People's Republic of China, but solely for the purposes of these Articles, excluding Hong Kong, the Macau Special Administrative Region and Taiwan;
PRC Affiliate(s)	Beijing Jingdong 360 Degree E-commerce Co., Ltd. and Jiangsu Yuanzhou E-Commerce Co., Ltd.;
PRC Subsidiary(ies)	Beijing Jingdong Century Trading Co., Ltd., Shanghai Yuanmai Trading Co., Ltd., Jiangsu Jingdong Information Technology Co., Ltd., Guangzhou Jingdong Trading Co., Ltd., Chengdu Jingdong Century Trading Co., Ltd., Beijing

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Jingdong Century Information Technology Co., Ltd, Jiangsu Yuanmai Commerce Co., Ltd., Wuhan Jingdong Century Trading Co., Ltd., Shenyang Jingdong Century Trading Co., Ltd., Beijing Jingdong Shangke Information Technology Co., Ltd., Beijing Jingbangda Trading Co., Ltd., Shanghai Shengdayuan Information Technology Co., Ltd. and Tianjin Star East Co., Ltd.;

Precedent Holder	has the meaning specified in <u>Section 2(a)</u> of <u>Schedule A</u> hereto;
Preferred Shares	any of the Company's Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares;
Preferred Shares Issue Price	the per share price of Preferred Share at which time such Preferred Shares were first issued, as adjusted for share dividends, consolidation, splits, combinations, recapitalizations or similar events and are otherwise provided herein;
Preferred Share Purchase Agreements	the Series A Preferred Share Purchase Agreement, the Series B Preferred Share Purchase Agreement and the Series C Preferred Share Purchase Agreements;
Qualified IPO	a firm commitment underwritten public offering of the Ordinary Shares, par value US\$0.00002 per share, of the Company in the United States, that has been registered under the Securities Act, with an implied pre-offering valuation of the Company of at least US\$4.162 per share (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), or in a similar public offering of the Ordinary Shares in Hong Kong or another jurisdiction which results in the Ordinary Shares

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trading publicly on a recognized international securities exchange. A Qualified IPO shall also include other offering that does not satisfy the foregoing pre-offering valuation requirement; *provided* that the holder(s) of a majority of the voting power of the then outstanding Preferred Shares, Tiger Shares, Gaoling Ordinary Shares, DST Global Shares, Sequoia Shares, Classroom Shares and Kingdom Shares (voting together as a single class and calculated on an as converted basis) (the "**Required Consenters**") have expressly agreed in writing that such an offering shall be deemed a "Qualified IPO";

Redemption Amount	has the meaning specified in <u>Section 4(e)(i)</u> of <u>Schedule A</u> hereto;
Redemption Price	has the meaning specified in <u>Section 5(a)</u> of <u>Schedule A</u> hereto;
Redemption Total Amount	has the meaning specified in <u>Section 5(c)</u> of <u>Schedule A</u> hereto;
Register of Directors and Officers	the register of directors and officers referred to in these Articles;
Register of Members	the register of members maintained by the Company in accordance with the Law;
Resolution of Directors	means subject to and unless otherwise provided in these Articles either: (a) a resolution approved at a duly convened and constituted meeting of Board or of a committee of Directors by the affirmative vote of a majority of the Directors present at the meeting who voted except that where a Director is given more than one vote, he shall be counted by the number of votes he casts for the purpose of establishing a majority; or (b) a resolution consented

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	to in writing by a majority of the Directors or by a majority of the members of a committee of Directors, as the case may be;
Restated Shareholders Agreement	the Thirteenth Amended and Restated Shareholders Agreement dated on or about March 10, 2014 by and among the Company, Max Smart, the Founder, the Investors and other parties thereto, as amended from time to time;
Sale Transaction	any merger, consolidation, reorganization, business combination, scheme of arrangement, recapitalization of any Group Company or sale, transfer, lease, exclusive license or other disposition of all or substantially all of the assets of any Group Company or any transaction or series of related transactions as a result of which any "person" or "group" (as defined under Section 13(d) of the Exchange Act), other than the Founder, Max Smart or any of their Affiliates, acquires control of the Company;
Schedule A	<u>Schedule A</u> to these Articles which for the avoidance of doubt, forms part of these Articles in accordance with the Law;
Seal	the common seal or any official or duplicate seal of the Company;
Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
Securities	Shares and debt obligations of every kind of the Company, and including without limitation options, warrants and rights to acquire Shares or debt

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	obligations;
Securities Act	the United States Securities Act of 1933, as amended from time to time, including any successor statutes;
Sequoia Parties	collectively, Sequoia Capital 2010 CGF Holdco, Ltd, a company organized and existing under the laws of the Cayman Islands, and SC China Co-Investment 2011-A, L.P., a company organized and existing under the laws of the Cayman Islands (each, a “ Sequoia Party ”);
Sequoia Shares	the Ordinary Shares held by any Sequoia Party as of the date hereof or hereafter acquired by any Sequoia Party or its Affiliates;
Series A Director	has the meaning specified in Article <u>38.1(b)</u> of these Articles;
Series A Investor	Best Alliance
Series A Preferred Shares	the Company’s Series A Preferred Shares with a par value of US\$0.00002 per share, together with the other rights attaching thereto under these Articles;
Series A Preferred Share Purchase Agreement	the Preferred Share Purchase Agreement entered into by and among the Company, Max Smart, the Founder, the Series A Investor and other parties thereto as of January 25, 2007;
Series B Director	has the meaning specified in <u>Article 38.1(c)</u> of these Articles;
Series B Investors	Strong Desire and Grandwin;
Series B Preferred Share Purchase Agreement	the Series B Preferred Share Purchase Agreement entered into by and among the Company, Max Smart, the Founder, CTI, the Series B Investors and

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	other parties thereto as of December 19, 2008;
Series B Preferred Shares	the Company’s Series B Preferred Shares with a par value of US\$0.00002 per share, together with the other rights attaching thereto under these Articles;
Series C Director	has the meaning specified in <u>Article 38.1(d)</u> of the Articles;
Series C Investors	Gaoling, United Sheen and Madrone;
Series C Preferred Share Purchase Agreements	Series C Preferred Shares Transfer Agreement and Series C Preferred Shares Subscription Agreement;
Series C Preferred Shares	the Company’s Series C Preferred Shares with a par value of US\$0.00002 per share, together with the other rights attaching thereto under these Articles;
Series C Preferred Share Subscription Agreement	the Series C Preferred Shares Subscription Agreement entered into by and among the Company, Max Smart, the Founder, the Series C Investors and other parties thereto as of September 9, 2010;
Series C Preferred Shares Transfer Agreement	the Series C Preferred Shares Sale and Purchase Agreement entered into by and among Best Alliance, Strong Desire, Grandwin and Gaoling as of September 9, 2010;
Series C Qualified IPO	a firm commitment underwritten public offering of the Ordinary Shares, par value US\$0.00002 per share, of the Company in the United States, that has been registered under the Securities Act, with an implied pre-offering valuation of the Company of at least US\$1,500,000,000, or in a similar public offering of the Ordinary Shares in Hong Kong or another jurisdiction which results in the Ordinary Shares trading publicly on a recognized international

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	securities exchange. A Series C Qualified IPO shall also include other offering that does not satisfy the foregoing pre-offering valuation requirement; provided that the holder(s) of a majority of the voting power of the then outstanding Preferred Shares, Tiger Shares and Gaoling Ordinary Shares (voting together as a single class and calculated on an as converted basis) have expressly agreed in writing that such an offering shall be deemed a “Series C Qualified IPO”;
Share	a share issued or to be issued by the Company and includes any Ordinary Share or Ordinary Share Equivalent of the Company;
Shareholder	a Person whose name is entered in the register of members of the Company as the holder of one or more Shares or fractional Shares;
Special Resolution	a resolution shall be a special resolution when it has been (i) passed by a majority of not less than two-thirds of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to

propose a resolution as a special resolution has been duly given (and for the avoidance of doubt, unanimity qualifies as a majority); or (ii) approved in writing by all of the Members entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Members and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments if more than one, is executed;

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Strong Desire	Strong Desire Limited, a BVI Business Company organized and existing under the laws of British Virgin Islands;
Subsequent Holder	has the meaning specified in <u>Section 2(a)</u> of <u>Schedule A</u> hereto;
Subsidiary	with respect to any specified Person, any Person of which the specified Person, directly or indirectly, owns more than fifty percent (50%) of the issued and outstanding authorized capital, share capital, voting interests or registered capital;
Tencent	Huang River Investment Limited
Tencent Director	has the meaning specified in <u>Article 38.1(e)</u> of these Articles;
Tencent Shares	the Ordinary Shares held by Tencent as of the date hereof or hereafter acquired by Tiger or its Affiliates;
Tiger	Tiger Global Five and Tiger 360Buy collectively;
Tiger 360Buy	Tiger Global 360buy Holdings, a company organised under the laws of Mauritius;
Tiger Director	has the meaning specified in <u>Article 38.1(a)</u> of these Articles;
Tiger Global Five	Tiger Global Five 360 Holdings, a company organised under the laws of Mauritius;
Tiger Shares	the Ordinary Shares held by Tiger as of the date hereof or hereafter acquired by Tiger or its Affiliates;
Treasury Share	a Share that was previously issued but was repurchased, redeemed or otherwise acquired by the Company and not cancelled;

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United Sheen	United Sheen Limited, a BVI Business Company organized and existing under the laws of British Virgin Islands;
written	or any term of like import includes information generated, sent, received or stored by electronic, electrical, digital, magnetic, optical, electromagnetic, biometric or photonic means, including electronic data interchange, electronic mail or telecopy, and "in writing" shall be construed accordingly;
written resolution	a resolution passed in accordance with Article 36 or 62; and
year	calendar year.

1.2 In these Articles, where not inconsistent with the context:

- (a) words denoting the plural number include the singular number and vice versa;
- (b) words denoting the masculine gender include the feminine and neuter genders;
- (c) words importing persons include companies, associations or bodies of persons whether corporate or not;
- (d) the words:-
 - (i) "may" shall be construed as permissive; and
 - (ii) "shall" shall be construed as imperative;
- (e) a reference to statutory provision shall be deemed to include any amendment or re-enactment thereof;
- (f) the word "corporation" means corporation whether or not a company within the meaning of the Law;

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- (g) unless otherwise provided herein, words or expressions defined in the Law shall bear the same meaning in these Articles;
 - (h) any requirements as to delivery under these Articles include delivery in the form of an Electronic Record;

- (i) any requirements as to execution or signature under the Articles including the execution of the Articles themselves can be satisfied in the form of an electronic signature as defined in the Electronic Transactions Law; and
 - (j) sections 8 and 19(3) of the Electronic Transactions Law shall not apply.
- 1.3 In these Articles expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.
- 1.4 Headings used in these Articles are for convenience only and are not to be used or relied upon in the construction hereof.

SHARES

2. Power to Issue Shares

- 2.1 Subject to these Articles, any resolution of the Members to the contrary, Schedule A, the contractual pre-emptive rights set out in the Restated Shareholders Agreement and any restrictions on the issuing of shares and other Securities herein, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares on such terms and conditions as it may determine and any shares or class of shares (including the issue or grant of options, warrants and other rights, renounceable or otherwise in respect of shares) may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise, provided that no share shall be issued at a discount except in accordance with the Law.

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3. Redemption, Purchase, Surrender and Treasury Shares

- 3.1 Subject to the Law, the Company is authorised to issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Member and may make payments in respect of such redemption in accordance with the Law.
- 3.2 The Company is authorised to purchase any share in the Company (including a redeemable share) by agreement with the holder and may make payments in respect of such purchase in accordance with the Law.
- 3.3 The Company authorises the Board to determine the manner or any of the terms of any redemption or purchase.
- 3.4 A delay in payment of the redemption price shall not affect the redemption but, in the case of a delay of more than thirty days, interest shall be paid for the period from the due date until actual payment at a rate which the Board, after due enquiry, estimates to be representative of the rates being offered by Class A banks in the Cayman Islands for thirty day deposits in the same currency.
- 3.5 The Company authorises the Board pursuant to section 37(5) of the Law to make a payment in respect of the redemption or purchase of its own shares otherwise than out of its profits, share premium account, or the proceeds of a fresh issue of shares.
- 3.6 No share may be redeemed or purchased unless it is fully paid-up.
- 3.7 The Company may accept the surrender for no consideration of any fully paid share (including a redeemable share) unless, as a result of the surrender, there would no longer be any issued shares of the company other than shares held as treasury shares.
- 3.8 The Company is authorised to hold Treasury Shares in accordance with the Law.
- 3.9 The Board may designate as Treasury Shares any of its shares that it purchases or redeems, or any shares surrendered to it, in accordance with the Law.
- 3.10 Shares held by the Company as Treasury Shares shall continue to be classified as Treasury Shares until such shares are either cancelled or transferred in accordance with the Law.

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4. Rights Attaching to Shares

- 4.1 Subject to Article 2.1, the Memorandum of Association and any resolution of the Members to the contrary and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares, the share capital of the Company shall be divided into 5,000,000,000 shares of a nominal or par value of US\$0.00002 each divided into:
- (i) 4,435,536,365 Ordinary Shares with a par value of US\$0.00002 each; and
 - (ii) 564,463,635 Preferred Shares with a par value of US\$0.00002 each divided into:
 - (a) 221,360,925 Series A Preferred Shares,
 - (b) 84,786,405 Series B Preferred Shares; and
 - (c) 258,316,305 Series C Preferred Shares.

- 4.2 *DST Global Parties' and Sequoia Parties' Consent Right.* In addition to any other vote or consent required elsewhere in these Articles and the Restated Shareholders Agreement, the following acts shall require the prior written approval of (x) each DST Global Party, and (y) for so long as they collectively own at least 39,821,655 of the Sequoia Shares (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), each Sequoia Party: (i) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are convertible into any equity securities of the Company (including any public offering) at a price per share less than US\$3.632 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like); but excluding (x) any issuance of Ordinary Shares upon exercise of the Warrants (as defined in the Restated Shareholders Agreement), (y) any issuance

of Ordinary Shares upon conversion of the Preferred Shares, and (z) any issuance of Ordinary Shares (or options or warrants therefor) under employee equity incentive plans duly adopted by the Company; and (ii) any Sale Transaction implying a price per share less than US\$3.632 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like).

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- 4.3 ***Classroom's Consent Right.*** In addition to any other vote or consent required elsewhere in these Articles and the Restated Shareholders Agreement, the following acts shall require the prior written approval of Classroom, for so long as Classroom owns at least 44,182,531 of the Classroom Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like): (i) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are convertible into any equity securities of the Company (including any public offering) at a price per share less than US\$3.961 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like); but excluding (x) any issuance of Ordinary Shares upon exercise of the Warrants (as defined in the Restated Shareholders Agreement), (y) any issuance of Ordinary Shares upon conversion of the Preferred Shares, and (z) any issuance of Ordinary Shares (or options or warrants therefor) under employee equity incentive plans duly adopted by the Company; and (ii) any Sale Transaction implying a price per share less than US\$3.961 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like).
- 4.4 ***Kingdom's Consent Right.*** In addition to any other vote or consent required elsewhere in these Articles and the Restated Shareholders Agreement, the following acts shall require the prior written approval of each Kingdom Party, for so long as Kingdom Parties collectively own at least 75,000,000 of the Kingdom Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like): (i) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are convertible into any equity securities of the Company (including any public offering) at a price per share less than US\$3.961 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like); but excluding (x) any issuance of Ordinary Shares upon exercise of the Warrants (as defined in the Restated Shareholders Agreement), (y) any issuance of Ordinary Shares upon conversion of the Preferred Shares, and (z) any issuance of Ordinary Shares (or options or warrants therefor) under employee equity incentive plans duly adopted by the Company; and (ii) any Sale Transaction implying a price per share less than US\$3.961 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like).

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- 4.5 ***Tencent's Consent Right.*** In addition to any other vote or consent required elsewhere in these Articles and the Restated Shareholders Agreement, the following acts shall require the prior written approval of Tencent, for so long as Tencent owns in the aggregate at least 75% of the Tencent Shares acquired pursuant to the Tencent Share Subscription Agreement (as defined in the Restated Shareholders Agreement) (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like): (i) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are convertible into any equity securities of the Company (including any public offering) at a price implying an equity valuation of the Company less than 100% premium over the post-money equity valuation of the Company immediately after the consummation of the Kingdom Ordinary Share Purchase Agreement (as defined in the Restated Shareholders Agreement); but excluding (x) any issuance of Ordinary Shares upon exercise of the Warrants, (y) any issuance of Ordinary Shares upon conversion of the Preferred Shares, and (z) any issuance of Ordinary Shares (or options or warrants therefor) under employee equity incentive plans duly adopted by the Company; (ii) any Sale Transaction implying an equity valuation of the Company less than 100% premium over the post-money equity valuation of the Company immediately after the consummation of the Kingdom Ordinary Share Purchase Agreement; (iii) the adoption of, or amendment to, any employee equity incentive plan of any Group Company (except for the allocation of any shares of the ESOP Shares (defined below)); (iv) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are convertible into any equity securities of the Company to a Subscription Restricted Person (as defined in the Restated Shareholders Agreement); (v) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are convertible into any equity securities of the Company in excess of 15% of the Company's issued and outstanding share capital to an Additional Subscription Restricted Person (as defined in the Restated Shareholders Agreement); and (vi) adoption of articles of association of the Company in connection with the Qualified IPO that are not in the form set out in Exhibit F to the Restated Shareholders Agreement.

5. Calls on Shares

- 5.1 The Board may make such calls as it thinks fit upon the Members in respect of any monies (whether in respect of nominal value or premium) unpaid on the shares allotted to or held by such Members and, if a call is not paid on or before the day

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appointed for payment thereof, the Member may at the discretion of the Board be liable to pay the Company interest on the amount of such call at such rate as the Board may determine, from the date when such call was payable up to the actual date of payment. The Board may differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.

- 5.2 The Company may accept from any Member the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up.
- 5.3 The terms of any issue of shares may include different provisions with respect to different Members in the amounts and times of payments of calls on their shares.

6. Joint and Several Liability to Pay Calls

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

7. Forfeiture of Shares

- 7.1 If any Member fails to pay, on the day appointed for payment thereof, any call in respect of any share allotted to or held by such Member, the Board may, at any time thereafter during such time as the call remains unpaid, direct the Secretary to forward such Member a notice in writing in the form, or as near thereto as circumstances admit, of the following:

[Name of Company] (the "Company")

You have failed to pay the call of [amount of call] made on [date], in respect of the [number] share(s) [number in figures] standing in your name in the Register of Members of the Company, on [date], the day appointed for payment of such call. You are hereby notified that unless you pay such call together with interest thereon at the rate of [] per annum computed from the said [date] at the registered office of the Company the share(s) will be liable to be forfeited.

Dated this [date]

[Signature of Secretary] By Order of the Board

- 7.2 If the requirements of such notice are not complied with, any such share may at any time thereafter before the payment of such call and the interest due in respect thereof be forfeited by a resolution of the Board to that effect, and such share shall thereupon become the property of the Company and may be disposed of as the Board shall determine. Without limiting the generality of the foregoing, the disposal may take place by sale, repurchase, redemption or any other method of disposal permitted by and consistent with these Articles and the Law.
- 7.3 A Member whose share or shares have been so forfeited shall, notwithstanding such forfeiture, be liable to pay to the Company all calls owing on such share or shares at the time of the forfeiture, together with all interest due thereon and any costs and expenses incurred by the Company in connection therewith.
- 7.4 The Board may accept the surrender of any shares which it is in a position to forfeit on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it had been forfeited.

8. Share Certificates

- 8.1 Every Member shall be entitled to a certificate under the common seal (if any) or a facsimile thereof of the Company or bearing the signature (or a facsimile thereof) of a Director or the Secretary or a person expressly authorised to sign specifying the number and, where appropriate, the class of shares held by such Member and whether the same are fully paid up and, if not, specifying the amount paid on such shares. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.
- 8.2 If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.
- 8.3 Share certificates may not be issued in bearer form.

8A Legend on Share Certificates

The Directors shall ensure that each certificate representing any Shares owned by the Shareholders and the register of members with respect to such Shares shall be endorsed by the Company with a legend reading substantially as follows:

"THE SALE, PLEDGE, HYPOTHECATION OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER SET FORTH IN A SHAREHOLDERS AGREEMENT, A COPY OF WHICH MAY BE OBTAINED UPON WRITTEN REQUEST TO THE BOARD OF THE COMPANY. BY ACCEPTING ANY INTEREST IN SUCH SHARES THE PERSON ACCEPTING SUCH INTEREST SHALL BE DEEMED TO AGREE TO AND SHALL BECOME BOUND BY ALL THE PROVISIONS OF SAID SHAREHOLDERS AGREEMENT."

9. Fractional Shares

The Company may issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.

REGISTRATION OF SHARES

10. Register of Members

- 10.1 The Board shall cause to be kept in one or more books a Register of Members which may be kept in or outside the Cayman Islands at such place as the Board shall appoint and shall enter therein the following particulars:
- the name and address of each Member, the number, and (where appropriate) the class and series of shares held by such Member and the amount paid or agreed to be considered as paid on such shares;
 - the date on which each person was entered in the Register of Members; and
 - the date on which any person ceased to be a Member.

- 10.2 The Board may cause to be kept in any country or territory one or more branch registers of such category or categories of members as the Board may determine from time to time and any branch register shall be deemed to be part of the Company's Register of Members.
- 10.3 Any register maintained by the Company in respect of listed shares may be kept by recording the particulars set out in Article 10.1 in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the rules and regulations of the relevant approved stock exchange.

11. Registered Holder Absolute Owner

- 11.1 The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.
- 11.2 No person shall be entitled to recognition by the Company as holding any share upon any trust and the Company shall not be bound by, or be compelled in any way to recognise, (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any other right in respect of any share except an absolute right to the entirety of the share in the holder. If, notwithstanding this Article, notice of any trust is at the holder's request entered in the Register of Members or on a share certificate in respect of a share, then, except as aforesaid:
- (a) such notice shall be deemed to be solely for the holder's convenience;
- (b) the Company shall not be required in any way to recognise any beneficiary, or the beneficiary, of the trust as having an interest in the share or shares concerned;
- (c) the Company shall not be concerned with the trust in any way, as to the identity or powers of the trustees, the validity, purposes or terms of the trust, the question of whether anything done in relation to the shares may amount to a breach of trust or otherwise; and

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- (d) the holder shall keep the Company fully indemnified against any liability or expense which may be incurred or suffered as a direct or indirect consequence of the Company entering notice of the trust in the Register of Members or on a share certificate and continuing to recognise the holder as having an absolute right to the entirety of the share or shares concerned.

12. Transfer of Registered Shares

- 12.1 An instrument of transfer shall be in writing in the form of the following, or as near thereto as circumstances admit, or in such other form as the Board may accept:

Transfer of a Share or Shares

[Name of Company] (the "Company")

FOR VALUE RECEIVED
[number] shares of the Company.

[amount] , I, [name of transferor] hereby sell, assign and transfer unto [transferee] of [address] ,

DATED this [date]
Signed by:

In the presence of:

Transferor

Witness

Transferee

Witness

- 12.2 Such instrument of transfer shall be signed by (or in the case of a party that is a corporation, on behalf of) the transferor and transferee, provided that, in the case of a fully paid share, the Board may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain the holder of such share until the same has been transferred to the transferee in the Register of Members.

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- 12.3 The Board may refuse to recognise any instrument of transfer unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require showing the right of the transferor to make the transfer.
- 12.4 The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.
- 12.5 Subject to any agreements binding on the Founder, the Company and the Shareholders, the Restated Shareholders Agreement (which includes certain transfer restrictions and co-sale rights) and subject to the rights of the Preferred Shares as set out in Schedule A hereto, shares are transferable, and the Company will only register transfers of shares that are made in accordance with such agreements (if any) and the Restated Shareholders Agreement and will not register transfers of shares that are not made in accordance therewith.

13. Transmission of Registered Shares

- 13.1 In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the

deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the provisions of Section 39 of the Law, for the purpose of this Article, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.

- 13.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled shall execute in favour of such nominee an instrument of transfer in writing in the form, or as near thereto as circumstances admit, of the following:

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Transfer by a Person Becoming Entitled on Death/Bankruptcy of a Member

[Name of Company] (the "Company")

I/We, having become entitled in consequence of the [death/bankruptcy] of [name and address of deceased Member] to [number] share(s) standing in the Register of Members of the Company in the name of the said [name of deceased/bankrupt Member] instead of being registered myself/ourselves, elect to have [name of transferee] (the "Transferee") registered as a transferee of such share(s) and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee, his or her executors, administrators and assigns, subject to the conditions on which the same were held at the time of the execution hereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

DATED this [date]

Signed by:

In the presence of:

Transferor

Witness

Transferee

Witness

- 13.3 On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration as it would have had in the case of a transfer of the share by that Member before such Member's death or bankruptcy, as the case may be.
- 13.4 Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or

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holders shall be absolutely entitled to the said share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

14. Listed Shares

Notwithstanding anything to the contrary in these Articles, shares that are listed or admitted to trading on an approved stock exchange may be evidenced and transferred in accordance with the rules and regulations of such exchange.

ALTERATION OF SHARE CAPITAL

15. Power to Alter Capital

- 15.1 Subject to the Law and these Articles and in particular Articles 30.9 and 30.10, the Company may from time to time by ordinary resolution alter the conditions of its Memorandum of Association to:
- (a) increase its capital by such sum divided into shares of such amounts as the resolution shall prescribe or, if the Company has shares without par value, increase its share capital by such number of shares without nominal or par value, or increase the aggregate consideration for which its shares may be issued, as it thinks expedient;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (c) convert all or any of its paid-up shares into stock, and reconvert that stock into paid-up shares of any denomination;
 - (d) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum of Association; or
 - (e) cancel shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled or, in the case of shares without par value, diminish the number of shares into which its capital is divided.

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- 15.2 For the avoidance of doubt it is declared that paragraph 15.1(b), 15.1(c) and 15.1(d) do not apply if at any time the shares of the Company have no par value.
- 15.3 Subject to the Law, the Company may from time to time by Special Resolution reduce its share capital.

16. Variation of Rights Attaching to Shares

Subject to Articles 4.2, 4.3, 4.4, 4.5 and 30.10, if, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the consent in writing of the holders of at least fifty percent (50%) of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of the class at which meeting the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class. The rights conferred upon the holders of the shares of any class or series issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class or series, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

DIVIDENDS AND CAPITALISATION

17. Dividends

- 17.1 Subject to the rights set out in these Articles and in particular Article 30.9, the Directors may, by Resolution of Directors and as approved by (a) Max Smart and (b) the Required Consenters, authorise a distribution by way of dividend at a time and of an amount they think fit.
- 17.2 Dividends may be declared and paid out of profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Board determines is no longer needed, or not in the same amount. Dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Law.
- 17.3 Where the Board determines that a dividend shall be paid wholly or partly by the distribution of specific assets, the Board may settle all questions concerning such

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distribution. Without limiting the generality of the foregoing, the Board may fix the value of such specific assets and vest any such specific assets in trustees on such terms as the Board thinks fit.

- 17.4 No unpaid dividend shall bear interest as against the Company. No dividend shall be paid on Treasury Shares.
- 17.5 The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.
- 17.6 The Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company. No unpaid distribution shall bear interest as against the Company.
- 17.7 The Board may fix any date as the record date for determining the Members entitled to receive any dividend or other distribution, but, unless so fixed, the record date shall be the date of the Directors' resolution declaring same.
- 17.8 Notice of any dividend that may have been declared shall be given to each Shareholder as specified in Article 25 and all dividends unclaimed for 3 years after having been declared may be forfeited by Resolution of Directors for the benefit of the Company.

18. Power to Set Aside Profits

- 18.1 The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such amount as it thinks proper as a reserve to be used to meet contingencies or for equalising dividends or for any other purpose. Pending application, such sums may be employed in the business of the Company or invested, and need not be kept separate from other assets of the Company. The Board may also, without placing the same to reserve, carry forward any profit which it decides not to distribute.
- 18.2 Subject to any direction from the Company in general meeting, the Board may on behalf of the Company exercise all the powers and options conferred on the Company by the Law in regard to the Company's share premium account.

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19. Method of Payment

- 19.1 Any dividend, interest, or other monies payable in cash in respect of the shares may be paid by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members, or to such person and to such address as the holder may in writing direct.
- 19.2 In the case of joint holders of shares, any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or draft sent through the post directed to the address of the holder first named in the Register of Members, or to such person and to such address as the joint holders may in writing direct. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend paid in respect of such shares.
- 19.3 The Board may deduct from the dividends or distributions payable to any Member all monies due from such Member to the Company on account of calls or otherwise.

20. Capitalisation

- 20.1 The Board may capitalise any amount for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such amount in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.

- 20.2 The Board may capitalise any amount for the time being standing to the credit of a reserve account or amounts otherwise available for dividend or distribution by applying such amounts in paying up in full, partly or nil paid shares of those Members who would have been entitled to such amounts if they were distributed by way of dividend or distribution.

MEETINGS OF MEMBERS

21. Annual General Meetings

The Company may in each year hold a general meeting as its annual general meeting. The annual general meeting of the Company may be held at such time and place as any Director shall appoint.

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22. Extraordinary General Meetings

- 22.1 General meetings other than annual general meetings shall be called extraordinary general meetings.
- 22.2 Any Director may convene an extraordinary general meeting whenever in their judgment such a meeting is necessary.

23. Requisitioned General Meetings

- 23.1 The Board shall, on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at the date of the deposit carries the right to vote at general meetings, forthwith proceed to convene an extraordinary general meeting. To be effective the requisition shall state the objects of the meeting, shall be in writing, signed by the requisitionists, and shall be deposited at the registered office. The requisition may consist of several documents in like form each signed by one or more requisitionists.
- 23.2 If the Board does not, within twenty-one days from the date of the requisition, duly proceed to call an extraordinary general meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene an extraordinary general meeting; but any meeting so called shall not be held more than ninety days after the requisition. An extraordinary general meeting called by requisitionists shall be called in the same manner, as nearly as possible, as that in which general meetings are to be called by the Board.

24. Notice

- 24.1 At least seven days' notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat and all the Directors, stating the date, place and time at which the meeting is to be held and if different, the record date for determining Members entitled to attend and vote at the general meeting, and, as far as practicable, the other business to be conducted at the meeting, provided that, that the notice to the Directors is for information purposes only, and that failure to give notice of an annual general meeting to, or the non-receipt of a notice of an annual general meeting by, any Director shall not invalidate the proceedings at that meeting.

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- 24.2 At least seven days' notice of an extraordinary general meeting shall be given to each Member entitled to attend and vote thereat and all the Directors, stating the date, time, place and the general nature of the business to be considered at the meeting, provided that, that the notice to the Directors is for information purposes only, and that failure to give notice of an extraordinary general meeting to, or the non-receipt of a notice of an extraordinary general meeting by, any Director shall not invalidate the proceedings at that meeting.
- 24.3 The Board may fix any date as the record date for determining the Members entitled to receive notice of and to vote at any general meeting of the Company but, unless so fixed, as regards the entitlement to receive notice of a meeting or notice of any other matter, the record date shall be the date of despatch of the notice and, as regards the entitlement to vote at a meeting, and any adjournment thereof, the record date shall be the date of the original meeting.
- 24.4 A general meeting shall, notwithstanding that it is called on shorter notice than that specified in these Articles, be deemed to have been properly called if it is so agreed by (i) all the Members entitled to attend and vote thereat in the case of an annual general meeting; and (ii) in the case of an extraordinary general meeting, by ninety percent of the Members entitled to attend and vote thereat. For this purpose, the presence of a Member at the meeting shall constitute waiver in relation to all the Shares which that Shareholder holds.
- 24.5 The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

25. Giving Notice and Access

- 25.1 A notice may be given by the Company to a Member:
- (a) by delivering it to such Member in person, in which case the notice shall be deemed to have been served upon such delivery; or
 - (b) by sending it by post to such Member's address in the Register of Members, in which case the notice shall be deemed to have been served seven days after the date on which it is deposited, with postage prepaid, in the mail; or

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- (c) by sending it by courier to such Member's address in the Register of Members, in which case the notice shall be deemed to have been served two days after the date on which it is deposited, with courier fees paid, with the courier service; or

- (d) by transmitting it by electronic means (including facsimile and electronic mail, but not telephone) in accordance with such directions as may be given by such Member to the Company for such purpose, in which case the notice shall be deemed to have been served at the time that it would in the ordinary course be transmitted; or
- (e) by publication of an electronic record of it on a website and notification of such publication (which shall include the address of the website, the place on the website where the document may be found, and how the document may be accessed on the website), such notification being given by any of the methods set out in paragraphs (a) through (d) hereof, in which case the notice shall be deemed to have been served at the time when the instructions for access and the posting on the website are complete.

25.2 Any notice required to be given to a Member shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Members and notice so given shall be sufficient notice to all the holders of such shares.

25.3 In proving service under paragraphs 25.1(b), (c) and (d), it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted or sent by courier, and the time when it was posted, deposited with the courier, or transmitted by electronic means.

26. Postponement of General Meeting

The Board may postpone any general meeting called in accordance with these Articles provided that notice of postponement is given to the Members before the time for such meeting. Fresh notice of the date, time and place for the postponed meeting shall be given to each Member in accordance with these Articles.

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27. Electronic Participation in Meetings

Members may participate in any general meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

28. Quorum at General Meetings

28.1 A meeting of Shareholders is duly constituted if, at the commencement of the meeting and throughout the meeting, there are present in person or by proxy one representative from Max Smart and each of the holders of (i) at least fifty percent (50%) of the Series A Preferred Shares, (ii) at least fifty percent (50%) of the Series B Preferred Shares, (iii) at least fifty percent (50%) of the Series C Preferred Shares, and (iv) at least fifty percent (50%) of the Tiger Shares, who shall constitute a quorum.

28.2 If within two hours from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved; in any other case it shall stand adjourned to the next Business Day in the jurisdiction in which the meeting was to have been held at the same time and place or to such other time and place as the Directors may determine, and if at the adjourned meeting there are present within one hour from the time appointed for the meeting in person or by proxy not less than one third of the votes of the Shares entitled to vote on the matters to be considered by the meeting, those present shall constitute a quorum but otherwise the meeting shall be dissolved.

29. Chairman to Preside

At every meeting of Shareholders, the Chairman of the Board shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present at the meeting, the Shareholders present shall choose one of their number to be the chairman. If the Shareholders are unable to choose a chairman for any reason, then the person representing the greatest number of voting Shares present in person or by proxy at the meeting shall preside as chairman failing which the oldest individual Shareholder or representative of a Shareholder present shall take the chair.

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30. Voting on Resolutions

30.1 Subject to the Law and these Articles and in particular Articles 30.9 and 30.10, any question proposed for the consideration of the Members at any general meeting shall be decided by the affirmative votes of a majority of the votes of Shares entitled to vote thereon which were present at the meeting and were voted in accordance with these Articles and in the case of an equality of votes the resolution shall fail.

30.2 No Member shall be entitled to vote at a general meeting unless such Member has paid all the calls on all shares held by such Member.

30.3 At any general meeting a resolution put to the vote of the meeting shall, in the first instance, be voted upon by a show of hands and, subject to any rights or restrictions for the time being lawfully attached to any class of shares and subject to these Articles, every Member present in person and every person holding a valid proxy at such meeting shall be entitled to one vote and shall cast such vote by raising his hand.

30.4 At any general meeting if an amendment is proposed to any resolution under consideration and the chairman of the meeting rules on whether or not the proposed amendment is out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

30.5 At any meeting of the Shareholders the chairman is responsible for deciding in such manner as he considers appropriate whether any resolution proposed has been carried or not and the result of his decision shall be announced to the meeting and recorded in the minutes of the meeting. If the chairman has any doubt as to the outcome of the vote on a proposed resolution, he shall cause a poll to be taken of all votes cast upon such resolution in accordance with Article 31. If the chairman fails to take a poll then any Shareholder present in person or by proxy who disputes the announcement by the chairman of the result of any vote may immediately following such announcement demand that a poll be taken and the chairman shall cause a poll to be taken. If a poll is taken at any meeting, the result shall be announced to the meeting and recorded in the minutes of the meeting.

30.6 Subject to the specific provisions contained in these Articles for the appointment of representatives of Persons other than individuals the right of any individual to speak for or represent a Shareholder shall be determined by the law of the

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jurisdiction where, and by the documents by which, the Person is constituted or derives its existence. In case of doubt, the Directors may in good faith seek legal advice from any qualified person and unless and until a court of competent jurisdiction shall otherwise rule, the Directors may rely and act upon such advice without incurring any liability to any Shareholder or the Company.

- 30.7 Any Person other than an individual which is a Shareholder may by resolution of its Directors or other governing body authorise such individual as it thinks fit to act as its representative at any meeting of Shareholders or of any class of Shareholders, and the individual so authorised shall be entitled to exercise the same rights on behalf of the Person which he represents as that Person could exercise if it were an individual.
- 30.8 The chairman of any meeting at which a vote is cast by proxy or on behalf of any Person other than an individual may call for a notarially certified copy of such proxy or authority which shall be produced within seven (7) days of being so requested or the votes cast by such proxy or on behalf of such Person shall be disregarded.
- 30.9 Shareholder Consent Regarding Group Companies. In addition to such other limitations as may be provided in these Articles and the Restated Shareholders Agreement, the following acts shall require the prior written approval of (i) Max Smart and (ii) the Required Consenters, and in the event that any such matter set forth below is by applicable laws required to be determined by Shareholders of the Company, the consent of Max Smart, the holders of Preferred Shares and the holders of the Tiger Shares, the Gaoling Ordinary Shares, the DST Global Shares, the Sequoia Shares, the Kingdom Shares and the Tencent Shares shall be deemed obtained if the matter is approved at a general meeting of the Company with the affirmative vote of the requisite shareholders of the Company or written resolution with the signatures of the requisite shareholders of the Company as set forth in the foregoing provisions in this Article 30.9 (as used in this Article 30.9, the term “Group Companies” or “Group Company”, to the extent applicable, includes the Company, the PRC Subsidiaries and the PRC Affiliates):
- (a) any action by the Company to authorize, create or issue shares of any class or series of the Company having preferences superior to or on a parity with the Preferred Shares;

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- (b) except for the establishment of the Compensation Committee and Audit Committee in accordance with Article 47A.6, the establishment of any board committee and the delegation of any authority of the Board and the board of directors of the PRC Affiliates;
- (c) issuance of any new equity securities by the Company or any instruments that are convertible into equity securities of the Company, excluding (i) any issuance of the Preferred Shares or Ordinary Shares or warrants (and shares issuable upon the exercise of such warrant) under the Preferred Shares Purchase Agreements, (ii) any issuance of Ordinary Shares upon conversion of the Preferred Shares, and (iii) any issuance of Ordinary Shares (or options or warrants therefor) under employee equity incentive plans duly adopted by the Company, and (iv) any issuance of equity securities of the Company in connection with any Qualified IPO (excluding for avoidance of doubt any issuance of equity securities of the Company pursuant to the Tencent IPO Subscription Agreement (as defined in the Restated Shareholders Agreement));
- (d) any repurchase or redemption of any equity securities of the Company other than in connection with the conversion of the equity securities of the Company or pursuant to the redemption right of the holder(s) of Preferred Shares as provided in these Articles or contractual rights to repurchase Ordinary Shares from the employees, directors or consultants of the Company;
- (e) an initial public offering of any Group Company;
- (f) the declaration and/or payment of any and all dividends on any securities of any Group Company;
- (g) the repurchase by any Group Company (other than the Company) of any outstanding securities and any other reduction of capital of any Group Company (other than the Company);
- (h) any Sale Transaction or any transaction or series or related transactions as a result of which any “person” or “group” (as defined under Section 13(d) of the Exchange Act), other than the Founder, Max Smart or any of their Affiliates, acquires control of the Company; for the purposes of this clause

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(viii) “control” means the acquisition of more than 50% of the voting rights attaching to the issued share capital having the right to appoint and/or remove all or the majority of the members of the Company’s Board of Directors, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;

- (i) any change in the number of directors of the Company, the PRC Affiliates and Jingdong Century;
- (j) any filing by or against any Group Company for the appointment of a receiver, administrator or other form of external manager, or the winding up, liquidation, bankruptcy or insolvency of any Group Company; and
- (k) the adoption of, or amendment to, any employee equity incentive plan of any Group Company (except for the allocation of any shares of the ESOP Shares (as defined in the Restated Shareholders Agreement) and the Ordinary Shares held by any individual shareholder set forth in Exhibit B of the Restated Shareholders Agreement to be transferred to Fortune Rising Holding Limited).
- 30.10 Shareholder Consent Regarding the Company. In addition to any other vote or consent required elsewhere in these Articles and the Restated Shareholders Agreement, the acts set forth in clauses (a), (b) and (c) below shall require the prior written approval of (i) Max Smart and (ii) each of the following shareholders: (A) the holders holding at least fifty percent (50%) of the Series A Preferred Shares then outstanding, (B) the holders holding at least fifty percent (50%) of the Series B Preferred Shares then outstanding, (C) the holders holding at least fifty percent (50%) of the Series C Preferred Shares then outstanding, (D) the holders holding at least fifty percent (50%) of the Tiger Shares then outstanding, (E) the holders holding at least fifty percent (50%) of the DST Global Shares then outstanding, (F) the holders of at least fifty percent (50%) of the Sequoia Shares then outstanding, (G) the holders of at least fifty percent (50%) of the Classroom Shares then outstanding, (H) the holders of at least fifty percent (50%) of the Kingdom Shares then outstanding and (I) the holders holding at least fifty percent (50%) of the Tencent Shares then outstanding., and the acts set forth in clause (d) below shall require the prior written approval of Max Smart and the holders holding at least

fifty percent (50%) of the Gaoling Ordinary Shares; and in each case, in the event that any such matter set forth below is by applicable laws required to be determined by Shareholders of the Company, the consent of Max Smart, the holders of Preferred Shares and the holders of Tiger Shares, DST Global Shares, Sequoia Shares, Gaoling Ordinary Shares, Kingdom Shares and Tencent Shares shall be deemed obtained if the matter is approved at a general meeting of the Company with the affirmative vote of the requisite shareholders of the Company or by way of a written resolution with the signatures of the requisite shareholders of the Company as set forth in the foregoing provisions of this Article 30.10:

- (a) any amendment to the Memorandum and these Articles that would (A) result in an adverse change to the rights, preferences and privileges of the Preferred Shares or (B) adversely impact Tiger's, any DST Global Party's, any Sequoia Party's, Classroom's, any Kingdom Party's, any Tencent's or Max Smart's position as a holder of Ordinary Shares economically or otherwise (including without limitation, any creation or increase in the authorized number of a security that is senior to the Ordinary Shares or other similar amendment) (for the avoidance of doubt, this subclause (a) shall not include the approval and adoption of the Company's memorandum of association and articles of association which will take effect immediately prior to the completion of the Company's initial public offering, to which all parties to the Restated Shareholders Agreement have agreed as of the date hereof);
- (b) any action by the Company to reclassify any outstanding shares (A) into shares having preferences or priority as to dividends or assets senior to or on a parity with the preference of the Preferred Shares or (B) the result of which, the holders of Ordinary Shares could potentially receive less than it would have received under the then current memorandum of association and articles of association in the event of (1) a dividend, (2) a liquidation, dissolution or winding up, or (3) any Sale Transaction (for the avoidance of doubt, this subclause (b) shall not include the approval and adoption of the Company's memorandum of association and articles of association that will take effect immediately prior to the completion of the Company's initial public offering, to which all the parties to the Restated Shareholders Agreement have agreed as of the date hereof);

- (c) any adverse change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of, the Preferred Shares; and
- (d) any amendment to the Memorandum and these Articles that would adversely impact Gaoling's position as a holder of Ordinary Shares economically or otherwise (including without limitation, any creation or increase in the authorized number of a security that is senior to the Ordinary Shares or other similar amendment) (for the avoidance of doubt, this subclause (d) shall not include the approval and adoption of the Company's memorandum of association and articles of association that will take effect immediately prior to the completion of the Company's initial public offering, to which all the parties to the Restated Shareholders Agreement have agreed as of the date hereof).

30.11 Acts of the PRC Affiliates. Without limitation of the foregoing and subject to applicable PRC laws and regulations, the following acts by the PRC Affiliates shall in each case require the prior written approval of (i) Max Smart and (ii) the Required Consenters, and in the event that any such matter set forth below is by applicable laws required to be determined by Shareholders of the Company, the consent of Max Smart, the holder(s) of the Preferred Shares and holders of Tiger Shares, Gaoling Ordinary Shares, DST Global Shares, Sequoia Shares and Kingdom Shares shall be deemed obtained if the matter is approved at a general meeting of the Company with the affirmative vote of the requisite shareholders of the Company or by way of a written resolution with the signatures of the requisite shareholders of the Company as set forth in the foregoing provisions in this Article 30.11:

- (a) any amendment to the articles of association of any of the PRC Affiliates;
- (b) the liquidation, termination or dissolution of any of the PRC Affiliates;
- (c) any increase or reduction of the registered capital of the PRC Affiliates or transfer of any equity interest in any of the PRC Affiliates to any person other than the shareholders of the PRC Affiliates as of the date of these Articles (except for those contemplated in the business plan duly approved by the Board);

- (d) the sale, lease, transfer or other disposition of all or substantially all of the assets of any of the PRC Affiliates or any merger or consolidation of any of the PRC Affiliates with or into any other business entity (other than to another Group Company); and
- (e) any issuance of equity securities or equity-like securities of any PRC Affiliate.

31. Power to Demand a Vote on a Poll

- 31.1 Notwithstanding the foregoing, a poll may be demanded by the chairman of the meeting.
- 31.2 Where a poll is demanded, subject to any rights or restrictions for the time being lawfully attached to any class of shares, every person present at such meeting shall have one vote for each share of which such person is the holder or for which such person holds a proxy and such vote shall be counted by ballot as described herein, or in the case of a general meeting at which one or more Members are present by telephone, electronic or other communication facilities or means, in such manner as the chairman of the meeting may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of a show of hands. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
- 31.3 A poll demanded for the purpose of electing a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and in such manner during such meeting as the chairman of the meeting may direct. Any business other than that upon which a poll has been demanded may be conducted pending the taking of the poll.
- 31.4 Where a vote is taken by poll, each person physically present and entitled to vote shall be furnished with a ballot paper on which such person shall record his vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken, and each

chairman of the meeting shall direct. At the conclusion of the poll, the ballot papers and votes cast in accordance with such directions shall be examined and counted by a committee of not less than two Members or proxy holders appointed by the chairman of the meeting for the purpose and the result of the poll shall be declared by the chairman of the meeting.

32. Voting by Joint Holders of Shares

In the case of joint holders, the following applies:

- (a) if two or more persons hold Shares jointly each of them may be present in person or by proxy at a meeting of Shareholders and may speak as a Shareholder;
- (b) if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners; and
- (c) if two or more of the joint owners are present in person or by proxy they must vote as one.

33. Instrument of Proxy

33.1 An instrument appointing a proxy shall be in writing or transmitted by electronic mail in substantially the following form or such other form as the chairman of the meeting shall accept:

Proxy

[Name of Company] (the "Company")

I/We, [insert names here] , being a Member of the Company with [number] shares, HEREBY APPOINT [name] of [address] or failing him, [name] of [address] to be my/our proxy to vote for me/us at the meeting of the Members to be held on [date] and at any adjournment thereof. [Any restrictions on voting to be inserted here].

Signed this [date]

Member(s)

33.2 The instrument of proxy shall be signed or, in the case of a transmission by electronic mail, electronically signed in a manner acceptable to the chairman of the meeting, by the appointor or by the appointor's attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or signed or, in the case of a transmission by electronic mail, electronically signed in a manner acceptable to the chairman of the meeting, by a duly authorised officer or attorney.

33.3 A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf in respect of different shares.

33.4 The decision of the chairman of any general meeting as to the validity of any appointment of a proxy shall be final.

34. Representation of Corporate Member

34.1 A corporation which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

34.2 Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

35. Adjournment of General Meeting

The chairman of a general meeting may, with the consent of the Members at any general meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat, in accordance with these Articles.

36. Written Resolutions

36.1 Subject to these Articles, anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class or series of the Members may be done without a meeting by written resolution in accordance with this Article.

36.2 A written resolution is passed when it is signed by (or in the case of a Member that is a corporation, on behalf of) all the Members, or all the Members of the relevant class thereof, entitled to vote thereon and may be signed in as many counterparts as may be necessary.

- 36.3 A resolution in writing made in accordance with this Article is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class or series of Members, as the case may be, and any reference in any Article to a meeting at which a resolution is passed or to Members voting in favour of a resolution shall be construed accordingly.
- 36.4 A resolution in writing made in accordance with this Article shall constitute minutes for the purposes of the Law.
- 36.5 For the purposes of this Article, the date of the resolution is the date when the resolution is signed by (or in the case of a Member that is a corporation, on behalf of) the last Member to sign and any reference in any Article to the date of passing of a resolution is, in relation to a resolution made in accordance with this Article, a reference to such date.

37. Directors Attendance at General Meetings

Directors may attend and speak at any meeting of Shareholders and at any separate meeting of the holders of any class or series of Shares.

DIRECTORS AND OFFICERS

38. Election of Directors

- 38.1 The Directors shall be elected by the respective holder(s) of Ordinary Shares or the holder(s) of Preferred Shares in accordance with this Article 38.1:

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- (a) So long as Tiger holds in aggregate more than 75,000,000 Tiger Shares (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), it shall be entitled to nominate and remove one (1) Director (a “**Tiger Director**”), and appoint any person to fill any vacancy of the position of such Director caused by the resignation, death or renewal of such Director.
- (b) So long as Best Alliance holds more than 75,000,000 Series A Preferred Shares (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), it shall be entitled to nominate and remove one (1) Director (a “**Series A Director**”), and appoint any person to fill any vacancy of the position of such Director caused by the resignation, death or renewal of such Director.
- (c) So long as Strong Desire holds at least 53,640,484 Series B Preferred Shares (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), it shall be entitled to nominate and remove one (1) Director (a “**Series B Director**”), and appoint any person to fill any vacancy of the position of such Director caused by the resignation, death of such Director.
- (d) So long as Gaoling holds in aggregate more than 75,000,000 Series C Preferred Shares and Gaoling Ordinary Shares taken as a whole (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), it shall be entitled to nominate and remove one (1) Director (a “**Series C Director**”), and appoint any person to fill any vacancy of the position of such Director caused by the resignation, death or renewal of such Director.
- (e) So long as Tencent holds in aggregate at least 80% of the Tencent Shares acquired pursuant to the Tencent Share Purchase Agreement (as defined in the Restated Shareholders Agreement) (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), Tencent shall be entitled to appoint, remove and replace, from time to time, one (1) director (the “**Tencent Director**”); provided, that, (1) the initial Tencent Director shall be Mr. LAU Chiping Martin and (2) any successor Tencent Director shall hold a position within Tencent’s listed parent that is

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similar or higher than that held by Mr. LAU Chiping Martin as of the date hereof unless the Company otherwise consents in writing.

- (f) Max Smart shall be entitled to nominate and remove all the remaining directors of the Company, in any event no less than six (6) directors (the “**Max Smart Directors**”), one of which shall be the Chairman of the Board, and appoint any person to fill any vacancy of the position(s) of such Director(s) caused by the resignation, death or renewal of such Director(s).
- 38.2 Each of the Investor Directors shall have one vote. The Max Smart Directors shall in total have six (6) votes, and if Max Smart appoints less than six (6) Max Smart Directors, each such appointed Max Smart Director shall have one (1) vote; *provided, however*, that in the case of the Founder being one of the Max Smart Directors, he shall have a number of votes that is equal to (i) six (6) minus (ii) the number of the other Max Smart Directors (if any) that are actually appointed by Max Smart.
- 38.3 Each of the Shareholders shall vote all of his, her or its shares from time to time and at all times in whatever manner as shall be necessary to ensure that (i) each Director appointed pursuant to Article 38.1 may be elected to the Board; (ii) no director elected pursuant to Article 38.1 may be removed from office unless the person(s) or entity(ies) originally entitled to designate or approve such director or occupy such Board seat pursuant to Article 38.1 is no longer so entitled to designate or approve such director or occupy such Board seat; and (iii) any vacancies created by the resignation, removal or death of a director elected pursuant to Article 38.1 shall be filled pursuant to the provisions of Article 38.1, and shall execute any written consents required to effectuate the obligations of this Article 38.3, and the Company shall, at the request of any Shareholder entitled to designate directors pursuant to Article 38.1, call a meeting or a class meeting of Shareholders for the purpose of electing directors.
- 38.4 Notwithstanding anything to the contrary, Max Smart shall be entitled to appoint, and each of the holders of Ordinary Shares and Preferred Shares shall ensure that their respective designated Directors vote in favour of, the Founder to serve as the CEO, until the earlier to occur of (i) the closing of a Qualified IPO, (ii) he is removed earlier for Cause, and (iii) his resignation or retirement. For purposes of this Article 38.4, “Cause” means, with respect to a person, (i) gross neglect or failure to perform the duties and responsibilities of such person’s office resulting in material

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harm to the Group Companies, taken as a whole, (ii) failure or refusal to comply in any material respect with material and lawful policies and directives of the Company resulting in material harm to the Group Companies, taken as a whole, (iii) material breach of any statutory duty or any other obligation that such person owes to the Group Companies resulting in material harm to the Group Companies, taken as a whole, (iv) commission of an act of fraud, theft or embezzlement against the Group Companies or involving their material properties or assets, or (v) conviction of any felony or crime of moral turpitude, provided, however, that with respect to any occurrence of any of (i), (ii) or (iii), such person shall have been given not less than 60 days' written notice by the Board of Directors of the Company of the Board's determination (such determination being made independent of such person, if such person is a Board member) that such event had occurred, and such person shall have until the end of such 60-day period following receipt of such notice to rectify or cure such occurrence if such occurrence is curable before any action premised upon a determination of Cause can be taken.

- 38.5 A Director may resign his office by giving written notice of his resignation to the Company and the resignation has effect from the date the notice is received by the Company or from such later date as may be specified in the notice. A Director shall resign forthwith as a Director if he is, or becomes, disqualified from acting as a Director under the Law.
- 38.6 Subject to Article 38, the Directors may at any time appoint any person to be a Director either to fill a vacancy or as an addition to the existing Directors. Where the Directors appoint a person as Director to fill a vacancy, the term shall not exceed the term that remained when the person who has ceased to be a Director ceased to hold office.
- 38.7 A vacancy in relation to Directors occurs if a Director dies or otherwise ceases to hold office prior to the expiration of his term of office.
- 38.8 Where the Company only has one Shareholder who is an individual and that Shareholder is also the sole Director, the sole Shareholder/Director may, by instrument in writing, nominate a person who is not disqualified from being a Director as a reserve Director to act in the place of the sole Director in the event of his death.
- 38.9 The nomination of a person as a reserve Director ceases to have effect if:

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- (a) before the death of the sole Shareholder/Director who nominated him,
- (i) he resigns as reserve Director, or
- (ii) the sole Shareholder/Director revokes the nomination in writing; or
- (b) the sole Shareholder/Director who nominated him ceases to be the sole Shareholder/Director for any reason other than his death.

38.10 A Director is not required to hold a Share as a qualification to office.

39. Number of Directors

The Board shall consist of no more than eleven (11) members, which number of members shall not be changed except pursuant to an amendment to the Memorandum and these Articles.

40. Term of Office of Directors

Each Director shall hold office until the expiration of his term as provided in any written agreement relating to the Director's term, if any, and until his successor shall have been elected or appointed

41. Alternate Directors

- 41.1 Subject to Article 38.1, at any general meeting, the Members may elect a person or persons to act as a Director in the alternative to any one or more Directors or may authorise the Board to appoint such Alternate Directors.
- 41.2 Unless the Members otherwise resolve, any Director may appoint a person or persons to act as a Director in the alternative to himself by notice deposited with the Secretary.
- 41.3 Any person elected or appointed pursuant to this Article shall have all the rights and powers of the Director or Directors for whom such person is elected or appointed in the alternative, provided that such person shall not be counted more

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than once in determining whether or not a quorum is present for a board meeting at which the Director appointing him is not present.

- 41.4 An Alternate Director shall be entitled to receive notice of all Board meetings and to attend and vote at any such meeting at which a Director for whom such Alternate Director was appointed in the alternative is not personally present and generally to perform at such meeting all the functions of such Director for whom such Alternate Director was appointed.
- 41.5 An Alternate Director's office shall terminate:
- (a) in the case of an alternate elected by the Members:
- (i) on the occurrence in relation to the Alternate Director of any event which, if it occurred in relation to the Director for whom he was elected to act, would result in the termination of that Director; or

(ii) if the Director for whom he was elected in the alternative ceases for any reason to be a Director, provided that the alternate removed in these circumstances may be re-appointed by the Board as an alternate to the person appointed to fill the vacancy; and

(b) in the case of an alternate appointed by a Director:

(i) on the occurrence in relation to the Alternate Director of any event which, if it occurred in relation to his appointor, would result in the termination of the appointor's directorship; or

(ii) when the Alternate Director's appointor revokes the appointment by notice to the Company in writing specifying when the appointment is to terminate; or

(iii) if the Alternate Director's appointor ceases for any reason to be a Director.

41.6 If an Alternate Director is himself a Director or attends a Board meeting as the Alternate Director of more than one Director, his voting rights shall be cumulative.

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41.7 Unless the Board determines otherwise, an Alternate Director may also represent his appointor at meetings of any committee of the Board on which his appointor serves; and the provisions of this Article shall apply equally to such committee meetings as to Board meetings.

41.8 Save as provided in these Articles an Alternate Director shall not, as such, have any power to act as a Director or to represent his appointor and shall not be deemed to be a Director for the purposes of these Articles.

42. Removal of Directors

A Director may be removed from office, with or without cause, by the Shareholders who elected such Director and such Shareholder may also replace any Director so removed in a manner referred to in Article 38.1.

43. Vacancy in the Office of Director

The office of Director shall be vacated if the Director:

(a) is removed from office pursuant to these Articles;

(b) dies or becomes bankrupt, or makes any arrangement or composition with his creditors generally;

(c) is or becomes of unsound mind or an order for his detention is made under the Mental Health Law of the Cayman Islands or any analogous law of a jurisdiction outside the Cayman Islands, or dies; or

(d) resigns his office by notice to the Company.

44. Remuneration of Directors

The remuneration (if any) of the Directors shall, subject to any direction that may be given by the Company in general meeting, be determined by the Board as it may from time to time determine and shall be deemed to accrue from day to day. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from Board meetings, any committee appointed by the Board, general meetings, or in connection with the business of the Company or their duties as Directors generally.

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45. Defect in Appointment

All acts done in good faith by the Board, any Director, a member of a committee appointed by the Board, any person to whom the Board may have delegated any of its powers, or any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that he was, or any of them were, disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or act in the relevant capacity.

46. Directors to Manage Business

The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Law or by these Articles, required to be exercised by the Company in general meeting subject, nevertheless, to these Articles and in particular Articles 4.2, 4.3, 4.4, 30.9, 30.10, 30.11, 63A and 63B and the provisions of the Law.

47. Powers of the Board of Directors

The Board may:

(a) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties;

(b) exercise all the powers of the Company to borrow money and to mortgage or charge or otherwise grant a security interest in its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;

(c) appoint one or more Directors to the office of managing director or chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;

- (d) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;
- (e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney;
- (f) procure that the Company pays all expenses incurred in promoting and incorporating the Company;
- (g) delegate any of its powers (including the power to sub-delegate) to a committee of one or more persons appointed by the Board and every such committee shall conform to such directions as the Board shall impose on them. Subject to any directions or regulations made by the Board for this purpose, the meetings and proceedings of any such committee shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Board, including provisions for written resolutions;
- (h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board may see fit;
- (i) present any petition and make any application in connection with the liquidation or reorganisation of the Company;
- (j) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and
- (k) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to

execute any deed, agreement, document or instrument on behalf of the Company.

47A Committees

- 47A.1 The Directors may, by Resolution of Directors, designate one or more committees, each consisting of one or more Directors, and delegate one or more of their powers, including the power to affix the Seal, to the committee.
- 47A.2 The Directors have no power to delegate to a committee of Directors any of the following powers:
- (a) to amend the Memorandum or these Articles;
 - (b) to designate committees of Directors;
 - (c) to delegate powers to a committee of Directors;
 - (d) to appoint or remove Directors;
 - (e) to appoint or remove an agent;
 - (f) to approve a Sale Transaction or plan of merger, consolidation or arrangement;
 - (g) to make a declaration of solvency or to approve a liquidation plan; or
 - (h) to make a determination that immediately after a proposed distribution the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.
- 47A.3 Articles 47A.1 and 47A.2 do not prevent a committee of Directors, where authorised by the Resolution of Directors appointing such committee or by a subsequent Resolution of Directors, from appointing a sub-committee and delegating powers exercisable by the committee to the sub-committee.
- 47A.4 The meetings and proceedings of each committee of Directors consisting of three (3) or more Directors shall be governed *mutatis mutandis* by the provisions of these Articles regulating the proceedings of Directors so far as the same are not

superseded by any provisions in the Resolution of Directors establishing the committee.

- 47A.5 Where the Directors delegate their powers to a committee of Directors they remain responsible for the exercise of that power by the committee, unless they believed on reasonable grounds at all times before the exercise of the power that the committee would exercise the power in conformity with the duties imposed on Directors under the Law.
- 47A.6 The Company shall set up a compensation committee (the "**Compensation Committee**"), and an audit committee (the "**Audit Committee**") (collectively, the "**Committees**") at the time determined by the Board of Directors, each with seven (7) members, including one (1) Tiger Director, one (1) Series C Director and four (4) members nominated by Max Smart. The Compensation Committee shall be responsible for evaluating and recommending to the Board of Director for action all matters related to the Company's annual compensation and/or bonus plan, share option plan, and employee related compensation matters. The Audit Committee shall be responsible for internal audit and nomination of auditors for the Company.

Any recommendation to be made to the Board of Director shall require the approval by the majority of the members of the relevant Committee(s). Meetings of the Committees shall be held at least every three (3) months.

47A.7 The power to establish committees in accordance with Article 47A is subject to these Articles.

48. Register of Directors and Officers

48.1 The Board shall cause to be kept in one or more books at the registered office of the Company a Register of Directors and Officers in accordance with the Law and shall enter therein the following particulars with respect to each Director and Officer:

- (a) first name and surname; and
- (b) address.

48.2 The Board shall, within the period of thirty days from the occurrence of:

- (a) any change among its Directors and Officers; or

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- (b) any change in the particulars contained in the Register of Directors and Officers,

cause to be entered on the Register of Directors and Officers the particulars of such change and the date on which such change occurred, and shall notify the Registrar of Companies of any such change that takes place.

49. Officers

The Officers shall consist of a Chairman of the Board of Directors, a CEO and one or more vice-presidents, secretaries and treasurers and such other officers as the Board may determine all of whom shall be deemed to be Officers for the purposes of these Articles.

50. Appointment of Officers

The Officers shall be appointed by the Board from time to time.

51. Duties of Officers

The Officers shall perform such duties as are prescribed at the time of their appointment subject to any modification in such duties as may be prescribed thereafter by Resolution of Directors. In the absence of any specific prescription of duties it shall be the responsibility of the Chairman of the Board to preside at meetings of Directors and Shareholders, the CEO to manage the day to day affairs of the Company, the vice-presidents to act in order of seniority in the absence of the CEO but otherwise to perform such duties as may be delegated to them by the CEO, the secretaries to maintain the register of members, minute books and records (other than financial records) of the Company and to ensure compliance with all procedural requirements imposed on the Company by applicable law, and the treasurer to be responsible for the financial affairs of the Company.

52. Remuneration of Officers

The Officers shall receive such remuneration as the Board may determine.

53. Conflicts of Interest

53.1 Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company on such terms, including with respect to remuneration, as

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may be agreed between the parties. Nothing herein contained shall authorise a Director or a Director's firm, partner or company to act as Auditor to the Company.

53.2 A Director who is directly or indirectly interested in a contract or proposed contract with the Company (an "Interested Director") shall declare the nature of such interest.

53.3 An Interested Director who has complied with the requirements of the foregoing Article may:

- (a) vote in respect of such contract or proposed contract; and/or
- (b) be counted in the quorum for the meeting at which the contract or proposed contract is to be voted on,

and no such contract or proposed contract shall be void or voidable by reason only that the Interested Director voted on it or was counted in the quorum of the relevant meeting and the Interested Director shall not be liable to account to the Company for any profit realised thereby.

54. Indemnification and Exculpation of Directors and Officers

54.1 The Directors, Secretary and other Officers (such term to include any person appointed to any committee by the Board) acting in relation to any of the affairs of the Company or any subsidiary thereof, and the liquidator or trustees (if any) acting in relation to any of the affairs of the Company or any subsidiary thereof and every one of them (whether for the time being or formerly) and their heirs, executors, administrators and personal representatives (each an "indemnified party") shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other

invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty in relation to the Company which may attach to any of the indemnified parties. Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company or any subsidiary thereof, PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty in relation to the Company which may attach to such Director or Officer.

- 54.2 The Company may purchase and maintain insurance for the benefit of any Director or Officer against any liability incurred by him in his capacity as a Director or Officer or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any subsidiary thereof.

MEETINGS OF THE BOARD OF DIRECTORS

55. Board Meetings

The Company shall hold a meeting of the Board of Directors at least once every three (3) months. Subject thereto, the Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. A resolution put to the vote at a Board meeting shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

56. Notice of Board Meetings

- 56.1 A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board meeting by giving to all Directors not less than three (3) days' notice of meetings of Directors. Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to such Director verbally (including in person or by telephone) or otherwise communicated or sent to such Director by post, electronic means or other mode of representing words in a visible form at such

Director's last known address or in accordance with any other instructions given by such Director to the Company for this purpose.

- 56.2 A meeting of Directors held without three (3) days' notice having been given to all Directors shall be valid if all the Directors entitled to vote at the meeting who do not attend waive notice of the meeting, and for this purpose the presence of a Director at a meeting shall constitute waiver by that Director. The inadvertent failure to give notice of a meeting to a Director, or the fact that a Director has not received the notice, does not invalidate the meeting.

57. Electronic Participation in Meetings

Directors may participate in any meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

58. Representation of Director

- 58.1 A Director which is a corporation may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Director, and that Director shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.
- 58.2 Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at Board meetings on behalf of a corporation which is a Director.
- 58.3 A Director who is not present at a Board meeting, and whose Alternate Director (if any) is not present at the meeting, may be represented at the meeting by a proxy duly appointed, in which event the presence and vote of the proxy shall be deemed to be that of the Director. All the provisions of these Articles regulating the appointment of proxies by Members shall apply equally to the appointment of proxies by Directors.

59. Quorum at Board Meetings

- 59.1 A meeting of Directors is duly constituted for all purposes if at the commencement of the meeting there are present in person or by alternate not less than four (4) Directors, but a quorum must in all cases include the Founder or its alternate, and two Investor Directors in person or by alternate. If at a meeting the quorum required is not present within two hours from the time appointed for the meeting, such meeting shall be adjourned and re-convene at the same place and with the same agenda seven (7) calendar days following the date of the original meeting, and the Directors who attend such re-convened meeting shall be deemed to form the quorum; *provided* that such quorum shall in all cases include the Founder or its alternate. For the purposes of this Article 59.1, an alternate Director or proxy appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present.

- 59.2 If the Company has only one Director the provisions herein contained for meetings of Directors do not apply and such sole Director has full power to represent and act for the Company in all matters as are not by the Law, the Memorandum or these Articles required to be exercised by the

Shareholders. In lieu of minutes of a meeting the sole Director shall record in writing and sign a note or memorandum of all matters requiring a Resolution of Directors. Such a note or memorandum constitutes sufficient evidence of such resolution for all purposes.

60. Board to Continue in the Event of Vacancy

The Board may act notwithstanding any vacancy in its number.

61. Chairman to Preside

Unless otherwise agreed by a majority of the Directors attending, the Chairman, if there be one, shall act as chairman at all Board meetings at which such person is present. In his absence a chairman of the meeting shall be appointed or elected by the Directors present at the meeting.

62. Written Resolutions

62.1 Anything which may be done by resolution of the Directors may, without a meeting and without any previous notice being required, be done by written

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resolution in accordance with this Article. For the purposes of this Article only, "the Directors" shall not include an Alternate Director.

62.2 A written resolution may be signed by (or in the case of a Director that is a corporation, on behalf of) a majority of all the Directors in as many counterparts as may be necessary.

62.3 A written resolution made in accordance with this Article is as valid as if it had been passed by the Directors in a directors' meeting, and any reference in any Article to a meeting at which a resolution is passed or to Directors voting in favour of a resolution shall be construed accordingly.

62.4 A resolution in writing made in accordance with this Article shall constitute minutes for the purposes of the Law.

62.5 For the purposes of this Article, the date of the resolution is the date when the resolution is signed by (or in the case of a Director that is a corporation, on behalf of) the last Director to sign and any reference in any Article to the date of passing of a resolution is, in relation to a resolution made in accordance with this Article, a reference to such date.

63. Validity of Prior Acts of the Board

No regulation or alteration to these Articles made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

63A Board Consent of Majority of Directors

In addition to any other vote or consent required elsewhere in these Articles and the Restated Shareholders Agreement, none of the Group Companies shall, and the Founder shall cause the Group Companies (as used in this Article 63A, the term "Group Companies" or "Group Company", to the extent applicable, includes the Company, the PRC Subsidiaries and the PRC Affiliates) not to, take any of the following actions without the prior written approval of at least a majority of the directors of the Company:

(a) any expenditure, any purchase and disposal of assets and businesses, or any purchase and disposal of assets and businesses worth, in the aggregate,

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more than thirty million Renminbi (RMB30,000,000) per transaction or in the aggregate per month, by the Group Companies (taken as a whole);

(b) other than in the ordinary business, any business transactions of any Group Companies (taken as a whole) exceeding the amount of three million Renminbi (RMB3,000,000) or out of scope of principal business. For the avoidance of doubt, the purchase or sale of digital products or other merchandise shall be deemed in the Group Company's ordinary business;

(c) any capital commitment of any Group Companies (taken as a whole) exceeding the amount of thirty million Renminbi (RMB30,000,000) in a period of twelve (12) months;

(d) provision of loans by any Group Company to any other person (including employees of any Group Company) in an aggregate amount of more than ten million Renminbi (RMB10,000,000);

(e) adoption or change of the treasury policy, any material accounting policy or the fiscal year of any Group Company;

(f) establishment of any subsidiary or affiliates (excluding any non-legal person branch) and the signing of any shareholders agreement or joint venture agreement by any Group Company;

(g) any purchase or lease by any Group Company of any real estate properties not in the ordinary course of business; or

(h) any purchase by any Group Company of equity securities of, or any securities convertible into equity securities of, any other company.

63B Board Consent of Certain Directors

In addition to any other vote or consent required elsewhere in these Articles and the Restated Shareholders Agreement, none of the Group Companies shall, and the Founder shall cause the Group Companies not to, take any of the following actions without the prior written approval of at least a majority of the directors of the Company, which shall include at least two (2) out of the Non-Management Directors:

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- (a) any material amendment to articles of association of Jingdong Century and Shanghai Shengadayuan;
- (b) subject to Article 38.4, appointment and removal of the CEO and CFO of the Company;
- (c) incurrence of debt or assumption of any financial obligation or issue, assumption, provision of guarantee or creation of any liability for borrowed money of any Group Company exceeding the amount of thirty million Renminbi (RMB30,000,000) per transaction or in the aggregate in a period of 12 months;
- (d) appointment or change of the auditors;
- (e) any increase in compensation of any of the CEO and CFO of the Company by more than twenty-five percent (25%) in a twelve (12) month period or any change in the terms of employment of such employees;
- (f) any adoption or change in the business plan or scope of principal business of any Group Company;
- (g) any agreement, undertaking or other arrangement between or involving, on the one hand, the Founder, any Affiliate of the Founder or any officer, director, "affiliate" or "associate" (as those terms are defined in Rule 405 promulgated under the Securities Act) of any Group Company, and on the other hand, any Group Company, which shall be deemed a related person transaction under the Securities Act; provided that any agreement, undertaking or other arrangement between any Group Company and any entity that is 100% owned by or any entity whose economic interests inure to the sole benefit through contractual means to a Group Company shall be excluded;
- (h) approval of the annual budget of the Group Companies;
- (i) any transfer, sale or grant of license in any of the Group Companies' intellectual property or other proprietary rights other than in the ordinary course of business, provided that any grant of exclusive license shall be deemed to be not in the ordinary course of business;

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- (j) any entering into, restatement or amendment to or termination of agreements between any PRC Affiliate or any other PRC entity, on the one hand, and any of the PRC Subsidiaries, on the other hand, that provide contractual control to such PRC Subsidiary over such PRC Affiliate or such other PRC entity and, therefore enables the Company to consolidate the financial statements of such PRC Affiliates or such other PRC entity with those of the Company and to record on the books of the Company for financial reporting purposes;
- (k) grant of options, restricted shares or any other share incentives to employees or other individuals under the 2013 share incentive plan beyond the Additional ESOP Shares (as defined in the Restated Shareholders Agreement);
- (l) any increase of the authorized/registered capital of any Group Company other than the Company or transfer of any equity interest in any Group Company other than the Company (except for those contemplated in the business plan duly approved by the Board); and
- (m) any redomicile or continuation of the Company to other jurisdictions.

CORPORATE RECORDS

64. Minutes

The Board shall cause minutes to be duly entered in books provided for the purpose:

- (a) of all elections and appointments of Officers;
- (b) of the names of the Directors present at each Board meeting and of any committee appointed by the Board; and
- (c) of all resolutions and proceedings of general meetings of the Members, Board meetings, meetings of managers and meetings of committees appointed by the Board.

65. Register of Mortgages and Charges

65.1 The Board shall cause to be kept the Register of Mortgages and Charges required by the Law.

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65.2 The Register of Mortgages and Charges shall be open to inspection in accordance with the Law, at the registered office of the Company on every business day in the Cayman Islands, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each such business day be allowed for inspection.

66. Form and Use of Seal

- 66.1 The Company may adopt a seal, which shall bear the name of the Company in legible characters, and which may, at the discretion of the Board, be followed with or preceded by its dual foreign name or translated name (if any), in such form as the Board may determine. The Board may adopt one or more duplicate seals for use in or outside Cayman and, if the Board thinks fit, a duplicate Seal may bear on its face the name of the country, territory, district or place where it is to be issued.
- 66.2 The Seal (if any) shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf and, until otherwise determined by the Board, the Seal shall be affixed in the presence of a Director or the Secretary or an assistant secretary or some other person authorised for this purpose by the Board or the committee of the Board.

66.3 Notwithstanding the foregoing, the Seal (if any) may without further authority be affixed by way of authentication to any document required to be filed with the Registrar of Companies in the Cayman Islands, and may be so affixed by any Director, Secretary or assistant secretary of the Company or any other person or institution having authority to file the document as aforesaid.

ACCOUNTS

67. Books of Account

67.1 The Board shall cause to be kept proper books of account including, where applicable, material underlying documentation including contracts and invoices, and with respect to:-

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;
- (b) all sales and purchases of goods by the Company; and

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- (c) all assets and liabilities of the Company.

67.2 Such books of account shall be kept and proper books of account shall not be deemed to be kept with respect to the matters aforesaid if there are not kept, at such place as the Board thinks fit, such books as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

67.3 Such books of account shall be retained for a minimum period of five years from the date on which they are prepared.

67.4 No Member (not being a Director) shall have any right of inspecting any account or book or document of the Company.

68. Financial Year End

The financial year end of the Company shall be 31st December in each year but, subject to any direction of the Company in general meeting, the Board may from time to time prescribe some other period to be the financial year, provided that the Board may not without the sanction of an ordinary resolution prescribe or allow any financial year longer than eighteen months.

AUDITS

69. Audit

Nothing in these Articles shall be construed as making it obligatory to appoint Auditors.

70. Appointment of Auditors

70.1 The Company may in general meeting appoint Auditors to hold office for such period as the Members may determine.

70.2 Whenever there are no Auditors appointed as aforesaid the Board may appoint Auditors to hold office for such period as the Board may determine or earlier removal from office by the Company in general meeting.

70.3 The Auditor may be a Member but no Director, Officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor of the Company.

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71. Remuneration of Auditors

71.1 The remuneration of an Auditor appointed by the Members shall be fixed by the Company in general meeting.

71.2 The remuneration of an Auditor appointed by the Board in accordance with these Articles shall be fixed by the Board.

72. Duties of Auditor

The Auditor shall make a report to the Members on the accounts examined by him and on every set of financial statements laid before the Company in general meeting, or circulated to Members, pursuant to this Article during the Auditor's tenure of office.

73. Access to Records

73.1 The Auditor shall at all reasonable times have access to the Company's books, accounts and vouchers and shall be entitled to require from the Company's Directors and Officers such information and explanations as the Auditor thinks necessary for the performance of the Auditor's duties and, if the Auditor fails to obtain all the information and explanations which, to the best of his knowledge and belief, are necessary for the purposes of their audit, he shall state that fact in his report to the Members.

73.2 The Auditor shall be entitled to attend any general meeting at which any financial statements which have been examined or reported on by him are to be laid before the Company and to make any statement or explanation he may desire with respect to the financial statements.

VOLUNTARY WINDING-UP AND DISSOLUTION

74. Winding-Up

74.1 The Company may be voluntarily wound-up by a Special Resolution.

- 74.2 If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon

any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

CHANGES TO CONSTITUTION

75. Changes to Memorandum and Articles

Subject to Articles 4, 16, 30.9, 30.10, and 30.11, the Company may only amend the Memorandum or these Articles by a Special Resolution with the affirmative vote of Max Smart and by a resolution passed by the Required Consenters; provided, that the terms or observance of any right or obligation owed to a particular party, may be amended or waived (either generally or in a particular instance and either retroactively or prospectively), only by the written consent of, (i) if owed to the Group Companies, only by the Company; (ii) if owed to the holders of Preferred Shares, by persons or entities holding (A) more than fifty percent (50%) of the Series A Preferred Shares, and (B) more than fifty percent (50%) of the Series B Preferred Shares, and (C) more than fifty percent (50%) of the Series C Preferred Shares, and their permitted assigns; (iii) if owed to the holder(s) of Tiger Shares, by the holder(s) of more than fifty percent (50%) of the Tiger Shares; (iv) if owed to the holder(s) of Gaoling Ordinary Shares, if any, by the holder(s) of more than fifty percent (50%) of the Gaoling Ordinary Shares; (v) if owed to the holder(s) of DST Global Shares, by the holder(s) of more than fifty percent (50%) of the DST Global Shares; (vi) if owed to the holder(s) of Sequoia Shares, by the holder(s) of more than fifty percent (50%) of the Sequoia Shares; (vii) if owed to the holder(s) of Classroom Shares, by the holder(s) of more than fifty percent (50%) of the Classroom Shares; (viii) if owed to the holder(s) of Kingdom Shares, by the holder(s) of more than fifty percent (50%) of the Kingdom Shares; (ix) for so long as the holders of China Life Shares collectively own at least 25,247,161 of the China Life Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), if owed to the holders of the China Life Shares, by the holder(s) of more than fifty percent (50%) of the China Life Shares, (x) for so long as the holders of the Tencent Shares collectively own at least 75,000,000 Tencent Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), if owed to the holders of Tencent Shares, by the holder(s) of more than fifty percent (50%) of the Tencent Shares; and (iv) if owed to the holders of Ordinary

Shares other than the holders of Tiger Shares, Gaoling Ordinary Shares, DST Global Shares, Sequoia Shares, Classroom Shares, Kingdom Shares, China Life Shares or Tencent Shares (if any), by persons or entities holding a majority of the Ordinary Shares and their assigns; or (ix) if owed to the Founder, by the Founder.

76. Inconsistency with the Memorandum of Association

To the extent there is any inconsistency between the Restated Shareholders Agreement and the Memorandum or these Articles, the Shareholders intend for the Restated Shareholders Agreement to prevail and will make such amendments to the Memorandum and these Articles pursuant to Article 75 as are necessary to eliminate any such inconsistency.

77. Discontinuance

The Board may exercise all the powers of the Company to transfer by way of continuation the Company to a named country or jurisdiction outside the Cayman Islands pursuant to the Law.

SCHEDULE A

(A) Subject to the provisions of the rights attaching to the Preferred Shares in this Schedule A and the Articles, each Ordinary Share in the Company confers on the holders:

- (a) the right to one vote at a meeting of the Shareholders of the Company or on any resolution of the Shareholders of the Company;
- (b) the right to an equal share in any dividend paid by the Company in accordance with the Law; and
- (c) the right to an equal share in the distribution of the surplus assets of the Company.

(B) The holders of Preferred Shares shall, in addition to any other rights conferred on them under the Articles have the following rights:

1. Dividends.

- (a) Subject to the provisions of the Law, the Articles (including but not limited to the other requirements of this Schedule A), no dividends (other than those payable solely in the form of Ordinary Shares to all the Shareholders) shall be declared or paid on the Ordinary Shares or any future series of Preferred Shares, unless and until a dividend in like amount is declared and paid on each outstanding Preferred Share (on an as-if-converted basis).
- (b) The holders of Preferred Shares shall be entitled to receive on a *pari passu* basis, when, as and if declared at the sole discretion of the Board, but only out of funds that are legally available therefor, cash dividends at the rate or in the amount as the Board considers appropriate.
- (c) No dividend shall be paid out unless approved by (i) Max Smart and (ii) the Required Consenters.

(d) This Section 1 shall terminate upon a Series C Qualified IPO.

2. Liquidation Preference.

(a) Subject to Section 2(b) below, in the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the holders of the

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Series C Preferred Shares shall have the right (the “**Liquidation Preference Right**”) to receive, prior to any distribution to the holders of the Ordinary Shares or any other class or series of shares then outstanding, an amount per Series C Preferred Share equal to one hundred (100%) of the Series C Preferred Share Issue Price (for the purpose of this Section 2, the Series C Preferred Share Issue Price with respect to each Series C Preferred Share shall initially be US\$0.774245 and shall be proportionally adjusted for share dividends, splits, consolidation, combinations, recapitalizations or similar events and are otherwise provided herein), plus all declared but unpaid dividends thereon (including the Series C Preferred Share Issue Price, the “**Series C Preferred Share Preference Amount**”). However, the abovementioned Liquidation Preference Right shall be terminated immediately with respect to a holder of Series C Preferred Shares after such holder has fully recouped its initial investment amount (being the Series C Preferred Share Issue Price multiplied by the applicable aggregate number of any Series C Preferred Shares first time held by it from time to time) (the “**Initial Investment Amount**”) by the disposition of all or any portion of the Series C Preferred Shares held by such holder (the “**Prior Holder**”) prior to the liquidation, dissolution or winding up of the Company (the “**Disposition**”), and received all declared but unpaid dividends. However, the transferee (the “**Subsequent Holder**”) of each Series C Preferred Share transferred by the Prior Holder before or after such Prior Holder’s Liquidation Preference Right is terminated under this Section 2 shall be entitled to the Liquidation Preference Right unless and until such Subsequent Holder has similarly recouped the Series C Preferred Share Preference Amount with respect to all of its Series C Preferred Shares initially acquired by such Subsequent Holder from time to time from applicable Prior Holder(s) by the disposition of all or any portion of such Series C Preferred Shares, upon the occurrence of which recouped the Liquidation Preference Right with respect to such Subsequent Holder shall terminate immediately. For the avoidance of doubt, if a Subsequent Holder transfers the Series C Preferred Shares held by it, such transferring Subsequent Holder will be deemed as a Prior Holder *vis-à-vis* its transferee(s) which such transferee(s) shall be deemed as a Subsequent Holder, and the foregoing principles shall equally apply to them.

(b) Notwithstanding anything to the contrary contained in Section 2(a) above, any holder of Series C Preferred Shares entitled to the Liquidation Preference Rights in accordance with Section 2(a) above (the “**Liquidation Preference Right Holder**”) shall only be entitled to receive the amount equal to the remaining un-recouped

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sum (being such holder’s Initial Investment Amount, plus all declared but unpaid dividends, minus the proceeds received by such holder from the Disposition, if any, the “**Un-Recouped Amount**”) in connection with this Section 2. Notwithstanding the foregoing provisions of this Section 2, in the event of any liquidation, dissolution or winding up of the Company, all of the holders of the Preferred Shares, together with the holders of the Ordinary Shares, are entitled to participate in the distribution of the funds or assets of the Company legally available for distribution to shareholders on a pro rata, *pari passu* basis (on an as-converted basis), if the amount so distributed (the “**Pro Rata Based Amount**”) to each Liquidation Preference Right Holder is no less than the applicable Un-Recouped Amount of such Liquidation Preference Right Holder; *provided* that if the Pro Rata Based Amount to be received by any Liquidation Preference Right Holder is less than its applicable Un-Recouped Amount, then such Liquidation Preference Right Holder shall be, but only be, entitled to, receive its Un-Recouped Amount prior to any distribution to the holders of the Ordinary Shares or any other class or series of shares then outstanding, and any remaining funds or assets of the Company shall be distributed on a pro rata, *pari passu* basis among all other holders of the Shares of the Company (on an as converted basis) (excluding such Liquidation Preference Right Holder(s)). If the Company has insufficient assets to permit payment of the Un-Recouped Amount in full to all Liquidation Preference Right Holders, then the assets of the Company shall be distributed ratably to the Liquidation Preference Right Holders in proportion to the full applicable Un-Recouped Amount each such Liquidation Preference Right Holder would otherwise be entitled to receive under this Section 2.

Any sale of shares, merger, consolidation or other similar transaction involving the Company in which its shareholders do not retain a majority of the voting power in the surviving entity, or a sale of all or substantially all the Company’s assets, shall in each case be deemed a liquidation, dissolution or winding up of the Company, such that the provision of the above-referenced paragraphs (a) and (b) of Section 2 shall apply as if all consideration received by the Company and its shareholders in connection with such event were being distributed in a liquidation of the Company. If the requirements of this Section 2 are not complied with, the Company shall forthwith either (i) cause such closing to be postponed until such time as the requirements of this Section 2 have been complied with, or (ii) cancel such transaction.

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Notwithstanding any other provision of this Section 2, the Company may at any time, out of funds legally available therefor and subject to compliance with applicable laws, repurchase Ordinary Shares of the Company issued to or held by employees, officers or consultants of the Company or its subsidiaries upon termination of their employment or services, pursuant to any bona fide agreement providing for such right of repurchase, whether or not dividends on the Preferred Shares shall have been declared, and such repurchase will not trigger this Section 2.

In the event the Company proposes to distribute assets other than cash in connection with any liquidation, dissolution or winding up of the Company, the value of the assets to be distributed to the holders of Preferred Shares and Ordinary Shares shall be that as determined in good faith by the liquidator or, in the case of any proposed distribution in connection with a transaction which is a deemed liquidation hereunder, by the Board, which decision shall include the affirmative vote from two of the Investor Directors. Any securities not subject to investment letter or similar restrictions on free marketability shall be valued as follows:

- (i) If traded on a securities exchange, the value shall be deemed to be the average of the security’s closing prices on such exchange over the thirty (30) day ending one (1) day prior to the distribution;
- (ii) If actively traded over the counter, the value shall be deemed to be the average of the closing bid prices over the thirty (30) day period ending three (3) days prior to the distribution; and
- (iii) If there is no active public market, the value shall be the fair market value thereof as determined in good faith by the liquidator or, in the case of any proposed distribution in connection with a transaction which is a deemed liquidation hereunder, by the Board.

The method of valuation of securities subject to restrictions on free marketability shall be adjusted to make an appropriate discount from the market value determined as above in the aforementioned subsection (i), (ii) or (iii) to reflect the fair market value thereof as determined in good faith by the liquidator or, in the case of any proposed distribution in connection with a transaction which is a deemed liquidation hereunder, by the Board. The Required Consenters shall have the right to challenge any determination by the liquidator or the Board, as the case may be, of fair market value pursuant to this Section 2, in which case the determination of fair market value shall be made by an independent appraiser

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selected jointly by the liquidator or the Board, as the case may be, and the challenging parties, the cost of such appraisal to be borne equally by the Company and the challenging party.

This Section 2 shall terminate upon a Series C Qualified IPO.

3. Voting Rights.

Subject to the provisions of the Articles, at all general meetings of the Company: (i) the holder of each Ordinary Share issued and outstanding shall have one (1) vote in respect of each Ordinary Share held, and (ii) the holder of each Preferred Share shall be entitled to such number of votes as equals the whole number of Ordinary Shares into which such holder's collective Preferred Shares are convertible immediately after the close of business on the record date of the determination of the Company's shareholders entitled to vote or, if no such record date is established, at the date such vote is taken or any written consent of the Company's shareholders is first solicited. Subject to provisions to the contrary elsewhere in the Articles, or as required by the Law, the holders of Preferred Shares shall vote together with the holders of Ordinary Shares, and not as a separate class or series, on all matters put before the Shareholders, except with respect to the election of Directors set forth in Article 38, and as otherwise provided in Schedule A herein.

4. Conversion Rights.

The holders of the Preferred Shares shall have the following rights described below with respect to the conversion of the Preferred Shares into Ordinary Shares. The number of Ordinary Shares to which a holder shall be entitled upon conversion of any Preferred Share shall be the quotient of the Preferred Shares Issue Price divided by the then-effective Conversion Price. For the avoidance of doubt, the initial conversion ratio for Preferred Shares to Ordinary Shares shall be 1:1, subject to adjustments based on adjustments of the Conversion Price, as set forth below:

(a) Optional Conversion.

- (i) Subject to and in compliance with the provisions of this Section 4(a), any Preferred Share may, at the option of the holder, be converted at any time into fully-paid and non-assessable Ordinary Shares based on the then-effective Conversion Price.

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- (ii) The holder of any Preferred Shares who desires to convert such shares into Ordinary Shares shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or any transfer agent for the Preferred Shares, and shall give written notice to the Company at such office that such holder has elected to convert such shares. Such notice shall state the number of Preferred Shares being converted. Thereupon, the Company shall promptly issue and deliver to such holder at such office a certificate or certificates for the number of Ordinary Shares to which the holder is entitled. No fractional Ordinary Shares shall be issued upon conversion of the Preferred Shares, and the number of Ordinary Shares to be so issued to a holder of converting Preferred Shares (after aggregating all fractional Ordinary Shares that would be issued to such holder) shall be rounded to the nearest whole share (with one-half being rounded upward). Such conversion shall be deemed to have been made at the close of business on the date of the surrender of the certificates representing the Preferred Shares to be converted, and the person entitled to receive the Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holder of such Ordinary Shares on such date.

(b) Automatic Conversion.

- (i) Without any action being required by the holder of such share and whether or not the certificates representing such share are surrendered to the Company or its transfer agent, each of Series A Preferred Shares, Series B Preferred Shares or Series C Preferred Shares shall respectively automatically be converted, based on the then-effective Conversion Price, into Ordinary Shares upon the earlier of (i) the closing of a Series C Qualified IPO or (ii) the vote or written consent of the holders of (A) at least fifty percent (50%) of the Series A Preferred Shares, (B) at least fifty percent (50%) of the Series B Preferred Shares, or (C) at least fifty percent (50%) of the Series C Preferred Shares, as the case may be (in each case, voting separately on an as-converted basis).
- (ii) The Company shall not be obligated to issue certificates for any Ordinary Shares issuable upon the automatic conversion of any Preferred Shares unless the certificate or certificates evidencing such Preferred Shares is either delivered as provided below to the Company or any transfer agent

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for the Preferred Shares, or the holder notifies the Company or its transfer agent that such certificate has been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificate. The Company shall, as soon as practicable after receipt of certificates for Preferred Shares, or satisfactory agreement for indemnification in the case of a lost certificate, promptly issue and deliver at its office to the holder thereof a certificate or certificates for the number of Ordinary Shares to which the holder is entitled. No fractional Ordinary Shares shall be issued upon conversion of the Preferred Shares, and the number of Ordinary Shares to be so issued to a holder of converting Preferred Shares (after aggregating all fractional Ordinary Shares that would be issued to such holder) shall be rounded to the nearest whole share (with one-half being rounded upward). Any person entitled to receive Ordinary Shares issuable upon the automatic conversion of the Preferred Shares shall be treated for all purposes as the record holder of such Ordinary Shares on the date of such conversion.

(c) Conversion Mechanism.

The conversion hereunder of any Preferred Share (the “**Conversion Share**”) shall be effected in the following manner:

- (i) The Company shall redeem the Conversion Share for aggregate consideration (the “**Redemption Amount**”) equal to (A) the aggregate par value of any shares of the Company to be issued upon such conversion and (B) the aggregate value, as determined by the Board of Directors (including at least two of the Series A Director, Series B Director and Series C Director), of any other assets which are to be distributed upon such conversion.
- (ii) Concurrent with the redemption of the Conversion Share, the Company shall apply the Redemption Amount for the benefit of the holder of the Conversion Share to pay for any shares of the Company issuable, and any other assets distributable, to such holder in connection with such conversion.
- (iii) Upon application of the Redemption Amount, the Company shall issue to the holder of the Conversion Share all shares issuable, and distribute to such holder all other assets distributable, upon such conversion.

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(d) Conversion Price.

The “**Conversion Price**” shall initially equal the Preferred Shares Issue Price, and shall be adjusted from time to time as provided below:

- (i) Adjustment for Share Splits and Combinations. If the Company shall at any time, or from time to time, effect a subdivision of the outstanding Ordinary Shares, each of the Conversion Prices in effect immediately prior to such subdivision shall be proportionately decreased. Conversely, if the Company shall at any time, or from time to time, combine the outstanding Ordinary Shares into a smaller number of shares, each of the Conversion Prices in effect immediately prior to the combination shall be proportionately increased. Any adjustment under this paragraph shall become effective at the close of business on the date the subdivision or combination becomes effective.
- (ii) Adjustment for Ordinary Share Dividends and Distributions. If the Company makes (or fixes a record date for the determination of holders of Ordinary Shares entitled to receive) a dividend or other distribution to the holders of Ordinary Shares payable in additional Ordinary Shares, each of the Conversion Prices then in effect shall be decreased as of the time of such issuance (or in the event such record date is fixed, as of the close of business on such record date) by multiplying such Conversion Price then in effect by a fraction (A) the numerator of which is the total number of Ordinary Shares issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and (B) the denominator of which is the total number of Ordinary Shares issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of Ordinary Shares issuable in payment of such dividend or distribution.
- (iii) Adjustments for Other Dividends. If the Company at any time, or from time to time, makes (or fixes a record date for the determination of holders of Ordinary Shares entitled to receive) a dividend or other distribution payable in securities of the Company other than Ordinary Shares or Ordinary Share Equivalents, then, and in each such event, provision shall be made so that, upon conversion of any Preferred Share thereafter, the holder

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thereof shall receive, in addition to the number of Ordinary Shares issuable thereon, the amount of securities of the Company which the holder of such share would have received had the Preferred Shares been converted into Ordinary Shares immediately prior to such event, all subject to further adjustment as provided herein.

- (iv) Reorganizations, Mergers, Consolidations, Reclassifications, Exchanges, Substitutions. If at any time, or from time to time, any capital reorganization or reclassification of the Ordinary Shares (other than as a result of a share dividend, subdivision, split or combination otherwise treated above) occurs or the Company is consolidated, merged or amalgamated with or into another Person (other than a consolidation, merger or amalgamation treated as a liquidation in Section 2), then in any such event, provision shall be made so that, upon conversion of any Preferred Share thereafter, the holder thereof shall receive the kind and amount of shares and other securities and property which the holder of such share would have received had the Preferred Shares been converted into Ordinary Shares on the date of such event, all subject to further adjustment as provided herein, or with respect to such other securities or property, in accordance with any terms applicable thereto.
- (v) Sale of Shares Below the Conversion Price.
 - (A) If at any time, or from time to time, the Company shall issue or sell Additional Ordinary Shares (other than as a subdivision or combination of Ordinary Shares provided for in subsection (i) above and other than as a dividend or other distribution provided for in subsection (ii) above) for a consideration per share less than the then existing Conversion Price, then, the Conversion Price shall be reduced on a weighted average basis, as of the opening of business on the date of such issue or sale, to a price determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of Ordinary Shares outstanding immediately prior to such issue plus the number of Ordinary Shares which the aggregate consideration received by the Company for such issuance would purchase at such Conversion Price in effect immediately prior to such issuance, and the denominator of which

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shall be the number of Ordinary Shares outstanding immediately prior to such issue plus the number of such Additional Ordinary Shares so issued. For purposes of the above calculation, the number of Ordinary Shares outstanding immediately prior to such issue shall be calculated on a fully diluted basis, as if all of the Company’s convertible or exercisable securities were fully converted or exercised as of such date, excluding the Shares issued or to be issued to the employees, officers or directors of the Company pursuant to the stock purchase or stock option plans or agreements or other incentive stock arrangements duly adopted by the Company pursuant to this Schedule A, and the warrants issued to Gaoling pursuant to the Series C Preferred Shares Subscription Agreement. Such adjustment shall be made whenever such Additional Ordinary Shares or Ordinary Share Equivalents are issued, and the determination as to whether an adjustment is required to be made pursuant to the Articles shall be made upon the issuance of such

Additional Ordinary Shares or Ordinary Share Equivalents, and not upon the issuance of any security into which the Ordinary Share Equivalents convert, exchange or may be exercised.

- (B) For the purpose of making any adjustment in a Conversion Price or number of Ordinary Shares issuable upon conversion of the Preferred Shares, as provided above:
- (1) To the extent it consists of cash, the consideration received by the Company for any issue or sale of securities shall be computed at the net amount of cash received by the Company after deduction of any expenses payable directly or indirectly by the Company and any underwriting or similar commissions, discounts or concessions paid or allowed by the Company in connection with such issue or sale;
 - (2) To the extent it consists of property other than cash, consideration other than cash received by the Company for any issue or sale of securities shall be computed at the fair market value thereof, as determined in good faith by the

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Board of Directors (including two out of the Tiger Director, the Series A Director, the Series B Director and the Series C Director) as of the date of the adoption of the resolution specifically authorizing such issue or sale, irrespective of any accounting treatment of such property; and

- (3) If Additional Ordinary Shares or Ordinary Share Equivalents exercisable, convertible or exchangeable for Additional Ordinary Shares are issued or sold together with other stock or securities or other assets of the Company for consideration which covers both, the consideration received for the Additional Ordinary Shares or Ordinary Share Equivalents shall be computed as that portion of the consideration received which is reasonably determined in good faith by the Board of Directors (including two out of the Tiger Director, the Series A Director, the Series B Director and the Series C Director) to be allocable to such Additional Ordinary Shares or Ordinary Share Equivalents.
- (C) For the purpose of making any adjustment in a Conversion Price provided in this subsection (v), if at any time, or from time to time, the Company issues any Ordinary Share Equivalents exercisable, convertible or exchangeable for Additional Ordinary Shares and the Effective Conversion Price of such Ordinary Share Equivalents is less than a Conversion Price in effect immediately prior to such issuance, then, in each such case, at the time of such issuance the Company shall be deemed to have issued the maximum number of Additional Ordinary Shares issuable upon the exercise, conversion or exchange of such Ordinary Share Equivalents and to have received in consideration for each Additional Ordinary Share deemed issued an amount equal to the Effective Conversion Price.
- (1) In the event of any increase in the number of Ordinary Shares deliverable or any reduction in consideration payable upon exercise, conversion or exchange of any Ordinary Share Equivalents where the resulting Effective Conversion Price is less than a Conversion Price at such date, including, but not

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limited to, a change resulting from the anti-dilution provisions thereof, such Conversion Price shall be recomputed to reflect such change as if, at the time of issue for such Ordinary Share Equivalent, such Effective Conversion Price applied.

- (2) If any right to exercise, convert or exchange any Ordinary Share Equivalents shall expire without having been fully exercised, a Conversion Price as adjusted upon the issuance of such Ordinary Share Equivalents shall be readjusted to the Conversion Price which would have been in effect had such adjustment been made on the basis that (A) the only Additional Ordinary Shares to be issued on such Ordinary Share Equivalents were such Additional Ordinary Shares, if any, as were actually issued or sold in the exercise, conversion or exchange of any part of such Ordinary Share Equivalents prior to the expiration thereof and (B) such Additional Ordinary Shares, if any, were issued or sold for (x) the consideration actually received by the Company upon such exercise, conversion or exchange, *plus* (y) where the Ordinary Share Equivalents consist of options, warrants or rights to purchase Ordinary Shares, the consideration, if any, actually received by the Company for the grant of such Ordinary Share Equivalents, whether or not exercised, *plus* (z) where the Ordinary Share Equivalents consist of shares or securities convertible or exchangeable for Ordinary Shares, the consideration received for the issue or sale of Ordinary Share Equivalent actually converted.
- (3) For any Ordinary Share Equivalent with respect to which a Conversion Price has been adjusted under this subsection (v), no further adjustment of such Conversion Price shall be made solely as a result of the actual issuance of Ordinary Shares upon the actual exercise or conversion of such Ordinary Share Equivalent.

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- (vi) Other Dilutive Events. In case any event shall occur as to which the other provisions of this Section 4 are not strictly applicable, but the failure to make any adjustment to a Conversion Price would not fairly protect the conversion rights of a series of Preferred Shares in accordance with the essential intent and principles hereof, then, in each such case, the Company, in good faith, shall determine the appropriate adjustment to be made, on a basis consistent with the essential intent and principles established in this Section 4, necessary to preserve, without dilution, the conversion rights of such series of Preferred Shares. If the holders of at least fifty percent (50%) of the Preferred Shares (calculated on an as converted basis) (voting separately on an as-converted basis) shall reasonably and in good faith disagree with such determination by the Company, then the Company shall appoint an internationally recognized investment banking firm, which shall give their opinion as to the appropriate adjustment, if any, on the basis described above. Upon receipt of such opinion, the Company will promptly mail a copy thereof to the holders of such series of Preferred Shares and shall make the adjustments described therein.

- (vii) Certificate of Adjustment. In the case of any adjustment or readjustment of a Conversion Price, the Company, at its sole expense, shall compute such adjustment or readjustment in accordance with the provisions hereof and prepare a certificate showing such adjustment or readjustment, and shall mail such certificate, by first class mail, postage prepaid, to each registered holder of such series of Preferred Shares at the holder's address as shown in the Company's books. The certificate shall set forth such adjustment or readjustment, showing in detail the facts upon which such adjustment or readjustment is based, including a statement of (A) the consideration received or deemed to be received

by the Company for any Additional Ordinary Shares issued or sold or deemed to have been issued or sold, (B) the number of Additional Ordinary Shares issued or sold or deemed to be issued or sold, (C) the Conversion Price in effect before and after such adjustment or readjustment, and (D) the number of Ordinary Shares and the type and amount, if any, of other property which would be received upon conversion of the Preferred Shares after such adjustment or readjustment.

- (viii) Notice of Record Date. In the event the Company shall propose to take any action of the type or types requiring an adjustment to a Conversion Price or

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the number or character of any Preferred Shares as set forth herein, the Company shall give notice to the holders of such Preferred Shares, which notice shall specify the record date, if any, with respect to any such action and the date on which such action is to take place. Such notice shall also set forth such facts with respect thereto as shall be reasonably necessary to indicate the effect of such action (to the extent such effect may be known at the date of such notice) on the Conversion Price and the number, kind or class of shares or other securities or property which shall be deliverable upon the occurrence of such action or deliverable upon the conversion of such Preferred Shares. In the case of any action which would require the fixing of a record date, such notice shall be given at least twenty (20) days prior to the date so fixed, and in the case of all other actions, such notice shall be given at least thirty (30) days prior to the taking of such proposed action.

- (ix) Reservation of Shares issuable upon Conversion of Preferred Shares or Exercise of Warrants. The Company shall at all times reserve and keep available out of its authorized but unissued Ordinary Shares, for the purpose of effecting the conversion of the Preferred Shares and/or the issuance of Ordinary Shares upon exercise of warrants issued to Gaoling pursuant to the Series C Preferred Shares Subscription Agreement, such number of its Ordinary Shares as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Shares and/or Ordinary Shares issuable upon exercise of warrants issued to Gaoling pursuant to the Series C Preferred Shares Subscription Agreement. If at any time the number of authorized but unissued Ordinary Shares shall not be sufficient to effect the conversion of all then outstanding Preferred Shares and/or Series C Preferred Shares issuable upon exercise of warrants issued to Gaoling pursuant to the Series C Preferred Shares Subscription Agreement, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued Ordinary Shares and/or Series C Preferred Shares issuable upon exercise of warrants issued to Gaoling pursuant to the Series C Preferred Shares Subscription Agreement to such number of shares as shall be sufficient for such purpose.
- (x) Notices. Any notice required by the provisions of this Section 4 shall be in writing and shall be deemed effectively given: (A) upon personal delivery to

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the party to be notified, (B) when sent by confirmed facsimile if sent during normal business hours of the recipient; if not, then on the next Business Day, (C) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (D) one (1) day after deposit with an internationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All notices shall be addressed to each holder of record at the address of such holder appearing on the books of the Company.

- (xi) Payment of Taxes. The Company will pay all taxes (other than taxes based upon income) and other governmental charges that may be imposed with respect to the issue or delivery of Ordinary Shares upon conversion of Preferred Shares, excluding any tax or other charge imposed in connection with any transfer involved in the issue and delivery of Ordinary Shares in a name other than that in which the Preferred Shares so converted were registered.

5. Redemption.

- (a) Notwithstanding anything to the contrary herein, if (i) the Company fails to consummate a Series C Qualified IPO at any time before January 1, 2014; *provided* that upon the request of the Company, such date shall be deferred to January 1, 2015; and *provided further* that such failure of consummating a Series C Qualified IPO is not due to any Investor's (or their assignees') exercise of voting right pursuant to this Schedule A, or (ii) there is a material breach by any Group Company or the Founder of any of their respective warranties and undertakings set forth in the Series C Preferred Shares Subscription Agreement and the losses, liabilities, damages, penalties, claims, diminution in value, costs and expenses that have been actually suffered or incurred by the Group Companies (collectively, the "Loss") which such Losses would not otherwise arise but for such material breach have reached 30% of the revenue of the Group Companies set forth in the consolidated income statement (or management accounts, as the case may be) of the Company for the year immediately preceding to the year in which such Losses arise, then subject to the applicable laws of the British Virgin Islands, and if so requested by the holder(s) of at least fifty percent (50%) of the Series C Preferred Shares, the Company shall redeem all, but not less than all, of the outstanding Series C Preferred Shares out of funds legally available therefore (the

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"Redemption"). The price at which each Series C Preferred Share shall be redeemed shall be equal to the higher of (i) or (ii) (the "Redemption Price") below:

- (i) $IP \times (108\%)^N$, where

IP = Series C Preferred Share Issue Price;

N = a fraction the numerator of which is the number of calendar days between date the holder(s) of such Series C Preferred Shares acquired the specific Series C Preferred Shares being redeemed and the relevant redemption date on which such Series C Preferred Share is redeemed and the denominator of which is 365,

plus all declared but unpaid dividends per share thereon up to the date of redemption, proportionally adjusted for share subdivisions, share dividends, reorganizations, reclassifications, consolidations or mergers; or

- (ii) the fair market value per share of such Series C Preferred Shares, such valuation to be determined by an independent appraisal, exclusive of liquidity or minority ownership discounts, performed by an independent third party mutually agreeable to the holders of Series C Preferred

If the Company does not have sufficient cash or funds legally available to redeem all of the Series C Preferred Shares required to be redeemed, the remainder will be paid in the form of a one-year promissory note issued by the Company to such holder(s) of Series C Preferred Shares, which shall bear an interest at the rate of eight percent (8%) per annum.

- (b) A 30-day prior notice of redemption by such holder(s) of at least fifty percent (50%) of the Series C Preferred Shares shall be given by hand or by mail to the registered office of the Company (the “**Redemption Notice**”).
- (c) Before any holder of Series C Preferred Shares shall be entitled for redemption under the provisions of this Section 5, such holder shall surrender his or her certificate or certificates representing such Series C Preferred Shares to be redeemed by the Company in the manner and at the place designated by the Company for that purpose, and thereupon an amount equal to the applicable Redemption Price

times the number of such Series C Preferred Shares to be redeemed (the “**Redemption Total Amount**”) shall be payable to the order of the person whose name appears on such certificate or certificates as the owner of such shares and each such certificate shall be cancelled. In the event less than all the Series C Preferred Shares represented by any such certificate are redeemed, a new certificate shall be promptly issued representing the unredeemed Series C Preferred Shares. Unless there has been a default in payment of the applicable Redemption Total Amount, upon cancellation of the certificate representing such Series C Preferred Shares to be redeemed, all dividends on such Series C Preferred Shares designated for redemption on the relevant redemption date shall cease to accrue and all rights of the holders thereof, except the right to receive the Redemption Total Amount thereof (including all declared and unpaid dividend up to the relevant redemption date), without interest, shall cease and terminate and such Series C Preferred Shares shall cease to be issued shares of the Company.

- (d) If the Company fails (for whatever reason) to redeem any Series C Preferred Shares on its due date for redemption, then, as from such date until the date on which the same are redeemed the Company shall not declare or pay any dividend nor otherwise make any distribution of or otherwise decrease its profits available for distribution.
- (e) To the extent permitted by law, the Company shall procure that the profits of each subsidiary and affiliate of the Company for the time being legally available for distribution shall be paid to it by way of dividend or otherwise if and to the extent that, but for such payment, the Company would not itself otherwise have sufficient profits available for distribution to make any redemption of Series C Preferred Shares required to be made to the maximum extent pursuant to this Section 5.

THE COMPANIES LAW (2013 REVISION)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES
AMENDED AND RESTATED
MEMORANDUM AND ARTICLES OF ASSOCIATION
OF
JD.COM, INC.

(To become effective immediately prior to the completion of the Company's initial public offering of its Class A Ordinary Shares represented by American Depository Shares)

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(To become effective immediately prior to the completion of the Company's initial public offering of its Class A Ordinary Shares represented by American Depository Shares)

1. The name of the Company is **JD.com, Inc.**
2. The Registered Office of the Company will be situated at the offices of Maples Corporate Services Limited, PO Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands, or at such other location within the Cayman Islands as the Directors may from time to time determine.
3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Law or any other law of the Cayman Islands.
4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by the Companies Law.
5. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
6. The liability of each Shareholder of the Company is limited to the amount, if any, unpaid on the Shares held by such Shareholder.
7. The authorised share capital of the Company is US\$2,000,000 divided into 99,000,000,000 class A ordinary shares of a nominal or par value of US\$0.00002 each and 1,000,000,000 class B ordinary shares of a nominal or par value of US\$0.00002 each, provided always that subject to the Companies Law and the Articles of Association the Company shall have power to redeem or purchase any of its Shares and to sub-divide or consolidate the said Shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject

to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

8. The Company has the power to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.
9. Capitalized terms that are not defined in this Memorandum of Association bear the same meanings as those given in the Articles of Association of the Company.

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THE COMPANIES LAW (2013 REVISION)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

**AMENDED AND RESTATED
ARTICLES OF ASSOCIATION**

OF

JD.COM, INC.

(To become effective immediately prior to the completion of the Company's initial public offering of its Class A Ordinary Shares represented by American Depository Shares)

TABLE A

The Regulations contained or incorporated in Table 'A' in the First Schedule of the Law shall not apply to the Company and the following Articles shall comprise the Articles of Association of the Company.

INTERPRETATION

1. In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

“ADS”	means an American Depository Share representing Class A Ordinary Shares;
“Affiliate”	means in respect of a person or entity, any other person or entity that, directly or indirectly (including through one or more intermediaries), controls, is controlled by, or is under common control with, such person or entity, and (i) in the case of a natural person, shall include, without limitation, such person's spouse, parents, children, siblings, mother-in-law and father-in-law and brothers and sisters-in-law, a trust solely for the benefit

of any of the foregoing, a company, partnership or any natural person or entity wholly owned by one or more of the foregoing, and (ii) in the case of an entity, shall include a partnership, a corporation or any natural person or entity which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such entity. The term “control” shall mean the ownership, directly or indirectly, of securities possessing more than fifty percent (50%) of the

	voting power of the corporation, or the partnership or other entity (other than, in the case of corporation, securities having such power only by reason of the happening of a contingency not within the reasonable control of such partnership, corporation, natural person or entity), or having the power to control the management or elect a majority of members to the board of directors or equivalent decision-making body of such corporation, partnership or other entity;
“Articles”	means these articles of association of the Company, as amended or substituted from time to time;
“Board” and “Board of Directors” and “Directors”	means the directors of the Company for the time being, or as the case may be, the directors assembled as a board or as a committee thereof;
“Chairman”	means the chairman of the Board of Directors;
“Class” or “Classes”	means any class or classes of Shares as may from time to time be issued by the Company;
“Class A Ordinary Share”	an Ordinary Share of a par value of US\$0.00002 in the capital of the Company, designated as a Class A Ordinary Shares and having the rights provided for in these Articles.
“Class B Ordinary Share”	an Ordinary Share of a par value of US\$0.00002 in the capital of the Company, designated as a Class B Ordinary Share and having the rights provided for in these Articles.
“Commission”	means the Securities and Exchange Commission of the United States of America or any other federal agency for the time being administering the Securities Act;
“Company”	means JD.com, Inc., a Cayman Islands exempted company;
“Companies Law”	means the Companies Law (2013 revision) of the Cayman Islands and any statutory amendment or re-enactment thereof;
“Company’s Website”	means the main corporate and investors relations website of the Company, the address or domain name of which has been notified to Shareholders;
“Designated Stock Exchange”	means the New York Stock Exchange or NASDAQ in the United States or any other stock exchange on which the ADSs are listed for trading;
“Designated Stock Exchange Rules”	means the relevant code, rules and regulations, as amended, from time to time, applicable as a result of the

	original and continued listing of any Shares or ADSs on the Designated Stock Exchange;
“Dual-Class Approval”	means approval by holders of a majority of the total issued and outstanding Class A Ordinary Shares (exclusive of the Management Shareholders) as well as holders of a majority of the aggregate voting power of the Company;
“electronic”	means the meaning given to it in the Electronic Transactions Law and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
“electronic communication”	means electronic posting to the Company’s Website, transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than two-thirds of the vote of the Board;
“Electronic Transactions Law”	means the Electronic Transactions Law (2003 Revision) of the Cayman Islands and any statutory amendment or re-enactment thereof;
“the Founder”	Mr. Richard Qiangdong Liu;
“Independent Director”	means a director who is an independent director as defined in the Designated Stock Exchange Rules;
“Law”	means the Companies Law and every other law and regulation of the Cayman Islands for the time being in force concerning companies and affecting the Company;
“Management Shareholders”	means the Founder, Max Smart Limited, Fortune Rising Holdings Limited and any of their Affiliates;
“Memorandum”	means the memorandum of association of the Company, as amended or substituted from time to time;
“Month”	means calendar month;

“Ordinary Resolution”

means a resolution:

- (a) passed by a simple majority of the votes cast by such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company; or
- (b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the

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Shareholders and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed;

“Ordinary Shares”

means an ordinary share of a nominal or par value of US\$0.00002 each in the capital of the Company, including the Class A Ordinary Shares and the Class B Ordinary Shares;

“paid up”

means paid up as to the par value in respect of the issue of any Shares and includes credited as paid up;

“Person”

means any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;

“Register”

means the register of Members of the Company maintained in accordance with the Companies Law;

“Registered Office”

means the registered office of the Company as required by the Companies Law;

“Seal”

means the common seal of the Company (if adopted) including any facsimile thereof;

“Secretary”

means any Person appointed by the Directors to perform any of the duties of the secretary of the Company;

“Securities Act”

means the Securities Act of 1933 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time;

“Share”

means a share in the capital of the Company. All references to “Shares” herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression “Share” shall include a fraction of a Share;

“Shareholder” or “Member”

means a Person who is registered as the holder of Shares in the Register;

“Share Premium Account”

means the share premium account established in accordance with these Articles and the Companies Law;

“signed”

means bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a

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person with the intent to sign the electronic communication;

“Special Resolution”

means a special resolution of the Company passed in accordance with the Law, being a resolution:

- (a) passed by a majority of not less than two-thirds of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given, and in computing a majority where a poll is taken, regard shall be had to the number of votes to which each Shareholder is entitled; or
- (b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed;

“Treasury Share”

means a Share held in the name of the Company as a treasury share in accordance with the Companies Law;

“United States”

means the United States of America, its territories, its possessions and all areas subject to its jurisdiction; and

“year”

means calendar year.

2. In these Articles, save where the context requires otherwise:

- (a) words importing the singular number shall include the plural number and vice versa;
- (b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;
- (c) the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;
- (d) reference to a dollar or dollars (or US\$) and to a cent or cents is reference to dollars and cents of the United States of America;

- (e) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;
- (f) reference to any determination by the Directors shall be construed as a determination by the Directors in their sole and absolute discretion and shall be applicable either generally or in any particular case;

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- (g) reference to “in writing” shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing or partly one and partly another;
- (h) any requirements as to delivery under the Articles include delivery in the form of an electronic record (as defined in the Electronic Transactions Law) or an electronic communication;
- (i) any requirements as to execution or signature under the Articles including the execution of the Articles themselves can be satisfied in the form of an electronic signature as defined in the Electronic Transactions Law; and
- (j) Sections 8 and 19 of the Electronic Transactions Law shall not apply.

3. Subject to the last two preceding Articles, any words defined in the Companies Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

PRELIMINARY

- 4. The business of the Company may be conducted as the Directors see fit.
- 5. The Registered Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.
- 6. The expenses incurred in the formation of the Company and in connection with the offer for subscription and issue of Shares shall be paid by the Company. Such expenses may be amortised over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.
- 7. The Directors shall keep, or cause to be kept, the Register at such place as the Directors may from time to time determine and, in the absence of any such determination, the Register shall be kept at the Registered Office.

SHARES

- 8. Subject to these Articles, all Shares for the time being unissued shall be under the control of the Directors who may:
 - (a) issue, allot and dispose of the same to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine; and
 - (b) grant options with respect to such Shares and issue warrants or similar instruments with respect thereto;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued. For the avoidance of double, the Directors may in their absolute

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discretion and without approval of the existing Members, issue shares, grant rights over existing shares or issue other securities in one or more series as they deem necessary and appropriate and determine designations, powers, preferences, privileges and other rights, including dividend rights, conversion rights, terms of redemption and liquidation preferences, any or all of which may be greater than the powers and rights associated with the shares held by existing Members, at such times and on such other terms as they think proper. The Company shall not issue Shares to bearer.

- 9. The Directors may authorise the division of Shares into any number of Classes and the different Classes shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different Classes (if any) may be fixed and determined by the Directors or by a Special Resolution. The Directors may issue Shares with such preferred or other rights, all or any of which may be greater than the rights of Ordinary Shares, at such time and on such terms as they may think appropriate. With respect to any series of preference shares, the Directors may determine the terms and rights of that series, including:
 - (a) the designation of such series, the number of preferred shares to constitute such series and the subscription price thereof if different from the par value thereof;
 - (b) whether the shares of such series shall have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights, which may be general or limited;
 - (c) the dividends, if any, payable on such series, whether any such dividends shall be cumulative, and, if so, from what dates, the conditions and dates upon which such dividends shall be payable, the preference or relation which such dividends shall bear to the dividends payable on any shares of any other class or any other series of preferred shares;
 - (d) whether the preferred shares of such series shall be subject to redemption by the Company, and, if so, the times, prices and other conditions of such redemption;
 - (e) the amount or amounts payable upon preferred shares of such series upon, and the rights of the holders of such series in, a voluntary or involuntary liquidation, dissolution or winding up, or upon any distribution of the assets, of the Company;

- (f) whether the preferred shares of such series shall be subject to the operation of a retirement or sinking fund and, if so, the extent to and manner in which any such retirement or sinking fund shall be applied to the purchase or redemption of the preferred shares of such series for retirement or other corporate purposes and the terms and provisions relative to the operation thereof;
- (g) whether the preferred shares of such series shall be convertible into, or exchangeable for, shares of any other class or any other series of preferred shares or any other securities and, if so, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and conditions of conversion or exchange;

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- (h) the limitations and restrictions, if any, to be effective while any preferred shares of such series are outstanding upon the payment of dividends or the making of other distributions on, and upon the purchase, redemption or other acquisition by the Company of, the existing shares or shares of any other class of shares or any other series of preferred shares;
 - (i) the conditions or restrictions, if any, upon the creation of indebtedness of the Company or upon the issue of any additional shares, including additional shares of such series or of any other class of shares or any other series of preferred shares; and
 - (j) any other powers, preferences and relative, participating, optional and other special rights, and any qualifications, limitations and restrictions thereof.
10. The Company may insofar as may be permitted by law, pay a commission to any Person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up Shares or partly in one way and partly in the other. The Company may also pay such brokerage as may be lawful on any issue of Shares.
11. The Directors may refuse to accept any application for Shares, and may accept any application in whole or in part, for any reason or for no reason.

CLASS A ORDINARY SHARES AND CLASS B ORDINARY SHARES

12. Holders of Class A Ordinary Shares and Class B Ordinary Shares shall at all times vote together as one class on all resolutions submitted to a vote by the Members. Each Class A Ordinary Share shall be entitled to one (1) vote on all matters subject to vote at general meetings of the Company, and each Class B Ordinary Share shall be entitled to twenty (20) votes on all matters subject to vote at general meetings of the Company.
13. Each Class B Ordinary Share is convertible into one (1) Class A Ordinary Share at any time by the holder thereof. The right to convert shall be exercisable by the holder of the Class B Ordinary Share delivering a written notice to the Company that such holder elects to convert a specified number of Class B Ordinary Shares into Class A Ordinary Shares.
14. Any number of Class B Ordinary Shares held by a holder thereof will be automatically and immediately converted into an equal number of Class A Ordinary Shares upon the occurrence of any of the following:
- (a) any direct or indirect sale, transfer, assignment or disposition of such number of Class B Ordinary Shares by the holder thereof or an Affiliate or such holder or the direct or indirect transfer or assignment of the voting power attached to such number of Class B Ordinary Shares through voting proxy or otherwise to any person or entity that is not an Affiliate of such holder;

for the avoidance of doubt, the creation of any pledge, charge, encumbrance or other third party right of whatever description on any of Class B Ordinary Shares to secure contractual or legal obligations shall not be deemed as a sale, transfer, assignment or disposition unless and until any such pledge, charge, encumbrance or other third party right is enforced and results in the third party holding directly or indirectly

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beneficial ownership or voting power through voting proxy or otherwise to the related Class B Ordinary Shares, in which case all the related Class B Ordinary Shares shall be automatically converted into the same number of Class A Ordinary Shares; or

- (b) the direct or indirect sale, transfer, assignment or disposition of a majority of the issued and outstanding voting securities of, or the direct or indirect transfer or assignment of the voting power attached to such voting securities through voting proxy or otherwise, or the direct or indirect sale, transfer, assignment or disposition of all or substantially all of the assets of, a holder of Class B Ordinary Shares that is an entity to any person or entity that is not an Affiliate of such holder;
- for the avoidance of doubt, the creation of any pledge, charge, encumbrance or other third party right of whatever description on the issued and outstanding voting securities or the assets of a holder of Class B Ordinary Shares that is an entity to secure contractual or legal obligations shall not be deemed as a sale, transfer, assignment or disposition under this clause (b) unless and until any such pledge, charge, encumbrance or other third party right is enforced and results in the third party holding directly or indirectly beneficial ownership or voting power through voting proxy or otherwise to the related issued and outstanding voting securities or the assets;
- (c) the Founder ceasing to be a director and the chief executive officer of the Company;
 - (d) the Founder ceasing to be the ultimate beneficial owner of any outstanding Class B Ordinary Shares;
 - (e) the Founder ceasing to be the ultimate beneficial owner of Max Smart Limited (“Max Smart”) or any other entity who holds Class B Ordinary Shares; or
 - (f) the Founder being permanently unable to attend board meetings and manage the business affairs of the Company as a result of incapacity solely due to his then physical and/or mental condition (which, for avoidance of doubt, does not include any confinement against his will).
15. Any conversion of Class B Ordinary Shares into Class A Ordinary Shares pursuant to these Articles shall be effected by means of the re-designation of each relevant Class B Ordinary Share as a Class A Ordinary Share.
16. Class A Ordinary Shares are not convertible into Class B Ordinary Shares under any circumstances.

17. Save and except for voting rights and conversion rights as set out in Articles 12 to 16 (inclusive), the Class A Ordinary Shares and the Class B Ordinary Shares shall rank *pari passu* and shall have the same rights, preferences, privileges and restrictions.

SPECIAL SHAREHOLDER APPROVAL REQUIREMENTS

18. In addition to a Special Resolution (in the case of amendments to the Memorandum or these Articles) or an Ordinary Resolution (in any other case), and in addition to the applicable consent or approval requirements set forth under Section 19, Dual-Class Approval is required for the following matters:

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- (a) So long as the total issued and outstanding Class B Ordinary Shares constitute a majority of the aggregate voting power of the Company, any amendment of the rights attached to the Class B Ordinary Shares;
- (b) So long as the total issued and outstanding Class B Ordinary Shares constitute a majority of the aggregate voting power of the Company and shareholders of the Company immediately prior to the completion of the Company's initial public offering (exclusive of the Management Shareholders) hold a majority of the total issued and outstanding Class A Ordinary Shares,
- (i) any amendment to the Memorandum or these Articles or to the memorandum or articles of association of any successor to the Company, or any subsequent amendment thereto or restatement thereof; and
- (ii) any transaction between the Founder, any of his immediate family members or any entity that is an Affiliate of the Founder or any of his immediate family members, on the one hand, and the Company or any of the Company's subsidiaries or consolidated affiliated entities on the other hand, except that none of the following transactions requires Dual-Class Approval:
- (A) the Company's grant of share incentive awards to the Founder to the extent he is eligible to receive any such awards as determined by the Board or the compensation committee of the Board, subject to a cap not exceeding 20.33% of the total number of Ordinary Shares reserved for issuance under the 2013 Share Incentive Plan adopted by the Company on December 20, 2013 (excluding (i) the Ordinary Shares that had already been reserved with and registered under the name of Fortune Rising Holdings Limited under the Company's original share incentive plans, which were superseded and replaced by the 2013 Share Incentive Plan on December 20, 2013, and (ii) the Ordinary Shares issued to the Founder and/or his Affiliates upon obtain necessary board and shareholder approval on or about March 10, 2014);
- (B) the Company's payment of cash compensation to the Founder, as long as the amount of annual cash compensation does not increase by more than 30% over the amount of annual cash compensation to the Founder for the immediate preceding year and the increase is approved by the Board or the compensation committee of the Board;
- (C) modification of the Company's corporate structure involving the Founder's position or status at any of the Company's subsidiaries or consolidated affiliates due to requirements under applicable laws, regulations or government orders; and
- (D) existing transactions with the Founder in his capacity as a nominee holder of equity interests of the Company's consolidated affiliated entities, as long as such transactions have received Board and requisite shareholder approvals before the date of effectiveness of these Articles.

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Where any Special Resolution is required to approve an amendment to the Memorandum or these Articles in circumstances where this Article 18 applies, and such matter has not received Dual-Class Approval as required by this Article 18, the Members who vote against the resolution shall (notwithstanding any other provision of these Articles, including Article 12) have such number of votes as is equal to (i) the votes of all Members who vote for the resolution, plus (ii) one.

MODIFICATION OF RIGHTS

19. Whenever the capital of the Company is divided into different Classes the rights attached to any such Class may, subject to any rights or restrictions for the time being attached to any Class, only be materially adversely varied with the consent in writing of the holders of a majority of the issued Shares of that Class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the Shares of that Class. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply, except that the necessary quorum shall be one or more Persons at least holding or representing by proxy one-third in nominal or par value amount of the issued Shares of the relevant Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Shareholders who are present shall form a quorum) and that, subject to any rights or restrictions for the time being attached to the Shares of that Class, every Shareholder of the Class shall on a poll have one vote for each Share of the Class held by him. For the purposes of this Article the Directors may treat all the Classes or any two or more Classes as forming one Class if they consider that all such Classes would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate Classes.
20. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the Shares of that Class, be deemed to be materially adversely varied by, *inter alia*, the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them or the redemption or purchase of any Shares of any Class by the Company. The rights of the holders of Shares shall not be deemed to be materially adversely varied by the creation or issue of Shares with preferred or other rights including, without limitation, the creation of Shares with enhanced or weighted voting rights.

CERTIFICATES

21. Every Person whose name is entered as a Member in the Register may, in the discretion of the Directors, receive without payment a certificate within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) in the form determined by the Directors. All certificates shall specify the Share or Shares held by that Person and the amount paid up thereon, provided that in respect of a Share or Shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all. All certificates for Shares shall be delivered personally or sent through the post addressed to the Member entitled thereto at the Member's registered address as appearing in the Register.

22. Every share certificate of the Company shall bear legends required under the applicable laws, including the Securities Act.

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23. Any two or more certificates representing Shares of any one Class held by any Member may at the Member's request be cancelled and a single new certificate for such Shares issued in lieu on payment (if the Directors shall so require) of US\$1.00 or such smaller sum as the Directors shall determine.
24. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same Shares may be issued to the relevant Member upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.
25. In the event that Shares are held jointly by several persons, any request may be made by any one of the joint holders and if so made shall be binding on all of the joint holders.

FRACTIONAL SHARES

26. The Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

LIEN

27. The Company has a first and paramount lien on every Share (whether or not fully paid) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Company also has a first and paramount lien on every Share registered in the name of a Person indebted or under liability to the Company (whether he is the sole registered holder of a Share or one of two or more joint holders) for all amounts owing by him or his estate to the Company (whether or not presently payable). The Directors may at any time declare a Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share extends to any amount payable in respect of it.
28. The Company may sell, in such manner as the Directors in their absolute discretion think fit, any Share on which the Company has a lien, but no sale shall be made unless an amount in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing, demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share, or the Persons entitled thereto by reason of his death or bankruptcy.
29. For giving effect to any such sale the Directors may authorise a Person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
30. The proceeds of the sale after deduction of expenses, fees and commission incurred by the Company shall be received by the Company and applied in payment of such part of the

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amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the Shares prior to the sale) be paid to the Person entitled to the Shares immediately prior to the sale.

CALLS ON SHARES

31. Subject to the terms of the allotment, the Directors may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their Shares, and each Shareholder shall (subject to receiving at least fourteen days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on such Shares.
32. The joint holders of a Share shall be jointly and severally liable to pay calls in respect thereof.
33. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest upon the sum at the rate of eight percent per annum from the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.
34. The provisions of these Articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the amount of the Share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
35. The Directors may make arrangements with respect to the issue of partly paid Shares for a difference between the Shareholders, or the particular Shares, in the amount of calls to be paid and in the times of payment.
36. The Directors may, if they think fit, receive from any Shareholder willing to advance the same all or any part of the moneys uncalled and unpaid upon any partly paid Shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding without the sanction of an Ordinary Resolution, eight percent per annum) as may be agreed upon between the Shareholder paying the sum in advance and the Directors.

FORFEITURE OF SHARES

37. If a Shareholder fails to pay any call or instalment of a call in respect of partly paid Shares on the day appointed for payment, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

38. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the Shares in respect of which the call was made will be liable to be forfeited.

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39. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a resolution of the Directors to that effect.
40. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.
41. A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the Shares forfeited, but his liability shall cease if and when the Company receives payment in full of the amount unpaid on the Shares forfeited.
42. A certificate in writing under the hand of a Director of the Company that a Share has been duly forfeited on a date stated in the certificate, shall be conclusive evidence of the facts in the declaration as against all Persons claiming to be entitled to the Share.
43. The Company may receive the consideration, if any, given for a Share on any sale or disposition thereof pursuant to the provisions of these Articles as to forfeiture and may execute a transfer of the Share in favour of the Person to whom the Share is sold or disposed of and that Person shall be registered as the holder of the Share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the disposition or sale.
44. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes due and payable, whether on account of the amount of the Share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER OF SHARES

45. The instrument of transfer of any Share shall be in writing and in any usual or common form or such other form as the Directors may, in their absolute discretion, approve and be executed by or on behalf of the transferor and if in respect of a nil or partly paid up Share, or if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register in respect of the relevant Shares.
46. (a) The Directors may in their absolute discretion decline to register any transfer of Shares which is not fully paid up or on which the Company has a lien.
- (b) The Directors may also decline to register any transfer of any Share unless:
- i. the instrument of transfer is lodged with the Company, accompanied by the certificate for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

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- ii. the instrument of transfer is in respect of only one Class of Shares;
- iii. the instrument of transfer is properly stamped, if required;
- iv. in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four; or
- v. the Shares transferred are free of any lien in favour of the Company; or
- vi. a fee of such maximum sum as the Designated Stock Exchange may determine to be payable, or such lesser sum as the Board of Directors may from time to time require, is paid to the Company in respect thereof.

47. The registration of transfers may, on 14 days' notice being given by advertisement in such one or more newspapers, by electronic means or by any other means in accordance with the Designated Stock Exchange Rules, be suspended and the Register closed at such times and for such periods as the Directors may, in their absolute discretion, from time to time determine, provided always that such registration of transfer shall not be suspended nor the Register of Members closed for more than 30 days in any year.

48. All instruments of transfer that are registered shall be retained by the Company. If the Directors refuse to register a transfer of any Shares, they shall within three months after the date on which the transfer was lodged with the Company send to each of the transferor and the transferee notice of the refusal.

TRANSMISSION OF SHARES

49. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased survivor, shall be the only Person recognised by the Company as having any title to the Share.

50. Any Person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder shall upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt Person could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the deceased or bankrupt Person before the death or bankruptcy.

51. A Person becoming entitled to a Share by reason of the death or bankruptcy of a Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company, provided however, that the Directors may at any

time give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

REGISTRATION OF EMPOWERING INSTRUMENTS

52. The Company shall be entitled to charge a fee not exceeding one dollar (US\$1.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

ALTERATION OF SHARE CAPITAL

53. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into Shares of such Classes and amount, as the resolution shall prescribe.
54. The Company may by Ordinary Resolution:
- (a) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;
 - (b) convert all or any of its paid up Shares into stock and reconvert that stock into paid up Shares of any denomination;
 - (c) subdivide its existing Shares, or any of them into Shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; and
 - (d) cancel any Shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled.
55. The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by law.

REDEMPTION, PURCHASE AND SURRENDER OF SHARES

56. Subject to the provisions of the Companies Law and these Articles, the Company may:
- (a) issue Shares that are to be redeemed or are liable to be redeemed at the option of the Shareholder or the Company. The redemption of Shares shall be effected in such manner and upon such terms as may be determined, before the issue of such Shares, by either the Board or by the Members by Special Resolution;
 - (b) purchase its own Shares (including any redeemable Shares) in such manner and upon such terms as have been approved by the Board or by the Members by Ordinary Resolution, or are otherwise authorized by these Articles; and
 - (c) make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Companies Law, including out of capital.
57. The purchase of any Share shall not oblige the Company to purchase any other Share other than as may be required pursuant to applicable law and any other contractual obligations of the Company.

58. The holder of the Shares being purchased shall be bound to deliver up to the Company the certificate(s) (if any) thereof for cancellation and thereupon the Company shall pay to him the purchase or redemption monies or consideration in respect thereof.
59. The Directors may accept the surrender for no consideration of any fully paid Share.

TREASURY SHARES

60. The Directors may, prior to the purchase, redemption or surrender of any Share, determine that such Share shall be held as a Treasury Share.
61. The Directors may determine to cancel a Treasury Share or transfer a Treasury Share on such terms as they think proper (including, without limitation, for nil consideration).

GENERAL MEETINGS

62. All general meetings other than annual general meetings shall be called extraordinary general meetings.
63. (a) The Company may in each year hold a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as may be determined by the Directors.
- (b) At these meetings the report of the Directors (if any) shall be presented.
64. (a) The Directors (acting by a resolution of the Board) or the Chairman may call general meetings. In addition, the Directors shall, on a Shareholders' requisition, forthwith proceed to convene an extraordinary general meeting of the Company.
- (b) A Shareholders' requisition is a requisition of one or more Members holding, at the date of deposit of the requisition, Shares which represent, in aggregate, not less than one-third of the votes attaching to all issued and outstanding Shares which, as at that date of the deposit, carry the right to vote at general meetings of the Company.

- (c) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form each signed by one or more requisitionists.
- (d) If the Directors do not within 21 days from the date of the deposit of the requisition duly proceed to convene a general meeting to be held within a further 21 days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three months after the expiration of the said 21 days.
- (e) A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

NOTICE OF GENERAL MEETINGS

- 65. At least 7 days' notice shall be given for any general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in the manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of these Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:
 - (a) in the case of an annual general meeting by all the Shareholders (or their proxies) entitled to attend and vote thereat; and
 - (b) in the case of an extraordinary general meeting by a majority in number of the Shareholders (or their proxies) having a right to attend and vote at the meeting, being a majority together holding not less than ninety five per cent in par value of the Shares giving that right.
- 66. The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any Shareholder shall not invalidate the proceedings at any meeting.

PROCEEDINGS AT GENERAL MEETINGS

- 67. No business except for the appointment of a chairman for the meeting shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. One or more Members holding shares which represent, in aggregate, not less than one-third of the votes attaching to all issued and outstanding Shares and entitled to vote, present in person or by proxy or, if a corporation or other non-natural person, by its duly authorised representative, shall be a quorum for all purposes.
- 68. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall be dissolved.
- 69. If the Directors wish to make this facility available for a specific general meeting or all general meetings of the Company, participation in any general meeting of the Company may be by means of a telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.
- 70. The chairman, if any, of the Directors shall preside as chairman at every general meeting of the Company.
- 71. If there is no such chairman, or if at any general meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, any Director or Person nominated by the Directors shall preside as chairman of that meeting, failing which the Shareholders present in person or by proxy shall choose any Person present to be chairman of that meeting.
- 72. The chairman may with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting) adjourn a meeting from time to time and from place

to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting, or adjourned meeting, is adjourned for fourteen days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

- 73. The Directors may cancel or postpone any duly convened general meeting at any time prior to such meeting, except for general meetings requisitioned by the Shareholders in accordance with these Articles, for any reason or for no reason, upon notice in writing to Shareholders. A postponement may be for a stated period of any length or indefinitely as the Directors may determine.
- 74. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or any Shareholder holding at least ten percent of the Shares given a right to vote at the meeting, present in person or by proxy, and unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.
- 75. If a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 76. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
- 77. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

VOTES OF SHAREHOLDERS

78. Subject to Article 12, and to any rights and restrictions for the time being attached to any Share, on a show of hands every Shareholder present in person and every Person representing a Shareholder by proxy shall, at a general meeting of the Company, each have one vote, and on a poll every Shareholder and every Person representing a Shareholder by proxy shall have one vote for each Share of which he or the Person represented by proxy is the holder.
79. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register.
80. A Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote in respect of Shares carrying the right to vote held by him, whether on a show of hands or on a poll, by his committee, or other Person in the

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nature of a committee appointed by that court, and any such committee or other Person, may vote in respect of such Shares by proxy.

81. No Shareholder shall be entitled to vote at any general meeting of the Company unless all calls, if any, or other sums presently payable by him in respect of Shares carrying the right to vote held by him have been paid.
82. On a poll votes may be given either personally or by proxy.
83. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Shareholder.
84. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve.
85. The instrument appointing a proxy shall be deposited at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company:
- (a) not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
 - (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
 - (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

provided that the Directors may in the notice convening the meeting, or in an instrument of proxy sent out by the Company, direct that the instrument appointing a proxy may be deposited (no later than the time for holding the meeting or adjourned meeting) at the registered office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company. The Chairman may in any event at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted shall be invalid.

86. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
87. A resolution in writing signed by all the Shareholders for the time being entitled to receive notice of and to attend and vote at general meetings of the Company (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

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CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

88. Any corporation which is a Shareholder or a Director may by resolution of its directors or other governing body authorise such Person as it thinks fit to act as its representative at any meeting of the Company or of any meeting of holders of a Class or of the Directors or of a committee of Directors, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder or Director.

DEPOSITARY AND CLEARING HOUSES

89. If a recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) is a Member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such Person(s) as it thinks fit to act as its representative(s) at any general meeting of the Company or of any Class of Shareholders of the Company provided that, if more than one Person is so authorised, the authorisation shall specify the number and Class of Shares in respect of which each such Person is so authorised. A Person so authorised pursuant to this Article shall be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) could exercise if it were an individual Member holding the number and Class of Shares specified in such authorisation, including the right to vote individually on a show of hands.

DIRECTORS

90. (a) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than three (3), and there shall be no maximum number of Directors. For so long as Shares or ADSs are listed on the Designated Stock Exchange, the Directors shall include such number of Independent Directors as applicable law, rules or regulations or the Designated Stock Exchange Rules require, unless the Board resolves to follow any available exceptions or exemptions.
- (b) Each Director shall hold office until the expiration of his term as provided in the written agreement relating to the Director's term, if any, and until his successor shall have been elected or appointed.

- (c) The Board of Directors shall have a Chairman elected and appointed by a majority of the Directors then in office. The period for which the Chairman will hold office will also be determined by a majority of all of the Directors then in office. The Chairman shall preside as chairman at every meeting of the Board of Directors. To the extent the Chairman is not present at a meeting of the Board of Directors within fifteen minutes after the time appointed for holding the same, the attending Directors may choose one of their number to be the chairman of the meeting.
- (d) The Company may by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Board.
- (e) The Board, by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting, which shall include the affirmative vote of the Founder as long as the Founder is a Director, may at any time and from time to time

appoint any person to be a Director to fill a casual vacancy arising from the resignation of a former Director or as an addition to the existing Board, subject to the Company's compliance with director nomination procedures required under the Designated Stock Exchange Rules as long as Shares or ADSs are listed on the Designated Stock Exchange, unless the Board resolves to follow any available exceptions or exemptions.

- 91. A Director may be removed from office by Ordinary Resolution, notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under such agreement). A vacancy on the Board created by the removal of a Director under the previous sentence or the increase of the size of the Board may be filled by the election or appointment by Ordinary Resolution.
- 92. The Board may, from time to time, and except as required by applicable law or the listing rules of the Designated Stock Exchange, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives, which shall be intended to set forth the policies of the Company and the Board on various corporate governance related matters as the Board shall determine by resolution from time to time.
- 93. A Director shall not be required to hold any Shares in the Company by way of qualification. A Director who is not a Member of the Company shall nevertheless be entitled to attend and speak at general meetings.
- 94. The remuneration of the Directors may be determined by the Directors or by Ordinary Resolution.
- 95. The Directors shall be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive such fixed allowance in respect thereof as may be determined by the Directors from time to time, or a combination partly of one such method and partly the other.

ALTERNATE DIRECTOR OR PROXY

- 96. Any Director may in writing appoint another Person to be his alternate and, save to the extent provided otherwise in the form of appointment, such alternate shall have authority to sign written resolutions on behalf of the appointing Director, but shall not be required to sign such written resolutions where they have been signed by the appointing director, and to act in such Director's place at any meeting of the Directors at which the appointing Director is unable to be present. Every such alternate shall be entitled to attend and vote at meetings of the Directors as a Director when the Director appointing him is not personally present and where he is a Director to have a separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. Such alternate shall be deemed for all purposes to be a Director of the Company and shall not be deemed to be the agent of the Director appointing him. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them.
- 97. Any Director may appoint any Person, whether or not a Director, to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that

Director, or in the absence of such instructions at the discretion of the proxy, at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

POWERS AND DUTIES OF DIRECTORS

- 98. Subject to the Companies Law, these Articles and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.
- 99. Subject to these Articles, the Directors may from time to time appoint any natural person or corporation, whether or not a Director to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, the office of chief executive officer, one or more other executive officers, vice-presidents, treasurer, assistant treasurer, manager or controller, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Any natural person or corporation so appointed by the Directors may be removed by the Directors. The Directors may also appoint one or more of their number to the office of managing director upon like terms, but any such appointment shall ipso facto terminate if any managing director ceases for any cause to be a Director, or if the Company by Ordinary Resolution resolves that his tenure of office be terminated.
- 100. The Directors may appoint any natural person or corporation to be a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors or by the Company by Ordinary Resolution.
- 101. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

102. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any company, firm or Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys or authorised signatory (any such person being an “Attorney” or “Authorised Signatory”, respectively) of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such Attorney or Authorised Signatory as the Directors may think fit, and may also authorise any such Attorney or Authorised Signatory to delegate all or any of the powers, authorities and discretion vested in him.

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103. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following Articles shall not limit the general powers conferred by this Article.
104. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any natural person or corporation to be a member of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any such natural person or corporation.
105. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any natural person or corporation so appointed and may annul or vary any such delegation, but no Person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
106. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

BORROWING POWERS OF DIRECTORS

107. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

THE SEAL

108. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.
109. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such Person or Persons as the Directors shall for this purpose appoint and such Person or Persons as aforesaid shall sign every instrument to which the facsimile Seal is so affixed in their presence and such affixing of the facsimile Seal and signing as aforesaid shall have the same meaning and effect as if the Seal had been affixed in the presence of and the instrument signed by a Director or a Secretary (or an assistant

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Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose.

110. Notwithstanding the foregoing, a Secretary or any assistant Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

DISQUALIFICATION OF DIRECTORS

111. The office of Director shall be vacated, if the Director:
- (a) becomes bankrupt or makes any arrangement or composition with his creditors;
 - (b) dies or is found to be or becomes of unsound mind;
 - (c) resigns his office by notice in writing to the Company;
 - (d) without special leave of absence from the Board, is absent from meetings of the Board for three consecutive meetings and the Board resolves that his office be vacated; or
 - (e) is removed from office pursuant to any other provision of these Articles.

PROCEEDINGS OF DIRECTORS

112. The Directors may meet together (either within or without the Cayman Islands) for the despatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. At any meeting of the Directors, each Director present in person or represented by his proxy or alternate shall be entitled to one vote. In case of an equality of votes the Founder (provided he remains a Director) shall have a second or casting vote. A Director may, and a Secretary or assistant Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

113. A Director may participate in any meeting of the Directors, or of any committee appointed by the Directors of which such Director is a member, by means of telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.
114. The quorum necessary for the transaction of the business of the Board shall be a majority of the then existing Directors and, as long as the Founder is a Director, shall include the Founder; provided, however, a quorum shall nevertheless exist at a meeting at which a quorum would exist but for the fact that the Founder voluntarily recuses himself and notifies the Board of his decision to recuse himself before or at the meeting or the Founder is permanently unable to attend Board meetings as a result of incapacity solely due to his then physical condition (which, for avoidance of doubt, does not include any confinement against his will) and/or his then mental condition. A Director represented by proxy or by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.

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115. A Director who is in any way, whether directly or indirectly, interested in a contract or transaction or proposed contract or transaction with the Company shall declare the nature of his interest at a meeting of the Directors. A general notice given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or transaction which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made or transaction so consummated. Subject to the Designated Stock Exchange Rules and disqualification by the chairman of the relevant Board meeting, a Director may vote in respect of any contract or transaction or proposed contract or transaction notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or transaction or proposed contract or transaction shall come before the meeting for consideration.
116. A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting of the Directors whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement.
117. Any Director may act by himself or through his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.
118. The Directors shall cause minutes to be made for the purpose of recording:
- (a) all appointments of officers made by the Directors;
 - (b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and
 - (c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.
119. When the Chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.
120. A resolution in writing signed by all the Directors or all the members of a committee of Directors entitled to receive notice of a meeting of Directors or committee of Directors, as the case may be (an alternate Director, subject as provided otherwise in the terms of

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appointment of the alternate Director, being entitled to sign such a resolution on behalf of his appointer), shall be as valid and effectual as if it had been passed at a duly called and constituted meeting of Directors or committee of Directors, as the case may be. When signed a resolution may consist of several documents each signed by one or more of the Directors or his duly appointed alternate.

121. The continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number, or of summoning a general meeting of the Company, but for no other purpose.
122. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the committee members present may choose one of their number to be chairman of the meeting.
123. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present and in case of an equality of votes the chairman shall have a second or casting vote.
124. All acts done by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director.

PRESUMPTION OF ASSENT

125. A Director of the Company who is present at a meeting of the Board of Directors at which an action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the chairman or secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

DIVIDENDS

126. Subject to any rights and restrictions for the time being attached to any Shares, the Directors may from time to time declare dividends (including interim dividends) and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.
127. Subject to any rights and restrictions for the time being attached to any Shares, the Company by Ordinary Resolution may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

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128. The Directors may, before recommending or declaring any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the absolute discretion of the Directors be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may in the absolute discretion of the Directors, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.
129. Any dividend payable in cash to the holder of Shares may be paid in any manner determined by the Directors. If paid by cheque it will be sent by mail addressed to the holder at his address in the Register, or addressed to such person and at such addresses as the holder may direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such Shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company.
130. The Directors may determine that a dividend shall be paid wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution. Without limiting the generality of the foregoing, the Directors may fix the value of such specific assets, may determine that cash payment shall be made to some Shareholders in lieu of specific assets and may vest any such specific assets in trustees on such terms as the Directors think fit.
131. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares, but if and for so long as nothing is paid up on any of the Shares dividends may be declared and paid according to the par value of the Shares. No amount paid on a Share in advance of calls shall, while carrying interest, be treated for the purposes of this Article as paid on the Share.
132. If several Persons are registered as joint holders of any Share, any of them may give effective receipts for any dividend or other moneys payable on or in respect of the Share.
133. No dividend shall bear interest against the Company.
134. Any dividend unclaimed after a period of six years from the date of declaration of such dividend may be forfeited by the Board of Directors and, if so forfeited, shall revert to the Company.

ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION

135. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.
136. The books of account shall be kept at the Registered Office, or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
137. The Directors may from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors,

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and no Shareholder (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.

138. The accounts relating to the Company's affairs shall be audited in such manner and with such financial year end as may be determined from time to time by the Directors or failing any determination as aforesaid shall not be audited.
139. The Directors may appoint an auditor of the Company who shall hold office until removed from office by a resolution of the Directors and may fix his or their remuneration.
140. Every auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.
141. The auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment, and at any time during their term of office, upon request of the Directors or any general meeting of the Members.
142. The Directors in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Companies Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

CAPITALISATION OF RESERVES

143. Subject to the Companies Law, the Directors may, with the authority of an Ordinary Resolution:
- (a) resolve to capitalise an amount standing to the credit of reserves (including a Share Premium Account, capital redemption reserve and profit and loss account), whether or not available for distribution;
 - (b) appropriate the sum resolved to be capitalised to the Shareholders in proportion to the nominal amount of Shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:
 - (i) paying up the amounts (if any) for the time being unpaid on Shares held by them respectively, or

(ii) paying up in full unissued Shares or debentures of a nominal amount equal to that sum,

and allot the Shares or debentures, credited as fully paid, to the Shareholders (or as they may direct) in those proportions, or partly in one way and partly in the other, but the Share Premium Account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued Shares to be allotted to Shareholders credited as fully paid;

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- (c) make any arrangements they think fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit;
- (d) authorise a Person to enter (on behalf of all the Shareholders concerned) into an agreement with the Company providing for either:
- (i) the allotment to the Shareholders respectively, credited as fully paid, of Shares or debentures to which they may be entitled on the capitalisation, or
 - (ii) the payment by the Company on behalf of the Shareholders (by the application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing Shares,
- and any such agreement made under this authority being effective and binding on all those Shareholders; and
- (e) generally do all acts and things required to give effect to the resolution.

SHARE PREMIUM ACCOUNT

144. The Directors shall in accordance with the Companies Law establish a Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.
145. There shall be debited to any Share Premium Account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Companies Law, out of capital.

NOTICES

146. Except as otherwise provided in these Articles, any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by posting it by airmail or air courier service in a prepaid letter addressed to such Shareholder at his address as appearing in the Register, or by electronic mail to any electronic mail address such Shareholder may have specified in writing for the purpose of such service of notices, or by facsimile or by placing it on the Company's Website should the Directors deem it appropriate. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.
147. Notices posted to addresses outside the Cayman Islands shall be forwarded by prepaid airmail.
148. Any Shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

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149. Any notice or other document, if served by:
- (a) post, shall be deemed to have been served five days after the time when the letter containing the same is posted;
 - (b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;
 - (c) recognised courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service; or
 - (d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail.
- In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.
150. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with the terms of these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.
151. Notice of every general meeting of the Company shall be given to:
- (a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and
 - (b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.

INFORMATION

152. No Member shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the Members of the Company to communicate to the public.
153. The Board shall be entitled to release or disclose any information in its possession, custody or control regarding the Company or its affairs to any of its Members including, without limitation, information contained in the Register and transfer books of the Company.

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INDEMNITY

154. Every Director (including for the purposes of this Article any alternate Director appointed pursuant to the provisions of these Articles), Secretary, assistant Secretary, or other officer for the time being and from time to time of the Company (but not including the Company's auditors) and the personal representatives of the same (each an "Indemnified Person") shall be indemnified and secured harmless against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere.
155. No Indemnified Person shall be liable:
- (a) for the acts, receipts, neglects, defaults or omissions of any other Director or officer or agent of the Company; or
 - (b) for any loss on account of defect of title to any property of the Company; or
 - (c) on account of the insufficiency of any security in or upon which any money of the Company shall be invested; or
 - (d) for any loss incurred through any bank, broker or other similar Person; or
 - (e) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on such Indemnified Person's part; or
 - (f) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of such Indemnified Person's office or in relation thereto;

unless the same shall happen through such Indemnified Person's own dishonesty, wilful default or fraud.

FINANCIAL YEAR

156. Unless the Directors otherwise prescribe, the financial year of the Company shall end on December 31st in each year and shall begin on January 1st in each year.

NON-RECOGNITION OF TRUSTS

157. No Person shall be recognised by the Company as holding any Share upon any trust and the Company shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or (except only as otherwise provided by these Articles or as the

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Companies Law requires) any other right in respect of any Share except an absolute right to the entirety thereof in each Shareholder registered in the Register.

WINDING UP

158. If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Companies Law, divide amongst the Members in species or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.
159. If the Company shall be wound up, and the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the par value of the Shares held by them. If in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the par value of the Shares held by them at the commencement of the winding up subject to a deduction from those Shares in respect of which there are monies due, of all monies payable to the Company for unpaid calls or otherwise. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

AMENDMENT OF ARTICLES OF ASSOCIATION

160. Subject to the Companies Law and subject to Article 18, the Company may at any time and from time to time by Special Resolution alter or amend the Memorandum or these Articles in whole or in part.

CLOSING OF REGISTER OR FIXING RECORD DATE

161. For the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at any meeting of Shareholders or any adjournment thereof, or those Shareholders that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Shareholder for any other purpose, the Directors may provide that the Register shall be closed for transfers for a stated period which shall not exceed in any case 40 days. If the Register shall be so closed for the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders the Register shall be so closed for at least ten days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the Register.
162. In lieu of or apart from closing the Register, the Directors may fix in advance a date as the record date for any such determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of the Shareholders and for the purpose of determining those Shareholders that are entitled to receive payment of any dividend the Directors may, at

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or within 90 days prior to the date of declaration of such dividend, fix a subsequent date as the record date for such determination.

163. If the Register is not so closed and no record date is fixed for the determination of those Shareholders entitled to receive notice of, attend or vote at a meeting of Shareholders or those Shareholders that are entitled to receive payment of a dividend, the date on which notice of the meeting is posted or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Shareholders. When a determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders has been made as provided in this Article, such determination shall apply to any adjournment thereof.

REGISTRATION BY WAY OF CONTINUATION

164. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

DISCLOSURE

165. The Directors, or any service providers (including the officers, the Secretary and the registered office agent of the Company) specifically authorised by the Directors, shall be entitled to disclose to any regulatory or judicial authority any information regarding the affairs of the Company including without limitation information contained in the Register and books of the Company.

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DATED THE 10th DAY OF MARCH 2014

JD.COM, INC.
 and
MAX SMART LIMITED
 and
BEIJING JINGDONG CENTURY TRADING CO., LTD.
 (□□□□□□□□□□)
 and
BEIJING JINGDONG 360 DEGREE E-COMMERCE CO., LTD.
 (□□□□□□□□□□□□□□)
 and
JIANGSU YUANZHOU E-COMMERCE CO., LTD.
 (□□□□□□□□□□)
 and
SHANGHAI SHENGDAYUAN INFORMATION TECHNOLOGY CO., LTD.
 (□□□□□□□□□□□□)
 and
TIANJIN STAR EAST CO., LTD.
 (□□□□□□□□□□)
 and
BEIJING JINGBANGDA TRADING CO., LTD.
 (□□□□□□□□□□)
 and
LIU QIANGDONG
 (□□□)
 and
BEST ALLIANCE INTERNATIONAL HOLDINGS LIMITED
 and
STRONG DESIRE LIMITED
 and
GRANDWIN ENTERPRISES LIMITED
 and
FORTUNE RISING HOLDINGS LIMITED
 and
TIGER GLOBAL FIVE 360 HOLDINGS
 and
TIGER GLOBAL 360BUY HOLDINGS
 and
KAIXIN ASIA LIMITED
 (□□□□□□□□)
 and
ACCURATE WAY LIMITED
 and
HHGL 360BUY HOLDINGS, LTD.
 and
MADRONE PARTNERS, L.P.
 and
UNITED SHEEN LIMITED
 and
DST CHINA EC6 LIMITED
 and
DST CHINA EC, L.P.
 and
DST INVESTMENTS 1 LIMITED
 and
DST INVESTMENTS 2 LIMITED
 and

DST GLOBAL II, L.P.
 and
DST CHINA EC II, L.P.
 and
DST CHINA EC III, L.P.
 and
DST CHINA EC X, L.P.
 and
SEQUOIA CAPITAL 2010 CGF HOLDCO, LTD.
 and
SC CHINA CO-INVESTMENT 2011-A, L.P.
 and
INSIGHT VENTURE PARTNERS VII, L.P.
 and

INSIGHT VENTURE PARTNERS VII (CO-INVESTORS), L.P.
and
INSIGHT VENTURE PARTNERS (CAYMAN) VII, L.P.
and
INSIGHT VENTURE PARTNERS (DELAWARE) VII, L.P.
and
KPCB HOLDINGS, INC., AS NOMINEE
and
KPCB CHINA FUND, L.P.
and
KPCB CHINA FOUNDERS FUND, L.P.
and
OELAND INVESTMENTS II LLC
and
GOOD FORTUNE CAPITAL II, LLC
and
IGSB INTERNAL VENTURE FUND II, LLC
and
CLASSROOM INVESTMENTS INC.
and
SUPREME UNIVERSAL HOLDINGS LTD.
and
GOLDSTONE CAPITAL LTD.
and
KINGDOM 5-KR-225, LTD.
and
KINGDOM 5-KR-232, LTD.
and
CHINA LIFE TRUSTEES LIMITED
and
HUANG RIVER INVESTMENT LIMITED

THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

THIS THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT (this “**Agreement**”) is made and entered into on March 10, 2014 by and among:

1. **JD.COM, INC.** (formerly known as “360Buy Jingdong Inc.”, an exempted company registered under the laws of the Cayman Islands (the “**Company**”);
2. **MAX SMART LIMITED**, a British Virgin Islands (“**BVI**”) Business Company limited by shares and organized and existing under the laws of the BVI (“**Max Smart**”); Max Smart is a shareholder of the Company;
3. **BEIJING JINGDONG CENTURY TRADING CO., LTD.** (北京京东世纪贸易有限公司), a limited liability company organized and existing under the laws of the People’s Republic of China (the “**PRC**”) (“**Jingdong Century**”);
4. **BEIJING JINGDONG 360 DEGREE E-COMMERCE CO., LTD.** (北京京东三六零度电子商务有限公司), a limited liability company organized and existing under the laws of the PRC (“**Jingdong 360**”);
5. **JIANGSU YUANZHOU E-COMMERCE CO., LTD.** (江苏元 Zhou 电子商务有限公司), a limited liability company organized and existing under the laws of the PRC (“**Jiangsu Yuanzhou**” together with Jingdong 360, the “**PRC Affiliates**”);
6. **SHANGHAI SHENGDAYUAN INFORMATION TECHNOLOGY CO., LTD.** (上海晟德源信息技术有限公司), a limited liability company organized and existing under the laws of the PRC (“**Shanghai Shengdayuan**”);
7. **TIANJIN STAR EAST CO., LTD.** (天津星东有限公司), a limited liability company organized and existing under the laws of the PRC (“**Tianjin Star East**”);
8. **BEIJING JINGBANGDA TRADING CO., LTD.** (北京京邦达贸易有限公司), a limited liability company organized and existing under the laws of the PRC (“**Beijing Jingbangda**”);
9. **LIU QIANGDONG** (刘强东), the beneficial owner of 100% equity interest of Max Smart, PRC ID Card Number *** (the “**Founder**”);
10. **BEST ALLIANCE INTERNATIONAL HOLDINGS LIMITED**, a BVI Business Company limited by shares and organized and existing under the laws of the BVI (“**Best Alliance**”);
11. **STRONG DESIRE LIMITED**, a BVI Business Company limited by shares and organized and existing under the laws of BVI (“**Strong Desire**”);

12. **GRANDWIN ENTERPRISES LIMITED**, a BVI Business Company limited by shares and organized and existing under the laws of the BVI (“**Grandwin**”);
13. **FORTUNE RISING HOLDINGS LIMITED**, a BVI Business Company limited by shares and organized and existing under the laws of the BVI (“**Fortune Rising**”);
14. **TIGER GLOBAL FIVE 360 HOLDINGS**, a Category 1 Global Business Company organized under the laws of Mauritius (“**Tiger Global Five**”);
15. **TIGER GLOBAL 360BUY HOLDINGS**, a Category 1 Global Business Company organized under the laws of Mauritius (“**Tiger 360Buy**”, together with Tiger Global Five, collectively, “**Tiger**”);
16. **KAIXIN ASIA LIMITED**, a BVI Business Company limited by shares and organized under the laws of the BVI (“**KAIXIN**”);
17. **ACCURATE WAY LIMITED**, a BVI Business Company limited by shares and organized and existing under the laws of the BVI (“**ACCURATE WAY**”);
18. **HHGL 360BUY HOLDINGS, LTD.**, a BVI Business Company limited by shares and organized under the laws of the BVI and having its registered office at Flemming House, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands, which acquired the Series C Preferred Shares (as defined below) owned by its affiliated funds, Gaoling Fund, L.P. and YHG Investment, L.P. (formerly named Gaoling Yali Fund, L.P.) on April 16, 2012 and holds Gaoling Ordinary Shares (as defined below) (“**Gaoling**”);
19. **MADRONE PARTNERS, L.P.**, a limited partnership organized and existing under the laws of the State of Delaware of the United States of America (“**Madrone**”);
20. **UNITED SHEEN LIMITED**, a company organized and existing under the laws of British Virgin Island (“**United Sheen**”);
21. **DST CHINA EC6 LIMITED**, a BVI Business Company limited by shares and organized and existing under the laws of the BVI, **DST CHINA EC, L.P.**, a company organized and existing under the laws of the Cayman Islands, **DST INVESTMENTS 1 LIMITED**, a company organized under the laws of the Isle of Man, **DST INVESTMENTS 2 LIMITED**, a company organized under the laws of the Isle of Man, **DST GLOBAL II, L.P.**, a company organized and existing under the laws of the Cayman Islands, **DST CHINA EC II, L.P.**, a company organized and existing under the laws of the Cayman Islands, **DST CHINA EC III, L.P.**, a company organized and existing under the laws of the Cayman Islands and **DST CHINA EC X, L.P.**, a company organized and existing under the laws of the Cayman Islands (each, a “**DST Global Party**” and collectively, the “**DST Global Parties**”);

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22. **SEQUOIA CAPITAL 2010 CGF HOLDCO, LTD.**, a company organized and existing under the laws of the Cayman Islands, and **SC CHINA CO-INVESTMENT 2011-A, L.P.**, a company organized and existing under the laws of the Cayman Islands (each, a “**Sequoia Party**” and collectively, the “**Sequoia Parties**”);
 23. **INSIGHT VENTURE PARTNERS VII, L.P.**, a company organized and existing under the laws of the Cayman Islands, **INSIGHT VENTURE PARTNERS VII (CO-INVESTORS), L.P.**, a company organized and existing under the laws of the Cayman Islands, **INSIGHT VENTURE PARTNERS (CAYMAN) VII, L.P.**, a company organized and existing under the laws of the Cayman Islands, and **INSIGHT VENTURE PARTNERS (DELAWARE) VII, L.P.**, a company organized and existing under the laws of Delaware (each, an “**Insight Party**” and collectively, the “**Insight Parties**”);
 24. **KPCB HOLDINGS, INC.**, a corporation organized and existing under the laws of the State of California, United States of America, as nominee, **KPCB CHINA FUND, L.P.**, an exempted limited partnership registered under the laws of the Cayman Islands, with its registered address at PO Box 309GT, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands, and **KPCB CHINA FOUNDERS FUND, L.P.**, an exempted limited partnership registered under the laws of the Cayman Islands, with its registered address at PO Box 309GT, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands (together with KPCB Holdings, Inc., as nominee, and KPCB China Fund, L.P., each a “**KPCB Party**” and collectively “**KPCB**”);
 25. **OELAND INVESTMENTS II LLC**, a limited liability company organized and existing under the laws of the State of Delaware, United States of America (“**Oeland**”);
 26. **GOOD FORTUNE CAPITAL II, LLC**, a limited liability company organized and existing under the laws of the State of California, United States of America (“**Good Fortune**”);
 27. **IGSB INTERNAL VENTURE FUND II, LLC**, a limited liability company organized and existing under the laws of the State of California, United States of America (“**IGSB**”);
 28. **CLASSROOM INVESTMENTS INC.**, a wholly owned subsidiary of Ontario Teachers’ Pension Plan Board and a company organized and existing under the laws of the Province of Ontario, Canada (“**Classroom**”);
 29. **SUPREME UNIVERSAL HOLDINGS LTD.**, a company organized and existing under the laws of the Cayman Islands (“**Supreme Universal**”);
 30. **GOLDSTONE CAPITAL LTD.**, a company organized and existing under the laws of Guernsey (“**Goldstone Capital**”);

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31. **KINGDOM 5-KR-225, LTD.**, a limited liability company organized and existing under the laws of the Cayman Islands (“**Kingdom 225**”);
 32. **KINGDOM 5-KR-232, LTD.**, a limited liability company organized and existing under the laws of the Cayman Islands (“**Kingdom 232**”, together with Supreme Universal, Goldstone Capital and Kingdom 225, each a “**Kingdom Party**”, and collectively “**Kingdom**”);
 33. **CHINA LIFE TRUSTEES LIMITED**, a limited liability company organized and existing under the laws of Hong Kong (“**China Life**”); and

34. **HUANG RIVER INVESTMENT LIMITED**, a British Virgin Islands company limited by shares (collectively with its successors and Affiliate permitted transferees, “**Tencent**”).

Best Alliance is referred to herein as the “**Series A Investor**,” Strong Desire and Grandwin are referred to collectively herein as the “**Series B Investors**” and each, a “**Series B Investor**.” Gaoling (in its capacity of a holder of Series C Preferred Shares), Madrone and United Sheen are referred to herein as the “**Series C Investors**” and each, a “**Series C Investor**.” Best Alliance, Tiger, Strong Desire, Grandwin, Gaoling (in its capacity of a holder of Series C Preferred Shares and of the Gaoling Ordinary Shares), Madrone, United Sheen, the DST Global Parties, the Sequoia Parties, the Insight Parties, KPCB, Oeland, Good Fortune, IGSB, Classroom, Kingdom, China Life and Tencent are referred to collectively herein as the “**Investors**,” and each, an “**Investor**.”

Jingdong Century, Jiangsu Subsidiary (as defined below), Shanghai Subsidiary (as defined below), Guangzhou Subsidiary (as defined below), Chengdu Subsidiary (as defined below), Jiangsu Yuanmai (as defined below), Beijing Subsidiary (as defined below), Wuhan Subsidiary (as defined below), Shenyang Subsidiary (as defined below), Beijing Shangke (as defined below), Beijing Jingbangda, Shanghai Shengdayuan and Tianjin Star East are referred to collectively herein as the “**PRC Subsidiaries**” and each, a “**PRC Subsidiary**.” The Company, the Offshore Subsidiaries (as defined in Gaoling Ordinary Share Purchase Agreement (as defined below)), the PRC Subsidiaries, the PRC Affiliates, and any other entity whose financial statements are consolidated with those of the Company in accordance with generally accepted accounting principles in the United States (the “**US GAAP**”) and are recorded on the books of the Company for financial reporting purposes are referred to collectively herein as the “**Group Companies**,” and each, a “**Group Company**.”

Unless otherwise indicated, all share numbers and per share price in this Agreement give effect to the 5-for-1 share split of the Company’s Ordinary shares and Preferred Shares (each as defined below) which became effective on April 18, 2012.

RECITALS

A. The Company, Max Smart, the Founder and Best Alliance and certain other parties have entered into a Preferred Share Purchase Agreement dated January 25, 2007 (the “**Series A Preferred Share Purchase Agreement**”), under which the Company issued and allotted an aggregate of 155,000,000 Series A Preferred Shares (as defined below) to the Series A Investor and other investors thereunder and a warrant exercisable at an aggregate price of US\$5,000,000 for 130,940,000 Series A Preferred Shares to the Series A Investor.

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B. The Company, Max Smart, Jingdong Century, Jingdong 360, the Founder, Best Alliance, Capital Today Investment XIII Limited (“**CTI**”) and the Series B Investors have entered into a Series B Preferred Share Purchase Agreement dated December 19, 2008 (the “**Series B Preferred Share Purchase Agreement**”), under which the Company issued and allotted an aggregate of 235,310,000 Series B Preferred Shares (as defined below) to CTI and the Series B Investors.

C. The Company, Max Smart, Jingdong Century, certain other PRC Subsidiaries, Jingdong 360, the Founder and Tiger Global Five have entered into an Ordinary Share Purchase Agreement dated December 31, 2009, under which the Company issued and allotted an aggregate of 278,167,400 Ordinary Shares (as defined below) to Tiger Global Five.

D. Tiger Global Five and eleven employee shareholders of the Company have entered into a Share Purchase Agreement dated February 26, 2010, under which the sellers thereunder transferred 3,225,000 Ordinary Shares to Tiger Global Five.

E. The Company, the Founder, KAIXIN and ACCURATE WAY have entered into an Ordinary Share Purchase Agreement dated March 17, 2010 (the “**KX & AW Ordinary Share Purchase Agreement**”), under which the Company issued and allotted an aggregate of 6,692,750 Ordinary Shares to KAIXIN and 3,346,375 Ordinary Shares to ACCURATE WAY (the Ordinary Shares issued pursuant to the KX & AW Ordinary Share Purchase Agreement (excluding the Good Fortune Shares and IGSB Shares (as defined below)) are referred to collectively herein as “**KX & AW Shares**”).

F. The Company, Max Smart, CTI, Strong Desire, Grandwin, Tiger 360Buy and certain individual shareholders have entered into an Ordinary Share Purchase Agreement dated May 14, 2010 (the “**May 2010 Ordinary Share Purchase Agreement**”), under which Max Smart, CTI, Strong Desire, Grandwin and certain individual shareholders transferred an aggregate of 144,944,615 Ordinary Shares (as originally held as Ordinary Shares or redesignated as such) to Tiger 360Buy.

G. The Company, Max Smart, Tiger 360Buy and certain individual shareholders have entered into (i) a rescission agreement dated September 3, 2010 and (ii) a share purchase agreement dated September 3, 2010 (the “**Tiger Ordinary Share Purchase Agreement**”), under which the transaction between Max Smart, certain individual shareholders and Tiger 360Buy under the May 2010 Ordinary Share Purchase Agreement was reversed, and the Company issued and allotted 9,920,000 Ordinary Shares to Tiger 360Buy on the closing date contemplated thereby.

H. Best Alliance, Strong Desire, Grandwin, Gaoling Fund, L.P. and YHG Investment, L.P. have entered into a Series C Preferred Shares Sale and Purchase Agreement dated September 9, 2010 (the “**Series C Preferred Shares Transfer Agreement**”), under which the sellers thereunder transferred an aggregate of 80,078,055 shares of the Company to Gaoling Fund, L.P. and YHG Investment, L.P., which were reclassified into Series C Preferred Shares at the closing of the transfer.

I. The Company, Max Smart, the Founder, the PRC Subsidiaries, Jingdong 360 and the Series C Investors, which consisted of Gaoling Fund, L.P., YHG Investment, L.P., Madrone Partners, L.P. and United Sheen Limited at the time, have entered into a Series C

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Preferred Share Subscription Agreement dated September 9, 2010 (the “**Series C Preferred Share Subscription Agreement**,” together with the Series C Preferred Shares Transfer Agreement dated September 9, 2010, collectively, the “**Series C Preferred Share Purchase Agreements**”), under which the Company issued and allotted an aggregate of 178,238,250 Series C Preferred Shares (as defined below) to the Series C Investors. The Series A Preferred Share Purchase Agreement, Series B Preferred Share Purchase Agreement and Series C Preferred Share Purchase Agreements are referred to collectively herein as the “**Preferred Shares Purchase Agreements**.”

J. Under the Series C Preferred Share Subscription Agreement, the Company granted and issued warrants to Gaoling Fund, L.P. and YHG Investment, L.P. (collectively, the “**Warrants**”), pursuant to which Gaoling Fund, L.P. and YHG Investment, L.P. are entitled to subscribe for a certain number of the Ordinary Shares of the Company. Gaoling Fund, L.P. acquired 83,952,800 Ordinary Shares by exercising the Warrants and transferred the said 83,952,800 Ordinary Shares to its affiliated entity, HHGL 360Buy Holdings, Ltd. Max Smart, the Founder and HHGL 360Buy Holdings, Ltd. have entered into an Ordinary Share Purchase Agreement dated May 1, 2013 (the “**Gaoling Ordinary Share Purchase Agreement**”), under which Max Smart transferred 2,524,716 Ordinary Shares, to HHGL 360Buy Holdings, Ltd. For purposes of this Agreement, the Ordinary Shares owned by Gaoling as of the date of this Agreement (including those issued and outstanding pursuant to the exercise of the Warrants and those purchased pursuant to the Gaoling Ordinary Share Purchase Agreement) and any other Ordinary Shares outstanding and otherwise acquired by Gaoling or its Affiliate (as defined below) shall be hereinafter referred to as “**Gaoling Ordinary Shares**.” For purposes of this Agreement,

“Affiliate” shall mean with respect to any individual, corporation, partnership, association, trust, or any other entity (in each case, a “Person”), such Person’s principal and any Person which, directly or indirectly, controls, is controlled by or is under common control with such Person or such Person’s principal, including, without limitation any general partner, officer or director of such Person or such Person’s principal and any venture capital fund, private equity fund or hedge fund or similar funds now or hereafter existing which is controlled by or under common control with one or more general partners controlling such Person or such Person’s principal or shares with such Person or such Person’s principal the same management company controlling such Person or such Person’s principal.

K. The Company, Max Smart, Jingdong Century, certain other PRC Subsidiaries, the PRC Affiliates, the Founder and certain of the DST Global Parties have entered into an Ordinary Share Purchase Agreement dated March 29, 2011 (the “**First DST Global Ordinary Share Purchase Agreement**”), under which the Company issued and allotted an aggregate of 94,295,585 Ordinary Shares to such DST Global Parties.

L. The Company, Max Smart, Jingdong Century, certain other PRC Subsidiaries, the PRC Affiliates, the Founder and certain of the DST Global Parties have entered into a Second Ordinary Share Purchase Agreement dated May 27, 2011 (the “**Second DST Global Ordinary Share Purchase Agreement**”), under which the Company issued and allotted an aggregate of 123,251,885 Ordinary Shares to such DST Global Parties.

M. The Company, Max Smart, Jingdong Century, certain other PRC Subsidiaries, the PRC Affiliates, the Founder and DST China EC X, L.P. have entered into an Ordinary Share Purchase Agreement dated February 6, 2013 (the “**Third DST Global Ordinary**

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Share Purchase Agreement”), under which the Company issued and allotted 8,196,995 Ordinary Shares to DST China EC X, L.P. The Ordinary Shares owned by the DST Global Parties as of the date of this Agreement (including those purchased pursuant to the First DST Global Ordinary Share Purchase Agreement, the Second DST Global Ordinary Share Purchase Agreement and the Third DST Global Ordinary Share Purchase Agreement) or hereafter acquired by any DST Global Party or its Affiliates are hereinafter referred to as the “**DST Global Shares**.”

N. The Company, Max Smart, Jingdong Century, certain other PRC Subsidiaries, the PRC Affiliates, the Founder, the Sequoia Parties and the Insight Parties have entered into an Ordinary Share Purchase Agreement dated June 28, 2011 (the “**Sequoia Ordinary Share Purchase Agreement**”), under which the Company issued and allotted an aggregate of 59,099,095 Ordinary Shares to such Sequoia Parties and Insight Parties. The Ordinary Shares issued to the Sequoia Parties at the closing under and as defined in the Sequoia Ordinary Share Purchase Agreement or hereafter acquired by any Sequoia Party or its Affiliates are hereinafter referred to as the “**Sequoia Shares**”. The Ordinary Shares issued to the Insight Parties at the closing under and as defined in the Sequoia Ordinary Share Purchase Agreement or hereafter acquired by any Insight Party or its Affiliates are hereinafter referred to as the “**Insight Shares**.”

O. KPCB and Best Alliance have entered into a Share Sale and Purchase Agreement dated August 24, 2011 (the “**KPCB Purchase Agreement**”), under which Best Alliance sold to KPCB in the aggregate 23,408,305 shares of Series A Preferred Shares, and upon closing the 23,408,305 shares of Series A Preferred Shares sold to KPCB thereunder have been redesignated into Ordinary Shares of the Company. The Ordinary Shares acquired by KPCB which were redesignated from Series A Preferred Shares under the KPCB Purchase Agreement or hereafter acquired by KPCB or its Affiliates are hereinafter referred to as the “**KPCB Shares**”.

P. Oeland and Best Alliance have entered into a Share Sale and Purchase Agreement dated August 24, 2011 (the “**Oeland Purchase Agreement**”), under which Best Alliance sold to Oeland 5,507,835 shares of Series A Preferred Shares, and upon closing the 5,507,835 shares of Series A Preferred Shares sold to Oeland thereunder have been redesignated into Ordinary Shares of the Company. The Ordinary Shares acquired by Oeland which were redesignated from Series A Preferred Shares under the Oeland Purchase Agreement or hereafter acquired by Oeland or its Affiliates are hereinafter referred to as the “**Oeland Shares**”.

Q. Good Fortune and Best Alliance have entered into a Share Sale and Purchase Agreement dated August 24, 2011 (the “**Good Fortune Agreement 1**”), under which Best Alliance sold to Good Fortune 550,785 shares of Series A Preferred Shares, and upon closing the 550,785 shares of Series A Preferred Shares sold to Good Fortune thereunder have been redesignated into Ordinary Shares of the Company. The Ordinary Shares acquired by Good Fortune which were redesignated from Series A Preferred Shares under the Good Fortune Purchase Agreement 1 or hereafter acquired by Good Fortune or its Affiliates are hereinafter referred to as the “**Good Fortune Shares 1**”.

R. Good Fortune, IGSB and Accurate Way have entered into an Ordinary Share Sale and Purchase Agreement dated August 24, 2011 (the “**Good Fortune Purchase**

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Agreement 2”, together with “**Good Fortune Purchase Agreement 1**”, the “**Good Fortune Purchase Agreements**”), under which Accurate Way sold 481,935 Ordinary Shares and 344,240 Ordinary Shares to Good Fortune and IGSB respectively. The Ordinary Shares sold to Good Fortune under the Good Fortune Purchase Agreement 2 or hereafter acquired by Good Fortune or its Affiliates are hereinafter referred to as the “**Good Fortune Shares 2**”, together with “**Good Fortune Shares 1**”, the “**Good Fortune Shares**”. The Ordinary Shares sold to IGSB under the Good Fortune Purchase Agreement 2 or hereafter acquired by IGSB or its Affiliates are hereinafter referred to as the “**IGSB Shares**”.

S. On April 18, 2012, the Company effected a 5-for-1 share split whereby each of its issued and outstanding ordinary shares of a par value of \$0.0001 each was converted into five ordinary shares of a par value of \$0.00002 each (the “**Ordinary Shares**”), each of its issued and outstanding series A preferred shares of a par value of \$0.0001 each was converted into five series A preferred shares of a par value of \$0.00002 each (the “**Series A Preferred Shares**”), each of its issued and outstanding series B preferred shares of a par value of \$0.0001 each was converted into five series B preferred shares of a par value of \$0.00002 each (the “**Series B Preferred Shares**”), all of its issued and outstanding series C preferred shares of a par value of \$0.0001 each was converted into five series C preferred shares of a par value of \$0.00002 each (the “**Series C Preferred Shares**” and collectively with the Series A Preferred Shares and the Series B Preferred Shares, the “**Preferred Shares**”). The share split is retroactively reflected in this Agreement.

T. The Company, Max Smart, Jingdong Century, certain other PRC Subsidiaries, the PRC Affiliates, the Founder, Classroom and Tiger 360Buy have entered into an Ordinary Share Purchase Agreement dated November 1, 2012 (the “**Classroom Ordinary Share Purchase Agreement**”), under which the Company issued and allotted 44,182,531 and 18,935,370 Ordinary Shares to Classroom and Tiger 360Buy, respectively. The Ordinary Shares issued to Classroom pursuant to the Classroom Ordinary Share Purchase Agreement or hereafter acquired by Classroom or its Affiliates are hereinafter referred to as the “**Classroom Shares**.” The Ordinary Shares owned by Tiger as of the date of this Agreement or hereafter acquired by Tiger or its Affiliates are hereinafter referred to as the “**Tiger Shares**.”

U. The Company, Max Smart, Jingdong Century, certain other PRC Subsidiaries, the PRC Affiliates, the Founder and Kingdom have entered into an Ordinary Share Purchase Agreement dated January 23, 2013 (the “**Kingdom Ordinary Share Purchase Agreement**”), under which the Company issued and allotted (a) 18,935,370 Ordinary Shares to Supreme Universal, (b) 18,935,370 Ordinary Shares to Goldstone Capital, (c) 31,558,951 Ordinary Shares to Kingdom 225, and (d) 31,558,951 Ordinary Shares to Kingdom 232. The Ordinary Shares issued to Supreme Universal, Goldstone Capital, Kingdom 225 and Kingdom 232 pursuant to the Kingdom Ordinary Share Purchase Agreement or hereafter acquired by Kingdom or their Affiliates are hereinafter referred to as the “**Kingdom Shares**.”

V. Strong Desire and China Life have entered into a Share Sale and Purchase Agreement dated December 4, 2013 (the “**China Life Purchase Agreement**”). Under the China Life Purchase Agreement, Strong Desire had 25,247,161 shares of Series B Preferred Shares converted into 25,247,161 Ordinary Shares immediately before the closing and transferred the 25,247,161 Ordinary Shares to China Life upon the closing. The Ordinary Shares acquired by China Life under the China Life Purchase Agreement or hereafter

acquired by China Life or its Affiliates are hereinafter referred to as the “**China Life Shares**”.

W. The Company, Tencent Parent, a company organized under the laws of Cayman Islands (“**Tencent Parent**”) and Tencent have entered into a Share Subscription Agreement dated March 10, 2014 (the “**Tencent Share Subscription Agreement**”). Under the Tencent Share Subscription Agreement, the Company issued and allotted 351,678,637 Ordinary Shares to Tencent. Tencent Parent, Tencent and the Company have also agreed to a subscription of additional Ordinary Shares by Tencent under the terms of a Stock Purchase Agreement dated March 10, 2014 (the “**Tencent IPO Subscription Agreement**”). The Ordinary Shares issued to Tencent pursuant to the Tencent Share Subscription Agreement or hereafter acquired by Tencent or its Affiliates under the Tencent IPO Subscription Agreement, and after deducting the Free Tencent Shares (as defined below), are hereinafter referred to as the “**Tencent Shares**.”

X. ██████████ was established as a limited liability company under the laws of the PRC and wholly-owned by Jingdong Century (the “**Shanghai Subsidiary**”).

Y. ██████████ was established as a limited liability company under the laws of the PRC and wholly-owned by Jingdong Century (the “**Guangzhou Subsidiary**”).

Z. ██████████ was established as a limited liability company under the laws of the PRC and wholly-owned by Jingdong Century (the “**Jiangsu Subsidiary**”).

AA. ██████████ was established as a limited liability company under the laws of the PRC and wholly-owned by Jingdong Century (the “**Chengdu Subsidiary**”).

BB. ██████████ was established as a limited liability company under the laws of the PRC and wholly-owned by Jingdong Century (the “**Beijing Subsidiary**”).

CC. ██████████ was established as a limited liability company under the laws of the PRC and wholly-owned by Jingdong Century (“**Jiangsu Yuanmai**”).

DD. ██████████ was established as a limited liability company under the laws of the PRC and wholly-owned by Jingdong Century (“**Wuhan Subsidiary**”).

EE. ██████████ was established as a limited liability company under the laws of the PRC and wholly-owned by Jingdong Century (“**Shenyang Subsidiary**”).

FF. ██████████ was established as a limited liability company under the laws of the PRC and wholly-owned by Jingdong Century (“**Beijing Shangke**”).

GG. The Company, the Founder, certain of the Investors and certain other parties named therein have entered into the Twelfth Amended and Restated Shareholders Agreement dated as of December 11, 2013 (the “**Prior Shareholders Agreement**”).

HH. In connection with the consummation of the transactions contemplated by the Tencent Share Subscription Agreement, the parties hereto amend and restate in its entirety the Prior Shareholders Agreement and instead enter into this Agreement and the ancillary agreements for the governance, management and operations of the Group Companies and for the rights and obligations between and among the Company and its shareholders.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. INFORMATION RIGHTS; BOARD REPRESENTATION.

1.1 Information and Inspection Rights.

(a) **Information Rights.** Each of the Group Companies covenants and agrees that, commencing on the date of this Agreement, for so long as any Preferred Shares, Tiger Shares, Gaoling Ordinary Shares, DST Global Shares, Sequoia Shares, Classroom Shares, Kingdom Shares, China Life Shares or Tencent Shares are outstanding, the Group Companies shall deliver to (i) each Investor that owns in the aggregate more than 75,000,000 Preferred Shares and/or Tiger Shares and/or Gaoling Ordinary Shares and/or DST Global Shares (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), (ii) for so long as the Sequoia Parties collectively own at least 39,821,655 of the Sequoia Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), the Sequoia Parties, (iii) for so long as Classroom owns at least 44,182,531 of the Classroom Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), Classroom, (iv) for so long as Kingdom owns in the aggregate at least 75,000,000 of the Kingdom Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), each Kingdom Party, (v) for so long as China Life owns at least 25,247,161 of the China Life Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), China Life, (vi) for so long as Strong Desire owns at least 53,640,484 Series B Preferred Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), Strong Desire and (vii) for so long as Tencent owns at least 75,000,000 of the Tencent Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like) Tencent (each of such foregoing Investors, a “**Major Investor**”):

(i) audited annual consolidated financial statements, within ninety (90) days after the end of each fiscal year, prepared in accordance with US GAAP or any internationally recognized accounting standards and audited by a reputable accounting firm mutually agreed upon by the Company and the

outstanding (voting together as a single class and calculated on an as converted basis) (the “**Required Consenters**”);

- (ii) unaudited monthly consolidated financial statements, within thirty (30) days of the end of each month;
- (iii) unaudited quarterly consolidated financial statements, within forty-five (45) days of the end of each fiscal quarter;
- (iv) an annual capital expenditure and operations budget and strategic plan for the approval of the Board of Directors of the Company (the “**Board**”) for the following fiscal year, within forty-five (45) days prior to the end of each fiscal year;
- (v) copies of all Company’s documents or other Company’s information sent to any shareholder of the Company; and
- (vi) such information, in the form reasonably requested by the applicable Investors, for the purposes of preparing any report, return, declaration, certification or other document or filing to be submitted by such Investor (or its Affiliates) to any tax authority, securities authority or any other regulatory authority or any stock exchange (the above rights, collectively, the “**Information Rights**”). All financial statements to be provided to such holder of Preferred Shares or Tiger Shares or Gaoling Ordinary Shares or DST Global Shares or Sequoia Shares or Classroom Shares or Kingdom Shares or China Life Shares or Tencent Shares pursuant to this Section 1.1(a) shall include an income statement, a balance sheet, a cash flow statement, and a statement of changes in shareholders’ equity for the relevant period as well as for the fiscal year to-date and shall be prepared in conformance with US GAAP or any internationally recognized accounting standards.

(b) Inspection Rights. Each of the Group Companies further covenants and agrees that, commencing on the date of this Agreement, for so long as any Preferred Shares, Tiger Shares, Gaoling Ordinary Shares, DST Global Shares, Sequoia Shares, Classroom Shares, Kingdom Shares, China Life Shares or Tencent Shares are outstanding, each Major Investor shall have (i) the right to inspect facilities, records and books of the Group Companies at any time during regular working hours upon reasonable prior notice to the Group Companies, and (ii) the right to discuss the business, operations and conditions of the Group Company with their respective directors, officers, employees, accountants, legal counsel and investment bankers (the “**Inspection Rights**”). The Company shall enter into a management rights letter with each of the Major Investors upon the latter’s request in such form as the Major Investors may reasonably require.

(c) Information Rights of Minority Series C Investors. The Group Companies shall deliver to each of the Series C Investors other than Gaoling audited annual consolidated financial statements, within ninety (90) days after the end of each fiscal year, prepared in accordance with US GAAP or any internationally recognized accounting standards and audited by a reputable accounting firm mutually agreed upon by the Company and the Required Consenters.

(d) Additional DST Global Information Rights. In addition to the Information Rights, each DST Global Party shall be entitled to the following:
(i) within forty-five (45) days after the end of each fiscal year and promptly following any sale or any

issuance or allotment by the Company of any equity securities of the Company, including any Preferred Shares, Ordinary Shares, Warrants, options, other warrants or any other equity-linked securities of the Company or rights to acquire any of the foregoing, or upon any increase or change in any option pool or the ESOP (as defined below), the Company shall deliver to each DST Global Party a current, fully-diluted capitalization table of the Company certified by the Chief Financial Officer of the Company; *provided, however*, that no such capitalization table shall be required in connection with issuances of equity awards or any exercise thereof from the ESOP as in effect on the date hereof, (ii) within five (5) days after the transfer by any shareholder of any equity securities of the Company, including any Preferred Shares, Ordinary Shares, Warrants, options, other warrants or any other equity-linked securities of the Company or rights to acquire any of the foregoing, the Company shall deliver to each DST Global Party a current, fully-diluted capitalization table of the Company certified by the Chief Financial Officer of the Company, and (iii) within forty-five (45) days after the end of each fiscal quarter, the Company shall allow any DST Global Party to review, at the office of the Company, the Company’s quarterly financial report including the operational highlights, key performance indicators and financial results (collectively (i), (ii) and (iii), the “**Additional DST Global Information Rights**”).

(e) KPCB Observer Rights. For so long as KPCB and its Affiliates continue to own at least 3,121,107 KPCB Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), the Company shall invite a representative of KPCB, who shall initially be Mary Meeker, to attend all meetings of its Board of Directors (and any committees thereof) in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors (the “**KPCB Observer Rights**”); *provided, however*, that the Board, acting in good faith and upon advice of legal counsel, reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of highly confidential proprietary technical information.

(f) Additional Classroom Information Rights. In addition to the Information Rights, Classroom shall be provided with a current, fully-diluted capitalization table of the Company on or prior to November 1 of each year (the “**Additional Classroom Information Rights**”).

(g) Kingdom’s Right to Attend the Meetings. For so long as Kingdom and its Affiliates continue to own in aggregate at least 75,000,000 Kingdom Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), the Company shall invite a representative of Kingdom to attend, in a nonvoting capacity, the meetings of the Board of Directors in which representatives from certain other existing shareholders, other than the incumbent directors and observer, are also invited, and shall give Kingdom’s representative copies of all notices, minutes, consents and other materials that it provides to its directors and observer (the “**Kingdom’s Rights to Attend the Meetings**”); *provided, however*, that the Company reserves the rights to withhold any information and to exclude Kingdom’s representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-

client privilege between the Company and its counsel or result in disclosure of highly confidential proprietary technical information.

(h) Additional Kingdom Information Rights. In addition to the Information Rights, Kingdom shall be entitled to the following:

(i) within forty-five (45) days after the end of each fiscal year and promptly following any sale or any issuance or allotment by the Company of any equity securities of the Company, including any Preferred Shares, Ordinary Shares, Warrants, options, other warrants or any other equity-linked securities of the Company or rights to acquire any of the foregoing, or upon any increase or change in any option pool or the ESOP, the Company shall deliver to each Kingdom Party a current, fully-diluted capitalization table of the Company certified by the Chief Financial Officer of the Company; *provided, however*, that no such capitalization table shall be required in connection with issuances of equity awards or any exercise thereof from the ESOP as in effect on the date hereof,

(ii) within five (5) days after the transfer by any shareholder of any equity securities of the Company, including any Preferred Shares, Ordinary Shares, Warrants, options, other warrants or any other equity-linked securities of the Company or rights to acquire any of the foregoing, the Company shall deliver to each Kingdom Party a current, fully-diluted capitalization table of the Company certified by the Chief Financial Officer of the Company, and

(iii) within forty-five (45) days after the end of each fiscal quarter, the Company shall allow each Kingdom Party to review, at the office of the Company, the Company's quarterly financial report including the operational highlights, key performance indicators and financial results (collectively (i), (ii) and (iii), the "**Additional Kingdom Information Rights**").

(i) Additional Tencent Information Rights. In addition to the Information Rights, Tencent shall be entitled to the following:

(i) within forty-five (45) days after the end of each fiscal year and promptly following any sale or any issuance or allotment by the Company of any equity securities of the Company, including any Preferred Shares, Ordinary Shares, Warrants, options, other warrants or any other equity-linked securities of the Company or rights to acquire any of the foregoing, or upon any increase or change in any option pool or the ESOP, the Company shall deliver to Tencent a current, fully-diluted capitalization table of the Company certified by the Chief Financial Officer of the Company; *provided, however*, that no such capitalization table shall be required in connection with issuances of equity awards or any exercise thereof from the ESOP as in effect on the date hereof,

(ii) within five (5) days after the transfer by any shareholder of any equity securities of the Company, including any Preferred Shares, Ordinary Shares, Warrants, options, other warrants or any other equity-linked securities of the Company or rights to acquire any of the foregoing, the Company shall deliver to Tencent a current, fully-diluted capitalization table of the Company certified by the Chief Financial Officer of the Company, and

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(iii) within forty-five (45) days after the end of each fiscal quarter, the Company shall allow Tencent to review, at the office of the Company, the Company's quarterly financial report including the operational highlights, key performance indicators and financial results (collectively (i), (ii) and (iii), the "**Additional Tencent Information Rights**").

(j) China Life's Right to Attend the Meetings. For so long as China Life and its Affiliates continue to own in aggregate at least 25,247,161 China Life Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), the Company shall invite a representative of China Life to attend, in a nonvoting capacity, the meetings of the Board of Directors in which representatives from certain other existing shareholders, other than the incumbent directors and observer, are also invited, and, in this respect, shall give such representative copies of all notices, minutes, consents and other materials that it provides to its directors and observer (the "**China Life's Right to Attend the Meetings**"); *provided, however*, that the Company reserves the rights to withhold any information and to exclude China Life's representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of highly confidential proprietary technical information.

(k) Termination of Rights. The Information Rights, Inspection Rights, the information rights of the minority Series C Investors, the Additional DST Global Information Rights, the KPCB Observer Rights, the Additional Classroom Information Rights, Kingdom's Right to Attend the Meetings, the Additional Kingdom Information Rights, the Additional Tencent Information Rights and China Life's Right to Attend the Meetings, set forth in this Section 1.1 shall terminate upon consummation of a firm commitment underwritten public offering of the Company's Ordinary Shares in the United States that has been registered under the United States Securities Act of 1933, as amended from time to time, including any successor statutes (the "**Securities Act**"), with an implied pre-offering valuation of the Company of at least US\$4.162 per share (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), or in a similar public offering of the Ordinary Shares of the Company in the Hong Kong Special Administrative Region of the PRC ("**Hong Kong**") or another jurisdiction which results in the Ordinary Shares trading publicly on a recognized international securities exchange (a "**Qualified IPO**"). A "Qualified IPO" shall also include other offering that does not satisfy the foregoing gross proceeds and pre-offering valuation requirements *provided* that the Required Consenters have expressly agreed in writing that such an offering shall be deemed a "Qualified IPO."

1.2 Board of Directors. The Second Amended and Restated Memorandum and Articles of Association of the Company (as amended, the "**Restated Memorandum and Articles**") shall provide that the Board of the Company shall consist of no more than eleven (11) members, which number of members shall not be changed except pursuant to an amendment to the Restated Memorandum and Articles. Effective from the date hereof:

(a) So long as Tiger holds in aggregate more than 75,000,000 Tiger Shares (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), it shall be entitled to appoint and remove one (1) director (the "**Tiger Director**");

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(b) So long as Best Alliance holds more than 75,000,000 Series A Preferred Shares (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), it shall be entitled to appoint and remove one (1) director (the "**Series A Director**");

(c) So long as Strong Desire holds at least 53,640,484 Series B Preferred Shares (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), it shall be entitled to appoint and remove one (1) director (the "**Series B Director**");

(d) So long as Gaoling holds in aggregate more than 75,000,000 Series C Preferred Shares and Gaoling Ordinary Shares taken as a whole (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), it shall be entitled to appoint and remove one (1) director (the "**Series C Director**");

(e) So long as Tencent holds in aggregate at least 80% of the Tencent Shares acquired pursuant to the Tencent Share Subscription Agreement (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), Tencent shall be entitled to appoint, remove and replace, from time to time, one (1) director (the "**Tencent Director**"); *provided*, that, (1) the initial Tencent Director shall be Mr. Martin Lau and (2) any successor Tencent Director shall hold a position within Tencent Parent or any successor entity that is similar or higher than that held by Mr. Martin Lau as of the date hereof unless the Company otherwise consents in writing; and

(f) Max Smart shall be entitled to appoint and remove all the remaining directors of the Company, in any event no less than six (6) directors (the "**Max Smart Directors**"), one of which shall be the chairman of the Board.

The Tiger Director, the Series A Director, the Series B Director, the Series C Director and the Tencent Director are hereinafter collectively referred to as “Investor Directors” or individually an “Investor Director.” Each of the Investor Directors shall have one (1) vote. The Max Smart Directors shall in total have six (6) votes, and if Max Smart appoints less than six (6) Max Smart Directors, each such appointed Max Smart Director shall have one (1) vote; *provided, however*, that in the case of the Founder being one of the Max Smart Directors, the Founder shall have a number of votes that is equal to (i) six (6) minus (ii) the number of the other Max Smart Directors (if any) that are actually appointed by Max Smart.

1.3 **Election and Removal of Board Members.** Each shareholder of the Company that is a party to this Agreement also agrees to vote all of his, her or its shares from time to time and at all times in whatever manner as shall be necessary to ensure that (i) each director appointed pursuant to Section 1.2 may be elected to the Board; (ii) no director elected pursuant to Section 1.2 may be removed from office unless the person(s) or entity(ies) originally entitled to designate or approve such director or occupy such Board seat pursuant to Section 1.2 is no longer so entitled to designate or approve such director or occupy such Board seat; and (iii) any vacancies created by the resignation, removal or death of a director elected pursuant to Section 1.2 shall be filled pursuant to the provisions of Section 1.2. Each shareholder of the Company that is a party to this Agreement agrees to execute any written consents required to effectuate the obligations of this Section 1.3, and the Company agrees at

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the request of any shareholder entitled to designate directors pursuant to Section 1.2 to call a meeting or a class meeting of shareholders for the purpose of electing directors.

1.4 **Assignment of Tiger Director Appointment Right.** If Tiger, at its sole discretion, elects to renounce its right to appoint and remove a director pursuant to Section 1.2, Max Smart shall be entitled to fill such vacancy; *provided* that such actions comply with the then effective memorandum and articles of association of the Company and any applicable laws and regulations. Tiger agrees to use its reasonable best efforts to effectuate the election of such Max Smart’s designee(s) to fill such vacancy on the Board, including without limitation, to vote for such election at a special meeting of shareholders of the Company, or execute written consent, for the purpose of electing directors of the Company.

1.5 **Assignment of Tencent Director Appointment Right.** If Tencent, at its sole discretion, elects to renounce its right to appoint and remove a director pursuant to Section 1.2, Max Smart shall be entitled to fill such vacancy; *provided* that such actions comply with the then effective memorandum and articles of association of the Company and any applicable laws and regulations. Tencent agrees to use its reasonable best efforts to effectuate the election of such Max Smart’s designee(s) to fill such vacancy on the Board, including without limitation, to vote for such election at a special meeting of shareholders of the Company, or execute written consent, for the purpose of electing directors of the Company.

1.6 **Compensation Committee and Audit Committee.** Subject to applicable listing requirements, the Company shall set up a compensation committee (the “**Compensation Committee**”) and an audit committee (the “**Audit Committee**”) (collectively, the “**Committees**”) at the time determined by the Board, each consisting of at least seven (7) members, including the Tiger Director, the Series C Director, and four (4) members nominated by Max Smart. The Compensation Committee shall be responsible for evaluating and recommending to the Board for action all matters related to the Company’s annual compensation and/or bonus plan, share option plan, and directors, officers and employees related compensation matters. The Audit Committee shall be responsible for internal audit and nomination of auditors for the Company. Any recommendation to be made to the Board shall require the approval by the majority of the members of the relevant Committee(s). Unless otherwise determined by the respective Committee, meetings of the Committees shall be held at least every three months.

1.7 **Termination.** Sections 1.2 to 1.6 shall terminate upon a Qualified IPO.

1.8 **Tencent Director Appointment Post-IPO.** Following a Qualified IPO, (i) until the date that is the earlier of (a) three years following the date hereof and (b) the date on which Tencent holds less than 75% of the Tencent Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), Tencent shall have the right to designate one (1) director to the Board. The initial Tencent Director shall be Mr. Martin Lau and any successor Tencent Director shall hold a position within Tencent Parent or any successor entity that is similar or higher to that held by Mr. Martin Lau as of the date hereof unless the Company otherwise consents in writing. Subject to the immediately prior sentence, (i) Tencent may remove and replace such designee without cause or notice at any time in its sole discretion; and (ii) in the event of the death, disability,

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retirement, removal or resignation of such designee or any successor designee, Tencent shall have the exclusive right to designate another individual to fill such vacancy and serve on the Board, and the Company shall cause the Board to appoint such replacement designee to the Board. The Company shall take all other actions as necessary or appropriate to appoint such designee or successor designees to the Board, *provided however* that notwithstanding the foregoing, under no circumstances shall the Company be required to convene a special meeting of shareholders solely for such purpose. For so long as Tencent is so entitled to designate one (1) director to the Board, (i) the Company shall give the Tencent Director reasonable (given the totality of the circumstances) advance notice of any meeting of the Board, and (ii) to the extent any resolution of shareholders is required in connection therewith, Founder and Max Smart shall neither (i) vote against such candidate at the Company’s annual general meeting or any special meeting of shareholders, nor (ii) abstain from voting in such resolution. Founder and Max Smart further agree that they shall not vote in favor of any shareholder resolution seeking to remove the Tencent Director (or its successor nominated in compliance with this Section 1.8), nor abstain from voting if any such resolution is to be passed. For the avoidance of doubt, the Tencent Director shall not be eligible for retirement by rotation at any shareholder meeting of the Company, and the board shall re-appoint the Tencent Director if any time the Tencent Director is voted out at any meeting of the shareholders of the Company.

1.9 **Code of Conduct.** In connection with the Qualified IPO, the Company shall adopt a code of conduct for its officers and employees (“**Code of Conduct**”), including amongst others, rules governing related party transactions, and providing for any waivers under such code of conduct relating to related party transactions to be only provided by the audit committee of the Board.

2. **REGISTRATION RIGHTS.**

2.1 **Applicability of Rights.** The Holders (as defined below) shall be entitled to the following rights with respect to any proposed public offering of the Company’s Ordinary Shares in the United States and shall be entitled to reasonably equivalent or analogous rights with respect to any other offering of the Company’s securities in Hong Kong or any other jurisdiction in which the Company undertakes to publicly offer or list such securities for trading on a recognized securities exchange. For purposes of this Agreement, reference to registration of securities under the Securities Act and the Exchange Act shall be deemed to mean the equivalent registration in a jurisdiction other than the United States as designated by such Holders, it being understood and agreed that in each such case all references in this Agreement to the Securities Act, the Exchange Act and rules, forms of registration statements and registration of securities thereunder, U.S. law and the SEC (as defined below), shall be deemed to refer, to the equivalent statutes, rules, forms of registration statements, registration of securities and laws of and equivalent government authority in the applicable non-U.S. jurisdiction. In addition, “**Form F-3**” shall be deemed to refer to Form S-3 or any comparable form under the U.S. securities laws if the Company is not at that time eligible to use Form F-3.

2.2 Definitions. For purposes of this Section 2:

- (a) Registration. The terms “**register**,” “**registered**,” and “**registration**” refer to a registration effected by filing a registration statement which is in a form which complies with, and is declared effective by the SEC in accordance with, the Securities Act.
- (b) Registrable Securities. The term “**Registrable Securities**” means: (i) any Ordinary Shares of the Company issued or issuable pursuant to conversion of any shares of Preferred Shares issued (A) under the Preferred Shares Purchase Agreements, or (B) pursuant to the Right of Participation (defined in Section 3.1), (ii) any Tiger Shares, (iii) any Gaoling Ordinary Shares, (iv) any KX & AW Shares, (v) any DST Global Shares, (vi) any Sequoia Shares, (vii) any Insight Shares, (viii) any KPCB Shares, (ix) any Oeland Shares, (x) any Good Fortune Shares, (xi) any IGSB Shares, (xii) any Classroom Shares, (xiii) any Kingdom Shares, (xiv) any China Life Shares provided that China life owns at least 25,247,161 of the China Life Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), (xv) any Tencent Shares, (xvi) any Ordinary Shares issued (or issuable upon the conversion or exercise of any warrant, right or other security which is issued) as a dividend or other distribution with respect to, or in exchange for or in replacement of, any shares of the Company described in clause (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv) or (xv) of this subsection (b), and (xvii) any other Ordinary Shares of the Company owned or hereafter acquired by the holder(s) of Preferred Shares, Tiger Shares, Gaoling Ordinary Shares, KX & AW Shares, DST Global Shares, Sequoia Shares, Insight Shares, KPCB Shares, Oeland Shares, Good Fortune Shares, IGSB Shares, Classroom Shares, Kingdom Shares, China Life Shares (provided that, with respect to China Life Shares, such holders own at least 25,247,161 of the China Life Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like)) or Tencent Shares. Notwithstanding the foregoing, “**Registrable Securities**” shall exclude any Registrable Securities acquired or to be acquired by Founder, the Founder’s Associates (as defined below) or Max Smart, any Registrable Securities sold by a person in a transaction in which rights under this Section 2 are not validly assigned in accordance with this Agreement, and any Registrable Securities which are sold in a registered public offering under the Securities Act or analogous statute of another jurisdiction, or sold pursuant to Rule 144 promulgated under the Securities Act or analogous rule of another jurisdiction.
- (c) Registrable Securities Then Outstanding. The number of shares of “**Registrable Securities then Outstanding**” shall mean the number of Ordinary Shares of the Company that are Registrable Securities and are then issued and outstanding, issuable upon conversion of Preferred Shares then issued and outstanding, or issuable upon conversion or exercise of any warrant, right or other security then outstanding.
- (d) Holder. For purposes of this Section 2, the term “**Holder**” means any person owning or having the rights to acquire Registrable Securities or any permitted assignee of record of such Registrable Securities to whom rights under this Section 2 have been duly assigned in accordance with this Agreement.
- (e) Form F-3. The term “**Form F-3**” means such respective form under the Securities Act or any successor registration form under the Securities Act subsequently

adopted by the SEC which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

- (f) SEC. The term “**SEC**” or “**Commission**” means the U.S. Securities and Exchange Commission.
- (g) Registration Expenses. The term “**Registration Expenses**” shall mean all expenses incurred by the Company in complying with Sections 2.3, 2.4 and 2.5 hereof, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel for the Company, reasonable fees and disbursements of one counsel for all the Holders (to be selected by all the Holders), “blue sky” fees and expenses and the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company which shall be paid in any event by the Company).
- (h) Selling Expenses. The term “**Selling Expenses**” shall mean all underwriting discounts and selling commissions applicable to the sale of Registrable Securities pursuant to Sections 2.3, 2.4 and 2.5 hereof.
- (i) Exchange Act. The term “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended, and any successor statute.

2.3 Demand Registration.

- (a) Request by Holders. If the Company shall, at any time after the earlier of (i) the fifth (5th) anniversary of the date of this Agreement or (ii) six (6) months following a Qualified IPO, receive a written request from the Holders of at least fifteen percent (15%) of the Registrable Securities then Outstanding that the Company file a registration statement under the Securities Act covering the registration of Registrable Securities pursuant to this Section 2.3; and *provided* that (i) the Registrable Securities to be registered would exceed ten percent (10%) of the total Registrable Securities then Outstanding or (ii) the anticipated aggregate gross proceeds of such registration would exceed US\$20,000,000, then the Company shall, within ten (10) Business Days of the receipt of such written request, give written notice of such request (“**Request Notice**”) to all Holders, and use its best efforts to effect, as soon as practicable, the registration under the Securities Act of all Registrable Securities that the Holders request to be registered and included in such registration by written notice given by such Holders to the Company within twenty (20) days after receipt of the Request Notice, subject only to the limitations of this Section 2.3; *provided* that the Company shall not be obligated to effect any such registration if the Company has, within the six (6) month period preceding the date of such request, already effected a registration under the Securities Act pursuant to this Section 2.3 or Section 2.5 or in which the Holders had an opportunity to participate pursuant to the provisions of Section 2.4, other than a registration from which the Registrable Securities of the Holders have been excluded (with respect to all or any portion of the Registrable Securities the Holders requested to be included in such registration) pursuant to the provisions of Section 2.4(b). The Company shall be obligated to effect no more than three (3) registrations pursuant to this Section 2.3.

For purposes of this Agreement, “**Business Day**” means any day (other than a Saturday, Sunday and public holiday) on which banks are open generally for normal banking

business in Hong Kong, the PRC, Zurich, Switzerland, Canada, Saudi Arabia and the Cayman Islands.

- (b) Underwriting. If the Holders initiating the registration request under this Section 2.3 (the “**Initiating Holders**”) intend to distribute the Registrable Securities covered by their request by means of an underwriting, then they shall so advise the Company as a part of their request made pursuant to this

Section 2.3 and the Company shall include such information in the Request Notice. In such event, the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter or underwriters selected for such underwriting by the Holders of a majority of the Registrable Securities being registered and reasonably acceptable to the Company. Notwithstanding any other provision of this Section 2.3, if the underwriter(s) advise(s) the Company in writing that marketing factors require a limitation of the number of securities to be underwritten, then the Company shall so advise all Holders of Registrable Securities which would otherwise be registered and underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be reduced as required by the underwriter(s) and allocated among the Holders of Registrable Securities on a pro rata basis according to the number of Registrable Securities then outstanding held by each Holder requesting registration (including the Initiating Holders); *provided, however*, that the number of shares of Registrable Securities to be included in such underwriting and registration shall not be reduced unless all other securities are first entirely excluded from the underwriting and registration including, without limitation, all shares that are not Registrable Securities and are held by any other person, including, without limitation, any person who is an employee, officer or director of the Company or any subsidiary of the Company; *provided further*, that at least twenty-five percent (25%) of shares of Registrable Securities requested by the Holders to be included in such underwriting and registration shall be so included. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter(s), delivered at least ten (10) Business Days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration.

(c) Deferral. Notwithstanding the foregoing, if the Company shall furnish to Holders requesting registration pursuant to this Section 2.3, a certificate signed by the President or Chief Executive Officer of the Company stating that in the good faith judgment of the Board, it would be materially detrimental to the Company and its shareholders for such registration statement to be filed at such time, then the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the Initiating Holders; *provided, however*, that the Company may not utilize this right more than once in any twelve (12) month period; *provided further*, that the Company shall not register any other of its shares during such twelve (12) month period. A demand right shall not be deemed to have been exercised until such deferred registration shall have been effected.

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2.4 Piggyback Registrations.

(a) The Company shall notify all Holders of Registrable Securities in writing at least thirty (30) days prior to filing any registration statement under the Securities Act for purposes of effecting a public offering of securities of the Company (including, but not limited to, registration statements relating to secondary offerings of securities of the Company, but excluding registration statements relating to any employee benefit plan or a corporate reorganization), and shall afford each such Holder an opportunity to include in such registration statement all or any part of the Registrable Securities then held by such Holder. Each Holder desiring to include in any such registration statement all or any part of the Registrable Securities held by it shall within twenty (20) days after receipt of the above described notice from the Company, so notify the Company in writing, and in such notice shall inform the Company of the number of Registrable Securities such Holder wishes to include in such registration statement. If a Holder decides not to include all of its Registrable Securities in any registration statement thereafter filed by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein.

(b) Underwriting. If a registration statement under which the Company gives notice under this Section 2.4 is for an underwritten offering, then the Company shall so advise the Holders of Registrable Securities. In such event, the right of any such Holder's Registrable Securities to be included in a registration pursuant to this Section 2.4 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter or underwriters selected for such underwriting. Notwithstanding any other provision of this Agreement, if the managing underwriter(s) determine(s) in good faith that marketing factors require a limitation of the number of shares to be underwritten, then the managing underwriter(s) may exclude shares from the registration and the underwriting, and the number of shares that may be included in the registration and the underwriting shall be allocated, first, to the Company, second, to each of the Holders requesting inclusion of their Registrable Securities in such registration statement on a pro rata basis based on the total number of shares of Registrable Securities then held by each such Holder, and third, to holders of other securities of the Company; *provided, however*, that the right of the underwriter(s) to exclude shares (including Registrable Securities) from the registration and underwriting as described above shall be restricted so that (i) the number of Registrable Securities excluded from any such registration is no more than seventy-five percent (75%) of the aggregate number of shares of Registrable Securities for which inclusion has been requested; and (ii) all shares that are not Registrable Securities and are held by any other person, including, without limitation, any person who is an employee, officer or director of the Company (or any subsidiary of the Company) shall first be excluded from such registration and underwriting before any Registrable Securities are so excluded. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter(s), delivered at least ten (10) Business Days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration.

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(c) Not Demand Registration. Registration pursuant to this Section 2.4 shall not be deemed to be a demand registration as described in Section 2.3 above. There shall be no limit on the number of times the Holders may request registration of Registrable Securities under this Section 2.4.

2.5 Form F-3. At any time after the Company's initial public offering, in case the Company shall receive from any Holder or Holders of fifteen percent (15%) of the Registrable Securities then outstanding a written request or requests that the Company effect a registration on Form F-3 and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, then the Company will, so long as the Company is qualified to use Form F-3:

(a) Notice. Promptly give written notice of the proposed registration and the Holder's or Holders' request therefor, and any related qualification or compliance to all other Holders of Registrable Securities; and

(b) Registration. As soon as practicable, effect such registration and any related qualification or compliance as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holders or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within twenty (20) days after the Company provides the notice contemplated by Section 2.5(a); *provided, however*, that the Company shall not be obligated to effect any such registration, qualification or compliance pursuant to this Section 2.5:

(i) if Form F-3 is not available for such offering by the Holders;

(ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public of less than US\$5,000,000;

(iii) if the Company shall furnish to the Holders a certificate signed by the President or Chief Executive Officer of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be materially detrimental to the Company and its shareholders for such Form F-3 registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form F-3 registration statement no more than once during any twelve (12) month period for a period of not more than ninety (90) days after receipt of the request of the Holder or Holders under this Section 2.5; *provided* that the Company shall not register any of its other shares during such ninety (90) day period;

(iv) if the Company has, within the six (6) month period preceding the date of such request, already effected a registration under the Securities Act other than a registration from which the Registrable Securities of Holders have been excluded (with respect to all or any portion of the Registrable Securities the Holders requested be included in such registration) pursuant to the provisions of Sections 2.3(b) and 2.4(b);

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(v) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance; or

(vi) if the Company has already effected no less than three (3) registrations pursuant to this Section 2.5 in any 12-month period.

Subject to the foregoing, the Company shall file a Form F-3 registration statement covering the Registrable Securities so requested to be registered as soon as practicable after receipt of the request or requests of the Holders.

(c) Not Demand Registration. Subject to Section 2.6 below, Form F-3 registrations shall not be deemed to be demand registrations as described in Section 2.3 above. Except as provided herein, there shall be no limit on the number of times the Holders may request registration of Registrable Securities under this Section 2.5.

2.6 Expenses. All Registration Expenses incurred in connection with any registration pursuant to Sections 2.3, 2.4 or 2.5 (but excluding Selling Expenses) shall be borne by the Company. Each Holder participating in a registration pursuant to Sections 2.3, 2.4 or 2.5 shall bear such Holder's proportionate share (based on the total number of shares sold in such registration other than for the account of the Company) of all Selling Expenses or other amounts payable to underwriter(s) or brokers, in connection with such offering by the Holders. Notwithstanding the foregoing, the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 2.3 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered, unless the Holders of a majority of the Registrable Securities then outstanding agree that such registration constitutes the use by the Holders of one (1) demand registration pursuant to Section 2.3; *provided further, however*, that if at the time of such withdrawal, the Holders have learned of a material adverse change in the condition, business, or prospects of the Company not known to the Holders at the time of their request for such registration and have withdrawn their request for registration with reasonable promptness after learning of such material adverse change, then the Holders shall not be required to pay any of such expenses and such registration shall not constitute the use of a demand registration pursuant to Section 2.3.

2.7 Obligations of the Company. Whenever required to effect the registration of any Registrable Securities under this Agreement the Company shall, as expeditiously as reasonably possible:

(a) Registration Statement. Prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its reasonable best efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to ninety (90) days or, in the case of Registrable Securities registered under Form F-3 in accordance with Rule 415 under the Securities Act or a successor rule, until the distribution contemplated in the registration statement has been completed; *provided, however*, that (i) such ninety (90) day period shall be extended for a period of time equal to the period any Holder refrains from selling any securities included in such registration at the request of the underwriter(s), and (ii) in the case of any registration of

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Registrable Securities on Form F-3 which are intended to be offered on a continuous or delayed basis, such ninety (90) day period shall be extended, if necessary, to keep the registration statement effective until all such Registrable Securities are sold.

(b) Amendments and Supplements. Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement.

(c) Prospectuses. Furnish to the Holders such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of the Registrable Securities owned by them that are included in such registration.

(d) Blue Sky. Use its best efforts to register and qualify the securities covered by such registration statement under such other securities or "blue sky" laws of such jurisdictions as shall be reasonably requested by the Holders; *provided* that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act.

(e) Underwriting. In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement in usual and customary form, with the managing underwriter(s) of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

(f) Notification. Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of (i) when such registration statement, the prospectus or any amendment or supplement thereto has been filed with the SEC and when such registration statement or any post-effective amendment thereto has become effective; (ii) of any request by the SEC for amendments or supplements to such registration statement or the prospectus included therein or for additional information; (iii) the issuance of any stop order by the SEC in respect of such registration statement, or (iv) the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

(g) Opinion and Comfort Letter. Furnish, at the request of any Holder requesting registration of Registrable Securities, on the date that such Registrable Securities are delivered to the underwriter(s) for sale, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the date that the registration statement with respect to such securities becomes effective, (i) an opinion, dated as of such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten

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public offering and reasonably satisfactory to a majority in interest of the Holders requesting registration, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities and (ii) letters dated as of (x) the effective date of the registration statement covering such Registrable Securities and (y) the closing date of the offering, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering and reasonably satisfactory to a majority in interest of the Holders requesting registration, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities.

(h) Other Obligations.

(i) Use its commercially reasonable efforts to cause all such Registrable Securities registered pursuant hereunder to be listed on each securities exchange or quotation system on which the Ordinary Shares issued by the Company are then listed or traded.

(ii) Use its commercially reasonable efforts to obtain the withdrawal of any stop order issued by the SEC suspending the effectiveness of the relevant registration statement at the earliest possible time.

2.8 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to Sections 2.3, 2.4 or 2.5 that the selling Holders shall furnish to the Company such information regarding themselves, the Registrable Securities held by them and the intended method of disposition of such securities as shall be required to timely effect the registration of their Registrable Securities.

2.9 Indemnification. In the event any Registrable Securities are included in a registration statement under Sections 2.3, 2.4 or 2.5:

(a) By the Company. To the extent permitted by law, the Company will indemnify and hold harmless each Holder, its partners, officers, directors, legal counsel, any underwriter (as defined in the Securities Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act, or other United States federal or state law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a “**Violation**”):

(i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto;

(ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or

(iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any United States federal or state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any United States

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federal or state securities law in connection with the offering covered by such registration statement;

and the Company will reimburse each such Holder, its partner, officer, director, legal counsel, underwriter or controlling person for any legal or other expenses reasonably incurred by them, as such expenses are incurred, in connection with investigating or defending any such loss, claim, damage, liability or action; *provided, however*, that the indemnity agreement contained in this subsection 2.9(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by such Holder, partner, officer, director, legal counsel, underwriter or controlling person of such Holder.

(b) By Selling Holders. To the extent permitted by law, each selling Holder will, if Registrable Securities held by Holder are included in the securities as to which such registration, qualifications or compliance is being effected, indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each person, if any, who controls the Company within the meaning of the Securities Act, any underwriter and any other Holder selling securities under such registration statement or any of such other Holder’s partners, directors, officers, legal counsel or any person who controls such Holder within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages or liabilities (joint or several) to which the Company or any such director, officer, legal counsel, controlling person, underwriter or other such Holder, partner or director, officer or controlling person of such other Holder may become subject under the Securities Act, the Exchange Act or other United States federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will reimburse any legal or other expenses reasonably incurred by the Company or any such director, officer, controlling person, underwriter or other Holder, partner, officer, director or controlling person of such other Holder in connection with investigating or defending any such loss, claim, damage, liability or action; *provided, however*, that the indemnity agreement contained in this subsection 2.9(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and *provided further*, that in no event shall any indemnity under this subsection 2.9(b) exceed the net proceeds received by such Holder in the registered offering out of which the applicable Violation arises.

(c) Notice. Promptly after receipt by an indemnified party under this Section 2.9 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.9, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to

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the parties; *provided, however*, that an indemnified party shall have the right to retain its own counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential conflict of interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of liability to the indemnified party under this [Section 2.9](#) to the extent the indemnifying party is prejudiced as a result thereof, but the omission to so deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this [Section 2.9](#).

(d) **Contribution.** In order to provide for just and equitable contribution to joint liability under the Securities Act in any case in which either (i) any indemnified party makes a claim for indemnification pursuant to this [Section 2.9](#) but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that this [Section 2.9](#) provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any indemnified party in circumstances for which indemnification is provided under this [Section 2.9](#); then, and in each such case, the indemnified party and the indemnifying party will contribute to the aggregate losses, claims, damages or liabilities to which they may be subject (after contribution from others) in such proportion so that a Holder (together with its related persons) is responsible for the portion represented by the percentage that the public offering price of its Registrable Securities offered by and sold under the registration statement bears to the public offering price of all securities offered by and sold under such registration statement, and the Company and other selling Holders are responsible for the remaining portion. The relative fault of the indemnifying party and of the indemnified party shall be determined by a court of law by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; *provided, however*, that, in any such case: (A) no Holder will be required to contribute any amount in excess of the net proceeds to such Holder from the sale of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement; and (B) no person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation.

(e) **Survival; Consents to Judgments and Settlements.** The obligations of the Company and Holders under this [Section 2.9](#) shall survive the completion of any offering of Registrable Securities in a registration statement, regardless of the expiration of any statutes of limitation or extensions of such statutes. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

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2.10 **Termination of the Company's Obligations.** The Company shall have no obligations pursuant to [Sections 2.3, 2.4 and 2.5](#) with respect to any Registrable Securities proposed to be sold by a Holder in a registration pursuant to [Sections 2.3, 2.4 or 2.5](#) more than two (2) years after the Qualified IPO, or, if, in the opinion of counsel to the Company, all such Registrable Securities proposed to be sold by a Holder may then be sold without registration in any ninety (90) day period pursuant to Rule 144 promulgated under the Securities Act.

2.11 **No Registration Rights to Third Parties.** Except for transferees of Registrable Securities who are validly assigned the rights under this [Section 2](#), without the prior written consent of the Required Consenters, the Company covenants and agrees that it shall not grant, or cause or permit to be created, for the benefit of any person or entity any registration rights of any kind (whether similar to the demand, "piggyback" or Form F-3 registration rights described in this [Section 2](#), or otherwise) relating to any securities of the Company which are senior to, or on a parity with, those granted to the Holders of Registrable Securities.

2.12 **Rule 144 Reporting.** With a view to making available to the Holders the benefits of certain rules and regulations of the SEC which may at any time permit the sale of the Registrable Securities to the public without registration or pursuant to a registration on Form F-3, after such time as a public market exists for the Ordinary Shares, the Company agrees to:

(a) Make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times after the effective date of the first registration under the Securities Act filed by the Company for an offering of its securities to the general public;

(b) File with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements); and

(c) So long as a Holder owns any Registrable Securities, to furnish to such Holder forthwith upon request (i) a written statement by the Company as to its compliance with the reporting requirements of Rule 144 (at any time after ninety (90) days after the effective date of the Company's initial public offering), the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), or its qualification as a registrant whose securities may be resold pursuant to Form F-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company, and (iii) such other reports and documents of the Company as a Holder may reasonably request in availing itself of any rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to Form F-3.

2.13 **Market Stand-Off.** Each shareholder of the Company that is a party to this Agreement agrees that, so long as it holds any voting securities of the Company, upon request by the Company or the underwriters managing the initial public offering of the Company's securities, it will not sell or otherwise transfer or dispose of any securities of the Company (other than those permitted to be included in the registration and other transfers to affiliates permitted by law) without the prior written consent of the Company or such underwriters, as the case may be, for a period of time specified by the representative of the underwriters not to

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exceed 180 days from the effective date of the registration statement covering such initial public offering or the pricing date of such offering as may be requested by the underwriters. The Company shall use commercially reasonable efforts to take all steps to shorten such lock-up period. The foregoing provision of this [Section 2.13](#) shall not apply to the sale of any securities of the Company to an underwriter pursuant to any underwriting agreement, and shall only be applicable to the Holders if all other shareholders of the Company enter into similar agreements, and if the Company or any underwriter releases any other shareholder from his, her or its sale restrictions so undertaken, then each Holder shall be notified prior to such release and shall itself be simultaneously released to the same proportional extent. The Company shall require all future acquirers of the Company's securities to execute prior to a Qualified IPO a market stand-off agreement containing substantially similar provisions as those contained in this [Section 2.13](#).

2.14 **Investors' Right in Public Offering.** If any shares or securities of the Company are offered in an underwritten public offering (whether or not a Qualified IPO) for the account of any shareholder of the Company, each holder of the Preferred Shares, Tiger Shares, Gaoling Ordinary Shares, KX & AW Shares, DST Global Shares, Sequoia Shares, Insight Shares, KPCB Shares, Oeland Shares, Good Fortune Shares, IGSB Shares, Classroom Shares, Kingdom Shares, China Life

Shares (provided that, with respect to China Life Shares, the holder of China Life Shares owns at least 25,247,161 of the China Life Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like)) or Tencent Shares shall have the right to include a pro rata number of shares in the offering on terms and conditions no less favorable to such holder of the Preferred Shares, Tiger Shares, Gaoling Ordinary Shares, KX & AW Shares, DST Global Shares, Sequoia Shares, Insight Shares, KPCB Shares, Oeland Shares, Good Fortune Shares, IGSB Shares, Classroom Shares, Kingdom Shares, China Life Shares or Tencent Shares than to any other selling shareholder(s).

2.15 Non-U.S. Listings. Subject to the terms of this Agreement and the Restated Memorandum and Articles, if the Company seeks, for its own account or for the account of others, (a) to obtain a listing for any equity securities (including ADRs or ADSs), or (b) to register for public sale any such securities, in either case in a jurisdiction outside the United States, the Holders shall be provided, as a condition to such listing or registration, with registration rights in such other jurisdiction that are the same to the extent permitted by applicable laws, in all material respects, to the registration rights such Holders have with respect to listings or registrations in the United States pursuant to the terms of this Agreement.

2.16 Tencent Shares. Notwithstanding the other provisions of this Section 2, the rights of any holder of Tencent Shares under this Section 2 are subject to Section 4.12, and, prior to the Lock-Up Expiration Date, no holder of Tencent Shares may participate as a Holder in a Request Notice or any registration under Sections 2.3 through and including 2.15, unless (i) any filing for such registration is made no earlier than 1 month prior to the Lock-Up Expiration Date; and (ii) such registration is solely for the purpose of sale after the Lock-Up Expiration Date in compliance with Section 4.12; *provided* that notwithstanding Section 2.10, at any time during the two-year period following the Lock-Up Expiration holders of a majority of the Tencent Shares shall have the right to demand on one occasion registration of the Tencent Shares in substantially the same manner as set forth in this Section 2, and the Company shall have the obligation to file a registration statement and use its best efforts to

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effect such registration, and the provisions of Section 2.3 through and including 2.15 shall apply *mutatis mutandis*.

3. RIGHT OF PARTICIPATION.

3.1 General. Each of (a) the holders of in the aggregate more than 75,000,000 Preferred Shares and/or the Gaoling Ordinary Shares then outstanding (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), (b) Max Smart, (c) the holders of more than 75,000,000 Tiger Shares (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), (d) the holders of more than 75,000,000 DST Global Shares (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), (e) KAIXIN, (f) ACCURATE WAY, (g) any holder holding in aggregate more than 75,000,000 Preferred Shares and/or Gaoling Ordinary Shares, Tiger Shares, KX & AW Shares and/or DST Global Shares to which rights under this Section 3 have been duly assigned in accordance with Section 8, (h) the Sequoia Parties, so long as (A) they collectively own at least 39,821,655 of the Sequoia Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), or (B) the price per share of such issuance is less than US\$3.632 (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), (i) the Insight Parties, so long as (x) neither of them has sold any Insight Shares held by it since the date hereof, (y) the DST Global Parties or the Sequoia Parties are exercising their rights under this Section 3 and (z) the price per share of such issuance is less than US\$3.632 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), (j) KPCB, so long as (x1) it has not sold any KPCB Shares held by it since the date hereof, (y1) the DST Global Parties or the Sequoia Parties are exercising their rights under this Section 3 and (z1) the price per share of such issuance is less than US\$3.632 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), (k) Oeland, so long as (x2) it has not sold any Oeland Shares held by it since the date hereof, (y2) the DST Global Parties or the Sequoia Parties are exercising their rights under this Section 3 and (z2) the price per share of such issuance is less than US\$3.632 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), (l) Good Fortune, so long as (x3) it has not sold any Good Fortune Shares held by it since the date hereof, (y3) the DST Global Parties or the Sequoia Parties are exercising their rights under this Section 3 and (z3) the price per share of such issuance is less than US\$3.632 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), (m) IGSB, so long as (x4) it has not sold any IGSB Shares held by it since the date hereof, (y4) the DST Global Parties or the Sequoia Parties are exercising their rights under this Section 3 and (z4) the price per share of such issuance is less than US\$3.632 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), (n) Classroom, so long as (A) it owns at least 44,182,531 of the Classroom Shares (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), and (B) the price per share of such issuance is less than US\$3.961 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), (o) each Kingdom Party, so long as Kingdom owns in aggregate more than 75,000,000 of the Kingdom Shares (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to

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such shares and the like), (p) China Life, so long as (A) it owns at least 25,247,161 of the China Life Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), and (B) the price per share of such issuance is less than US\$3.961 (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), (q) Strong Desire, so long as (A) it owns at least 53,640,484 Series B Preferred Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), and (B) the price per share of such issuance is less than US\$0.089 (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like) and (r) Tencent, so long as Tencent owns in aggregate more than 75,000,000 of the Tencent Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like) (each of (a) through (r), hereinafter referred to as a “**Participation Rights Holder**”), shall have the right of first refusal to purchase such Participation Rights Holder’s Pro Rata Share (as defined below) of any New Securities (as defined below) that the Company may from time to time issue after the date of this Agreement (the “**Right of Participation**”). For avoidance of doubt, any Participation Rights Holder, if it does not exercise the Right of Participation, may only designate its Affiliate(s) to exercise its Right of Participation provided hereunder.

3.2 Pro Rata Share. A Participation Rights Holder’s “**Pro Rata Share**” for purposes of the Right of Participation is the ratio of (a) the number of Ordinary Shares (calculated on a fully-diluted and as-converted basis) held by such Participation Rights Holder, to (b) the total number of Ordinary Shares held by all of the Participation Rights Holders (calculated on a fully-diluted and as-converted basis) then outstanding immediately prior to the issuance of New Securities giving rise to the Right of Participation.

3.3 New Securities. “**New Securities**” shall mean any Preferred Shares, Ordinary Shares or other shares of the Company and rights, options or warrants to purchase such Preferred Shares, Ordinary Shares or other shares of the Company and securities of any type whatsoever that are, or may become, convertible or exchangeable into such Preferred Shares, Ordinary Shares or other voting shares; *provided, however*, that the term “**New Securities**” shall not include:

(a) any Ordinary Shares (and/or options or warrants therefor) issued to employees, officers, directors, contractors, advisors or consultants of the Group Companies pursuant to the Company’s employee share option plans or otherwise for the primary purpose of soliciting or retaining their employment or services, in each case as approved by the Board and if applicable, in accordance with the then effective memorandum of association and articles of association of the Company;

- (b) any Ordinary Shares issued pursuant to the conversion of any Preferred Shares and/or the exercise of any Warrants outstanding from time to time;
- (c) any securities issued in connection with any share split, share dividend or other similar event in which all Participation Rights Holders are entitled to participate on a pro rata basis;
- (d) any securities issued upon the exercise, conversion or exchange of any outstanding security if such outstanding security constituted a New Security;

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- (e) any securities issued pursuant to a Qualified IPO (excluding for avoidance of doubt any issuance pursuant to the Tencent IPO Subscription Agreement); or
- (f) any securities issued in connection with the acquisition of another corporation or entity by the Company, whether by consolidation, merger, purchase of assets, sale or exchange of shares, or other reorganization.

3.4 Procedures.

(a) First Participation Notice. In the event that the Company proposes to undertake an issuance of New Securities (in a single transaction or a series of related transactions), it shall give to each Participation Rights Holder written notice of its intention to issue New Securities (the “**First Participation Notice**”), describing the amount and type of New Securities, the price and the general terms upon which the Company proposes to issue such New Securities. Each Participation Rights Holder shall have twenty (20) Business Days from the date of receipt of any such First Participation Notice to agree in writing to purchase such Participation Rights Holder’s Pro Rata Share of New Securities for the price and upon the terms and conditions specified in the First Participation Notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased (not to exceed such Participation Rights Holder’s Pro Rata Share). If any Participation Rights Holder fails to so agree in writing within such twenty (20) Business Day period to purchase such Participation Rights Holder’s full Pro Rata Share of New Securities, then such Participation Rights Holder shall forfeit the right hereunder to purchase that part of its Pro Rata Share of New Securities that it did not agree to purchase.

(b) Second Participation Notice; Oversubscription. If any Participation Rights Holder fails or declines to exercise its Right of Participation in accordance with Section 3.4(a) above, the Company shall promptly give notice (the “**Second Participation Notice**”) to other Participation Rights Holders who exercised their Right of Participation (the “**Right Participants**”) in accordance with Section 3.4(a) above. Each Right Participant, other than a Participation Rights Holder who fails or declines to exercise its Right of Participation in accordance with Section 3.4(a) above, shall have five (5) Business Days from the date of the Second Participation Notice (the “**Second Participation Period**”) to notify the Company of its desire to purchase more than its Pro Rata Share of the New Securities, stating the number of the additional New Securities it proposes to buy (the “**Additional Number**”). Such notice may be made by telephone if confirmed in writing within two (2) Business Days. If, as a result thereof, such oversubscription exceeds the total number of the remaining New Securities available for purchase, each oversubscribing Right Participant will be cut back by the Company with respect to its oversubscription to that number of remaining New Securities equal to the lesser of (x) the Additional Number and (y) the product obtained by multiplying (i) the number of the remaining New Securities available for subscription by (ii) a fraction, the numerator of which is the number of Ordinary Shares (calculated on a fully-diluted and as-converted basis) held by such oversubscribing Right Participant and the denominator of which is the total number of Ordinary Shares (calculated on a fully-diluted and as-converted basis) held by all the oversubscribing Right Participants. Each Right Participant shall be obligated to buy such number of New Securities as determined by the Company pursuant to this Section 3.4 and the Company shall so notify the Right Participants within fifteen (15) Business Days following the date of the Second Participation Notice.

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3.5 Failure to Exercise. Upon the expiration of the Second Participation Period, or in the event no Participation Rights Holder exercises the Right of Participation within twenty (20) Business Days following the issuance of the First Participation Notice, the Company shall have ninety (90) Business Days thereafter to sell the unsubscribed portion of the New Securities (with respect to which the Right of Participation hereunder were not exercised, the “**Remaining Securities**”) at the same or higher price and upon non price terms not materially more favorable to the purchasers thereof than specified in the First Participation Notice so long as the purchasers thereof agree to be bound by the terms of this Agreement as a shareholder of the Company hereunder. In the event that the Company has not issued and sold such Remaining Securities within such ninety (90) Business Day period, then the Company shall not thereafter issue or sell any Remaining Securities without again first offering such Remaining Securities to the Participation Rights Holders pursuant to this Section 3.

3.6 Termination. The Right of Participation for each Participation Rights Holder shall terminate upon a Qualified IPO.

4. TRANSFER RESTRICTIONS.

4.1 Certain Definitions. For purposes of this Section 4, “**Ordinary Shares**” means (a) the Company’s outstanding Ordinary Shares, (b) the Ordinary Shares issued or issuable upon conversion of the Company’s outstanding Preferred Shares, (c) the Ordinary Shares issuable upon exercise of outstanding options or warrants, (d) the Ordinary Shares issued pursuant to the Company’s employee share option plans, and (e) the Ordinary Shares issuable upon conversion of any outstanding convertible securities. For purposes of this Agreement, “**Preferred Shareholder**” means each of the holders of the Preferred Shares and their permitted assignees to whom their rights have been duly assigned in accordance with this Agreement; and “**Ordinary Shareholder**” means any holder of Ordinary Shares of the Company and their permitted assignees to whom their rights have been duly assigned in accordance with this Agreement.

4.2 Right of First Refusal.

(a) General. Subject to Section 4.6 of this Agreement, if Max Smart or any other shareholder of the Company from time to time holding Ordinary Shares or Preferred Shares (other than Fortune Rising) (the “**Selling Shareholder**”) proposes to sell or transfer any Ordinary Shares or Preferred Shares held by it, then the Selling Shareholder shall promptly give written notice (the “**Transfer Notice**”) to the Company and each of the Preferred Shareholders, Max Smart, each holder of Gaoling Ordinary Shares (the “**Gaoling Ordinary Share Holder**”), each holder of the Tiger Shares (the “**Tiger Share Holder**”), each holder of DST Global Shares (the “**DST Global Share Holder**”), each holder of the Sequoia Shares so long as all of such holders collectively hold at least 39,821,655 of the Sequoia Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like) (the “**Sequoia Share Holder**”), each holder of Classroom Shares so long as all of such holders collectively hold at least 44,182,531 of the Classroom Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like) (the “**Classroom Share Holder**”), each holder of Kingdom Shares (the “**Kingdom Share Holder**”), each holder of China Life Shares so long as all such holders collectively hold at least 25,247,161 of China Life Shares (as

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adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like) (the “China Life Share Holder”), each holder of Tencent Shares (the “Tencent Share Holder”), and collectively with the Preferred Shareholders, Max Smart, the Gaoling Ordinary Share Holder, the Tiger Share Holder, the DST Global Share Holder, the Sequoia Shareholder, the Classroom Share Holder, Kingdom Share Holder and the China Life Share Holder (but excluding the person who is the Selling Shareholder), the “Non-Selling Shareholders”) prior to such sale or transfer (the “Proposed Transfer”). The Transfer Notice shall describe in reasonable detail the proposed sale or transfer including, without limitation, the number of Ordinary Shares or Preferred Shares to be sold or transferred (the “Offered Shares”), the nature of such sale or transfer, the consideration to be paid, and the name and address of each prospective purchaser or transferee.

(b) **Right of First Refusal of the Company.** In the case of the Proposed Transfer, the Company shall have an option, to the exclusion of all Non-Selling Shareholders, for a period of twenty (20) days from receipt of the Transfer Notice to elect to purchase all but not a portion of the Offered Shares at the same price and subject to the same terms and conditions as described in the Transfer Notice, by notifying the Selling Shareholder and all the Non-Selling Shareholders in writing before expiration of such twenty (20) days period (the “Company First Refusal Period”).

(c) **Right of First Refusal of Non-Selling Shareholder.** In the case of the Proposed Transfer, if the Company fails to exercise its purchase option during the Company First Refusal Period to purchase all the Offered Shares, the Non-Selling Shareholders shall have an option for a period of twenty (20) days from the expiration of the Company First Refusal Period, to elect to purchase the Offered Shares at the same price and subject to the same terms and conditions as described in the Transfer Notice. The Non-Selling Shareholders may exercise such purchase option by delivering a written notice (the “Non-Selling Shareholder’s First Refusal Notice”) to the Selling Shareholder, the Company and each other Non-Selling Shareholder before expiration of such twenty (20) days period (the “Non-Selling Shareholder’s First Refusal Period”). The Non-Selling Shareholder’s First Refusal Notice shall set forth the number of Offered Shares that such Non-Selling Shareholder wishes to purchase pursuant to Section 4.2(c)(i). Such right of first refusal shall be exercised as follows:

(i) **First Refusal Allotment.** Each Non-Selling Shareholder shall have the right to purchase that number of the Offered Shares (the “First Refusal Allotment”) equivalent to the product obtained by multiplying the aggregate number of the Offered Shares by a fraction, the numerator of which is the number of Ordinary Shares (on an as-converted basis) held by such Non-Selling Shareholder on the date of the Transfer Notice and the denominator of which is the total number of Ordinary Shares (on an as-converted basis) owned on the date of the Transfer Notice by all Non-Selling Shareholders who elect to participate in the right of first refusal purchase. Any Non-Selling Shareholder shall not have a right to purchase any of the Offered Shares unless it exercises its right of first refusal within the Non-Selling Shareholder’s First Refusal Period to purchase all or a portion of its First Refusal Allotment of the Offered Shares within the Non-Selling Shareholder’s First Refusal Period. To the extent that any Non-Selling Shareholder does not exercise its right of first refusal to the full extent of its First Refusal Allotment, the Selling Shareholder and the other exercising Non-Selling Shareholders shall, at such other exercising Non-Selling Shareholders’ sole discretion, within five (5) days after the end of the Non-Selling

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Shareholder’s First Refusal Period (the “Re-Allotment Period”), make such adjustment to the First Refusal Allotment of each exercising Non-Selling Shareholder so that any remaining Offered Shares may be allocated to those Non-Selling Shareholders exercising their rights of first refusal on a pro rata basis; *provided, however*, any such exercising Non-Selling Shareholder shall not have the right to purchase any of the remaining Offered Shares unless it purchases all of its portion in such re-allotment of the remaining Offered Shares. For avoidance of doubt, any Non-Selling Shareholder, if it does not exercise its right of first refusal hereunder, may only designate its Affiliate(s) to exercise the right of first refusal provided hereunder; the Company shall not have the right to designate another Person to exercise its right of first refusal set forth in Section 4.2(b).

(ii) **Purchase Price.** The purchase price for the Offered Shares to be purchased by the Non-Selling Shareholders exercising their right of first refusal will be the price set forth in the Transfer Notice, but will be payable as set forth below. If the purchase price in the Transfer Notice includes consideration other than cash, the cash equivalent value of the non-cash consideration will be as previously determined by the Board in good faith, which determination will be binding upon the Company, the Selling Shareholder and the Non-Selling Shareholders, absent fraud or error. Payment of the purchase price for the Offered Shares purchased by the Non-Selling Shareholders shall be made within ten (10) days following the date of the Non-Selling Shareholder’s First Refusal Expiration Notice (as defined in the Section 4.2(d), below) by wire transfer or check as directed by the Selling Shareholder.

(d) **Expiration Notice.** Within ten (10) days after the expiration of the later of the Company First Refusal Period, the Non-Selling Shareholder’s First Refusal Period and the Re-Allotment Period (if any and as applicable), the Company will give written notice (the “First Refusal Expiration Notice”) to each of the Selling Shareholders and the other Preferred Shareholders and Ordinary Shareholders specifying either (i) that all of the Offered Shares were subscribed by the Company and the Non-Selling Shareholders exercising their rights of first refusal, or (ii) that the Company and the Non-Selling Shareholders have not subscribed for all of the Offered Shares in which case the First Refusal Expiration Notice will specify the Co-Sale Pro Rata Portion (as defined below) of the remaining Offered Shares for the purpose of the co-sale right described in Section 4.3 below.

(e) **Rights of a Selling Shareholder.** If any of the Company and the Non-Selling Shareholder exercises its right of first refusal to purchase the Offered Shares, then, upon the date the notice of such exercise is given by the Company and the Non-Selling Shareholder (as the case may be), the Selling Shareholder will have no further rights as a holder of such Offered Shares with respect to which the right of first refusal is exercised except the right to receive payment for such purchased Offered Shares from the Company or such Non-Selling Shareholder (as the case may be) in accordance with the terms of this Agreement, and the Selling Shareholder will forthwith cause all certificate(s) evidencing such purchased Offered Shares to be surrendered to the Company for cancellation.

4.3 **Tiger Share Holder, Gaoling Ordinary Share Holder, DST Global Share Holder, Sequoia Share Holder, holder of Insight Shares, holder of KPCB Shares, holder of Oeland Shares, holder of Good Fortune Shares, holder of IGSB Shares, KAIXIN, ACCURATE WAY, Classroom Share Holder, Kingdom Share Holder, China Life Share Holder, Tencent Share Holder and Preferred Shareholders’ Co-Sale Right.** In the event that

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the Company and the Non-Selling Shareholders have not exercised their right of first refusal with respect to all of the Offered Shares and the Selling Shareholder is an Ordinary Shareholder (other than the Tiger Share Holder, the Gaoling Ordinary Share Holder, the DST Global Share Holder, the Sequoia Share Holder, the Classroom Share Holder, the Kingdom Share Holder, the China Life Share Holder or the Tencent Share Holder), then the remaining Offered Shares not subscribed for under the right of first refusal pursuant to Section 4.2 above shall be subject to co-sale rights under this Section 4.3 and each of the Preferred Shareholders, the Tiger Share Holder, the Gaoling Ordinary Share Holder, the DST Global Share Holder, the Sequoia Share Holder, the holder of Insight Shares, the holder of KPCB Shares, the holder of Oeland Shares, the holder of Good Fortune Shares, the holder of IGSB Shares, KAIXIN, ACCURATE WAY, the Classroom Share Holder, the Kingdom Share Holder, the China Life Share Holder (provided that the holder of China Life Shares owns at least 25,247,161 of the China Life Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like)) and the Tencent Share Holder that does not have, or has not exercised its, right of first refusal pursuant to Section 4.2 above (the “Co-Sale Right Holders”) shall have the right, exercisable upon written notice to the Selling Shareholder, the Company and each Co-Sale Right Holder (the “Co-Sale Notice”) within twenty (20) days after receipt of First Refusal Expiration Notice (the “Co-Sale Right Period”), to participate

in such sale of the Offered Shares on the same terms and conditions as set forth in the Transfer Notice. The Co-Sale Notice shall set forth the number of Ordinary Shares (on both an absolute and as-converted to Ordinary Shares basis) that such participating Co-Sale Right Holder wishes to include in such sale or transfer, which amount shall not exceed the Co-Sale Pro Rata Portion (as defined below) of such Co-Sale Right Holder. To the extent any Co-Sale Right Holder exercises such right of participation in accordance with the terms and conditions set forth below, the number of Ordinary Shares that such Selling Shareholder may sell in the transaction shall be correspondingly reduced. The co-sale right of each of the Co-Sale Right Holders shall be subject to the following terms and conditions:

(a) Co-Sale Pro Rata Portion. Each of the Co-Sale Right Holders may sell all or any part of that number of Ordinary Shares held by it (on an as-converted basis) that is equal to the product obtained by multiplying (x) the aggregate number of the Offered Shares subject to the co-sale right hereunder by (y) a fraction, the numerator of which is the number of Ordinary Shares (on an as-converted basis) owned by respective Co-Sale Right Holder on the date of the Transfer Notice and the denominator of which is the combined number of Ordinary Shares (on an as-converted basis) owned on the date of the Transfer Notice by all the Co-Sale Right Holders who elect to exercise their co-sale rights (if any Co-Sale Right Holder does not elect to exercise the co-sale right to the full extent then its Ordinary Shares (on as-converted basis) for calculation in the denominator shall be proportionately reduced) and the Selling Shareholder (“**Co-Sale Pro Rata Portion**”).

(b) Transferred Shares. Each of the Co-Sale Right Holders shall effect its participation in the sale by promptly delivering to the Selling Shareholder for transfer to the prospective purchaser one or more share certificate or certificates, properly endorsed for transfer, which represent:

(i) the number of Ordinary Shares which such Co-Sale Right Holder elects to sell;

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(ii) that number of Preferred Shares which is at such time convertible into the number of Ordinary Shares that such Preferred Shareholder elects to sell; *provided* in such case such Preferred Shareholder shall convert such Preferred Shares into Ordinary Shares and deliver Ordinary Shares as provided in subsection 4.3(b)(i) above. The Company agrees to make any such conversion concurrent with the actual transfer of such shares to the purchaser; or

(iii) a combination of the above.

Notwithstanding anything contrary stated herein, no representation, warranty or indemnity will be given by the participating Co-Sale Right Holders, except with respect to each Co-Sale Right Holder’s (as applicable) title and ownership of such shares to be transferred to the transferees.

(c) Payment to Co-Sale Right Holders. The share certificate or certificates that the participating Co-Sale Right Holder delivers to the Selling Shareholder pursuant to Section 4.3(b) shall be transferred to the prospective purchaser in consummation of the sale of the Offered Shares pursuant to the terms and conditions specified in the Transfer Notice, and the Selling Shareholder shall concurrently therewith remit to such Co-Sale Right Holder that portion of the sale proceeds to which such Co-Sale Right Holder is entitled by reason of its/his participation in such sale. To the extent that any prospective purchaser or purchasers prohibits such assignment or otherwise refuses to purchase any shares or other securities from a Co-Sale Right Holder exercising its co-sale right hereunder, the Selling Shareholder shall not sell to such prospective purchaser or purchasers any Ordinary Shares unless and until, simultaneously with such sale, the Selling Shareholder shall purchase such shares or other securities from such Co-Sale Right Holder. No such proposed transfer shall be effective unless the prospective purchaser shall have agreed to become a party to this Agreement in accordance with the terms hereof (including being subject to the restrictions applicable to Ordinary Shareholders).

(d) Right to Transfer. To the extent that the Company and the Non-Selling Shareholders have not exercised their right of first refusal with respect to, and the Co-Sale Right Holders have not participate in the sale of, all of the Offered Shares subject to the Transfer Notice, the Selling Shareholder may, not later than ninety (90) days after the expiration of the later of the Company First Refusal Period, the Non-Selling Shareholder’s First Refusal Period, the Re-Allotment Period and the Co-Sale Right Period (if any and as applicable), conclude a transfer of the remaining Offered Shares covered by the Transfer Notice, which in each case shall be on substantially the same terms and conditions as those described in the Transfer Notice. Any proposed transfer on terms and conditions which are materially different from those described in the Transfer Notice, as well as any subsequent proposed transfer of any Ordinary Shares by the Selling Shareholder, shall again be subject to the right of first refusal of the Company and the Non-Selling Shareholders and the co-sale right of the Co-Sale Right Holders, and shall require compliance by the Selling Shareholder with the procedures described in Sections 4.2 and 4.3 of this Agreement. No such proposed transfer shall be effective unless the prospective purchaser shall have agreed to become a party to this Agreement in accordance with the terms hereof (including being subject to the restrictions applicable to Ordinary Shareholders and Preferred Shareholders).

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4.4 Permitted Transfers. Notwithstanding anything to the contrary, (a) Sections 4.2 and 4.3 shall not apply to any transfer of Preferred Shares and/or Ordinary Shares by the Preferred Shareholders, the Tiger Share Holder, the Gaoling Ordinary Share Holder, the DST Global Share Holder, any Sequoia Share Holder, any holder of the Insight Shares, any holder of KPCB Shares, any holder of Oeland Shares, any holder of Good Fortune Shares, any holder of IGSB Shares, any Classroom Share Holder, any Kingdom Share Holder, any China Life Share Holder or any Tencent Share Holder, to one or more of their respective Affiliates, and (b) Section 4 (other than this Section 4.4) shall not apply to (1) any transfer of Ordinary Shares by Max Smart or (2) any transfer of the Founder’s interest in Max Smart, in each case under (b)(1) and (b)(2), (i) to any member of the Founder’s Immediate Family, (ii) to a custodian, trustee, executor, or other fiduciary for the account of the members of the Founder’s Immediate Family, (iii) to a trust for the Founder’s own benefit, (iv) to any entity wholly owned by the Founder, or (v) to any entity wholly owned by the Founder’s Immediate Family (the persons or entities referred to in foregoing items (i) through (v) are herein referred to as the “**Founder’s Associates**”); *provided* that the aggregate number of shares in the Company so directly or indirectly Transferred (as defined below) by the Founder pursuant to the foregoing items (i), (ii), (iii), (iv) and (v) under this Section 4.4(b) shall not exceed 2.5% of all the shares of the Company issued and outstanding as of the date of any such Transfer, calculated on an as-converted basis, or (3) Transfers of the Warrants in accordance with the terms stated therein, or (4) any transfer of Ordinary Shares in the Company by Fortune Rising pursuant to Section 4.5(b)(ii) below. For purposes of this Section 4.4, an individual’s “**Immediate Family**” means his or her spouse, child or step-child, brother, sister and parents. No such proposed transfer shall be effective unless the prospective purchaser shall have agreed to become a party to this Agreement in accordance with the terms hereof.

4.5 Additional Transfer Restrictions on Founder, Max Smart, Fortune Rising, KAIXIN, and ACCURATE WAY.

(a) Transfer Restrictions on Founder and Max Smart. Subject to Section 4.4 above and except for Transfers in one or a series of transactions for an aggregate consideration of less than US\$10,000,000, prior to a Qualified IPO, (i) the Founder and Max Smart shall not Transfer their shares in the Company (or any interest therein) without the prior written consent of the Required Consenters, (ii) the shareholders of the Company specifically agree that an obligation on the Founder and/or Max Smart to give Transfer Notice under Section 4.2 will be deemed to have arisen in case of a Transfer or proposed Transfer of shares by the Founder in Max Smart, and (iii) in such a case, the restrictions with regard to the transfer of the Ordinary Shareholders’ shares in the Company as described under this Section 4 shall apply.

(b) Transfer Restrictions on Fortune Rising and 39 Individual Shareholders.

(i) Subject to Section 4.5(b)(ii) below, except for Transfers in one or a series of transactions for an aggregate consideration of less than US\$10,000,000, prior to a Qualified IPO, (i) Fortune Rising and the Founder shall not Transfer their shares in the Company (or any interest therein) without the prior written consent of the Required Consenters; (ii) the shareholders of the Company specifically agree that an obligation on the Founder and/or Fortune Rising to give Transfer Notice under Section 4.2 will be deemed to have arisen in case of a Transfer or proposed Transfer of shares by the Founder in Fortune

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Rising; (iii) in such a case, the restrictions with regard to the transfer of the Ordinary Shareholders' shares in the Company as described under this Section 4 shall apply and such Transfer of Fortune Rising's Ordinary Shares in the Company shall be made proportionally by reference to the percentage of shares in Fortune Rising Transferred or proposed to be Transferred by the Founder; and (iv) as long as it owns any shares of the Company, each of Max Smart, Best Alliance and Strong Desire, other than any other shareholders in the Company, shall have the right of first refusal to buy such shares of the Company Transferred by Fortune Rising on a pro rata basis in accordance with its then respective shareholding in the Company; *provided, however*, that, notwithstanding anything to the contrary in this Agreement, the Ordinary Shares held by Fortune Rising can be transferred or otherwise allocated (through transfer of Ordinary Shares and/or grant of options or warrants therefor), without being subject to any restrictions set forth in this Section 4, to the employees, officers, directors, contractors, advisors or consultants of the Group Companies pursuant to the Company's duly adopted employee share option plans; *provided, further, however*, that if Max Smart, Best Alliance and Strong Desire fail to fully purchase up the shares offered to sell or dispose of under this item (iv), then Section 4.2 shall apply with respect to any remaining shares.

(ii) Notwithstanding anything to the contrary in this Agreement, the parties hereto agree, acknowledge and confirm that an aggregate of 22,675,000 Ordinary Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like) (the "**39 Shareholders' Shares**") currently held by Fortune Rising are held by it for the benefit of 39 current or former employee and consultants of the Group Companies (the "**39 Individual Shareholders**") and these 39 Shareholders' Shares were originally contributed by Max Smart, and the Founder is the sole record owner of all the outstanding shares of Fortune Rising as of the date of this Agreement. Except for Transfers in one or a series of transactions for an aggregate consideration of less than US\$10,000,000, prior to a Qualified IPO, (x) Fortune Rising shall ensure that the 39 Individual Shareholders will not Transfer their shares in the Company or any interest therein (directly after he or she becomes the record owner of the related shares or indirectly through transfer of the related shares by Fortune Rising) without the prior written consent of the Required Consenters; (y) the shareholders of the Company specifically agree that an obligation on the 39 Individual Shareholders and Fortune Rising to give Transfer Notice under Section 4.2 will be deemed to have arisen in case of a direct or indirect Transfer or proposed Transfer of shares by the 39 Individual Shareholders, and (z) as long as it owns any shares of the Company, each of Max Smart, Best Alliance, Strong Desire and Grandwin, other than any other shareholders in the Company, shall have the right of first refusal to buy such shares of the Company Transferred by the 39 Individual Shareholders, *provided* that the Transferred shares shall be allocated to Max Smart first, second to Best Alliance, Strong Desire and Grandwin on a pro rata basis (if and to the extent there are any remaining transferred shares), *provided further, however*, that if Max Smart, Best Alliance, Strong Desire and Grandwin fail to fully purchase up the shares offered to sell or dispose of under this item (z), then Section 4.2 shall apply with respect to any remaining shares.

(c) Transfer Restrictions on KAIXIN and ACCURATE WAY. Notwithstanding anything to the contrary herein, in the case that KAIXIN and/or ACCURATE WAY shall transfer any of the KX & AW Shares, the Founder, prior to any other shareholders in the Company, shall have the right of first refusal to buy such shares.

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4.6 No Transfer to Competitors. Notwithstanding anything to the contrary, as long as the Founder and Founder's Associate collectively and beneficially own (through his interest in Max Smart or otherwise) more than twenty percent (20%) of the voting power of the Company's then outstanding shares (calculated on a fully-diluted and as converted basis), without the prior written consent of the Founder, none of the Preferred Shareholders and Ordinary Shareholders shall make a Transfer of its Preferred Shares or Ordinary Shares (as the case may be) to any Competitor (as defined below) prior to December 31, 2015; *provided* that the foregoing restrictions shall not apply (a) to a Transfer of the Company's shares following the Company's initial public offering, or (b) if such Transfer is made in connection with a Trade Sale.

For purposes of this Agreement, (i) "**Transfer**" shall mean any proposed assignment, sale, offer to sell, pledge, mortgage, hypothecation, encumbrance, disposition of or any other like transfer or encumbering in a single transaction of any interest in the Company's shares; (ii) "**Competitor**" shall mean any person or entity or Affiliates of any such person or entity whose primary business is the same as, or in direct competition with, the Business; (iii) "**Business**" shall mean the business of (a) e-commerce business (including business-to-consumer or B2C), (b) sale of digital products, food, healthcare products, clothes, cosmetic products, books, audio/video products and other general merchandise products through the internet websites and relevant services and (c) logistics; and (iv) "**Trade Sale**" means either (a) a merger, consolidation, share purchase, or other business combination of the Company with or into any other business entity in which the shareholders of the Company immediately after such merger, consolidation, share purchase or business combination hold shares representing less than a majority of the voting power of the outstanding share capital of the surviving business entity, or (b) the sale, lease, transfer or other disposition of all or substantially all of the Company's assets.

4.7 Restriction on Indirect Transfers. Subject to Sections 4.4 and 4.5, without the prior written approval of the Required Consenters:

(a) (i) The Founder shall not, directly or indirectly, Transfer and shall not permit any Transfer of, through one or a series of transactions any equity interest (or the beneficial ownership in any such equity interest) held, directly or indirectly, by him or the Founder's Associate in Max Smart to any person; and (ii) Max Smart shall not, and the Founder shall cause Max Smart not to, issue to any person any equity securities of Max Smart or any options or warrants for, or any other securities exchangeable for or convertible into, such equity securities of Max Smart.

(b) The Founder shall not, and Max Smart shall not cause or permit any other person to, directly or indirectly, Transfer through one or a series of transactions any equity interest (or the beneficial ownership in any such equity interest) held or controlled by him or the Founder's Associate or Max Smart respectively in the Company to any person.

(c) The Founder shall not, directly or indirectly, Transfer through one or a series of transactions any equity interest held, directly or indirectly, by him in Fortune Rising to any person; and Fortune Rising shall not, and the Founder shall cause Fortune Rising not to, issue to any person any equity securities of Fortune Rising or any options or warrants for, or any other securities exchangeable for or convertible into, such equity securities of Fortune Rising.

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(d) The Founder shall not, and the Founder shall not cause any other person to, directly or indirectly, Transfer through one or a series of transactions any equity interest (or the beneficial ownership in any such equity interest) held or controlled by him or the Founder's Associate or Fortune Rising respectively in the Company to any person.

(e) Each Group Company shall not, and the Founder shall cause each Group Company not to, issue to any person any equity securities of such Group Company, or any options or warrants for, or any other securities exchangeable for or convertible into, such equity securities of such Group Company.

(f) Any Transfer in violation of this Section 4.7 shall be void and each of the Company, Max Smart and Fortune Rising (as applicable) hereby agrees it will not effect such a Transfer nor will it treat any alleged transferee as the holder of such equity interest.

4.8 Guarantees by the Founder. The Founder hereby unconditionally and irrevocably guarantees and warrants, as primary obligor and not merely a surety, to each of the Investors, the due and punctual performance and observance of Max Smart under this Agreement and of all its respective obligations, commitments, undertakings, warranties, indemnities and covenants under or pursuant to this Agreement and agrees to fully and unconditionally indemnify each of the Investors against all losses, damages, costs and expenses (including legal costs and expenses) which any of the Investors may suffer through or arising from any breach by Max Smart. The liability of Max Smart as aforesaid shall not be released or diminished by any arrangements or alterations of terms (whether of this Agreement, or otherwise) or any forbearance, neglect or delay in seeking performance of the obligations hereby imposed or any granting of time for such performance.

4.9 Kingdom's Pledge. Each Kingdom Party hereby, severally but not jointly and severally, represents that, as of the date of the Closing (as defined in the Kingdom Ordinary Share Purchase Agreement), such Kingdom Party has not created any lien, charge or encumbrance on any or all of the Kingdom Shares acquired by such Kingdom Party pursuant to Kingdom Ordinary Share Purchase Agreement in order to secure financing for such acquisition.

4.10 Legend.

(a) Each certificate representing the Preferred Shares and Ordinary Shares shall be endorsed with the following legend:

“THE SALE, PLEDGE, HYPOTHECATION OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER SET FORTH IN A SHAREHOLDERS AGREEMENT, A COPY OF WHICH MAY BE OBTAINED UPON WRITTEN REQUEST TO THE BOARD OF THE COMPANY. BY ACCEPTING ANY INTEREST IN SUCH SHARES THE PERSON ACCEPTING SUCH INTEREST SHALL BE DEEMED TO AGREE TO AND SHALL BECOME BOUND BY ALL THE PROVISIONS OF SAID SHAREHOLDERS AGREEMENT.”

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(b) Each party agrees that the Company may instruct its transfer agent to impose transfer restrictions on the shares represented by certificates bearing the legend referred to in Section 4.10(a), above to enforce the provisions of this Agreement and the Company agrees to promptly do so. The legend shall be removed upon termination of the provisions of Sections 4.1 to 4.10.

4.11 Term. Sections 4.1 to 4.10 shall terminate upon the earlier to occur of (a) a Qualified IPO, or (b) the closing of a Trade Sale.

4.12 Additional Transfer Restrictions on Founder, Max Smart and Tencent.

(a) Prior to the third anniversary of the date hereof (the “**Lock-Up Expiration Date**”), and notwithstanding any other provisions of this Agreement but subject to Section 4.12(b) below, Tencent shall not, and shall not permit any holder of Tencent Shares to, without the prior written consent of the Company, directly or indirectly, Transfer or permit any Transfer of, through one or a series of transactions, the Tencent Shares held by it, directly or indirectly, in the Company, other than Transfers to Affiliates pursuant to Section 4.4(a) provided that prior to such Transfer such Affiliate executes a joinder in a form reasonably acceptable to the Company to this Agreement under which it becomes bound in the same manner as Tencent (including under this Section 4.12).

(b) Notwithstanding the foregoing, Tencent shall be entitled to sell up to 4,927,204 Tencent Shares (“**Free Tencent Shares**”) to any founder of Shanghai Icton E-Commerce Cyber (Shenzhen) Company Limited from and after the date hereof and prior to the Lock-Up Expiration Date without the prior written consent of any Person (including any consent of the Founder); provided, that each transferee of such shares, at the time of such transfer, agrees in writing with the Company to sign a lock up agreement with the Company and a lock up agreement with the underwriters in connection with the initial public offering of the Company, on terms customary for such agreements for a period of 180 days following the initial public offering.

(c) Notwithstanding any provisions of this Agreement, the Founder, Max Smart and Tencent shall not, directly or indirectly, Transfer and shall not permit any Transfer of, through one or a series of transactions, any equity interest, including any Ordinary Shares and Preferred Shares, held by him or it, directly or indirectly (including through any Affiliate) in the Company to (i) a Tencent Restricted Person without the prior written consent of the Founder or Max Smart, if the transferor is Tencent or any of its Affiliates or (ii) a Founder Restricted Person without the prior written consent of Tencent, if the transferor is the Founder, Max Smart or their respective Affiliates. Any Transfer in violation of this Section 4.12 shall be void and each of the Company, the Founder, Max Smart and Tencent (as applicable) hereby agrees it will not affect such a Transfer nor will it treat any alleged transferee as holder of such equity interest.

(d) For the avoidance of doubt, the provision of this Section 4.12 shall survive any Qualified IPO.

(e) For the purposes of this Section 4.12, “**Founder Restricted Persons**” and “**Tencent Restricted Persons**” shall mean such persons as mutually agreed in writing from time to time by and among Tencent, JD, Max Smart and the Founder.]

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5. Intentionally deleted.

6. Intentionally deleted.

7. Intentionally deleted.

8. ASSIGNMENT AND AMENDMENT.

8.1 Assignment and Amendment. Notwithstanding anything herein to the contrary:

(a) Information Rights; Registration Rights. The Information Rights, Inspection Rights, information rights of the minority Series C Investors, the Additional DST Global Information Rights, the Additional Classroom Information Rights, the Kingdom's Rights to Attend the Meetings, the Additional Kingdom Information Rights and the Additional Tencent Information Rights under Section 1.1 may be assigned, in whole or in part in case of a partial transfer of shares, to the extent the transferee satisfies the shareholding or other entitlement requirement set forth in this Agreement, to (but only with related obligations, if any) a transferee or

assignee of the Preferred Shares, Tiger Shares, Gaoling Ordinary Shares, DST Global Shares, Sequoia Shares, Classroom Shares, Kingdom Shares, China Life Shares or Tencent Shares (as applicable); and the registration rights of the Holders under Section 2 may be assigned, in whole or in part in case of a partial transfer of shares (but only with related obligations, if any), to any Holder or to any person acquiring Registrable Securities; *provided, however*, that in either case no party may be assigned any of the foregoing rights unless the Company is given written notice by the assigning party stating the name and address of the assignee and identifying the securities of the Company as to which the rights in question are being assigned; *provided further*, that any such assignee shall receive such assigned rights subject to all the terms and conditions of this Agreement, including without limitation the provisions of this Section 8. For avoidance of doubt, no such proposed transfer shall be effective unless the prospective purchaser shall have become a party to this Agreement in accordance with the terms hereof.

(b) Right of Participation; Right of First Refusal; Co-Sale Right. The rights of the Investors under Sections 3 and 4 are fully assignable, in whole or in part in case of a partial transfer of shares, to the extent the transferee satisfies the shareholding or other entitlement requirement set forth in this Agreement, subject to the specific limitations stated therein (and only in conjunction with an assignment of related obligations, if any) in connection with a transfer of the shares of the Company held by such Investor; *provided, however*, that no party may be assigned any of the foregoing rights unless the Company is given written notice by the applicable Investor stating the name and address of the assignee and identifying the securities of the Company as to which the rights in question are being assigned; and *provided further*, that any such assignee shall receive such assigned rights subject to all the terms and conditions of this Agreement. For avoidance of doubt, no such proposed transfer shall be effective unless the prospective purchaser shall have become a party to this Agreement in accordance with the terms hereof.

(c) For the avoidance of doubt, an Investor may only assign its rights hereunder pursuant to Sections 8.1(a) and (b) above.

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8.2 Amendment of Rights. Any provision in this Agreement may be amended with the written consent of (a) the Company, (b) the Founder, and (c) the Required Consenters; *provided*, that the terms or observance of any right or obligation owed to a particular party may be amended or waived (either generally or in a particular instance and either retroactively or prospectively), only by the written consent of, (i) if owed to the Group Companies, only by the Company; (ii) if owed to the Preferred Shareholders, by persons or entities holding (A) more than fifty percent (50%) of the Series A Preferred Shares, and (B) more than fifty percent (50%) of the Series B Preferred Shares, and (C) more than fifty percent (50%) of the Series C Preferred Shares, and their permitted assigns; (iii) if owed to the Tiger Share Holder, by the holder(s) of more than fifty percent (50%) of the Tiger Shares; (iv) if owed to the Gaoling Ordinary Share Holder, if any, by the holder(s) of more than fifty percent (50%) of the Gaoling Ordinary Shares; (v) if owed to the DST Global Share Holder, by the holder(s) of more than fifty percent (50%) of the DST Global Shares; (vi) for so long as the holders of the Sequoia Shares collectively own at least 39,821,655 of the Sequoia Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), if owed to the holders of the Sequoia Shares, by the holder(s) of more than fifty percent (50%) of the Sequoia Shares; (vii) for so long as the holders of Classroom Shares collectively own at least 44,182,531 of the Classroom Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), if owed to the holders of the Classroom Shares, by the holder(s) of more than fifty percent (50%) of the Classroom Shares; (viii) for so long as the holders of Kingdom Shares collectively own at least 75,000,000 of the Kingdom Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), if owed to the holders of the Kingdom Shares, by the holder(s) of more than fifty percent (50%) of the Kingdom Shares; (ix) for so long as the holders of China Life Shares collectively own at least 25,247,161 of the China Life Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), if owed to the holders of the China Life Shares, by the holder(s) of more than fifty percent (50%) of the China Life Shares, (x) for so long as the holders of the Tencent Shares collectively own at least 75,000,000 Tencent Shares (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like), if owed to the holders of Tencent Shares, by the holder(s) of more than fifty percent (50%) of the Tencent Shares, (xi) if owed to the holders of Ordinary Shares other than the Tiger Share Holder, the Gaoling Ordinary Share Holder, the DST Global Share Holder, the Sequoia Share Holder (to the extent the related conditions for the separate consent right of the Sequoia Share Holder set forth in the foregoing sub-clause (vi) are met), the holders of the Classroom Shares (to the extent the related conditions for the separate consent right of the holders of the Classroom Shares set forth in the foregoing sub-clause (vii) are met), the holders of the Kingdom Shares (to the extent the related conditions for the separate consent right of the holders of the Kingdom Shares set forth in the foregoing sub-clause (viii) are met), the holders of the China Life Shares (to the extent the related conditions for the separate consent right of the holders of the China Life Shares set forth in the foregoing sub-clause (ix) are met), or the holders of the Tencent Shares (to the extent the related conditions for the separate consent right of the holders of the Tencent Shares set forth in the foregoing sub-clause (x) are met), by persons or entities holding a majority of the Ordinary Shares and their assigns (except that any amendment, waiver or termination of KPCB Observer Rights shall require the consent of KPCB); or (xii) if owed to the Founder, by the Founder. Notwithstanding the foregoing, any Person may waive any of its/his rights hereunder without obtaining the consent of any other parties. Any amendment or waiver effected in accordance with this Section 8.2 shall be

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binding upon the parties to this Agreement and their respective assigns. For the sake of clarity, (i) no assignment of rights (together with any obligation relating thereto, if any) by any individual party of this Agreement pursuant to the terms and conditions of Section 8.1 of this Agreement shall constitute an amendment of this Agreement requiring the consent of the other parties hereto set forth above (other than the Company solely for the limited purpose described in the following subsection (ii)), and (ii) the Company may amend this Agreement for the limited purpose of adding the related assignee in the related permitted transfer made pursuant to the terms and condition of Section 8.1 of this Agreement as a new party to this Agreement.

9. CONFIDENTIALITY AND NON DISCLOSURE.

9.1 Disclosure of Terms. The terms and conditions of this Agreement, the Preferred Shares Purchase Agreements, the First DST Global Ordinary Share Purchase Agreement, the Second DST Global Ordinary Share Purchase Agreement, the Third DST Global Ordinary Share Purchase Agreement, the Sequoia Ordinary Share Purchase Agreement, the Classroom Ordinary Share Purchase Agreement, the Kingdom Ordinary Share Purchase Agreement, the Gaoling Ordinary Share Purchase Agreement, the China Life Purchase Agreement and the Tencent Share Subscription Agreement, and all exhibits attached to such agreements, including, for the avoidance of doubt, their existence, the identity of any party thereto and the relationship among such parties (collectively, the “**Financing Terms**”), shall be considered confidential information and shall not be disclosed by any party hereto to any third party except in accordance with the provisions set forth below; *provided* that such confidential information shall not include any information that is in the public domain other than caused by the breach of the confidentiality obligations hereunder.

9.2 Press Releases, etc. Any press release issued by the Company shall not disclose any of the Financing Terms and the final form of such press release shall be approved in advance in writing by each of the Investors to whom the content of the press release pertain. No other announcement regarding any of the Financing Terms in a press release, conference, advertisement, announcement, professional or trade publication, mass marketing materials or otherwise to the general public may be made without the prior written consent of each of the Investors to whom the announcement pertain.

9.3 Permitted Disclosures. Notwithstanding the foregoing, any party may disclose any of the Financing Terms to its current or bona fide prospective assignees, transferees, investors, employees, investment advisors, lenders, partners, accountants and attorneys, in each case only where such persons or entities have the need to know such information and are subject to appropriate nondisclosure obligations. Without limiting the generality of the foregoing, each Investor shall be entitled to disclose the Financing Terms for the purposes of fund reporting or inter-fund reporting or to their fund manager, other funds managed by their fund manager and their respective auditors, counsel, directors, officers, employees, shareholders, advisors or investors. Notwithstanding the foregoing, the Company may disclose any of the Financing Terms to any regulator, sponsor, underwriter, professional adviser of such sponsors and underwriters and any investors in connection with any Qualified IPO, and in the registration statement, prospectus, announcements and other documents filed, issued or released in connection with any Qualified IPO.

9.4 Legally Compelled Disclosure. In the event that any party is requested or becomes legally compelled (including without limitation, pursuant to securities laws and regulations or the rules or regulations of any stock exchange) to disclose the existence of this Agreement, the Preferred Shares Purchase Agreements, the First DST Global Ordinary Share Purchase Agreement, the Second DST Global Ordinary Share Purchase Agreement, the Third DST Global Ordinary Share Purchase Agreement, the Sequoia Ordinary Share Purchase Agreement, the Classroom Ordinary Share Purchase Agreement, the Kingdom Ordinary Share Purchase Agreement, the Gaoling Ordinary Share Purchase Agreement, the China Life Purchase Agreement and/or the Tencent Share Subscription Agreement, any of the exhibits attached to such agreements, or any of the Financing Terms hereof in contravention of the provisions of this Section 9, such party (the “**Disclosing Party**”) shall, to the extent permitted by applicable laws, rules and regulations, provide the Company (if the Disclosing Party is an Investor) and each of the other parties (in each case, the “**Non-Disclosing Parties**”) with prompt written notice of that fact and use all reasonable efforts to seek (with the cooperation and reasonable efforts of the other parties) a protective order, confidential treatment or other appropriate remedy. In such event, the Disclosing Party shall furnish only that portion of the information which it is so required or legally compelled to disclose and shall exercise reasonable efforts to keep confidential such information to the extent reasonably requested by any Non-Disclosing Party.

9.5 Other Information. The provisions of this Section 9 shall be in addition to, and not in substitution for, the provisions of any separate nondisclosure agreement executed by any of the parties with respect to the transactions contemplated hereby.

9.6 Notices. All notices required under this Section 9 shall be made pursuant to Section 11.1 of this Agreement.

10. VOTING AND PROTECTIVE PROVISIONS.

10.1 Shareholder Consent.

(a) In addition to such other limitations as may be provided in the Restated Memorandum and Articles and this Agreement, the following acts shall require the prior written approval of (i) Max Smart and (ii) the Required Consenters, and in the event that any such matter set forth below is by applicable laws required to be determined by shareholders of the Company, the consent of Max Smart, the Preferred Shareholders and the holders of the Tiger Shares, the Gaoling Ordinary Shares, the DST Global Shares, the Sequoia Shares, the Kingdom Shares and the Tencent Shares shall be deemed obtained if the matter is approved at a general meeting of the Company with the affirmative vote of the requisite shareholders of the Company or written resolution with the signatures of the requisite shareholders of the Company as set forth in the foregoing provisions in this Section 10.1(a) (as used in this Section 10, the term “**Group Companies**” or “**Group Company**,” to the extent applicable, includes the Company, the PRC Subsidiaries and the PRC Affiliates):

(i) any action by the Company to authorize, create or issue shares of any class or series of the Company having preferences superior to or on a parity with the Preferred Shares;

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(ii) except for the establishment of the Compensation Committee and Audit Committee in accordance with Section 1.5, the establishment of any board committee and the delegation of any authority of the Board and the board of directors of the PRC Affiliates;

(iii) issuance of any new equity securities by the Company or any instruments that are convertible into equity securities of the Company, excluding (A) any issuance of the Preferred Shares or Ordinary Shares or warrants (and shares issuable upon the exercise of such warrant) under the Preferred Shares Purchase Agreements, (B) any issuance of Ordinary Shares upon conversion of the Preferred Shares or exercise of the Warrants, (C) any issuance of Ordinary Shares (or options or warrants therefor) under employee equity incentive plans duly adopted by the Company, and (D) any issuance of equity securities of the Company in connection with any Qualified IPO (excluding for avoidance of doubt any issuance of equity securities of the Company pursuant to the Tencent IPO Subscription Agreement);

(iv) any repurchase or redemption of any equity securities of the Company other than in connection with the conversion of the equity securities of the Company or pursuant to the redemption right of the holder(s) of Preferred Shares as provided herein or in the Restated Memorandum and Articles or contractual rights to repurchase Ordinary Shares from the employees, directors or consultants of the Company;

(v) an initial public offering of any Group Company;

(vi) the declaration and/or payment of any and all dividends on any securities of any Group Company;

(vii) the repurchase by any Group Company (other than the Company) of any outstanding securities and any other reduction of capital of any Group Company (other than the Company);

(viii) any merger, consolidation, reorganization, business combination, scheme of arrangement, recapitalization of any Group Company or sale, transfer, lease, exclusive license or other disposition of all or substantially all of the assets of any Group Company or any transaction or series of related transactions as a result of which any “person” or “group” (as defined under Section 13(d) of the Exchange Act), other than the Founder, Max Smart or any of their Affiliates, acquires control of the Company (a “**Sale Transaction**”); for the purposes of this clause (viii) “**control**” means the acquisition of more than 50% of the voting rights attaching to the issued share capital having the right to appoint and/or remove all or the majority of the members of the Company’s board of directors, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;

(ix) any change in the number of directors of the Company, the PRC Affiliates, Jingdong Century and Shanghai Shengdayuan;

(x) any filing by or against any Group Company for the appointment of a receiver, administrator or other form of external manager, or the winding up, liquidation, bankruptcy or insolvency of any Group Company; and

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(xi) the adoption of, or amendment to, any employee equity incentive plan of any Group Company (except for the allocation of any shares of the ESOP Shares (defined below)).

For the avoidance of doubt, any vote, consent, approval or other agreement of each of the holders of the Tiger Shares currently held by Tiger 360Buy, the DST Global Shares, the Sequoia Shares, the Kingdom Shares and the Gaoling Ordinary Shares acquired by Gaoling pursuant to the Gaoling Ordinary Share Purchase Agreement required under this Section 10.1(a), shall be exercised or obtained (as the case may be) according to Sections 10.6, 10.7, 10.8, 10.14 and 10.15, respectively.

(b) In addition to any other vote or consent required elsewhere in the Restated Memorandum and Articles and this Agreement, the acts set forth in clauses (i), (ii) and (iii) below shall require the prior written approval of (x) Max Smart and (y) each of the following shareholders: (A) the holders holding at least fifty percent (50%) of the Series A Preferred Shares then outstanding, (B) the holders holding at least fifty percent (50%) of the Series B Preferred Shares then outstanding, (C) the holders holding at least fifty percent (50%) of the Series C Preferred Shares then outstanding, (D) the holders holding at least fifty percent (50%) of the Tiger Shares then outstanding, (E) the holders holding at least fifty percent (50%) of the DST Global Shares then outstanding, (F) the holders holding at least fifty percent (50%) of the Sequoia Shares then outstanding, (G) the holders holding at least fifty percent (50%) of the Classroom Shares then outstanding, (H) the holders holding at least fifty percent (50%) of the Kingdom Shares then outstanding and (I) the holders holding at least fifty percent (50%) of the Tencent Shares then outstanding, and the acts set forth in clause (iv) below shall require the prior written approval of Max Smart and the holders holding at least fifty percent (50%) of the Gaoling Ordinary Shares; and in each case, in the event that any such matter set forth below is by applicable laws required to be determined by shareholders of the Company, the consent of Max Smart, the Preferred Shareholders and the holders of Tiger Shares, DST Global Shares, Sequoia Shares, Gaoling Ordinary Shares, Kingdom Shares and Tencent Shares shall be deemed obtained if the matter is approved at a general meeting of the Company with the affirmative vote of the requisite shareholders of the Company or by way of a written resolution with the signatures of the requisite shareholders of the Company as set forth in the foregoing provisions of this Section 10.1(b):

(i) any amendment to the Restated Memorandum and Articles that would (A) result in an adverse change to the rights, preferences and privileges of the Preferred Shares or (B) adversely impact Tiger's, any DST Global Party's, any Sequoia Party's, Classroom's, any Kingdom Party's, Tencent's or Max Smart's position as a holder of Ordinary Shares economically or otherwise (including without limitation, any creation or increase in the authorized number of a security that is senior to the Ordinary Shares or other similar amendment) (for the avoidance of doubt, this subclause (i) shall not include the approval and adoption of the Company's memorandum of association and articles of association in the forms attached hereto as Exhibits F-1 and F-2 that will take effect immediately prior to the completion of the Company's initial public offering, to which all the parties hereto have agreed as of the date hereof);

(ii) any action by the Company to reclassify any outstanding shares (A) into shares having preferences or priority as to dividends or assets senior to or on a parity with the preference of the Preferred Shares or (B) the result of which, the holders of Ordinary

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Shares could potentially receive less than it would have received under the then current memorandum of association and articles of association in the event of (1) a dividend, (2) a liquidation, dissolution or winding up, or (3) any Sale Transaction (for the avoidance of doubt, this subclause (ii) shall not include the approval and adoption of the Company's memorandum of association and articles of association in the form attached hereto as Exhibits F-1 and F-2 that will take effect immediately prior to the completion of the Company's initial public offering, to which all the parties hereto have agreed as of the date hereof);

(iii) any adverse change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of, the Preferred Shares; and

(iv) any amendment to the Restated Memorandum and Articles that would adversely impact Gaoling's position as a holder of Ordinary Shares economically or otherwise (including without limitation, any creation or increase in the authorized number of a security that is senior to the Ordinary Shares or other similar amendment) (for the avoidance of doubt, this subclause (iv) shall not include the approval and adoption of the Company's memorandum of association and articles of association that will take effective immediately prior to the completion of the Company's initial public offering, to which all the parties hereto have agreed as of the date hereof).

Any vote, consent, approval or other agreement of each of the holders of the Tiger Shares currently held by Tiger 360Buy, the DST Global Shares, the Sequoia Shares, the Kingdom Shares and the Gaoling Ordinary Shares acquired by Gaoling pursuant to the Gaoling Ordinary Share Purchase Agreement required under this Section 10.1(b), shall be exercised or obtained (as the case may be) according to Sections 10.6, 10.7, 10.8, 10.14 and 10.15, respectively.

(c) In addition to any other vote or consent required elsewhere in the Restated Memorandum and Articles and this Agreement, the following acts shall require the prior written approval of (x) each DST Global Party and (y) for so long as they collectively own at least 39,821,655 of the Sequoia Shares (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), each Sequoia Party: (i) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are convertible into any equity securities of the Company (including any public offering) at a price per share less than US\$3.632 (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like); but excluding (x) any issuance of Ordinary Shares upon exercise of the Warrants, (y) any issuance of Ordinary Shares upon conversion of the Preferred Shares, and (z) any issuance of Ordinary Shares (or options or warrants therefor) under employee equity incentive plans duly adopted by the Company; and (ii) any Sale Transaction implying a price per share of less than US\$3.632 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like).

(d) In addition to any other vote or consent required elsewhere in the Restated Memorandum and Articles and this Agreement, the following acts shall require the prior written approval of (A) Classroom, for so long as Classroom owns at least 44,182,531 of the Classroom Shares (as adjusted for any share dividends, consolidation, combinations,

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reclassifications or splits with respect to such shares and the like), (B) each Kingdom Party, for so long as Kingdom owns in the aggregate at least 75,000,000 of the Kingdom Shares (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), and (C) Gaoling (in its capacity of a holder of the Gaoling Ordinary Shares) for so long as Gaoling owns at least 12,623,580 of the Gaoling Ordinary Shares (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like): (i) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are convertible into any equity securities of the Company (including any public offering) at a price per share less than US\$3.961 (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like); but excluding (x) any issuance of Ordinary Shares upon exercise of the Warrants, (y) any issuance of Ordinary Shares upon conversion of the Preferred Shares, and (z) any issuance of Ordinary Shares (or options or warrants therefor) under employee equity incentive plans duly adopted by the Company; and (ii) any Sale Transaction implying a price per share of less than US\$3.961 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like).

(e) In addition to any other vote or consent required elsewhere in the Restated Memorandum and Articles and this Agreement, the following acts shall require the prior written approval of Tencent, for so long as Tencent owns in the aggregate at least 75% of the Tencent Shares acquired pursuant to the Tencent Share Subscription Agreement (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like, and for the avoidance of doubt, not including any Free Tencent Shares):

(i) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are convertible into any equity securities of the Company (including any public offering) at a price implying an equity valuation of the Company less than 100% premium over the post-money equity valuation of the Company immediately after the consummation of the Kingdom Ordinary Share Purchase Agreement; but excluding (x) any issuance of Ordinary Shares upon exercise of the Warrants, (y) any issuance of Ordinary Shares upon conversion of the Preferred Shares, and (z) any issuance of Ordinary Shares (or options or warrants therefor) under employee equity incentive plans duly adopted by the Company;

(ii) any Sale Transaction implying an equity valuation of the Company less than 100% premium over the post-money equity valuation of the Company immediately after the consummation of the Kingdom Ordinary Share Purchase Agreement;

(iii) the adoption of, or amendment to, any employee equity incentive plan of any Group Company (except for the allocation of any shares of the ESOP Shares (defined below)).

(iv) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are convertible into any equity securities of the Company to a Subscription Restricted Person;

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(v) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are convertible into any equity securities of the Company in excess of 15% of the Company's issued and outstanding share capital to an Additional Subscription Restricted Person; and

(vi) adoption of articles of association of the Company in connection with the Qualified IPO that are not in the form set out in Exhibit F hereto.

(f) In addition to any other vote or consent required elsewhere in the Restated Memorandum and Articles and this Agreement, the following acts shall require the prior written approval of Tencent, for so long as Tencent owns in the aggregate at least 75% of the Tencent Shares (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like)

(i) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are convertible into any equity securities of the Company to a Subscription Restricted Person;

(ii) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are convertible into any equity securities of the Company in excess of 15% of the Company's issued and outstanding share capital to an Additional Subscription Restricted Person; and

(iii) any amendment or modification to sections 14, 90, 91 of the the articles of association of the Company (and any defined terms used therein) or any changes to the matters addressed therein in form or in substance, provided that no prior written approval of Tencent shall be required under this clause (iii) following the Lock-Up Expiration Date.

For the purposes of this Agreement, a "**Subscription Restricted Person**" and an "**Additional Subscription Restricted Person**" shall mean such persons as mutually agreed in writing from time to time by and among Tencent, Max Smart and the Founder.

10.2 Acts of the PRC Affiliates. Without limitation of the foregoing and subject to applicable PRC laws and regulations, the following acts by the PRC Affiliates shall in each case require the prior written approval of (a) Max Smart and (b) the Required Consenters, and in the event that any such matter set forth below is by applicable laws required to be determined by shareholders of the Company, the consent of Max Smart, Tencent, the holder(s) of the Preferred Shares and the holders of the Tiger Shares, the Gaoling Ordinary Shares, the DST Global Shares, the Sequoia Shares and the Kingdom Shares shall be deemed obtained if the matter is approved at a general meeting of the Company with the affirmative vote of the requisite shareholders of the Company or by way of a written resolution with the signatures of the requisite shareholders of the Company as set forth in the foregoing provisions of this Section 10.2:

(a) any amendment to the articles of association of any of the PRC Affiliates;

(b) the liquidation, termination or dissolution of any of the PRC Affiliates;

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(c) any increase or reduction of the registered capital of the PRC Affiliates or transfer of any equity interest in any of the PRC Affiliates to any person other than the shareholders of the PRC Affiliates as of the date of this Agreement (except for those contemplated in the business plan duly approved by the Board);

(d) the sale, lease, transfer or other disposition of all or substantially all of the assets of any of the PRC Affiliates or any merger or consolidation of any of the PRC Affiliates with or into any other business entity (other than to another Group Company); and

(e) any issuance of equity securities or equity-like securities of any PRC Affiliate.

For the avoidance of doubt, any vote, consent, approval or other agreement of each of the holders of the Tiger Shares currently held by Tiger 360Buy, the DST Global Shares, the Sequoia Shares, the Kingdom Shares and the Gaoling Ordinary Shares acquired by Gaoling pursuant to the Gaoling Ordinary Share Purchase Agreement required under this Section 10.2 shall be exercised or obtained (as the case may be) according to Sections 10.6, 10.7, 10.8, 10.14, 10.15 and 10.17, respectively.

10.3 Board Consent.

(a) In addition to any other vote or consent required elsewhere in the Restated Memorandum and Articles and this Agreement, none of the Group Companies shall, and the Founder shall cause the Group Companies not to, take any of the following actions without the prior written approval of at least a majority of the directors of the Company:

(i) any expenditure, any purchase and disposal of assets and businesses, or any purchase and disposal of assets and businesses worth, in the aggregate, more than thirty million Renminbi (RMB30,000,000) per transaction or in the aggregate per month, by the Group Companies (taken as a whole);

(ii) other than in the ordinary business, any business transactions of any Group Companies (taken as a whole) exceeding the amount of three million Renminbi (RMB3,000,000) or out of scope of principal business. For the avoidance of doubt, the purchase or sale of digital products or other merchandise shall be deemed in the Group Company's ordinary business;

(iii) any capital commitment of any Group Companies (taken as a whole) exceeding the amount of thirty million Renminbi (RMB30,000,000) in a period of twelve (12) months;

(iv) provision of loans by any Group Company to any other person (including employees of any Group Company) in an aggregate amount of more than ten million Renminbi (RMB10,000,000);

(v) adoption or change of the treasury policy, any material accounting policy or the fiscal year of any Group Company;

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(vi) establishment of any subsidiary or affiliates (excluding any non-legal person branch) and the signing of any shareholders agreement or joint venture agreement by any Group Company;

(vii) any purchase or lease by any Group Company of any real estate properties not in the ordinary course of business; or

(viii) any purchase by any Group Company of equity securities of, or any securities convertible into equity securities of, any other company.

(b) In addition to any other vote or consent required elsewhere in the Restated Memorandum and Articles and this Agreement, none of the Group Companies shall, and the Founder shall cause the Group Companies not to, take any of the following actions without the prior written approval of at least a majority of the directors of the Company, which shall include at least two (2) Non-Management Directors:

(i) any material amendment to articles of association of Jingdong Century and Shanghai Shengdayuan;

(ii) subject to Section 10.14, appointment and removal of the Chief Executive Officer and Chief Financial Officer of the Company;

(iii) incurrence of debt or assumption of any financial obligation or issue, assumption, provision of guarantee or creation of any liability for borrowed money of any Group Company exceeding the amount of thirty million Renminbi (RMB30,000,000) per transaction or in the aggregate in a period of 12 months;

(iv) appointment or change of the auditors;

(v) any increase in compensation of any of the Chief Executive Officer and Chief Financial Officer of the Company by more than twenty-five percent (25%) in a twelve (12) month period or any change in the terms of employment of such employees;

(vi) any adoption or change in the business plan or scope of principal business of any Group Company;

(vii) any agreement, undertaking or other arrangement between or involving, on the one hand, the Founder, any Affiliate of the Founder or any officer, director, "affiliate" or "associate" (as those terms are defined in Rule 405 promulgated under the Securities Act) of any Group Company, and on the other hand, any Group Company, which shall be deemed a related person transaction under the Securities Act; ; *provided* that any agreement, undertaking or other arrangement between any Group Company and any entity that is 100% owned by or any entity whose economic interests inure to the sole benefit through contractual means to a Group Company shall be excluded;

(viii) approval of the annual budget of the Group Companies;

(ix) any transfer, sale or grant of license in any of the Group Companies' intellectual property or other proprietary rights other than in the ordinary course

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of business; *provided* that any grant of exclusive license shall be deemed to be not in the ordinary course of business;

(x) any entering into, restatement or amendment to or termination of agreements between any PRC Affiliate or any other PRC entity, on the one hand, and any of the PRC Subsidiaries, on the other hand, that provide contractual control to such PRC Subsidiary over such PRC Affiliate or such other PRC entity and, therefore, enables the Company to consolidate the financial statements of such PRC Affiliate or such other PRC entity with those of the Company and to record on the books of the Company for financial reporting purposes;

(xi) grant of options, restricted shares or any other share incentives to employees or other individuals under the 2013 share incentive plan beyond the Additional ESOP Shares;

(xii) any increase of the authorized/registered capital of any Group Company other than the Company or transfer of any equity interest in any Group Company other than the Company (except for those contemplated in the business plan duly approved by the Board); and

(xiii) any redomicile or continuation of the Company to other jurisdictions.

For the purposes of this Agreement, "Non-Management Directors" shall refer to any directors that do not include (i) the Founder, Max Smart or any of their Affiliates, or (ii) any member of the management of the Group Companies.

10.4 Term. The provisions under Sections 10.1(a)–(e), 10.2 and 10.3 shall terminate upon a Qualified IPO. For the avoidance of doubt, the provisions of Section 10.1(f) shall survive a Qualified IPO.

10.5 Employee Share Option Plan (“ESOP”).

(a) As of the date hereof, (i) Fortune Rising holds 106,850,910 Ordinary Shares that were issued to it at an issuance price of US\$0.00002 per share.; and (ii) there are 244,055,890 Ordinary Shares reserved for issuance by the Company under the Company’s 2013 share incentive plan (collectively (i) and (ii), the “**Existing ESOP Shares**”) Immediately following execution hereof, an additional 117,226,212 Ordinary Shares (representing 5% on Fully-Diluted (by Treasury Method) basis) shall be reserved for issuance by the Company under the Company’s 2013 share incentive plan (the “**Additional ESOP Shares**”) The Existing ESOP Shares and the Additional ESOP Shares (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like) shall be collectively referred to as “**ESOP Shares**”. In addition, Fortune Rising holds the 39 Shareholders’ Shares. Immediately following execution of this Agreement, the Company shall grant Founder or Max Smart 93,780,970 ESOP Shares from the Additional ESOP Shares (“**Founder ESOP Shares**”) (representing 4% on Fully-Diluted (by Treasury Method) basis and 80% of the Additional ESOP Shares).

For the purposes of this Agreement, “**Fully-Diluted (by Treasury Method) basis**” shall have the meaning set forth in the Tencent Share Subscription Agreement.

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(b) In relation to the ESOP Shares, the parties agree that (i) a portion of the ESOP Shares (such portion determined by the Board) shall be held by Fortune Rising for issuance to former employees of Tencent Parent or its Affiliates (collectively, the “**Tencent Awardees**”); (ii) the balance portion shall be held by Fortune Rising for issuance to the officers, directors, employees and consultants (collectively, the “**Awardees**”) of the Company, and (iii) the allotment of any shares of the ESOP Shares to any Awardee or Tencent Awardee shall be subject to the approval of the Board (including the consent from at least two out of four of the Series A Director, the Series B Director, Series C Director and Tiger Director) and Tencent Awardees will be treated no less favorably than other Awardees with respect to the ESOP Shares.

After the allotment of the ESOP Shares in accordance with Section 10.5(b) of this Agreement, the disposition of any such ESOP Shares that an Awardee or Tencent Awardee is entitled to dispose of shall be subject to Section 4.5 of this Agreement.

10.6 Assignment of Tiger 360Buy Voting Rights.

(a) Tiger 360Buy hereby irrevocably grants to, and appoints, Max Smart, as Tiger 360Buy’s exclusive proxy and attorney-in-fact, for and in the name, place and stead of Tiger 360Buy, to vote all of the Tiger Shares owned by Tiger 360Buy excluding the 18,935,370 Ordinary Shares issued to Tiger 360Buy pursuant to the Classroom Ordinary Share Purchase Agreement (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like) (the “**Tiger 360Buy Assigned Shares**”) at any meeting of the shareholders of the Company, or at any adjournment thereof, or in any other circumstances under which a vote, agreement, consent (including written consents, unanimous or otherwise) or other approval is sought from Tiger 360Buy. Except for the assignment of voting rights as provided in this Section 10.6, Tiger 360Buy shall have any and all the other rights attached to the Tiger 360Buy Assigned Shares.

(b) Tiger 360Buy further agrees to use its reasonably best efforts to effectuate the aforesaid irrevocable proxy, including without limitation, signing other agreement or documents, and votes to agree to make relevant amendments to the memorandum of association and articles of association of the Company when necessary. If so requested by Max Smart, Tiger 360Buy shall, from time to time, execute and deliver to Max Smart a Power of Attorney in respect of the Tiger 360Buy Assigned Shares, in substantially the form and substance attached hereto as Exhibit C.

(c) Max Smart shall exercise the power of attorney granted by Tiger 360Buy herein in accordance with applicable laws, and shall in no event damage the interests of Tiger 360Buy.

(d) This Section 10.6 shall terminate upon the earlier of: (i) May 14, 2013, (ii) the date when the Founder ceases to be the Chief Executive Officer of the Company and (iii) the closing of the Company’s initial public offering.

10.7 Assignment of DST Global Voting Rights.

(a) Each of the DST Global Parties, severally and not jointly, hereby irrevocably grants to, and appoints, Max Smart, as such DST Global Party’s exclusive proxy and attorney-in-fact, for and in the name, place and stead of such DST Global Party, to vote

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all of its DST Global Shares at any meeting of the shareholders of the Company, or at any adjournment thereof, or in any other circumstances under which a vote, agreement, consent (including written consents, unanimous or otherwise) or other approval is sought from such DST Global Party, except for (i) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are convertible into any equity securities of the Company (including any public offering) at a price per share of less than US\$3.632 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like); (ii) any matter, the outcome of the vote on which would disproportionately, materially and adversely affect such DST Global Party, as compared to other holders of the same class(es) of shares of the Company; *provided* that, subject to Section 10.7(a)(i) and solely for purposes of this Section 10.7(a), increases in the authorized number of Ordinary Shares or Preferred Shares generally, or the authorized number of Ordinary Shares or Preferred Shares of the Company or the issuance of securities of the Company senior to the Ordinary Shares or Preferred Shares will not be viewed as having such an adverse effect; (iii) any Sale Transaction implying a price per share of less than US\$3.632 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like); and (iv) any matters relating to the Information Rights as they relate to such DST Global Party and the Additional DST Global Information Rights. Except for the assignment of voting rights as provided in this Section 10.7, each DST Global Party shall have any and all the other rights attached to its DST Global Shares.

(b) Each DST Global Party further agrees to use its reasonably best efforts to effectuate the aforesaid irrevocable proxy by, including without limitation, signing other agreement or documents, and voting to agree to make relevant amendments to the memorandum of association and articles of association of the Company when necessary. If so requested by Max Smart, each DST Global Party shall, from time to time, execute and deliver to Max Smart a Power of Attorney in respect of its DST Global Shares, in substantially the form and substance attached hereto as Exhibit D.

(c) Max Smart shall exercise the power of attorney granted by the DST Global Parties herein in accordance with applicable laws, and shall in no event damage the interests of any DST Global Party or adversely affect the rights of any DST Global Party. Max Smart shall provide each DST Global Party at least five (5) Business Days’ prior written notice of any proposed exercise of the voting rights granted under this Section 10.7; provided that if such prior notice is not practicable, Max Smart shall provide to each DST Global Party notice of any exercise of the voting rights granted under this Section 10.7 as soon as practicable and, in any event, promptly following such exercise.

(d) This Section 10.7 shall terminate upon the earlier of: (i) the date when the Founder holds (directly or indirectly through any holding vehicle) less than 10% of the Company's outstanding shares and (ii) the closing of the Company's initial public offering; *provided*, that this Section 10.7 shall not apply to any shares following the Transfer of any DST Global Shares to an unaffiliated third party by a DST Global Party or its Affiliates.

10.8 Assignment of Sequoia Voting Rights.

(a) Each of the Sequoia Parties, severally and not jointly, hereby irrevocably grants to, and appoints, Max Smart, as such Sequoia Party's exclusive proxy and

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attorney-in-fact, for and in the name, place and stead of such Sequoia Party, to vote all of its Sequoia Shares at any meeting of the shareholders of the Company, or at any adjournment thereof, or in any other circumstances under which a vote, agreement, consent (including written consents, unanimous or otherwise) or other approval is sought from such Sequoia Party, except for (i) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are convertible into any equity securities of the Company (including any public offering) at a price per share of less than US\$3.632 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like); (ii) any matter, the outcome of the vote on which would disproportionately, materially and adversely affect such Sequoia Party, as compared to other holders of the same class(es) of shares of the Company; *provided* that, subject to Section 10.8(a)(i) and solely for purposes of this Section 10.8(a), increases in the authorized number of Ordinary Shares or Preferred Shares generally, or the authorized number of Ordinary Shares or Preferred Shares of the Company or the issuance of securities of the Company senior to the Ordinary Shares or Preferred Shares will not be viewed as having such an adverse effect; (iii) any Sale Transaction implying a price per share of less than US\$3.632 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like); and (iv) any matters relating to the Information Rights as they relate to such Sequoia Party, to the extent applicable. Except for the assignment of voting rights as provided in this Section 10.8, each Sequoia Party shall have any and all the other rights attached to its Sequoia Shares.

(b) Each Sequoia Party further agrees to use its reasonably best efforts to effectuate the aforesaid irrevocable proxy by, including without limitation, signing other agreement or documents, and voting to agree to make relevant amendments to the memorandum of association and articles of association of the Company when necessary. If so requested by Max Smart, each Sequoia Party shall, from time to time, execute and deliver to Max Smart a Power of Attorney in respect of its Sequoia Shares, in substantially the form and substance attached hereto as Exhibit D.

(c) Max Smart shall exercise the power of attorney granted by the Sequoia Parties herein in accordance with applicable laws, and shall in no event damage the interests of any Sequoia Party or adversely affect the rights of any Sequoia Party. Max Smart shall provide each Sequoia Party at least five (5) Business Days' prior written notice of any proposed exercise of the voting rights granted under this Section 10.8; *provided* that if such prior notice is not practicable, Max Smart shall provide to each Sequoia Party notice of any exercise of the voting rights granted under this Section 10.8 as soon as practicable and, in any event, promptly following such exercise.

(d) This Section 10.8 shall terminate upon the earlier of: (i) the date when the Founder holds (directly or indirectly through any holding vehicle) less than 10% of the Company's outstanding shares and (ii) the closing of the Company's initial public offering; *provided*, that this Section 10.8 shall not apply to any shares following the Transfer of any Sequoia Shares to an unaffiliated third party by a Sequoia Party or its Affiliates.

10.9 Assignment of Insight Voting Rights.

(a) Each of the Insight Parties, severally and not jointly, hereby irrevocably grants to, and appoints, Max Smart, as such Insight Party's exclusive proxy and

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attorney-in-fact, for and in the name, place and stead of such Insight Party, to vote all of its Insight Shares at any meeting of the shareholders of the Company, or at any adjournment thereof, or in any other circumstances under which a vote, agreement, consent (including written consents, unanimous or otherwise) or other approval is sought from such Insight Party, except for (i) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are convertible into any equity securities of the Company (including any public offering) at a price per share of less than US\$3.632 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like); (ii) any matter, the outcome of the vote on which would disproportionately, materially and adversely affect such Insight Party, as compared to other holders of the same class(es) of shares of the Company; *provided* that, subject to Section 10.9(a)(i) and solely for purposes of this Section 10.9(a), increases in the authorized number of Ordinary Shares or Preferred Shares generally, or the authorized number of Ordinary Shares or Preferred Shares of the Company or the issuance of securities of the Company senior to the Ordinary Shares or Preferred Shares will not be viewed as having such an adverse effect; and (iii) any Sale Transaction implying a price per share of less than US\$3.632 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like). Except for the assignment of voting rights as provided in this Section 10.9, each Insight Party shall have any and all the other rights attached to its Insight Shares.

(b) Each Insight Party further agrees to use its reasonably best efforts to effectuate the aforesaid irrevocable proxy by, including without limitation, signing other agreement or documents, and voting to agree to make relevant amendments to the memorandum of association and articles of association of the Company when necessary. If so requested by Max Smart, each Insight Party shall, from time to time, execute and deliver to Max Smart a Power of Attorney in respect of its Insight Shares, in substantially the form and substance attached hereto as Exhibit D.

(c) Max Smart shall exercise the power of attorney granted by the Insight Parties herein in accordance with applicable laws, and shall in no event damage the interests of any Insight Party or adversely affect the rights of any Insight Party. Max Smart shall provide each Insight Party at least five (5) Business Days' prior written notice of any proposed exercise of the voting rights granted under this Section 10.9; *provided* that if such prior notice is not practicable, Max Smart shall provide to each Insight Party notice of any exercise of the voting rights granted under this Section 10.9 as soon as practicable and, in any event, promptly following such exercise.

(d) This Section 10.9 shall terminate upon the earlier of: (i) the date when the Founder holds (directly or indirectly through any holding vehicle) less than 10% of the Company's outstanding shares and (ii) the closing of the Company's initial public offering; *provided*, that this Section 10.9 shall not apply to any shares following the Transfer of any Insight Shares to an unaffiliated third party by an Insight Party or its Affiliates.

10.10 Assignment of KPCB Voting Rights.

(a) Each KPCB Party, hereby, severally and not jointly, irrevocably grants to, and appoints, Max Smart, as such KPCB Party's exclusive proxy and attorney-in-fact, for and in the name, place and stead of such KPCB Party, to vote all of its KPCB Shares at any

meeting of the shareholders of the Company, or at any adjournment thereof, or in any other circumstances under which a vote, agreement, consent (including written consents, unanimous or otherwise) or other approval is sought from such KPCB Party, except for (i) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are convertible into any equity securities of the Company (including any public offering) at a price per share of less than US\$3.632 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like); (ii) any matter, the outcome of the vote on which would disproportionately, materially and adversely affect such KPCB Party, as compared to other holders of the same class(es) of shares of the Company; *provided that*, subject to Section 10.10(a)(i) and solely for purposes of this Section 10.10(a), increases in the authorized number of Ordinary Shares or Preferred Shares generally, or the authorized number of Ordinary Shares or Preferred Shares of the Company or the issuance of securities of the Company senior to the Ordinary Shares or Preferred Shares will not be viewed as having such an adverse effect; and (iii) any Sale Transaction implying a price per share of less than US\$3.632 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like). Except for the assignment of voting rights as provided in this Section 10.10, each KPCB Party shall have any and all the other rights attached to its KPCB Shares.

(b) Each KPCB Party further agrees to use its reasonably best efforts to effectuate the aforesaid irrevocable proxy by, including without limitation, signing other agreement or documents, and voting to agree to make relevant amendments to the memorandum of association and articles of association of the Company when necessary. If so requested by Max Smart, such KPCB Party shall, from time to time, execute and deliver to Max Smart a Power of Attorney in respect of its KPCB Shares, in substantially the form and substance attached hereto as Exhibit D.

(c) Max Smart shall exercise the power of attorney granted by such KPCB Party herein in accordance with applicable laws, and shall in no event damage the interests of such KPCB Party or adversely affect the rights of such KPCB Party. Max Smart shall provide such KPCB Party at least five (5) Business Days' prior written notice of any proposed exercise of the voting rights granted under this Section 10.10; *provided that* if such prior notice is not practicable, Max Smart shall provide to such KPCB Party notice of any exercise of the voting rights granted under this Section 10.10 as soon as practicable and, in any event, promptly following such exercise.

(d) This Section 10.10 shall terminate upon the earlier of: (i) the date when the Founder holds (directly or indirectly through any holding vehicle) less than 10% of the Company's outstanding shares and (ii) the closing of the Company's initial public offering; *provided*, that this Section 10.10 shall not apply to any shares following the Transfer of any KPCB Shares to an unaffiliated third party by a KPCB Party or its Affiliates.

10.11 Assignment of Oeland Voting Rights.

(a) Oeland, hereby irrevocably grants to, and appoints, Max Smart, as Oeland's exclusive proxy and attorney-in-fact, for and in the name, place and stead of Oeland, to vote all of its Oeland Shares at any meeting of the shareholders of the Company, or at any adjournment thereof, or in any other circumstances under which a vote, agreement,

consent (including written consents, unanimous or otherwise) or other approval is sought from Oeland, except for (i) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are convertible into any equity securities of the Company (including any public offering) at a price per share of less than US\$3.632 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like); (ii) any matter, the outcome of the vote on which would disproportionately, materially and adversely affect Oeland, as compared to other holders of the same class(es) of shares of the Company; *provided that*, subject to Section 10.11(a)(i) and solely for purposes of this Section 10.11(a), increases in the authorized number of Ordinary Shares or Preferred Shares generally, or the authorized number of Ordinary Shares or Preferred Shares of the Company or the issuance of securities of the Company senior to the Ordinary Shares or Preferred Shares will not be viewed as having such an adverse effect; and (iii) any Sale Transaction implying a price per share of less than US\$3.632 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like). Except for the assignment of voting rights as provided in this Section 10.11, Oeland shall have any and all the other rights attached to its Oeland Shares.

(b) Oeland further agrees to use its reasonably best efforts to effectuate the aforesaid irrevocable proxy by, including without limitation, signing other agreement or documents, and voting to agree to make relevant amendments to the memorandum of association and articles of association of the Company when necessary. If so requested by Max Smart, Oeland shall, from time to time, execute and deliver to Max Smart a Power of Attorney in respect of its Oeland Shares, in substantially the form and substance attached hereto as Exhibit D.

(c) Max Smart shall exercise the power of attorney granted by Oeland herein in accordance with applicable laws, and shall in no event damage the interests of Oeland or adversely affect the rights of Oeland. Max Smart shall provide Oeland at least five (5) Business Days' prior written notice of any proposed exercise of the voting rights granted under this Section 10.11; *provided that* if such prior notice is not practicable, Max Smart shall provide to Oeland notice of any exercise of the voting rights granted under this Section 10.11 as soon as practicable and, in any event, promptly following such exercise.

(d) This Section 10.11 shall terminate upon the earlier of: (i) the date when the Founder holds (directly or indirectly through any holding vehicle) less than 10% of the Company's outstanding shares and (ii) the closing of the Company's initial public offering; *provided*, that this Section 10.11 shall not apply to any shares following the Transfer of any Oeland Shares to an unaffiliated third party by Oeland or its Affiliates.

10.12 Assignment of Good Fortune Voting Rights.

(a) Good Fortune, hereby irrevocably grants to, and appoints, Max Smart, as Good Fortune's exclusive proxy and attorney-in-fact, for and in the name, place and stead of Good Fortune, to vote all of its Good Fortune Shares at any meeting of the shareholders of the Company, or at any adjournment thereof, or in any other circumstances under which a vote, agreement, consent (including written consents, unanimous or otherwise) or other approval is sought from Good Fortune, except for (i) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are

convertible into any equity securities of the Company (including any public offering) at a price per share of less than US\$3.632 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like); (ii) any matter, the outcome of the vote on which would disproportionately, materially and adversely affect Good Fortune, as compared to other holders of the same class(es) of shares of the Company; *provided that*, subject to Section 10.12(a)(i) and solely for purposes of this Section 10.12(a), increases in the authorized number of Ordinary Shares or Preferred Shares generally, or the authorized number of Ordinary Shares or Preferred Shares of the Company or the issuance of securities of the Company senior to the Ordinary Shares or Preferred

Shares will not be viewed as having such an adverse effect; and (iii) any Sale Transaction implying a price per share of less than US\$3.632 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like). Except for the assignment of voting rights as provided in this Section 10.12, Good Fortune shall have any and all the other rights attached to the Good Fortune Shares.

(b) Good Fortune further agrees to use its reasonably best efforts to effectuate the aforesaid irrevocable proxy by, including without limitation, signing other agreement or documents, and voting to agree to make relevant amendments to the memorandum of association and articles of association of the Company when necessary. If so requested by Max Smart, Good Fortune shall, from time to time, execute and deliver to Max Smart a Power of Attorney in respect of the Good Fortune Shares, in substantially the form and substance attached hereto as Exhibit D.

(c) Max Smart shall exercise the power of attorney granted by Good Fortune herein in accordance with applicable laws, and shall in no event damage the interests of Good Fortune or adversely affect the rights of Good Fortune. Max Smart shall provide Good Fortune at least five (5) Business Days' prior written notice of any proposed exercise of the voting rights granted under this Section 10.12; provided that if such prior notice is not practicable, Max Smart shall provide to Good Fortune notice of any exercise of the voting rights granted under this Section 10.12 as soon as practicable and, in any event, promptly following such exercise.

(d) This Section 10.12 shall terminate upon the earlier of: (i) the date when the Founder holds (directly or indirectly through any holding vehicle) less than 10% of the Company's outstanding shares and (ii) the closing of the Company's initial public offering; *provided*, that this Section 10.12 shall not apply to any shares following the Transfer of any Good Fortune Shares to an unaffiliated third party by Good Fortune or its Affiliates.

10.13 Assignment of IGSB Voting Rights.

(a) IGSB, hereby irrevocably grants to, and appoints, Max Smart, as IGSB's exclusive proxy and attorney-in-fact, for and in the name, place and stead of IGSB, to vote all of its IGSB Shares at any meeting of the shareholders of the Company, or at any adjournment thereof, or in any other circumstances under which a vote, agreement, consent (including written consents, unanimous or otherwise) or other approval is sought from IGSB, except for (i) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are convertible into any equity securities of the Company (including any public offering) at a price per share of less than US\$3.632 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with

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respect to such shares and the like); (ii) any matter, the outcome of the vote on which would disproportionately, materially and adversely affect IGSB, as compared to other holders of the same class(es) of shares of the Company; *provided* that, subject to Section 10.13(a)(i) and solely for purposes of this Section 10.13(a), increases in the authorized number of Ordinary Shares or Preferred Shares generally, or the authorized number of Ordinary Shares or Preferred Shares of the Company or the issuance of securities of the Company senior to the Ordinary Shares or Preferred Shares will not be viewed as having such an adverse effect; and (iii) any Sale Transaction implying a price per share of less than US\$3.632 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like). Except for the assignment of voting rights as provided in this Section 10.13, IGSB shall have any and all the other rights attached to the IGSB Shares.

(b) IGSB further agrees to use its reasonably best efforts to effectuate the aforesaid irrevocable proxy by, including without limitation, signing other agreement or documents, and voting to agree to make relevant amendments to the memorandum of association and articles of association of the Company when necessary. If so requested by Max Smart, IGSB shall, from time to time, execute and deliver to Max Smart a Power of Attorney in respect of the IGSB Shares, in substantially the form and substance attached hereto as Exhibit D.

(c) Max Smart shall exercise the power of attorney granted by IGSB herein in accordance with applicable laws, and shall in no event damage the interests of IGSB or adversely affect the rights of IGSB. Max Smart shall provide IGSB at least five (5) Business Days' prior written notice of any proposed exercise of the voting rights granted under this Section 10.13; provided that if such prior notice is not practicable, Max Smart shall provide to IGSB notice of any exercise of the voting rights granted under this Section 10.13 as soon as practicable and, in any event, promptly following such exercise.

(d) This Section 10.13 shall terminate upon the earlier of: (i) the date when the Founder holds (directly or indirectly through any holding vehicle) less than 10% of the Company's outstanding shares and (ii) the closing of the Company's initial public offering; *provided*, that this Section 10.13 shall not apply to any shares following the Transfer of any IGSB Shares to an unaffiliated third party by IGSB or its Affiliates.

10.14 Assignment of Kingdom Voting Rights.

(a) Each Kingdom Party hereby irrevocably grants to, and appoints, Max Smart, as such Kingdom Party's exclusive proxy and attorney-in-fact, for and in the name, place and stead of such Kingdom Party, to vote all of its Kingdom Shares at any meeting of the shareholders of the Company, or at any adjournment thereof, or in any other circumstances under which a vote, agreement, consent (including written consents, unanimous or otherwise) or other approval is sought from such Kingdom Party, except for (i) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are convertible into any equity securities of the Company (including any public offering) at a price per share of less than US\$3.961 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like); (ii) any matter, the outcome of the vote on which would disproportionately, materially and adversely affect such Kingdom Party, as compared to other holders of the same class(es) of shares of the Company; *provided* that, subject to Section

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10.14(a)(i) and solely for purposes of this Section 10.14(a), increases in the authorized number of Ordinary Shares or Preferred Shares generally, or the authorized number of Ordinary Shares or Preferred Shares of the Company or the issuance of securities of the Company senior to the Ordinary Shares or Preferred Shares will not be viewed as having such an adverse effect; and (iii) any Sale Transaction implying a price per share of less than US\$3.961 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like). Except for the assignment of voting rights as provided in this Section 10.14, such Kingdom Party shall have any and all the other rights attached to its Kingdom Shares.

(b) Each Kingdom Party further agrees to use its reasonably best efforts to effectuate the aforesaid irrevocable proxy by, including without limitation, signing other agreement or documents, and voting to agree to make relevant amendments to the memorandum of association and articles of association of the Company when necessary. If so requested by Max Smart, such Kingdom Party shall, from time to time, execute and deliver to Max Smart a Power of Attorney in respect of its Kingdom Shares, in substantially the form and substance attached hereto as Exhibit B.

(c) Max Smart shall exercise the power of attorney granted by each Kingdom Party herein in accordance with applicable laws, and shall in no event damage the interests of such Kingdom Party or adversely affect the rights of such Kingdom Party. Max Smart shall provide to each Kingdom Party at least five

(5) Business Days' prior written notice of any proposed exercise of the voting rights granted under this Section 10.14; provided that if such prior notice is not practicable, Max Smart shall provide to Kingdom notice of any exercise of the voting rights granted under this Section 10.14 as soon as practicable and, in any event, promptly following such exercise.

(d) This Section 10.14 shall terminate upon the earlier of: (i) the date when the Founder holds (directly or indirectly through any holding vehicle) less than 10% of the Company's outstanding shares, (ii) the closing of the Company's initial public offering, and (iii) the occurrence of change of control over Max Smart; *provided*, that this Section 10.14 shall not apply to any shares following the Transfer of any Shares to an unaffiliated third party by Kingdom or its Affiliates.

10.15 Assignment of Gaoling Voting Rights.

(a) Gaoling hereby irrevocably grants to, and appoints, Max Smart, as Gaoling's exclusive proxy and attorney-in-fact, for and in the name, place and stead of Gaoling, to vote all of the Gaoling Ordinary Shares acquired by Gaoling pursuant to the Gaoling Ordinary Share Purchase Agreement at any meeting of the shareholders of the Company, or at any adjournment thereof, or in any other circumstances under which a vote, agreement, consent (including written consents, unanimous or otherwise) or other approval is sought from Gaoling, except for (i) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are convertible into any equity securities of the Company (including any public offering) at a price per share of less than US\$3.961 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like); (ii) any matter, the outcome of the vote on which would disproportionately, materially and adversely affect Gaoling, as compared to other holders of the same class(es) of shares of the Company; *provided* that, subject

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to Section 10.15(a)(i) and solely for purposes of this Section 10.15(a), increases in the authorized number of Ordinary Shares or Preferred Shares generally, or the authorized number of Ordinary Shares or Preferred Shares of the Company or the issuance of securities of the Company senior to the Ordinary Shares or Preferred Shares will not be viewed as having such an adverse effect; and (iii) any Sale Transaction implying a price per share of less than US\$3.961 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like). Except for the assignment of voting rights as provided in this Section 10.15, Gaoling shall have any and all the other rights attached to the Gaoling Ordinary Shares acquired by Gaoling pursuant to the Gaoling Ordinary Share Purchase Agreement.

(b) Gaoling further agrees to use its reasonably best efforts to effectuate the aforesaid irrevocable proxy by, including without limitation, signing other agreement or documents, and voting to agree to make relevant amendments to the memorandum of association and articles of association of the Company when necessary. If so requested by Max Smart, Gaoling shall, from time to time, execute and deliver to Max Smart a Power of Attorney in respect of the Gaoling Ordinary Shares acquired by Gaoling pursuant to the Gaoling Ordinary Share Purchase Agreement, in substantially the form and substance attached hereto as Exhibit B.

(c) Max Smart shall exercise the power of attorney granted by Gaoling herein in accordance with applicable laws, and shall in no event damage the interests of Gaoling or adversely affect the rights of Gaoling. Max Smart shall provide to Gaoling at least five (5) Business Days' prior written notice of any proposed exercise of the voting rights granted under this Section 10.15; provided that if such prior notice is not practicable, Max Smart shall provide to Gaoling notice of any exercise of the voting rights granted under this Section 10.15 as soon as practicable and, in any event, promptly following such exercise.

(d) This Section 10.15 shall terminate upon the earlier of: (i) the date when the Founder holds (directly or indirectly through any holding vehicle) less than 10% of the Company's outstanding shares, (ii) the closing of the Company's initial public offering, and (iii) the occurrence of change of control over Max Smart; *provided*, that this Section 10.15 shall not apply to any shares following the Transfer of any Shares to an unaffiliated third party by Gaoling or its Affiliates.

10.16 Assignment of China Life Voting Rights.

(a) China Life hereby irrevocably grants to, and appoints, Max Smart, as China Life's exclusive proxy and attorney-in-fact, for and in the name, place and stead of China Life, to vote all of the China Life Shares at any meeting of the shareholders of the Company, or at any adjournment thereof, or in any other circumstances under which a vote, agreement, consent (including written consents, unanimous or otherwise) or other approval is sought from China Life, except for (i) any issuance of any Preferred Shares, Ordinary Shares or other equity securities by the Company or any instruments that are convertible into any equity securities of the Company (including any public offering) at a price per share of less than US\$3.961 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like); (ii) any matter, the outcome of the vote on which would disproportionately, materially and adversely affect China Life, as compared to other holders of the same class(es) of shares of the Company;

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provided that, subject to Section 10.16(a)(i) and solely for purposes of this Section 10.16(a), increases in the authorized number of Ordinary Shares or Preferred Shares generally, or the authorized number of Ordinary Shares or Preferred Shares of the Company or the issuance of securities of the Company senior to the Ordinary Shares or Preferred Shares will not be viewed as having such an adverse effect; and (iii) any Sale Transaction implying a price per share of less than US\$3.961 (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like). Except for the assignment of voting rights as provided in this Section 10.16, China Life shall have any and all the other rights attached to the China Life Shares acquired by China Life pursuant to the China Life Purchase Agreement.

(b) China Life further agrees to use its reasonably best efforts to effectuate the aforesaid irrevocable proxy by, including without limitation, signing other agreement or documents, and voting to agree to make relevant amendments to the memorandum of association and articles of association of the Company when necessary. If so requested by Max Smart, China Life shall, from time to time, execute and deliver to Max Smart a Power of Attorney in respect of the China Life Shares, in substantially the form and substance attached hereto as Exhibit E.

(c) Max Smart shall exercise the power of attorney granted by China Life herein in accordance with applicable laws, and shall in no event damage the interests of China Life or adversely affect the rights of China Life. Max Smart shall provide to China Life at least five (5) Business Days' prior written notice of any proposed exercise of the voting rights granted under this Section 10.16; provided that if such prior notice is not practicable, Max Smart shall provide to China Life notice of any exercise of the voting rights granted under this Section 10.16 as soon as practicable and, in any event, promptly following such exercise.

(d) This Section 10.16 shall terminate upon the earlier of: (i) the date when the Founder holds (directly or indirectly through any holding vehicle) less than 10% of the Company's outstanding shares, (ii) the closing of the Company's initial public offering, and (iii) December 31, 2015, if the Company fails to consummate a Qualified IPO by that date; *provided*, that this Section 10.16 shall not apply to any shares following the Transfer of any Shares to an unaffiliated third party by China Life or its Affiliates.

10.17 Assignment of Tencent Voting Rights.

(a) Tencent hereby irrevocably grants to, and appoints, Max Smart, as Tencent's exclusive proxy and attorney-in-fact, for and in the name, place and stead of Tencent, to vote all of its Tencent Shares at any meeting of the shareholders of the Company, or at any adjournment thereof, or in any other circumstances under which a vote, agreement, consent (including written consents, unanimous or otherwise) or other approval is sought from Tencent, except for (i) protective provisions expressly for the benefit of Tencent only and not any other Shareholder as set forth in in Section 10.1(e) and 10.1(f) (if applicable), (ii) any matter, the outcome of the vote on which would disproportionately, materially and adversely affect Tencent, as compared to other holders of the same class of shares of the Company; *provided that*, subject to Section 10.17(a)(i) and solely for purposes of this Section 10.17(a), increases in the authorized number of Ordinary Shares or Preferred Shares generally, or the authorized number of Ordinary Shares or Preferred Shares of the Company

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or the issuance of securities of the Company senior to the Ordinary Shares or Preferred Shares will not be viewed as having such an adverse effect, and (iii) any Sale Transaction implying an equity valuation of the Company of less than 100% premium over the post-money equity valuation of the Company immediately after the consummation of the Kingdom Ordinary Share Purchase Agreement. Except for the assignment of voting rights as provided in this Section 10.17, Tencent shall have any and all the other rights attached to its Tencent Shares.

(b) Tencent further agrees to use its reasonably best efforts to effectuate the aforesaid irrevocable proxy by, including without limitation, signing other agreement or documents, and voting to agree to make relevant amendments to the memorandum of association and articles of association of the Company when necessary. If so requested by Max Smart, Tencent shall, from time to time, execute and deliver to Max Smart a Power of Attorney in respect of its Tencent Shares, in substantially the form and substance attached hereto as Exhibit B.

(c) Max Smart shall exercise the power of attorney granted by Tencent herein in accordance with applicable laws, and shall in no event damage the interests of Tencent or adversely affect the rights of Tencent. Max Smart shall provide to Tencent at least five (5) Business Days' prior written notice of any proposed exercise of the voting rights granted under this Section 10.17; provided that if such prior notice is not practicable, Max Smart shall provide to Tencent notice of any exercise of the voting rights granted under this Section 10.17 as soon as practicable and, in any event, promptly following such exercise.

(d) This Section 10.17 shall terminate upon the earlier of: (i) the date when the Founder ceases to be the Chief Executive Officer of the Company, (ii) the closing of the Company's initial public offering, and (iii) the occurrence of change of control over Max Smart; *provided*, that this Section 10.17 shall not apply to any shares following the Transfer of such Shares to an unaffiliated third party by Tencent or its Affiliates.

10.18 Chief Executive Officer.

(a) The Founder shall continue to be the Company's Chief Executive Officer following the date of this Agreement. Notwithstanding anything to the contrary herein, each of Ordinary Shareholders and Preferred Shareholders agrees that they will ensure that their respective designated directors shall vote in favor of the Founder continuing to serve as the Company's Chief Executive Officer, until the earlier to occur of (i) the closing of the Company's initial public offering, (ii) he is removed earlier for Cause, and (iii) his resignation or retirement.

(b) For purposes of this Section 10.18, "Cause" means, with respect to a person, (i) gross neglect or failure to perform the duties and responsibilities of such person's office resulting in material harm to the Group Companies, taken as a whole, (ii) failure or refusal to comply in any material respect with material and lawful policies and directives of the Company resulting in material harm to the Group Companies, taken as a whole, (iii) material breach of any statutory duty or any other obligation that such person owes to the Group Companies resulting in material harm to the Group Companies, taken as a whole, (iv) commission of an act of fraud, theft or embezzlement against the Group Companies or involving their material properties or assets, or (v) conviction of any felony or crime of moral

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turpitude; *provided, however*, that with respect to any occurrence of any of (i), (ii) or (iii), such person shall have been given not less than sixty (60) days' written notice by the Board of Directors of the Company of the Board's determination (such determination being made independent of such person, if such person is a Board member) that such event had occurred, and such person shall have until the end of such 60 day period following receipt of such notice to rectify or cure such occurrence if such occurrence is curable before any action premised upon a determination of Cause can be taken.

(c) This Section 10.18 shall terminate upon closing of a Qualified IPO.

10.19 Classroom Voting Rights. Classroom shall have the right to vote the Classroom Shares at any meeting of the shareholders of the Company, or at any adjournment thereof, or in any other circumstances under which a vote, agreement, consent (including written consents, unanimous or otherwise) or other approval is sought from Classroom. Notwithstanding the foregoing, Classroom shall vote all of the Classroom Shares in favor of any Sale Transaction implying a price per share of not less than US\$3.961 (as adjusted for any share dividends, combinations, reclassifications or splits with respect to such shares and the like).

11. GENERAL PROVISIONS.

11.1 Notices. Except as may be otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and shall be conclusively deemed to have been duly given (a) when hand delivered to the other party, upon delivery; (b) when sent by facsimile at the number set forth in Exhibit A hereto, upon receipt of confirmation of error-free transmission; (c) seven (7) Business Days after deposit in the mail as air mail or certified mail, receipt requested, postage prepaid and addressed to the other party as set forth in Exhibit A or in the Company's then-current register of members if Exhibit A does not contain sufficient information for the delivery to be successfully made to the relevant parties; or (d) three (3) Business Days after deposit with an international overnight delivery service, postage prepaid, addressed to the parties as set forth in Exhibit A, or in the Company's then-current register of members if Exhibit A does not contain sufficient information for the delivery to be successfully made to the relevant parties, with next Business Day delivery guaranteed; *provided* that the sending party receives a confirmation of delivery from the delivery service provider. Each person making a communication hereunder by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant hereto but the absence of such confirmation shall not affect the validity of any such communication. A party may change or supplement the addresses set forth in Exhibit A, or designate additional addresses, for purposes of this Section 11.1 by giving the other party written notice of the new address in the manner set forth above.

11.2 Entire Agreement. This Agreement, together with all the exhibits hereto and thereto, constitute and contain the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes any and all prior negotiations, correspondence, agreements, understandings, duties or obligations between the parties respecting the subject matter hereof. For the avoidance of doubt, this Agreement shall supersede and replace the Prior Shareholders Agreement. In consideration of the mutual covenants and promises contained herein, each of the parties to the Prior Shareholders

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Agreement hereby confirms and covenants with each of the other parties thereto that, with effect immediately from March 10, 2014: the Prior Shareholders Agreement shall be, and sections 10.13 to 10.16 of the May 2010 Ordinary Share Purchase Agreement shall remain, absolutely terminated; none of the parties to the Prior Shareholders Agreement and the May 2010 Ordinary Share Purchase Agreement shall have any rights, claims or interests whatsoever against any of the other parties to the Prior Shareholders Agreement and the May 2010 Ordinary Share Purchase Agreement, under or in respect of the Prior Shareholders Agreement and sections 10.13 to 10.16 of the May 2010 Ordinary Share Purchase Agreement; and to the extent that any of the parties to the Prior Shareholders Agreement and the May 2010 Ordinary Share Purchase Agreement have or may have any rights, claims or interests whatsoever against any of the other parties thereto under or in respect of the Prior Shareholders Agreement and sections 10.13 to 10.16 of the May 2010 Ordinary Share Purchase Agreement, such rights, claims or interests are hereby absolutely, irrevocably and unconditionally waived, discharged and released.

11.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Hong Kong as to matters within the scope thereof, without regard to its principles of conflicts of laws.

11.4 Severability. If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the parties. In such event, the parties shall use best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly effects the parties' intent in entering into this Agreement.

11.5 Third Parties. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties hereto and their permitted successors and assigns, any rights or remedies under or by reason of this Agreement.

11.6 Successors and Assigns. Subject to the provisions of Section 8.1, the provisions of this Agreement shall inure to the benefit of, and shall be binding upon, the successors and permitted assigns of the parties hereto.

11.7 Interpretation; Captions. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement. The captions to sections of this Agreement have been inserted for identification and reference purposes only and shall not be used to construe or interpret this Agreement. Unless otherwise expressly provided herein, all references to Sections and Exhibits herein are to Sections and Exhibits of this Agreement.

11.8 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

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11.9 Adjustments for Share Splits, etc. Wherever in this Agreement there is a reference to a specific number of shares of Preferred Shares or Ordinary Shares, then, upon the occurrence of any subdivision, combination or share dividend of the Preferred Shares or Ordinary Shares, the specific number of shares so referenced in this Agreement shall automatically be proportionally adjusted to reflect the effect on the outstanding shares of such class or series of shares by such subdivision, combination or share dividend.

11.10 Aggregation of Shares. All Preferred Shares or Ordinary Shares held or acquired by affiliated entities or persons (as defined in Rule 144 under the Securities Act) shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

11.11 Shareholders Agreement to Control. If and to the extent that there are conflicts between the provisions of this Agreement and those of the Restated Memorandum and Articles, the terms of this Agreement shall control. The parties agree to take all actions necessary or advisable, as promptly as practicable after the discovery of such conflicts, to amend the Restated Memorandum and Articles so as to eliminate such conflicts.

11.12 Dispute Resolution.

(a) Negotiation between Parties; Mediation. The parties agree to negotiate in good faith to resolve any dispute between them regarding this Agreement. If the negotiations do not resolve the dispute to the reasonable satisfaction of all parties within thirty (30) days, Section 11.12(b) shall apply.

(b) Arbitration. In the event the parties are unable to settle a dispute between them regarding this Agreement in accordance with subsection (a) above, such dispute, including the validity, invalidity, breach or termination of this Agreement, shall be referred to and finally settled by arbitration at the Hong Kong International Arbitration Centre ("HKIAC") in accordance with the UNCITRAL Arbitration Rules (the "UNCITRAL Rules") in effect, which rules are deemed to be incorporated by reference into this subsection (b). The arbitration shall be conducted in the English language and the seat of the arbitration shall be Hong Kong. There shall be three (3) arbitrators. Where there is more than one (1) party to one (1) side of the dispute, the parties whose interests are aligned shall jointly select one (1) arbitrator. The other party to such a dispute shall select one (1) arbitrator. The HKIAC shall select the third arbitrator. Any such arbitration shall be administered by HKIAC in accordance with HKIAC Procedures for Arbitration in force at the date of this Agreement including such additions to the UNCITRAL Rules as are therein contained. The decision of the arbitrators (by rule of majority) shall be final and binding on the parties (including any decision on their fees) and their fees shall be borne and paid by the parties in such proportions as the arbitrators shall determine.

11.13 Further Actions. Each shareholder of the Company agrees that it shall use its best effort to enhance and increase the value and principal business of the Company.

11.14 Waivers; Consents and Confirmations. The Company and each of the Preferred Shareholders and any holder of any Ordinary Shares and any other parties hereto that are entitled to the rights of participation, veto right, right of first refusal and co-sale right or other rights and preferences of like nature pursuant to sections 3, 4 or 10 or any other

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sections of the Prior Shareholders Agreement, this Agreement and the Company's memorandum of association and articles of association, by signing this Agreement, consents to, and agrees to waive any rights of participation, veto right, right of first refusal and co-sale right or other rights and preferences of like nature which it may have been required from each of them under the Prior Shareholders Agreement, this Agreement and the Company's memorandum of association and articles of association in connection with the sale and purchase of Ordinary Shares pursuant to, and the other transactions contemplated by, the Tencent Share Subscription Agreement and the Tencent IPO Subscription Agreement.

11.15 Effective Date. This Agreement should only take effect and become binding on and enforceable against the parties hereto upon March 10, 2014, subject to the occurrence of Closing under the Tencent Share Subscription Agreement.

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IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE GROUP COMPANIES:

/s/ JD.COM, INC.

/s/ MAX SMART LIMITED

/s/ BEIJING JINGDONG CENTURY TRADING CO., LTD.
(□□□□□□□□□□)
(Company seal)

/s/ BEIJING JINGDONG 360 DEGREE E-COMMERCE CO., LTD.
(□□□□□□□□□□□□□□)
(Company seal)

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

/s/ JIANGSU YUANZHOU E-COMMERCE CO., LTD.
(□□□□□□□□□□)
(Company seal)

/s/ SHANGHAI SHENGDAYUAN INFORMATION TECHNOLOGY CO., LTD.
(□□□□□□□□□□)
(Company seal)

/s/ TIANJIN STAR EAST CO., LTD.
(□□□□□□□□□□)
(Company seal)

/s/ BEIJING JINGBANGDA TRADING CO., LTD.
(□□□□□□□□□□)
(Company seal)

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE FOUNDER:

By: /s/ Qiangdong Liu
LIU Qiangdong (□□□)

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

/s/ HHGL 360BUY HOLDINGS, LTD.

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

/s/ MADRONE PARTNERS, L.P.

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

/s/ UNITED SHEEN LIMITED

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

/s/ BEST ALLIANCE INTERNATIONAL HOLDINGS LIMITED

/s/ STRONG DESIRE LIMITED

/s/ GRANDWIN ENTERPRISES LIMITED

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

/s/ TIGER GLOBAL FIVE 360 HOLDINGS

/s/ TIGER GLOBAL 360BUY HOLDINGS

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

/s/ DST CHINA EC6 LIMITED

/s/ DST CHINA EC, L.P.

/s/ DST INVESTMENTS 1 LIMITED

/s/ DST INVESTMENTS 2 LIMITED

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

/s/ DST GLOBAL II, L.P.

/s/ DST CHINA EC II, L.P.

/s/ DST CHINA EC III, L.P.

/s/ DST CHINA EC X, L.P.

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

/s/ KAIXIN ASIA LIMITED (□□□□□□□□)

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

/s/ ACCURATE WAY LIMITED

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

/s/ SEQUOIA CAPITAL 2010 CGF HOLDCO, LTD.

/s/ SC CHINA CO-INVESTMENT 2011-A, L.P.

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

/s/ INSIGHT VENTURE PARTNERS VII, L.P.

/s/ INSIGHT VENTURE PARTNERS VII (CO-INVESTORS), L.P.

/s/ INSIGHT VENTURE PARTNERS (CAYMAN) VII, L.P.

/s/ INSIGHT VENTURE PARTNERS (DELAWARE) VII, L.P.

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

/s/ KPCB HOLDINGS, INC., as nominee

/s/ KPCB CHINA FUND, L.P.

/s/ KPCB CHINA FOUNDERS FUND, L.P.

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

/s/ OELAND INVESTMENTS II LLC

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

/s/ GOOD FORTUNE CAPITAL II, LLC

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

/s/ IGSB INTERNAL VENTURE FUND II, LLC

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

/s/ SUPREME UNIVERSAL HOLDINGS LTD.

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

/s/ GOLDSTONE CAPITAL LTD.

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

/s/ KINGDOM 5-KR-225, LTD.

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

/s/ KINGDOM 5-KR-232, LTD.

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

/s/ CHINA LIFE TRUSTEES LIMITED

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

/s/ HUANG RIVER INVESTMENT LIMITED

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE EMPLOYEES:

/s/ FORTUNE RISING HOLDINGS LIMITED

SIGNATURE PAGE TO THIRTEENTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

Our ref RDS/688087-000001/6906177v1
 Direct tel +852 2971 3046
 Email richard.spooner@maplesandcalder.com

JD.com, Inc.
 10th Floor, Building A, North Star Century Center
 No. 8 Beichen West Street, Chaoyang District
 Beijing 100101
 People's Republic of China

19 March 2014

Dear Sirs

JD.com, Inc.

We have acted as Cayman Islands legal advisers to JD.com, Inc. (the "**Company**") in connection with the Company's registration statement on Form F-1, including all amendments or supplements thereto (the "**Registration Statement**"), filed with the Securities and Exchange Commission under the U.S. Securities Act of 1933, as amended to date relating to the offering by the Company of certain American Depositary Shares (the "**ADSs**") representing the Company's Class A Ordinary Shares of par value US\$0.01 each (the "**Shares**").

We are furnishing this opinion as Exhibit 5.1 to the Registration Statement.

1 Documents Reviewed

For the purposes of this opinion, we have reviewed only originals, copies or final drafts of the following documents:

- 1.1 The certificate of registration by way of continuation dated 16 January 2014 issued by the Registrar of Companies in the Cayman Islands and the certificate of incorporation on change of name dated 16 January 2014 issued by the Registrar of Companies in the Cayman Islands.
- 1.2 The Amended and Restated Memorandum and Articles of Association of the Company as adopted by special resolution passed on 20 December 2013 and effective upon continuation in the Cayman Islands on 16 January 2014 (the "**Previous M&A**"), and the Second Amended and Restated Memorandum and Articles of Association of the Company as adopted on by special resolution passed on 6 March 2014 and effective on 10 March 2014 (the "**Pre-IPO M&A**").
- 1.3 The Third Amended and Restated Memorandum and Articles of Association of the Company as adopted by a special resolution passed on 6 March 2014 and effective conditional and immediately upon completion of the Company's initial public offering of the ADSs representing the Shares (the "**IPO M&A**").
- 1.4 The written resolutions of the directors of the Company dated 6 March 2014 and 20 December 2013 (together, the "**Directors' Resolutions**").

-
- 1.5 The minutes (the "**Shareholders' Minutes**") of the extraordinary general meeting of the shareholders of the Company held on 6 March 2014 (the "**Shareholders' Meeting**"), and the written resolutions of the shareholders of the Company dated 17 January 2014 (together with the resolutions set out in the Shareholders' Minutes, the "**Shareholders' Resolutions**").
 - 1.6 A certificate from a Director of the Company addressed to this firm dated [•] March 2014, a copy of which is attached hereto (the "**Director's Certificate**").
 - 1.7 A certificate of good standing dated 6 March 2014, issued by the Registrar of Companies in the Cayman Islands (the "**Certificate of Good Standing**").
 - 1.8 The Registration Statement.

2 Assumptions

The following opinions are given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this opinion letter. These opinions only relate to the laws of the Cayman Islands which are in force on the date of this opinion letter. In giving these opinions we have relied (without further verification) upon the completeness and accuracy of the Director's Certificate and the Certificate of Good Standing. We have also relied upon the following assumptions, which we have not independently verified:

- 2.1 Copy documents or drafts of documents provided to us are true and complete copies of, or in the final forms of, the originals.
- 2.2 The genuineness of all signatures and seals.
- 2.3 There is nothing under any law (other than the law of the Cayman Islands) which would or might affect the opinions set out below.

3 Opinion

Based upon the foregoing and subject to the qualifications set out below and having regard to such legal considerations as we deem relevant, we are of the opinion that:

- 3.1 The Company has been duly registered by way of continuation as an exempted company with limited liability and is validly existing and in good standing under the laws of the Cayman Islands.
- 3.2 The authorised share capital of the Company, with effect immediately upon the completion of the Company's initial public offering of the ADSs representing the Shares, will be US\$2,000,000 divided into 99,000,000,000 Class A Ordinary Shares of a par value of US\$0.00002 each and 1,000,000,000 Class B Ordinary Shares of a par value of US\$0.00002 each.
- 3.3 The issue and allotment of the Shares have been duly authorised and when allotted, issued and paid for as contemplated in the Registration Statement, the Shares will be legally issued and allotted, fully paid and non-assessable. As a matter of Cayman law, a share is only issued when it has been entered in the

3.4 The statements under the caption "Taxation" in the prospectus forming part of the Registration Statement, to the extent that they constitute statements of Cayman Islands law, are accurate in all material respects and that such statements constitute our opinion.

4 Qualifications

Except as specifically stated herein, we make no comment with respect to any representations and warranties which may be made by or with respect to the Company in any of the documents or instruments cited in this opinion or otherwise with respect to the commercial terms of the transactions the subject of this opinion.

In this opinion the phrase "non-assessable" means, with respect to Shares in the Company, that a shareholder shall not, solely by virtue of its status as a shareholder, be liable for additional assessments or calls on the Shares by the Company or its creditors (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our name under the headings "Enforceability of Civil Liabilities", "Taxation" and "Legal Matters" and elsewhere in the prospectus included in the Registration Statement. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the U.S. Securities Act of 1933, as amended, or the Rules and Regulations of the Commission thereunder.

Yours faithfully

/s/ Maples and Calder

Maples and Calder

Encl

[LETTERHEAD OF SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP]

March 19, 2014

JD.com, Inc.
 10th Floor, Building A, North Star Century Center
 No. 8 Beichen West Street
 Chaoyang District, Beijing 100101
 The People's Republic of China

Re: American Depositary Shares of JD.com, Inc. (the "Company").

Ladies and Gentlemen:

You have requested our opinion concerning the statements in the Registration Statement (as described below) under the caption "Taxation—Material United States Federal Income Tax Considerations" in connection with the public offering on the date hereof of certain American Depositary Shares ("ADSs"), each of which represents Class A ordinary shares, par value \$0.00002 per share, of the Company pursuant to the registration statement on Form F-1 under the Securities Act of 1933, as amended (the "Act"), originally filed by the Company with the Securities and Exchange Commission (the "Commission") on March 19, 2014 (the "Registration Statement").

This opinion is being furnished to you pursuant to section 8.1 of Exhibit Index of the Registration Statement.

In connection with rendering the opinion set forth below, we have examined and relied on originals or copies of the following:

- (a) the Registration Statement; and
- (b) such other documents, certificates and records as we have deemed necessary or appropriate as a basis for the opinion set forth below.

Our opinion is conditioned on the initial and continuing accuracy of the facts, information and analyses set forth in such documents, certificates and records (as identified in clauses (a) and (b) of the immediately preceding paragraph). All capitalized

terms used but not otherwise defined herein shall have the respective meanings set forth in the Registration Statement.

For purposes of our opinion, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed, electronic, or photostatic copies, and the authenticity of the originals of such latter documents. We have relied on a representation of the Company that such documents, certificates, and records are duly authorized, valid and enforceable.

In addition, we have relied on factual statements and representations of the officers and other representatives of the Company and others, and we have assumed that such statements and representations are and will continue to be correct without regard to any qualification as to knowledge or belief.

Our opinion is based on the U.S. Internal Revenue Code of 1986, as amended, U.S. Treasury regulations, judicial decisions, published positions of the U.S. Internal Revenue Service, and such other authorities as we have considered relevant, all as in effect as of the date of this opinion and all of which are subject to differing interpretations or change at any time (possibly with retroactive effect). A change in the authorities upon which our opinion is based could affect the conclusions expressed herein. There can be no assurance, moreover, that the opinion expressed herein will be accepted by the U.S. Internal Revenue Service or, if challenged, by a court.

Based upon and subject to the foregoing, we are of the opinion that, under current U.S. federal income tax law, although the discussion set forth in the Registration Statement under the heading "Material United States Federal Income Tax Considerations" does not purport to summarize all possible U.S. federal income tax considerations of the purchase, ownership and disposition of ADSs to U.S. Holders (as defined therein), such discussion constitutes, in all material respects, a fair and accurate summary of the U.S. federal income tax consequences of the purchase, ownership and disposition of the ADSs that are anticipated to be material to U.S. Holders who purchase the ADSs pursuant to the Registration Statement, subject to the qualifications set forth in such discussion and, to the extent that it sets forth specific legal conclusions under U.S. federal income tax law, except as otherwise provided therein, it represents our opinion.

Except as set forth above, we express no other opinion. This opinion is furnished to you in connection with the Registration Statement. This opinion is expressed as of the date hereof, and we are under no obligation to supplement or revise our opinion to reflect any legal developments or factual matters arising subsequent to the date hereof.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of our name under the captions "Taxation" and "Legal Matters" in the prospectus included in the Registration Statement. In giving such

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consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act or the rules or regulations of the Commission promulgated thereunder.

Very truly yours,

/s/ Skadden, Arps, Slate, Meagher & Flom LLP

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JD.COM, INC.

2013 SHARE INCENTIVE PLAN

(Adopted on December 20, 2013 and as amended and restated on March 6, 2014)

ARTICLE 1

PURPOSE

The purpose of the 2013 Share Incentive Plan (the "Plan") is to promote the success and enhance the value of JD.com, Inc., a company incorporated under the laws of the Cayman Islands (the "Company") by linking the personal interests of the members of the Board, Employees and Consultants to those of the Company's shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Company's shareholders. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract and retain the services of members of the Board, Employees, and Consultants upon whose judgment, interest and special effort the successful conduct of the Company's operation is largely dependent. (360buy Jingdong Inc.

ARTICLE 2

DEFINITIONS AND CONSTRUCTION

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

2.1 "Applicable Laws" means the legal requirements relating to the Plan and the Awards under applicable corporate, securities, tax and other laws, rules, regulations and government orders, and the rules of any applicable stock exchange or national market system.

2.2 "Award" means an Option, Restricted Share, Restricted Share Unit or any other type of award granted to a Participant pursuant to the Plan.

2.3 "Award Agreement" means any written agreement, contract, or other instrument or document evidencing an Award, including through electronic medium.

2.4 "Board" means the Board of Directors of the Company.

2.5 "Code" means the Internal Revenue Code of 1986 of the United States, as amended.

2.6 "Committee" means a committee of the Board described in Article 11.

2.7 "Consultant" means any consultant or adviser if: (a) the consultant or adviser renders bona fide services to a Service Recipient; (b) the services rendered by the consultant or adviser are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities; and (c) the consultant or adviser is a natural person who has contracted directly with the Service Recipient to render such services.

2.8 "Corporate Transaction", unless otherwise defined in an Award Agreement, means any of the following transactions, provided, however, that the Committee shall determine under (d) and (e) whether multiple transactions are related, and its determination shall be final, binding and conclusive:

- (a) an amalgamation, arrangement or consolidation or scheme of arrangement (i) in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which the Company is incorporated or (ii) following which the holders of the voting securities of the Company do not continue to hold more than 50% of the combined voting power of the voting securities of the surviving entity;
- (b) the sale, transfer or other disposition of all or substantially all of the assets of the Company;
- (c) the complete liquidation or dissolution of the Company;
- (d) any reverse takeover or series of related transactions culminating in a reverse takeover (including, without limitation, a tender offer followed by a reverse takeover) in which the Company is the surviving entity but (A) the Company's equity securities outstanding immediately prior to such takeover are converted or exchanged by virtue of the takeover into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such takeover or the initial transaction culminating in such takeover, but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction;
- (e) acquisition in a single or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction; or
- (f) the individuals who, as of the Effective Date, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least fifty percent (50%) of the Board; *provided* that if the election, or nomination for election by the Company's shareholders, of any new member of the Board is approved by the Incumbent Board pursuant to the then effective Articles of Association of the Company, such new member of the Board shall be considered as a member of the Incumbent Board.

2.9 “Disability”, unless otherwise defined in an Award Agreement, means that the Participant qualifies to receive long-term disability payments under the Service Recipient’s long-term disability insurance program, as it may be amended from time to time, to which the Participant provides services regardless of whether the Participant is covered by such policy. If the Service Recipient to which the Participant provides service does not have a long-term disability plan in place, “Disability” means that a Participant is unable to carry out the responsibilities and functions of the position held by the Participant by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Participant will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Committee in its discretion.

2.10 “Effective Date” shall have the meaning set forth in Section 12.1.

2.11 “Employee” means any person, including an officer or a member of the Board of the Company or any Parent or Subsidiary of the Company, who is in the employment of a Service Recipient, subject to the control and direction of the Service Recipient as to both the work to be performed and the manner and method of performance. The payment of a director’s fee by a Service Recipient shall not be sufficient to constitute “employment” by the Service Recipient.

2.12 “Exchange Act” means the Securities Exchange Act of 1934 of the United States, as amended.

2.13 “Fair Market Value” means, as of any date, the value of Shares determined as follows:

(a) If the Shares are listed on one or more established stock exchanges or national market systems, including, without limitation, The New York Stock Exchange and The Nasdaq Stock Market, its Fair Market Value shall be the closing sales price for such Shares (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Shares are listed (as determined by the Committee) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable;

(b) If the Shares are regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, its Fair Market Value shall be the closing sales price for such shares as quoted on such system or by such securities dealer on the date of determination, but if selling prices are not reported, the Fair Market Value of a Share shall be the mean between the high bid and low asked prices for the Shares on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable; or

(c) In the absence of an established market for the Shares of the type described in (a) and (b), above, the Fair Market Value thereof shall be determined by the

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Committee in good faith and in its discretion by reference to (i) the placing price of the latest private placement of the Shares and the development of the Company’s business operations and the general economic and market conditions since such latest private placement, (ii) other third party transactions involving the Shares and the development of the Company’s business operation and the general economic and market conditions since such sale, (iii) an independent valuation of the Shares, or (iv) such other methodologies or information as the Committee determines to be indicative of Fair Market Value and relevant.

2.14 “Fortune Rising Holdings Limited” means a company incorporated under the laws of the British Virgin Islands, with Mr. Qiangdong Liu being its sole shareholder and director.

2.15 “Incentive Share Option” means an Option that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

2.16 “Independent Director” means (i) before the Shares are listed on a stock exchange, a member of the Board who is a Non-Employee Director; and (ii) after the Shares are listed on a stock exchange, a member of the Board who meets the independence standards under the applicable corporate governance rules of the stock exchange.

2.17 “Non-Employee Director” means a member of the Board who qualifies as a “Non-Employee Director” as defined in Rule 16b-3(b)(3) of the Exchange Act, or any successor definition adopted by the Board.

2.18 “Non-Qualified Share Option” means an Option that is not intended to be an Incentive Share Option.

2.19 “Option” means a right granted to a Participant pursuant to Article 5 of the Plan to purchase a specified number of Shares at a specified price during specified time periods. An Option may be either an Incentive Share Option or a Non-Qualified Share Option.

2.20 “Original Plans” means the Company’s 2008 Stock Issuing Plan adopted in June 2008, 2009 Employee Stock Incentive Plan adopted in February 2009, 2010 Employee Stock Incentive Plan adopted in March 2010, 2011 Employee Stock Incentive Plan and 2011 Special Employee Stock Incentive Plan adopted in April 2011.

2.21 “Participant” means a person who, as a member of the Board, Consultant or Employee, has been granted an Award pursuant to the Plan.

2.22 “Parent” means a parent corporation under Section 424(e) of the Code.

2.23 “Plan” means this 2013 Share Incentive Plan, as it may be amended from time to time.

2.24 “Related Entity” means any business, corporation, partnership, limited liability company or other entity in which the Company, a Parent or Subsidiary of the Company holds a substantial ownership interest, directly or indirectly, but which is not a Subsidiary and which the Board designates as a Related Entity for purposes of the Plan.

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2.25 “Restricted Share” means a Share awarded to a Participant pursuant to Article 6 that is subject to certain restrictions and may be subject to risk of forfeiture.

2.26 “Restricted Share Unit” means the right granted to a Participant pursuant to Article 7 to receive a Share at a future date.

2.27 “Securities Act” means the Securities Act of 1933 of the United States, as amended.

2.28 “Service Recipient” means the Company, any Parent or Subsidiary of the Company and any Related Entity to which a Participant provides services as an Employee, a Consultant or a Director.

2.29 “Share” means ordinary shares, par value US\$0.00002 per share, of the Company, and such other securities of the Company that may be substituted for Shares pursuant to Article 10. When referenced in the context of listings on a stock exchange or quotations on an automated quotation system, “Shares” may also refer to American depository shares or other securities representing the ordinary shares.

2.30 “Subsidiary” means any corporation or other entity of which a majority of the outstanding voting shares or voting power is beneficially owned directly or indirectly by the Company. For purposes of this Plan, Subsidiary shall also include any consolidated variable interest entity of the Company.

2.31 “Trading Date” means the closing of the first sale to the general public of the Shares pursuant to a registration statement filed with and declared effective by the U.S. Securities and Exchange Commission under the Securities Act.

ARTICLE 3

SHARES SUBJECT TO THE PLAN

3.1 Number of Shares.

(a) Subject to the provisions of Article 10 and Section 3.1(b), the maximum aggregate number of Shares which may be issued pursuant to all Awards (including Incentive Share Options) (the “Award Pool”) initially shall be equal to 106,850,910 Shares, which have been issued to and reserved with Fortune Rising Holdings Limited under the Original Plans. Fortune Rising Holdings Limited is the holder on record of such 106,850,910 Shares and shall grant Awards to Participants and execute the Award Agreements and other related agreements with Participants based on the instructions of the Committee. The Awards granted and outstanding under the Original Plans shall survive the termination of the Original Plans as provided for under Section 12.2 and shall be counted against the Award Pool under the Plan. The Award Pool shall be increased (i) by 244,055,890 Shares immediately upon the Effective Date, and (ii) further by 117,226,212 Shares on March 6, 2014, the date when the Plan was first amended and restated, and (iii) by a number equal to 1% of the total number of Shares outstanding on the last day of the immediately preceding fiscal year, on the first day of each

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fiscal year during the term of this Plan commencing with the sixth fiscal year that occurs after the Effective Date.

(b) To the extent that an Award terminates, expires or lapses for any reason, any Shares subject to the Award shall again be available for the grant of an Award pursuant to the Plan. To the extent permitted by Applicable Laws, Shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form or combination by the Company or any Parent or Subsidiary of the Company shall not be counted against Shares available for grant pursuant to the Plan. Shares delivered by the Participant or withheld by the Company upon the exercise of any Award under the Plan, in payment of the exercise price thereof or tax withholding thereon, may again be optioned, granted or awarded hereunder, subject to the limitations of Section 3.1(a). If any Restricted Shares are forfeited by the Participant or repurchased by the Company, such Shares may again be optioned, granted or awarded hereunder, subject to the limitations of Section 3.1(a). Notwithstanding the provisions of this Section 3.1(b), no Shares may again be optioned, granted or awarded if such action would cause an Incentive Share Option to fail to qualify as an incentive share option under Section 422 of the Code.

3.2 Shares Distributed. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares or Shares purchased on the open market. Additionally, in the discretion of the Committee, American Depository Shares in an amount equal to the number of Shares which otherwise would be distributed pursuant to an Award may be distributed in lieu of Shares in settlement of any Award. If the number of Shares represented by an American Depository Share is other than on a one-to-one basis, the limitations of Section 3.1 shall be adjusted to reflect the distribution of American Depository Shares in lieu of Shares.

ARTICLE 4

ELIGIBILITY AND PARTICIPATION

4.1 Eligibility. Persons eligible to participate in this Plan include Employees, Consultants and all members of the Board, as determined by the Committee.

4.2 Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select from among all eligible individuals, those to whom Awards shall be granted and shall determine the nature and amount of each Award. No individual shall have any automatic right to be granted an Award pursuant to this Plan.

4.3 Jurisdictions. In order to assure the viability of Awards granted to Participants employed in various jurisdictions, the Committee may provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy, or custom applicable in the jurisdiction in which the Participant resides or is employed. Moreover, the Committee may approve such supplements to, or amendments, restatements or alternative versions of, the Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Plan as in effect for any other purpose; *provided, however*, that no such supplements, amendments, restatements or alternative versions shall

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increase the share limitations contained in Section 3.1 of the Plan. Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate any Applicable Laws.

ARTICLE 5

OPTIONS

5.1 General. The Committee is authorized to grant Options to Participants on the following terms and conditions:

(a) Exercise Price. The exercise price per Share subject to an Option shall be determined by the Committee and set forth in the Award Agreement which may be a fixed or variable price related to the Fair Market Value of the Shares. The exercise price per Share subject to an Option may be amended or adjusted in the absolute discretion of the Committee, the determination of which shall be final, binding and conclusive. For the avoidance of doubt, to the extent not prohibited by Applicable Laws or any exchange rule, a downward adjustment of the exercise prices of Options mentioned in the preceding sentence shall be effective without the approval of the Company's shareholders or the approval of the affected Participants.

(b) Time and Conditions of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part, including exercise prior to vesting; *provided* that the term of any Option granted under the Plan shall not exceed ten years, except as provided in Section 13.1. The Committee shall also determine conditions, if any, that must be satisfied before all or part of an Option may be exercised.

(c) Payment. The Committee shall determine the methods by which the exercise price of an Option may be paid, the form of payment, including, without limitation, (i) cash or check denominated in U.S. Dollars, (ii) to the extent permissible under the Applicable Laws, cash or check in Renminbi, (iii) cash or check denominated in any other local currency as approved by the Committee, (iv) Shares held for such period of time as may be required by the Committee in order to avoid adverse financial accounting consequences and having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof, (v) after the Trading Date the delivery of a notice that the Participant has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price; *provided* that payment of such proceeds is then made to the Company upon settlement of such sale, (vi) other property acceptable to the Committee with a Fair Market Value equal to the exercise price, or (vii) any combination of the foregoing. Notwithstanding any other provision of the Plan to the contrary, no Participant who is a member of the Board or an "executive officer" of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to pay the exercise price of an Option in any method which would violate Section 13(k) of the Exchange Act.

(d) Evidence of Grant. All Options shall be evidenced by an Award Agreement. The Award Agreement shall include such additional provisions as may be specified by the Committee.

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(e) Forfeiture. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service, Options that at that time have not vested shall be forfeited in accordance with the Award Agreement; *provided, however*, the Committee may (a) provide in any Option Award Agreement that forfeiture conditions relating to Options will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part forfeiture conditions relating to Options.

5.2 Incentive Share Options. Incentive Share Options may be granted to Employees of the Company, a Parent or Subsidiary of the Company. Incentive Share Options may not be granted to Employees of a Related Entity or to Independent Directors or Consultants. The terms of any Incentive Share Options granted pursuant to the Plan, in addition to the requirements of Section 5.1, must comply with the following additional provisions of this Section 5.2:

(a) Expiration of Option. An Incentive Share Option may not be exercised to any extent by anyone after the first to occur of the following events:

(i) Ten years from the date it is granted, unless an earlier time is set in the Award Agreement;

(ii) Ninety days after the Participant's termination of employment as an Employee; and

(iii) One year after the date of the Participant's termination of employment or service on account of Disability or death. Upon the Participant's Disability or death, any Incentive Share Options exercisable at the Participant's Disability or death may be exercised by the Participant's legal representative or representatives, by the person or persons entitled to do so pursuant to the Participant's last will and testament, or, if the Participant fails to make testamentary disposition of such Incentive Share Option or dies intestate, by the person or persons entitled to receive the Incentive Share Option pursuant to the applicable laws of descent and distribution.

(b) Individual Dollar Limitation. The aggregate Fair Market Value (determined as of the time the Option is granted) of all Shares with respect to which Incentive Share Options are first exercisable by a Participant in any calendar year may not exceed \$100,000 or such other limitation as imposed by Section 422(d) of the Code, or any successor provision. To the extent that Incentive Share Options are first exercisable by a Participant in excess of such limitation, the excess shall be considered Non-Qualified Share Options.

(c) Exercise Price. The exercise price of an Incentive Share Option shall be equal to the Fair Market Value on the date of grant. However, the exercise price of any Incentive Share Option granted to any individual who, at the date of grant, owns Shares possessing more than ten percent of the total combined voting power of all classes of shares of the Company may not be less than 110% of Fair Market Value on the date of grant and such Option may not be exercisable for more than five years from the date of grant.

(d) Transfer Restriction. The Participant shall give the Company prompt

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notice of any disposition of Shares acquired by exercise of an Incentive Share Option within (i) two years from the date of grant of such Incentive Share Option or (ii) one year after the transfer of such Shares to the Participant.

(e) Expiration of Incentive Share Options. No Award of an Incentive Share Option may be made pursuant to this Plan after the tenth anniversary of the Effective Date.

(f) Right to Exercise. During a Participant's lifetime, an Incentive Share Option may be exercised only by the Participant.

ARTICLE 6

RESTRICTED SHARES

6.1 Grant of Restricted Shares. The Committee, at any time and from time to time, may grant or sell Restricted Shares to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Restricted Shares to be granted or sold to each Participant.

6.2 Restricted Shares Award Agreement. Each Award of Restricted Shares shall be evidenced by an Award Agreement, which shall specify the period of restriction, the number of Restricted Shares granted or sold, grant or purchase price, and such other terms and conditions as the Committee, in its sole discretion, shall determine.

6.3 Issuance and Restrictions. Restricted Shares shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Shares or the right to receive dividends on the Restricted Share). These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

6.4 Forfeiture/Repurchase. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Restricted Shares that are at that time subject to restrictions shall be forfeited or repurchased in accordance with the Award Agreement; *provided, however*, the Committee may (a) provide in any Restricted Share Award Agreement that restrictions or forfeiture and repurchase conditions relating to Restricted Shares will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Shares.

6.5 Certificates for Restricted Shares. Restricted Shares granted pursuant to the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Shares are registered in the name of the Participant, certificates must bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Restricted Shares, and the Company may, at its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse.

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6.6 Removal of Restrictions. Except as otherwise provided in this Article 6, Restricted Shares granted under the Plan shall be released from escrow as soon as practicable after the last day of the period of restriction. The Committee, in its discretion, may accelerate the time at which any restrictions shall lapse or be removed. After the restrictions have lapsed, the Participant shall be entitled to have any legend or legends under Section 6.5 removed from his or her Share certificate, and the Shares shall be freely transferable by the Participant, subject to applicable legal restrictions. The Committee, in its discretion, may establish procedures regarding the release of Shares from escrow and the removal of legends, as necessary or appropriate to minimize administrative burdens on the Company.

ARTICLE 7

RESTRICTED SHARE UNITS

7.1 Grant of Restricted Share Units. The Committee, at any time and from time to time, may grant Restricted Share Units to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Restricted Share Units to be granted to each Participant.

7.2 Restricted Share Units Award Agreement. Each Award of Restricted Share Units shall be evidenced by an Award Agreement, which shall specify any vesting conditions, the number of Restricted Share Units granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine.

7.3 Performance Objectives and Other Terms. The Committee, in its discretion, may set performance objectives or other vesting criteria which, depending on the extent to which they are met, will determine the number or value of Restricted Share Units that will be paid out to the Participants.

7.4 Form and Timing of Payment of Restricted Share Units. At the time of grant, the Committee shall specify the date or dates on which the Restricted Share Units shall become fully vested and nonforfeitable. Upon vesting, the Committee, in its sole discretion, may pay Restricted Share Units in the form of cash, in Shares or in a combination thereof.

7.5 Forfeiture/Repurchase. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Restricted Share Units that are at that time unvested shall be forfeited or repurchased in accordance with the Award Agreement; *provided, however*, the Committee may (a) provide in any Restricted Share Unit Award Agreement that restrictions or forfeiture and repurchase conditions relating to Restricted Share Units will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Share Units.

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ARTICLE 8

OTHER TYPES OF AWARDS

8.1 Grant of Other Types of Awards. The Committee, at any time and from time to time, may grant other types of Awards to Participants as the Committee, in its sole discretion, shall determine, including, without limitation, share appreciation rights, dividend equivalents, share payments and deferred shares.

ARTICLE 9

PROVISIONS APPLICABLE TO AWARDS

9.1 Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award, which may include the term of an Award, the provisions applicable in the event the Participant's employment or service terminates, and the Company's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an Award.

9.2 Limits on Transfer. No right or interest of a Participant in any Award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or a Subsidiary, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Company or a Subsidiary. Except as otherwise provided by the Committee, no Award shall be assigned, transferred or otherwise disposed of by a Participant other than by will or the laws of descent and distribution. The Committee by express provision in the Award or an amendment thereto may permit an Award (other than an Incentive Share Option) to be transferred to, exercised by and paid to certain persons or entities related to the Participant, including, without limitation, members of the Participant's family, charitable institutions, or trusts or other entities whose beneficiaries or beneficial owners are members of the Participant's family and/or charitable institutions, or to such other persons or entities as may be expressly approved by the Committee, pursuant to such conditions and procedures as the Committee may establish. Any permitted transfer shall be subject to the condition that the Committee receive evidence satisfactory to it that the transfer is being

made for estate and/or tax planning purposes (or to a “blind trust” in connection with the Participant’s termination of employment or service with the Company or a Subsidiary to assume a position with a governmental, charitable, educational or similar non-profit institution) and on a basis consistent with the Company’s lawful issue of securities.

9.3 Beneficiaries. Notwithstanding Section 9.2, a Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant’s death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If the Participant is married and resides in a community property state, a designation of a person other than the Participant’s spouse as his or her beneficiary with respect to more than 50% of the Participant’s interest in the Award shall not be effective without the prior written consent of the Participant’s spouse. If no beneficiary has been designated or survives the Participant, payment shall be made to the person entitled thereto pursuant to the Participant’s will or the laws of descent and distribution. Subject to the foregoing, a beneficiary

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designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee.

9.4 Share Certificates. Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing the Shares pursuant to the exercise of any Award, unless and until the Committee has determined, with advice of counsel, that the issuance and delivery of such certificates is in compliance with all Applicable Laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the Shares are listed or traded. All Share certificates delivered pursuant to the Plan are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with all Applicable Laws, and the rules of any national securities exchange or automated quotation system on which the Shares are listed, quoted or traded. The Committee may place legends on any Share certificate to reference restrictions applicable to the Shares. In addition to the terms and conditions provided herein, the Committee may require that a Participant make such reasonable covenants, agreements and representations as the Committee, in its discretion, deems advisable in order to comply with any such laws, regulations or requirements. The Committee shall have the right to require any Participant to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Committee.

9.5 Paperless Administration. Subject to Applicable Laws, the Committee may make Awards, provide applicable disclosure and procedures for exercise of Awards by an internet website or interactive voice response system for the paperless administration of Awards.

9.6 Foreign Currency. A Participant may be required to provide evidence that any currency used to pay the exercise price of any Award were acquired and taken out of the jurisdiction in which the Participant resides in accordance with Applicable Laws, including foreign exchange control laws and regulations. In the event the exercise price for an Award is paid in Renminbi or other foreign currency, as permitted by the Committee, the amount payable will be determined by conversion from U.S. dollars at the official rate promulgated by the People’s Bank of China for Renminbi, or for jurisdictions other than the Peoples Republic of China, the exchange rate as selected by the Committee on the date of exercise.

ARTICLE 10

CHANGES IN CAPITAL STRUCTURE

10.1 Adjustments. In the event of any share dividend, share split, combination or exchange of Shares, amalgamation, arrangement or consolidation, spin-off, recapitalization or other distribution (other than normal cash dividends) of Company assets to its shareholders, or any other change affecting the Shares or the price of a Share, the Committee shall make such proportionate adjustments, if any, to reflect such change with respect to (a) the aggregate number and type of shares that may be issued under the Plan (including, without limitation, adjustments of the limitations in Section 3.1); (b) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with

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respect thereto); and (c) the grant or exercise price per share for any outstanding Awards under the Plan.

10.2 Corporate Transactions. Except as may otherwise be provided in any Award Agreement or any other written agreement entered into by and between the Company and a Participant, if the Committee anticipates the occurrence, or upon the occurrence, of a Corporate Transaction, the Committee may provide for the following measures: (i) any and all Awards outstanding hereunder to terminate at a specific time in the future and shall give each Participant the right to exercise the vested portion of such Awards during a period of time as the Committee shall determine, or (ii) the purchase of any Award for an amount of cash equal to the amount that could have been attained by the Participant upon the exercise of such Award (and, for the avoidance of doubt, if as of such date the Committee determines in good faith that no amount would have been attained by the Participant upon the exercise of such Award, then such Award may be terminated by the Company without payment), or (iii) the replacement of such Award with other rights or property selected by the Committee or the assumption of or substitution of such Award by the successor or surviving corporation, or a Parent or Subsidiary thereof, with appropriate adjustments as to the number and kind of Shares and prices, or (iv) payment of Award in cash based on the value of Shares on the date of the Corporate Transaction plus reasonable interest on the Award through the date when such Award would otherwise be vested or have been paid in accordance with its original terms, if necessary to comply with Section 409A of the Code.

10.3 Outstanding Awards — Other Changes. In the event of any other change in the capitalization of the Company or corporate change other than those specifically referred to in this Article 10, the Committee may, in its absolute discretion, make such adjustments in the number and class of shares subject to Awards outstanding on the date on which such change occurs and in the per share grant or exercise price of each Award as the Committee may consider appropriate to prevent dilution or enlargement of rights.

10.4 No Other Rights. Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of Shares of any class, the payment of any dividend, any increase or decrease in the number of shares of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Committee under the Plan, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares subject to an Award or the grant or exercise price of any Award.

ARTICLE 11

ADMINISTRATION

11.1 Committee. Before the Shares are listed on a stock exchange, the Plan shall be administered by the Board (the "Committee"). After the Shares are listed on a stock exchange, the Plan shall be administered by the Board or the Compensation Committee of the Board (or a similar body) formed in accordance with applicable exchange rules, and the term "Committee" shall refer to the Board or such Compensation Committee, as applicable. The

Committee may delegate to a committee of one or more members of the Board the authority to grant or amend Awards to Participants other than any of the Committee members. Any grant or amendment of Awards to any Committee member shall require approval by the Board in accordance with the Company's Articles of Association.

11.2 Action by the Committee. A majority of the Committee shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present, and acts approved in writing by a majority of the Committee in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Subsidiary, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

11.3 Authority of the Committee. Subject to any specific designation in the Plan, the Committee has the exclusive power, authority and discretion to:

- (a) Designate Participants to receive Awards;
- (b) Determine the type or types of Awards to be granted to each Participant;
- (c) Determine the number of Awards to be granted and the number of Shares to which an Award will relate;
- (d) Determine the terms and conditions of any Award granted pursuant to the Plan, including, without limitation, the exercise price, grant price, or purchase price, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Committee in its sole discretion determines;
- (e) Determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Shares, other Awards or other property, or an Award may be canceled, forfeited or surrendered;
- (f) Prescribe the form of each Award Agreement, which need not be identical for each Participant;
- (g) Decide all other matters that must be determined in connection with an Award;
- (h) Establish, adopt or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;
- (i) Interpret the terms of, and any matter arising pursuant to, the Plan or any Award Agreement; and
- (j) Make all other decisions and determinations that may be required pursuant

to the Plan or as the Committee deems necessary or advisable to administer the Plan.

11.4 Decisions Binding. The Committee's interpretation of the Plan, any Awards granted pursuant to the Plan, any Award Agreement and all decisions and determinations by the Committee with respect to the Plan are final, binding and conclusive on all parties.

ARTICLE 12

EFFECTIVE AND EXPIRATION DATE

12.1 Effective Date. The Plan is effective as of the date it is adopted and approved by the Board (the "Effective Date"). The Plan shall be ratified by the shareholders of the Company by written resolutions or at a meeting duly held in accordance with the applicable provisions of the Company's Articles of Association within 12 months of the Effective Date. No new Shares shall be issued pursuant to Awards granted under the Plan prior to such ratification of the Plan by the shareholders of the Company. In the event that the Plan is not ratified by the shareholders of the Company, all new Awards granted shall be null and void.

12.2 Replacement of Original Plans. The Plan shall replace any and all of the Original Plans in their entirety, and the Original Plans shall cease to be effective upon the Effective Date. The Awards granted and outstanding under the Original Plans and the evidencing original Award Agreements shall survive the termination of the Original Plans and remain effective and binding under the Plan, subject to any amendment and modification to the original Award Agreements that the Committee, in its sole discretion, shall determine.

12.3 Expiration Date. The Plan will expire on, and no Award may be granted pursuant to the Plan after, the tenth anniversary of the Effective Date. Any Awards that are outstanding on the tenth anniversary of the Effective Date shall remain in force according to the terms of the Plan and the applicable Award Agreement.

ARTICLE 13

AMENDMENT, MODIFICATION, AND TERMINATION

13.1 Amendment, Modification and Termination. With the approval of the Board, at any time and from time to time, the Committee may terminate, amend or modify the Plan; *provided, however*, that (a) to the extent necessary and desirable to comply with Applicable Laws, the Company shall obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required, unless the Company decides to follow home country practice, and (b) unless the Company decides to follow home country practice, shareholder approval is required for any amendment to the Plan that (i) increases the number of Shares available under the Plan (other than any adjustment as provided by Article 10), or (ii) permits the Committee to extend the term of the Plan or the exercise period for an Option beyond ten years from the date of grant.

pursuant to Section 14.15, no termination, amendment or modification of the Plan shall adversely affect in any material way any Award previously granted pursuant to the Plan without the prior written consent of the Participant.

ARTICLE 14

GENERAL PROVISIONS

14.1 No Rights to Awards. No Participant, employee or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Committee is obligated to treat Participants, employees and other persons uniformly.

14.2 No Shareholders Rights. No Award gives the Participant any of the rights of a Shareholder of the Company unless and until Shares are in fact issued to such person in connection with such Award.

14.3 Taxes. No Shares shall be delivered under the Plan to any Participant until such Participant has made arrangements acceptable to the Committee for the satisfaction of any income and employment tax withholding obligations under Applicable Laws. The Company or any Subsidiary shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy all applicable taxes (including the Participant's payroll tax obligations) required or permitted by Applicable Laws to be withheld with respect to any taxable event concerning a Participant arising as a result of this Plan. The Committee may in its discretion and in satisfaction of the foregoing requirement allow a Participant to elect to have the Company withhold Shares otherwise issuable under an Award (or allow the return of Shares) having a Fair Market Value equal to the sums required to be withheld. Notwithstanding any other provision of the Plan, the number of Shares which may be withheld with respect to the issuance, vesting, exercise or payment of any Award (or which may be repurchased from the Participant of such Award after such Shares were acquired by the Participant from the Company) in order to satisfy any income and payroll tax liabilities applicable to the Participant with respect to the issuance, vesting, exercise or payment of the Award shall, unless specifically approved by the Committee, be limited to the number of Shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for the applicable income and payroll tax purposes that are applicable to such supplemental taxable income.

14.4 No Right to Employment or Services. Nothing in the Plan or any Award Agreement shall interfere with or limit in any way the right of the Service Recipient to terminate any Participant's employment or services at any time, nor confer upon any Participant any right to continue in the employment or services of any Service Recipient.

14.5 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Subsidiary.

14.6 Indemnification. To the extent allowable pursuant to Applicable Laws, each member of the Committee or of the Board shall be indemnified and held harmless by the Company from any loss, cost, liability or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; *provided* he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Company's Memorandum of Association and Articles of Association, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

14.7 Relationship to other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits pursuant to any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

14.8 Expenses. The expenses of administering the Plan shall be borne by the Company and its Subsidiaries.

14.9 Titles and Headings. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

14.10 Fractional Shares. No fractional Shares shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding up or down as appropriate.

14.11 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan, the Plan, and any Award granted or awarded to any Participant who is then subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by the Applicable Laws, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

14.12 Government and Other Regulations. The obligation of the Company to make payment of awards in Shares or otherwise shall be subject to all Applicable Laws, and to such approvals by government agencies as may be required. The Company shall be under no obligation to register any of the Shares paid pursuant to the Plan under the Securities Act or any other similar law in any applicable jurisdiction. If the Shares paid pursuant to the Plan may in certain circumstances be exempt from registration pursuant to the Securities Act or other Applicable Laws, the Company may restrict the transfer of such Shares in such

14.13 Governing Law. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the British Virgin Islands, which shall be changed to the laws of the Cayman Islands upon the completion of the re-domicile of the Company into the Cayman Islands.

14.14 Section 409A. To the extent that the Committee determines that any Award granted under the Plan is or may become subject to Section 409A of the Code, the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, the Plan and the Award Agreements shall be interpreted in accordance with Section 409A of the Code and the U.S. Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation, any such regulation or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Committee determines that any Award may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the Effective Date), the Committee may adopt such amendments to the Plan and the applicable Award agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (a) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance.

14.15 Appendices. The Committee may approve such supplements, amendments or appendices to the Plan as it may consider necessary or appropriate for purposes of compliance with Applicable Laws or otherwise and such supplements, amendments or appendices shall be considered a part of the Plan; provided, however, that no such supplements shall increase the share limitation contained in Section 3.1 of the Plan without the approval of the Board.

INDEMNIFICATION AGREEMENT

INDEMNIFICATION AGREEMENT (this “**Agreement**”), dated as of _____, is made by and among JD.com, Inc. (formerly known as 360buy Jingdong Inc., the “**Company**”), and _____ (the “**Indemnitee**”).

RECITALS

- A. The Company and the Indemnitee recognize the continued difficulty in obtaining liability insurance for its directors and officers, the significant increases in the cost of such insurance and the general reductions in the coverage of such insurance.
- B. The Company and the Indemnitee further recognize the substantial increase in corporate litigation in general, which subjects directors, officers, employees, controlling persons, stockholders, agents and fiduciaries to expensive litigation risks at the same time as the availability and coverage of liability insurance has been severely limited.
- C. The Indemnitee does not regard the current protection available as adequate under the present circumstances, and the Indemnitee and other directors and officers of the Company may not be willing to serve in such capacities without additional protection.
- D. The Company (i) desires to attract and retain highly qualified individuals and entities, such as the Indemnitee, to serve the Company and, in part, in order to induce the Indemnitee to be involved with the Company and (ii) wishes to provide for the indemnification and advancing of expenses to the Indemnitee to the maximum extent permitted by law as provided herein.
- E. In view of the considerations set forth above, the Company desires that each Indemnitee be indemnified by the Company as set forth herein.

NOW, THEREFORE, the Company and the Indemnitee hereby agree as follows:

1. Indemnification.

(a) Indemnification of Expenses.

i Third-Party Claims. Subject to Section 8 below, the Company shall indemnify and hold harmless the Indemnitee to the fullest extent permitted by law if the Indemnitee was or is or becomes a party to or witness, or is threatened to be made a party to or witness, any threatened, pending or completed action, suit, proceeding or alternative dispute resolution mechanism, or any hearing, inquiry or investigation that such Indemnitee reasonably believes might lead to the institution of any such action, suit, proceeding or alternative dispute resolution mechanism, whether civil, criminal, administrative, investigative or other (hereinafter a “**Claim**”) (other than an action by right of the Company) by reason of the fact that the Indemnitee is or was a director or officer of the Company, or any subsidiary or consolidated variable interest entity of the Company (hereinafter, the “**Group Company**”), or is or was serving at the request of the Company as a director or officer of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, or by reason of any action or inaction on the part of the Indemnitee while serving in such capacity (hereinafter, an “**Agent**”) against any and all expenses (including attorneys’ fees and all other costs, expenses and obligations), judgments, fines, penalties and amounts paid in settlement (if, and only if, such settlement is approved in advance by the Company, which approval shall not be unreasonably withheld) (the “**Expenses**”) actually and reasonably incurred by the Indemnitee in connection with investigating, defending or participating in (including on appeal) such Claim if the Indemnitee acted

in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

ii Derivative Actions. If the Indemnitee is a person who was or is a party or is threatened to be made a party to any Claim by or in the right of the Company to procure a judgment in its favor by reason of the fact that he or she is or was an Agent of the Company, or by reason of anything done or not done by him or her in any such capacity, the Company shall indemnify the Indemnitee against any amounts paid in settlement of any such Claim and all Expenses actually and reasonably incurred by him or her in connection with the investigation, defense, settlement or appeal of such Claim if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Company; except that no indemnification under this subsection shall be made in respect of any claim, issue or matter as to which such person shall have been finally adjudged to be liable to the Company by a court of competent jurisdiction due to willful misconduct of a culpable nature in the performance of his duty to the Company, unless and only to the extent that the court in which such proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such amounts which such other court shall deem proper.

(b) Reviewing Party. Notwithstanding the foregoing, (i) the obligations of the Company under Section 1(a) shall be subject to the condition that the Reviewing Party (as described in Section 10(e) hereof) shall not have determined that the Indemnitee would not be permitted to be indemnified under applicable law or pursuant to Section 8 hereof, and (ii) each Indemnitee acknowledges and agrees that the obligation of the Company to make an advance payment of Expenses to an Indemnitee pursuant to Section 2(a) (an “**Expense Advance**”) shall be subject to the condition that, if, when and to the extent that the Reviewing Party determines that such Indemnitee would not be permitted to be so indemnified under applicable law or Section 8 hereof, the Company shall be entitled to be reimbursed by the Indemnitee (who each hereby agrees to promptly reimburse the Company) for all such amounts theretofore paid; provided, however, that if the Indemnitee has commenced or thereafter commences legal proceedings in a court of competent jurisdiction to secure a determination that such Indemnitee should be indemnified under applicable law or Section 8 hereof, any determination made by the Reviewing Party that the Indemnitee would not be permitted to be indemnified under applicable law shall not be binding and the Indemnitee shall not be required to reimburse the Company for any Expense Advance until a final judicial determination is made with respect thereto (as to which all rights of appeal therefrom have been exhausted or lapsed). The Indemnitee’s obligation to reimburse the Company for any Expense Advance shall be unsecured and no interest shall be charged thereon. If there has not been a Change in Control (as defined in Section 10(c) hereof), the Reviewing Party shall be selected by the a majority of the Board of Directors (excluding the Indemnitee, if the Indemnitee is a director of the Company), and if there has been such a Change in Control (other than a Change in Control which has been approved by a majority of the Company’s Board of Directors who were directors immediately prior to such Change in Control), the Reviewing Party shall be the Independent Legal Counsel referred to in Section 1(e) hereof. If there has been no determination by the Reviewing Party or if the Reviewing Party determines that the Indemnitee substantively would not be permitted to be indemnified in whole or in part under applicable law or Section 8 hereof, the Indemnitee shall have the right to commence litigation seeking an initial determination by the court or challenging any such determination by the Reviewing Party or any aspect thereof, including the legal or factual bases therefor, and the Company hereby consents to service of process and to appear in any such proceeding. Any determination by the Reviewing Party otherwise shall be conclusive and binding on the Company and the Indemnitee.

(c) Contribution. If the indemnification provided for in Section 1(a), above for any reason other than the statutory limitations of applicable law or as provided in Section 8, is held by a court of competent jurisdiction to be unavailable to an Indemnitee in respect of any losses, claims, damages, expenses or liabilities in which the Company is jointly liable with such Indemnitee, as the case may be (or would be jointly liable if joined), then the Company, in lieu of indemnifying the

Indemnitee thereunder, shall contribute to the amount actually and reasonably incurred and paid or payable by the Indemnitee as a result of such losses, claims, damages, expenses or liabilities in such proportion as is appropriate to reflect (i) the relative benefits received by the Company and the Indemnitee, and (ii) the relative fault of the Company and such Indemnitee in connection with the action or inaction that resulted in such losses, claims, damages, expenses or liabilities, as well as any other relevant equitable considerations. The relative fault of the Company and the Indemnitee shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Indemnitee and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such losses, claims, damages, expenses or liabilities.

The Company and the Indemnitee agree that it would not be just and equitable if contribution pursuant to this Section 1(c), were determined by pro rata or per capita allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding paragraph. No person found guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act of 1933, as amended (the "Securities Act")) shall be entitled to contribution from any person who was not found guilty of such fraudulent misrepresentation.

(d) Survival Regardless of Investigation. The indemnification and contribution provided for in this Section 1 will remain in full force and effect regardless of any investigation made by or on behalf of the Indemnitee.

(e) Change in Control. The Company agrees that if there is a Change in Control of the Company (other than a Change in Control which has been approved by a majority of the Company's Board of Directors who were directors immediately prior to such Change in Control) then, with respect to all matters thereafter arising concerning the rights of Indemnitee to payments of Expenses under this Agreement, any other agreement or under the Company's Memorandum and Articles of Association, as amended (the "M&A"), Independent Legal Counsel (as defined in Section 10(d) hereof) shall be selected by the Indemnitee and approved by the Company (which approval shall not be unreasonably withheld). The Company agrees to abide by the determination of the Independent Legal Counsel and to pay the reasonable fees of the Independent Legal Counsel referred to above and to fully indemnify such counsel against any and all expenses (including attorneys' fees), claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(f) Indemnification of Expenses of Successful Party. Notwithstanding any other provision of this Agreement, to the extent an Indemnitee has been successful on the merits or otherwise, in the defense of any Claim referred to in Section 1(a) hereof or in the defense of any claim, issue or matter therein, such Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by such Indemnitee in connection herewith, offset by the amount of cash, if any, received by Indemnitee resulting from his/her success therein.

2. Expenses; Indemnification Procedure.

(a) Advancement of Expenses. Subject to Section 8 and except as prohibited by applicable law, the Company shall advance all Expenses incurred by the Indemnitee in connection with the investigation, defense, settlement or appeal of any Claim to which such Indemnitee is a party or is threatened to be made a party by reason of the fact that the Indemnitee is or was an Agent of the Company or by reason of anything done or not done by him or her in any such capacity. The Indemnitee hereby undertakes to promptly repay such amounts advanced only if, and to the extent that, it shall ultimately be determined that such Indemnitee is not entitled to be indemnified by the Company under the provisions of this Agreement, the Certificate, the Bylaws, applicable law or otherwise. The advances to be made hereunder shall be paid by the Company to the Indemnitee as

soon as practicable but in any event no later than thirty (30) days after written demand by the Indemnitee therefor to the Company.

(b) Notice/Cooperation by Indemnitee. The Indemnitee shall give the Company notice in writing promptly after receipt of notice of commencement of any Claim, or the threat of the commencement of any Claim, made against such Indemnitee for which indemnification will or could be sought under this Agreement. Notice to the Company shall be directed to the Chief Executive Officer of the Company at the address shown on the signature page of this Agreement (or such other person and/or address as the Company shall designate in writing to the Indemnitee).

(c) No Presumptions; Burden of Proof. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere, or its equivalent, shall not create a presumption that the Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law. In addition, neither the failure of the Reviewing Party to have made a determination as to whether the Indemnitee has met any particular standard of conduct or had any particular belief, nor an actual determination by the Reviewing Party that Indemnitee had not met such standard of conduct or did not have such belief, prior to the commencement of legal proceedings by the Indemnitee to secure a judicial determination that the Indemnitee should be indemnified under applicable law, shall be a defense to the Indemnitee's claim or create a presumption that the Indemnitee had not met any particular standard of conduct or did not have any particular belief. In connection with any determination by the Reviewing Party or otherwise as to whether the Indemnitee is entitled to be indemnified hereunder, the burden of proof shall be on the Company to establish that the Indemnitee is not so entitled.

(d) Notice to Insurers. If, at the time of the receipt by the Company of a notice of a Claim pursuant to Section 2(b) hereof, the Company has liability insurance in effect which may cover such Claim, the Company shall give prompt written notice of the commencement of such Claim to the insurers in accordance with the procedures set forth in each of the policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such action, suit, proceeding, inquiry or investigation in accordance with the terms of such policies.

(e) Selection of Counsel. In the event the Company shall be obligated hereunder to pay the Expenses of any Claim, the Company shall be entitled to assume the defense of such Claim, with legal counsel reasonably approved by the Indemnitee, upon the delivery to such Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such legal counsel by the Indemnitee and the retention of such legal counsel by the Company, the Company will not be liable to such Indemnitee under this Agreement for any fees of counsel subsequently incurred by such Indemnitee with respect to the same Claim; provided that, (i) the Indemnitee shall have the right to employ such Indemnitee's legal counsel in any such Claim at the Indemnitee's expense; (ii) the Indemnitee shall have the right to employ its own legal counsel in connection with any such proceeding, at the expense of the Company, if such legal counsel serves in a review, observer, advice and counseling capacity and does not otherwise materially control or participate in the defense of such proceeding; and (iii) if (A) the employment of legal counsel by the Indemnitee has been previously authorized by the Company, (B) such Indemnitee shall have reasonably concluded that there is a conflict of interest between the

Company and such Indemnitee in the conduct of any such defense, or (C) the Company shall not in fact continue to retain such legal counsel to defend such Claim, then the fees and expenses of the Indemnitee's legal counsel shall be at the expense of the Company.

3. Additional Indemnification Rights; Nonexclusivity.

(a) Scope. The Company hereby agrees to indemnify the Indemnitee to the fullest extent permitted by law (except as provided in Section 8) with respect to any Claim, even if such indemnification is not specifically authorized by the other provisions of this Agreement or any

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other agreement, the Memorandum and Articles of Association of the Company, or by statute. In the event of any change after the date of this Agreement in any applicable law, statute or rule which expands the right of a Cayman Islands company to indemnify a member of its Board of Directors or an officer, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits afforded by such change. In the event of any change in any applicable law, statute or rule which narrows the right of a Cayman Islands company to indemnify a member of its Board of Directors or an officer, such change, to the extent not otherwise required by such law, statute or rule to be applied to this Agreement, shall have no effect on this Agreement or the parties' rights and obligations hereunder except as set forth in Section 8 hereof.

(b) Nonexclusivity. Notwithstanding anything in this Agreement, the indemnification provided by this Agreement shall be in addition to any rights to which the Indemnitee may be entitled under the Memorandum and Articles of Association of the Company, any agreement, any vote of stockholders or disinterested directors, the laws of the Cayman Islands, or otherwise. Notwithstanding anything in this Agreement, the indemnification provided under this Agreement shall continue as to each Indemnitee for any action the Indemnitee took or did not take while serving in an indemnified capacity even though such Indemnitee may have ceased to serve in such capacity and such indemnification shall inure to the benefit of each Indemnitee from and after the Indemnitee's first day of service with the Company.

4. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment in connection with any Claim made against any Indemnitee to the extent such Indemnitee has otherwise actually received payment (under any insurance policy, Certificate, Bylaws or otherwise) of the amounts otherwise indemnifiable hereunder.

5. Partial Indemnification. If any Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for any portion of Expenses incurred in connection with any Claim, but not, however, for all of the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion of such Expenses to which such Indemnitee is entitled.

6. Mutual Acknowledgement. The Company and each Indemnitee acknowledge that in certain instances, applicable law or public policy may prohibit the Company from indemnifying its directors, officers, employees, controlling persons, agents or fiduciaries under this Agreement or otherwise.

7. Liability Insurance. To the extent the Company maintains liability insurance applicable to directors, the Company shall use commercially reasonable efforts to provide that the Indemnitee shall be covered by such policies in such a manner as to provide the Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's directors, if such Indemnitee is a director.

8. Exceptions. Any other provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement:

(a) Claims Under Section 16(b). To indemnify either Indemnitee for expenses and the payment of profits or an accounting thereof arising from the purchase and sale by such Indemnitee of securities in violation the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or any similar provisions of any international, federal, state or local statutory law;

(b) Unauthorized Settlements. To indemnify the Indemnitee hereunder for any amounts paid in settlement of a proceeding unless the Company consents in advance in writing to such settlement, which consent shall not be unreasonably withheld;

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(c) Unlawful Indemnification. To indemnify the Indemnitee if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful. In this respect, the Company and the Indemnitee have been advised that the Securities and Exchange Commission takes the position that indemnification for liabilities arising under securities laws is against public policy and is, therefore, unenforceable and that claims for indemnification should be submitted to appropriate courts for adjudication;

(d) Fraud. To indemnify the Indemnitee in connection with any Claims brought about by the dishonesty or fraud of Indemnitee seeking payment hereunder; provided, however, that Indemnitee shall be protected under this Agreement as to any Claims upon which suit may be brought against him/her by reason of any alleged dishonesty on his/her part, unless a judgment or other final adjudication thereof adverse to Indemnitee establishes that he/she committed (i) acts of active and deliberate dishonesty, (ii) with actual dishonest purpose and intent, and (iii) which acts were material to the cause of action so adjudicated;

(e) Insurance. To indemnify the Indemnitee for which payment is actually and fully made to such Indemnitee under a valid and collectible insurance policy;

(f) Intentional Misconduct. To indemnify the Indemnitee in connection with a judicial action by or in the right of the Company, in respect of any claim, issue or matter as to which Indemnitee shall have been adjudicated by final judgment in a court of law to be liable for intentional misconduct in the performance of his/her duty to the Company unless and only to the extent that any court in which such action was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such Expenses as such court shall deem proper;

(g) Initiation by Indemnitee. To indemnify the Indemnitee in connection with any Claim initiated by Indemnitee against the Company, any director or officer of the Company or any other party, and not by way of defense, unless (i) the Company has joined in or the Reviewing Party has consented to the initiation of such Claim; or (ii) the Claim is one to enforce indemnification rights under this Agreement or any applicable law;

(h) Personal tax matter. To indemnify the Indemnitee in connection with Indemnitee's personal tax matter; or

(i) Company Contracts. To indemnify the Indemnitee with respect to any Claim related to any dispute or breach arising under any contract or similar obligation between the Company or any Group Company and such Indemnitee.

9. Duration of Agreement. All agreements and obligations of the Company contained herein shall continue during the period Indemnitee is an Agent of the Company and shall continue thereafter so long as Indemnitee shall be subject to any Claim by reason of his former or current capacity at the Company or any other enterprise at the Company's request, whether or not he/she is acting or serving in any such capacity at the time any Expenses are incurred for which indemnification can be provided under this Agreement. This Agreement shall continue in effect regardless of whether Indemnitee continues to serve as an officer and/or a director of the Company or any other enterprise at the Company's request.

10. Construction of Certain Phrases.

(a) For purposes of this Agreement, references to the "**Company**" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors and officers, so that if the Indemnitee is or was or may be deemed a director or officer of such constituent corporation, or is or was or may

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be deemed to be serving at the request of such constituent corporation as a director or officer of another corporation, partnership, joint venture, employee benefit plan, trust or other enterprise, each Indemnitee shall stand in the same position under the provisions of this Agreement with respect to the resulting or surviving corporation as the Indemnitee would have with respect to such constituent corporation if its separate existence had continued.

(b) For purposes of this Agreement, references to "**other enterprises**" shall include employee benefit plans; references to "**finer**" shall include any excise taxes assessed on the Indemnitee with respect to an employee benefit plan; and references to "**servicing at the request of the Company**" shall include any service as a director or officer of the Company which imposes duties on, or involves services by, such director or officer with respect to an employee benefit plan, its participants or its beneficiaries; and if the Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan, the Indemnitee shall be deemed to have acted in a manner "**not opposed to the best interests of the Company**" as referred to in this Agreement.

(c) For purposes of this Agreement a "**Change in Control**" shall mean (i) any reorganization, consolidation, merger, sale or transfer of the Company's outstanding shares or similar transaction in which shareholders of the Company immediately prior to such reorganization, merger or consolidation, sale or transfer of shares or similar transaction do not (by virtue of their ownership of securities of the Company immediately prior to such transaction) beneficially own shares possessing a majority of the voting power of the surviving company or companies or acquiring entity, as the case may be, immediately following such transaction; or (ii) a sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Company or any Group Company of all or substantially all of the assets and/or intellectual property of the Company (or of all of the Group Companies taken as a whole). A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction. In addition, an initial public offering of a class of the Company's Equity Securities under Section 12 of the Securities Act shall not constitute a Change in Control.

(d) For purposes of this Agreement, "**Independent Legal Counsel**" shall mean an attorney or firm of attorneys, selected in accordance with the provisions of Section 1(e) hereof, who shall not have otherwise performed services for the Company or any Indemnitee within the last two (2) years (other than with respect to matters concerning the right of any Indemnitee under this Agreement, or of other indemnitees under similar indemnity agreements).

(e) For purposes of this Agreement, a "**Reviewing Party**" shall mean any appropriate person or body consisting of a member or members of the Company's Board of Directors (other than the Indemnitee, if the Indemnitee is a director of the Company) or any other person or body appointed by the Board of Directors who is not a named party to the particular Claim for which Indemnitee is seeking indemnification, or Independent Legal Counsel.

(f) For purposes of this Agreement, "Voting Securities" shall mean any securities of the Company that vote generally in the election of directors.

11. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original.

12. Binding Effect; Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns, including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company, spouses, heirs, and personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by

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purchase, merger, consolidation or otherwise) to all, substantially all, or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance reasonably satisfactory to each Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. This Agreement shall continue in effect with respect to Claims regardless of whether any Indemnitee continues to serve as a director or officer of the Company or of any other enterprise, including subsidiaries of the Company, at the Company's request.

13. Attorneys' Fees. Subject to Section 8 and except as prohibited by applicable law, in the event that any action is instituted by the Indemnitee under this Agreement or under any liability insurance policies maintained by the Company to enforce or interpret any of the terms hereof or thereof, such Indemnitee shall be entitled to be paid all Expenses actually and reasonably incurred by such Indemnitee with respect to such action if such Indemnitee is ultimately successful in such action. In the event of an action instituted by or in the name of the Company under this Agreement to enforce or interpret any of the terms of this Agreement, the Indemnitee shall be entitled to be paid Expenses actually and reasonably incurred by such Indemnitee in defense of such action (including costs and expenses incurred with respect to the Indemnitee counterclaims and cross-claims made in such action), and shall be entitled to the advancement of Expenses with respect to such action, in each case only to the extent that such Indemnitee is ultimately successful in such action.

14. Notice. All notices and other communications required or permitted hereunder shall be in writing, shall be effective when given, and shall in any event be deemed to be given (a) five (5) days after deposit with the U.S. Postal Service or other applicable postal service, if delivered by first class mail, postage prepaid, (b) upon delivery, if delivered by hand, (c) one (1) business day after the business day of deposit with Federal Express or similar overnight courier, freight prepaid, or (d) one (1) day after the business day of delivery by facsimile transmission, if deliverable by facsimile transmission, with copy by first class mail, postage prepaid, and shall be addressed if to Indemnitee, at the Indemnitee's addresses as set forth beneath their signatures to this Agreement and if to the Company at the address of its principal corporate offices (attention: Chief Executive Officer), or at such other address as such party may designate by ten (10) days' advance written notice to the other party hereto.

15. Severability. The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any provision within a single section, paragraph or sentence) are held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitations, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

16. Choice of Law. This Agreement shall be governed by and its provisions construed and enforced in accordance with the laws of the Cayman Islands, without regard to the conflict of laws principles thereof.

17. Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee who each shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Company effectively to bring suit to enforce such rights.

18. Amendment and Termination. No amendment, modification, termination or cancellation of this Agreement shall be effective unless it is in writing signed by the parties to be bound thereby. Notice of same shall be provided to all parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

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19. No Construction as Employment Agreement. Nothing contained in this Agreement shall be construed as giving the Indemnitee any right to be retained in the employment or service of the Company or any of its subsidiaries.

20. Corporate Authority. The Board of Directors of the Company and its stockholders in accordance with Cayman Islands law have approved the terms of this Agreement.

[The remainder of this page is intentionally left blank.]

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IN WITNESS WHEREOF, the parties hereto have executed this Indemnification Agreement on and as of the day and year first above written.

COMPANY:

JD.com, Inc.
a Cayman Islands company

By: _____
Name:
Title:

Indemnitee:

As Individual:

Name:
Address:

SIGNATURE PAGE TO INDEMNIFICATION AGREEMENT

DATED NOVEMBER 1, 2012

360BUY JINGDONG INC.
 and
MAX SMART LIMITED
 and
BEIJING JINGDONG CENTURY TRADING CO. LTD.
 ()
 and
BEIJING JINGDONG 360 DEGREE E-COMMERCE CO., LTD.
 ()
 and
JIANGSU YUANZHOU E-COMMERCE CO., LTD.
 ()
 and
SHANGHAI YUANMAI TRADING CO., LTD.
 ()
 and
GUANGZHOU JINGDONG TRADING CO., LTD.
 ()
 and
JIANGSU JINGDONG INFORMATION TECHNOLOGY CO., LTD.
 ()
 and
CHENGDU JINGDONG CENTURY TRADING CO., LTD.
 ()
 and
BEIJING JINGDONG CENTURY INFORMATION TECHNOLOGY CO., LTD
 ()
 and
JIANGSU YUANMAI TRADING CO., LTD.
 ()
 and
WUHAN JINGDONG CENTURY TRADING CO., LTD.
 ()
 and
SHANGHAI SHENGDAYUAN INFORMATION TECHNOLOGY CO., LTD.
 ()
 and
TIANJIN STAR EAST CO., LTD.
 ()
 and
BEIJING JINGBANGDA TRADING CO., LTD.
 ()
 and
SHENYANG JINGDONG CENTURY TRADING CO., LTD.
 ()
 and
BEIJING JINGDONG SHANGKE INFORMATION TECHNOLOGY CO., LTD.
 ()
 and
LIU QIANGDONG
 ()
 and
CLASSROOM INVESTMENTS INC.
 and
TIGER GLOBAL 360BUY HOLDINGS

ORDINARY SHARE PURCHASE AGREEMENT

ORDINARY SHARE PURCHASE AGREEMENT

THIS ORDINARY SHARE PURCHASE AGREEMENT (the “**Agreement**”) is made and entered into as of November 1, 2012, by and among:

1. **360BUY JINGDONG INC.** (formerly known as Star Wave Investments Holdings Limited), a BVI Business Company limited by shares and organized and existing under the laws of the British Virgin Islands (“**BVI**”) (the “**Company**”);
2. **MAX SMART LIMITED**, a BVI Business Company limited by shares and organized and existing under the laws of the BVI (“**Max Smart**”);
3. **LIU QIANGDONG** (), the beneficial owner of 100% equity interest of Max Smart, People’s Republic of China (“**PRC**”) ID Number *** (the “**Founder**”);

4. **BEIJING JINGDONG CENTURY TRADING CO. LTD.** (北京京东世纪贸易有限公司), a wholly foreign-owned enterprise organized and existing under the laws of the PRC (“**Jingdong Century**”);
5. **BEIJING JINGDONG 360 DEGREE E-COMMERCE CO., LTD.** (北京京东三六零度电子商务有限公司), a limited liability company organized and existing under the laws of the PRC (“**Jingdong 360**”);
6. **JIANGSU YUANZHOU E-COMMERCE CO., LTD.** (江苏元洲电子商务有限公司), a limited liability company organized and existing under the laws of the PRC (“**Jiangsu Yuanzhou**”);
7. **SHANGHAI YUANMAI TRADING CO., LTD.** (上海源迈贸易有限公司), a limited liability company organized and existing under the laws of the PRC (the “**Shanghai Subsidiary**”);
8. **GUANGZHOU JINGDONG TRADING CO., LTD.** (广州京东贸易有限公司), a limited liability company organized and existing under the laws of the PRC (the “**Guangzhou Subsidiary**”);
9. **JIANGSU JINGDONG INFORMATION TECHNOLOGY CO., LTD.** (江苏京东信息技术服务有限公司), a limited liability company organized and existing under the laws of the PRC (the “**Jiangsu Subsidiary**”);
10. **CHENGDU JINGDONG CENTURY TRADING CO., LTD.** (成都京东世纪贸易有限公司), a limited liability company organized and existing under the laws of the PRC (the “**Chengdu Subsidiary**”);

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11. **BEIJING JINGDONG CENTURY INFORMATION TECHNOLOGY CO., LTD** (北京京东世纪信息技术有限公司), a limited liability company organized and existing under the laws of the PRC (the “**Beijing Subsidiary**”);
12. **JIANGSU YUANMAI TRADING CO., LTD.** (江苏源迈贸易有限公司), a limited liability company organized and existing under the laws of the PRC (“**Jiangsu Yuanmai**”);
13. **WUHAN JINGDONG CENTURY TRADING CO., LTD.** (武汉京东世纪贸易有限公司), a limited liability company organized and existing under the laws of the PRC (the “**Wuhan Subsidiary**”);
14. **SHANGHAI SHENGDAYUAN INFORMATION TECHNOLOGY CO., LTD.** (上海晟德源信息技术有限公司), a limited liability company organized and existing under the laws of the PRC (“**Shanghai Shengdayuan**”);
15. **TIANJIN STAR EAST CORPORATION LIMITED** (天津星东集团有限公司), a limited liability company organized and existing under the laws of the PRC (“**Tianjin Star East**”);
16. **BEIJING JINGBANGDA TRADING CO., LTD.** (北京京邦达贸易有限公司), a limited liability company organized and existing under the laws of the PRC (“**Beijing Jingbangda**”);
17. **SHENYANG JINGDONG CENTURY TRADING CO., LTD.** (沈阳京东世纪贸易有限公司), a limited liability company organized and existing under the laws of the PRC (the “**Shenyang Subsidiary**”);
18. **BEIJING JINGDONG SHANGKE INFORMATION TECHNOLOGY CO., LTD.** (北京京东尚科信息技术有限公司), a limited liability company organized and existing under the laws of the PRC (“**Beijing Shangke**”);
19. **CLASSROOM INVESTMENTS INC.**, a wholly owned subsidiary of Ontario Teachers’ Pension Plan Board and a company organized and existing under the laws of the Province of Ontario, Canada (“**Classroom**”); AND
20. **TIGER GLOBAL 360BUY HOLDINGS**, a Category 1 Global Business Company organized under the laws of Mauritius (“**Tiger 360Buy**” and, together with Classroom, the “**Investors**”).

Jingdong 360 and Jiangsu Yuanzhou are collectively referred to herein as the “**PRC Affiliates**” and each, a “**PRC Affiliate**”. Jingdong Century, Shanghai Subsidiary, Jiangsu Subsidiary, Guangzhou Subsidiary, Chengdu Subsidiary, Beijing Subsidiary, Jiangsu Yuanmai, Wuhan Subsidiary, Shanghai Shengdayuan, Tianjin Star East, Beijing Jingbangda, Shenyang Subsidiary and Beijing Shangke are referred to collectively herein as the “**PRC Subsidiaries**” and

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each, a “**PRC Subsidiary**”. The Company, the offshore subsidiaries of the Company as listed in Exhibit A attached hereto (the “**Offshore Subsidiaries**”), the PRC Subsidiaries, the PRC Affiliates, the subsidiaries of the PRC Subsidiaries and the PRC Affiliates listed in Exhibit A attached hereto and any other entity whose financial statements are consolidated with those of the Company in accordance with generally accepted accounting principles in the United States and are recorded on the books of the Company for financial reporting purposes are referred to collectively herein as the “**Group Companies**”, and each, a “**Group Company**”.

RECITALS

- A. The Company was incorporated under the laws of the BVI. Further particulars of the Company are set out in Exhibit A to this Agreement.
- B. The Company desires to issue and sell to the Investors, and the Investors desire to purchase from the Company certain number of ordinary shares, par value US\$0.00002 per share, of the Company (the “**Ordinary Shares**”) on the terms and conditions set forth in this Agreement.
- C. Jingdong Century was established as a limited liability company under the laws of the PRC and wholly-owned by the Company.
- D. Each of Shanghai Subsidiary, Jiangsu Subsidiary, Guangzhou Subsidiary, Chengdu Subsidiary, Beijing Subsidiary, Jiangsu Yuanmai, Wuhan Subsidiary, Shenyang Subsidiary and Beijing Shangke was established as a limited liability company under the laws of the PRC and wholly-owned by Jingdong Century.

- E. Shanghai Shengdayuan was established as a limited liability company under the laws of the PRC and an indirect wholly-owned subsidiary of the Company.
- F. Tianjin Star East was established as a limited liability company under the laws of the PRC and an indirect wholly owned subsidiary of the Company.
- G. Beijing Jingbangda was established as a limited liability company under the laws of the PRC and an indirect wholly owned subsidiary of the Company.
- H. Each PRC Affiliate was established as a limited liability company under the laws of the PRC and is owned 99% by the Founder and 1% by Mr. Sun Jiaming. The financial statements of the PRC Affiliates are intended to be consolidated with those of the Company and are recorded on the books of the Company for financial reporting purposes.
- I. The Group Companies mainly engage in the business of (i) e-commerce business (including business-to-consumer or B2C), (ii) sale of digital products, food, healthcare products, clothes, cosmetic products, books, audio/video products and other general merchandise products through the internet websites and relevant services and (iii) logistics (collectively, the “**Business**”).

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. AGREEMENT TO PURCHASE AND SELL PURCHASED SHARES.

1.1 Agreement to Purchase and Sell Purchased Shares. Subject to the terms and conditions hereof, at the Closing (as defined below) the Company shall issue and sell to (a) Classroom, and Classroom shall purchase from the Company, severally and not jointly with Tiger 360Buy, 44,182,531 Ordinary Shares for a purchase price of USD\$175,000,000.00, and (b) Tiger 360Buy, and Tiger 360Buy shall purchase from the Company, severally and not jointly with Classroom, 18,935,370 Ordinary Shares for a purchase price of USD\$75,000,000.00 (all such Ordinary Shares purchased by Classroom and Tiger 360Buy are collectively referred to as “the **Purchased Shares**”). The aggregate purchase price to be paid by the Investors at the Closing shall be US\$250,000,000.00 (the “**Purchase Price**”), or approximately US\$3.961 per share.

Such Ordinary Shares shall have the rights, privileges and restrictions as set forth in the Eleventh Amended and Restated Memorandum and Articles of Association of the Company attached hereto as Exhibit D (as amended, the “**Restated Articles**”).

1.2 Transfer of Funds. Each Investor shall pay its portion of the Purchase Price by wire transfer of United States dollars in immediately available funds to a designated account of the Company, *provided* that the Company shall deliver wire transfer instructions to the Investors at least three (3) business days (“**Business Day**”, defined as any day other than a Saturday or Sunday on which banks are ordinarily open for business in Hong Kong Special Administrative Region of the PRC (“**Hong Kong**”), PRC and the Cayman Islands) prior to the Closing.

1.3 Post-Investment Capitalization Structure. Immediately following the issue and sale of the Purchased Shares at the Closing, the post-investment capitalization structure of the Company (calculated on a fully-diluted and as converted basis) is as set out in Part II of Exhibit B hereto.

1.4 Pre-Investment Issuance of ESOP Shares.

(a) In relation to the 74,215,905 Ordinary Shares (“**ESOP Shares**”) held by Fortune Rising Holding Limited (“**Fortune Rising**”), the parties agree that (i) the ESOP Shares shall be held by Fortune Rising on behalf of or for issuance to the officers, directors, employees and consultants (collectively, the “**Awardees**”) of the Group Companies; and (ii) the allotment of any of the ESOP Shares to any Awardee shall be subject to the approval of the Board of Directors of the Company (the “**Board of Directors**”), including the consent of at least two directors out of any of the Series A Director, the Series B Director, the Series C Director and Tiger Director (each as defined in the Restated Shareholders Agreement (as defined below)).

(b) After the allotment of the ESOP Shares in accordance with Section 1.4(a) of this Agreement, the disposition of any such ESOP Shares that an Awardee is entitled to dispose of shall be subject to Section 4.5 of the Restated Shareholders Agreement.

(c) This Section 1.4 shall terminate upon a Qualified IPO (as defined in the Restated Shareholders Agreement).

2. CLOSINGS; DELIVERY.

2.1 Closing. The allotment and sale of the Purchased Shares shall be held within five (5) Business Days after the fulfillment or waiver of the conditions to closing as set forth in Section 6 and Section 7.1 or at such other time as the Company and the applicable Investors may mutually agree (the “**Closing**”).

2.2 Delivery. At the Closing, the Company will deliver to each applicable Investor duly issued share certificates issued in favor of such Investor representing the Purchased Shares purchased by such Investor, duly signed and sealed for and on behalf of the Company. Further, the Company shall cause its register of members to be updated to reflect the Purchased Shares purchased by the Investors, and shall deliver a copy of such updated register of members to the applicable Investors, certified as a true and correct copy by the Company’s registered agent or a director of the Company within three (3) Business Days of the Closing.

3. REPRESENTATIONS AND WARRANTIES OF THE SELLER PARTIES.

The Company, the PRC Subsidiaries, the PRC Affiliates and the Founder (collectively, the “**Seller Parties**” and individually, a “**Seller Party**”) hereby jointly and severally represent and warrant to each Investor, subject to Section 9.21 and the exceptions set forth in the Disclosure Schedule (the “**Disclosure Schedule**”) attached to this Agreement as Exhibit C (which Disclosure Schedule shall be deemed to be representations and warranties to each Investor) as follows:

3.1 Organization, Standing and Qualification. Each Group Company is duly organized, validly existing and in good standing (or equivalent status in the relevant jurisdiction) under, and by virtue of, the laws of the place of its incorporation or establishment and has all requisite power and authority to own its properties and assets and to carry on its business as now conducted and to perform each of its obligations hereunder and under any agreement contemplated hereunder to which it is a party. Each Group Company is qualified to do business and is in good standing (or equivalent status in the relevant jurisdiction) in each jurisdiction where failure to be

so qualified would have a Material Adverse Effect. “**Material Adverse Effect**” means a material adverse effect on the business (as presently conducted and presently contemplated to be conducted), condition (financial or otherwise), affairs, prospects, properties, liabilities, assets or results of operation of the Group Companies taken as whole.

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3.2 Capitalization.

(a) Ordinary Shares. Immediately prior to the Closing (and prior to the adoption of the Restated Articles), the Company is authorized to issue a total of 1,935,536,365 Ordinary Shares, par value US\$0.00002 per share, of which 1,295,422,430 shares are issued and outstanding.

(b) Preferred Shares. Immediately prior to the Closing (and prior to the adoption of the Restated Articles), the Company is authorized to issue a total of 564,463,635 Preferred Shares, par value US\$0.00002 per share, of the Company, of which (i) 221,360,925 are designated as Series A Preferred Shares, par value US\$0.00002 per share (the “**Series A Preferred Shares**”), and 191,894,000 Series A Preferred Shares are issued and outstanding, (ii) 84,786,405 are designated as Series B Preferred Shares, par value US\$0.00002 per share (the “**Series B Preferred Shares**”), and 84,786,405 Series B Preferred Shares are issued and outstanding and (iii) 258,316,305 are designated as Series C Preferred Shares, par value US\$0.00002 per share (the “**Series C Preferred Shares**,” together with Series A Preferred Shares and Series B Preferred Shares, the “**Preferred Shares**”), and 258,316,305 Series C Preferred Shares are issued and outstanding.

(c) Options, Warrants, Reserved Shares. Immediately prior to the Closing, the Company has reserved enough Ordinary Shares for issuance upon the conversion of all Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares. Except for (i) the conversion privileges of the Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares, as provided in the Eighth Amended and Restated Shareholders Agreement dated August 24, 2011 (the “**Eighth Shareholders Agreement**”), (ii) the Ordinary Shares (and options and warrants therefor) reserved for issuance to the employees, directors, consultants and advisors of the Group Companies pursuant to the employee and advisor stock option plan from time to time duly adopted by the Company, (iii) as provided in the Restated Articles, and (iv) as contemplated hereby and by the Ninth Amended and Restated Shareholders Agreement attached hereto as Exhibit E (the “**Restated Shareholders Agreement**”), there are no options, warrants, conversion privileges, agreements or rights of any kind with respect to the issuance or purchase of the Purchased Shares or any other securities of the Company. Apart from the exceptions noted in this Section 3.2(c), the Restated Articles and the Restated Shareholders Agreement, no outstanding shares (including the Purchased Shares), or shares issuable upon exercise or exchange of any outstanding options, warrants or other shares issuable by the Company, are subject to any preemptive rights, rights of first refusal or other rights of any kind to purchase such shares (whether in favor of the Company or any other person).

(d) Outstanding Security Holders. A complete and current list of all shareholders, option holders and other security holders of the Company as of the date hereof indicating the type and number of shares, options, warrants or other securities held by each such shareholder, option holder, warrant holder or other security holder is set forth in the shareholding tables in Exhibit B. The information set out in Exhibit B is true and complete in all respects and there is no information the omission of which might make such information misleading or inaccurate in any respect.

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(e) Residents of Canada. To the knowledge of each of the Seller Parties after due inquiry, immediately after the Closing, less than 10% the holders (beneficial or otherwise) of the Ordinary Shares of the Company are residents of Canada, and less than 10% of the Ordinary Shares of the Company are beneficially owned by residents of Canada. The Seller Parties acknowledge and agree that Classroom has relied solely on the accuracy of the representations of each Seller Party contained in this Agreement in respect of the offer, issuance, sale or delivery to Classroom of the Purchased Shares under the circumstances contemplated by, and on the terms set forth in, this Agreement.

(f) No Acceleration. No share plan, share purchase, share option or other agreement or understanding between the Company and any holder of any securities of the Company or rights exercisable or convertible for securities of the Company provides for acceleration or other changes in the vesting provisions or other terms of such agreement or understanding as a result of the consummation of the transactions contemplated in this Agreement.

3.3 Subsidiaries; Group Structure.

(a) One hundred percent (100%) of the equity interests of the PRC Subsidiaries are owned directly or indirectly by the Company, and the equity interests of the PRC Affiliates are held ninety-nine percent (99%) and one percent (1%), respectively, directly by the Founder and Sun Jiaming (孙建明, with the PRC identity number of 320881198008071616). Apart from the entities listed in Exhibit A, the Company does not presently own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, association, or other entity which is still in operation. The information relating to each Group Company as set out in Exhibit A is true and accurate in all respects and there is no information the omission of which might make such information misleading or inaccurate in any respect.

(b) There are no options, warrants, conversion privileges or other rights, or agreements with respect to the issuance thereof, presently outstanding to purchase any of the equity interest of any of the PRC Subsidiaries and PRC Affiliates, Max Smart or Fortune Rising.

3.4 Due Authorization. All corporate actions on the part of the Group Companies and, as applicable, their respective officers, directors and shareholders necessary for (i) the authorization of the Restated Articles, the certificate of incorporation or other equivalent corporate charter documents of any of the Group Companies, including VIE Agreements for Jiangsu Yuanzhou and Jingdong 360 (collectively with the Restated Articles, the “**Constitutional Documents**”), (ii) the authorization, execution and delivery of, and the performance of the obligations of the Seller Parties under this Agreement, the Restated Shareholders Agreement and the various agreements attached to this Agreement (collectively, “**Ancillary Agreements**”), and (iii) the authorization, issuance, reservation for issuance and delivery of all of the Purchased Shares being sold under this Agreement have been taken or will be taken prior to the Closing. Each of this Agreement, the Restated Shareholders Agreement, the Ancillary Agreements and the Constitutional Documents to which such Group Company is a party or is subject is or will be a valid and binding obligation of each such Group Company enforceable in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium,

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reorganization and similar laws affecting creditors’ rights generally and to general equitable principles. Immediately after the Closing, the Restated Articles will be in full force and effect.

3.5 Valid Issuance of Purchased Shares.

(a) The Purchased Shares, when issued, sold and delivered in accordance with the terms of this Agreement and the Restated Articles, will be duly and validly issued, fully paid and non-assessable.

(b) All currently outstanding shares of the Company are duly and validly issued, fully paid and non-assessable, and all outstanding shares, options, warrants and other securities of the Company and each other Group Company have been issued in full compliance with the requirements of all applicable laws and regulations including, to the extent applicable, the registration and prospectus delivery requirements of the United States Securities Act of 1933, as amended (the “Act”), or in compliance with applicable exemptions therefrom, and all other provisions of applicable securities laws and regulations, including, without limitation, anti-fraud provisions.

(c) All waivers of rights of first refusal, preemptive rights, redemption rights, co-sale or tag-along rights, drag-along rights, put or call rights, rights to liquidation preferences or special dividends or any other rights triggered by the transactions contemplated by this Agreement or the Ancillary Agreements have been duly and validly obtained and are irrevocable.

3.6 **Liabilities.** The Group Companies do not have any liabilities or obligations of any nature, whether accrued, absolute, contingent, asserted, unasserted or otherwise, except liabilities or obligations (i) stated or adequately reserved against in the balance sheets of the respective Financial Statements (as defined below), (ii) incurred as a result of or arising out of the consummation of the transactions contemplated hereunder, or (iii) incurred in the ordinary course of business since the Financial Statements Date.

3.7 **Title to Properties and Assets; ICP License.**

(a) Each Group Company has good and marketable title to its properties and assets held in each case subject to no mortgage, pledge, lien, encumbrance, security interest or charge of any kind. With respect to the property and assets it leases, each Group Company is in compliance in all material respects with such leases and to the best knowledge of each of the Seller Parties, such Group Company holds valid leasehold interests in such assets. Section 3.7(a) of the Disclosure Schedule sets out a true and correct schedule of all material real estate owned, leased or otherwise used or occupied by each Group Company. For purpose of this Section 3.7(a), “material” shall mean (i) any property that is necessary, desirable or otherwise material to the conduct of the Business as currently conducted or contemplated, (ii) having an value in excess of RMB20,000,000 for each asset, except for real property, and (iii) having an area of above 500 square meters for real property.

(b) Jingdong 360 has obtained and validly maintained in full force and effect the internet content provider license (the “ICP License”) and has commenced to engage in the

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internet information service. The Founder warrants and represents that neither he nor his Associates (as defined in Section 5.13) has any interest in any other business operation which is similar to the Business of the Group Companies (and to the extent there is or has been any such interest, such interest or business operation has been terminated and deregistered).

3.8 **Status of Proprietary Assets.** Each Group Company (i) has independently developed or owns free and clear of all claims, security interests, liens or other encumbrances, or (ii) has a valid right or license to use, all Proprietary Assets, including without limitation all Registered Intellectual Property, necessary and appropriate or otherwise material for the Business and without any conflict with or infringement of the rights of others. There are no outstanding options, licenses, agreements or rights of any kind granted by any Group Company or any other party relating to any Group Company’s Proprietary Assets. No Group Company has received any written communications alleging that it has violated or, by conducting its business as currently conducted or as currently proposed, has violated or would violate any Proprietary Assets of any other person or entity, nor, to the best knowledge of the Seller Parties, is there any reasonable basis therefor. To the best knowledge of the Seller Parties, none of the current or former officers, employees or consultants of any Group Company (at the time of their employment or engagement by a Group Company) has been or is obligated under any agreement (including licenses, covenants or commitments of any nature) or other arrangement or undertaking of any kind, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with the use of his, her or its best efforts to promote the interests of such Group Company or that would conflict with the business of such Group Company as currently conducted or currently proposed to be conducted or that would prevent such officers, employees or consultants from assigning to such Group Company inventions conceived or reduced to practice in connection with services rendered to such Group Company. To the best knowledge of the Seller Parties, neither the execution nor delivery of this Agreement, the Restated Shareholders Agreement or any Ancillary Agreement, nor the carrying on of the Business of any Group Company by its employees, nor the conduct of the business of any Group Company as currently conducted or proposed to be conducted, conflict or will conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant or instrument under which any of such employees is now obligated. It will not be necessary to utilize any inventions of any of the Group Companies’ employees (or people the Group Companies currently intend to hire) made prior to or outside the scope of their employment by the relevant Group Company. No government funding, facilities of any educational institution or research center, or funding from third parties has been used in the development of any Proprietary Assets of any Group Company that would adversely affect or interfere with any Group Company’s title or right to use to such Proprietary Assets in any way. For purpose of this Agreement, (i) “**Proprietary Assets**” shall mean all patents, patent applications, trademarks, service marks, trade names, domain names, copyrights, copyright registrations and applications and all other rights corresponding thereto, inventions, databases and all rights therein, all computer software including all source code, object code, firmware, development tools, files, records and data, including all media on which any of the foregoing is stored, formulas, designs, business methods, trade secrets, confidential and proprietary information, proprietary rights, knowhow and processes, and all documentation related to any of the foregoing; and (ii) “**Registered Intellectual Property**” means all Proprietary Assets of any

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Group Company, wherever located, that is the subject of an application, certificate, filing, registration or other document issued by, filed with or recorded by any government authority.

3.9 **Material Contracts and Obligations.**

(a) All of the following agreements, contracts, leases, licenses, mortgages, indentures, instruments, commitments (oral or written), indebtedness, liabilities and other obligations to which each Group Company is a party or by which it or its assets is bound (each, a “**Material Contract**” and collectively, the “**Material Contracts**”) have been made available for inspection by the Investors and their counsel and are listed in Section 3.9(a) of the Disclosure Schedule:

(i) having an aggregate value, cost or amount, or imposing liability or contingent liability on any Group Company, in excess of RMB20,000,000 other than the cash deposit agreements with banks the amounts of which are included in the Financial Statements (provided that only such Material Contracts under this subclause (i) having an aggregate value, cost or amount, or imposing liability or contingent liability on any Group Company, in excess of RMB50,000,000 have been made available for inspection by the Investors and their counsel and included in Section 3.9(a) of the Disclosure Schedule);

(ii) containing exclusivity, non-competition, or similar clauses that impair, restrict or impose conditions on any Group Company's right to offer or sell products or services in specified areas, during specified periods, or otherwise;

(iii) entered not in the ordinary course of business and having an aggregate value, cost or amount, or imposing liability or contingent liability on any Group Company, in excess of RMB1,000,000;

(iv) transferring or licensing any Proprietary Assets to or from any Group Company other than agreements for commercially available off-the-shelf software that has not been modified or customized for any Group Company;

(v) termination of which would be reasonably likely to have a Material Adverse Effect.

(vi) entered between the Company, Jingdong Century and Tianjin Star East, on the one hand, and any of the PRC Affiliates or individual shareholders of the PRC Affiliates, on the other hand (the "**VIE Agreements**"),

(vii) involving any of the Key Employees, directors, senior officers or shareholders of any Group Company (provided that Section 3.9(a) of the Disclosure Schedule included only such Material Contracts under this subclause (vii) other than those relating employment or service arrangements in the ordinary course of business the amounts of which have been included in the Financial Statements);

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(viii) involving any governmental authority (provided that Section 3.9(a) of the Disclosure Schedule included only such Material Contracts that are not in the ordinary course of business);

(ix) terminating or requiring the consent of a third party as a result of the transactions contemplated by this Agreement or the Ancillary Agreements; or

(x) obligating such Group Company to share, license or develop any product or technology.

(b) Each Material Contract constitutes the valid and legally binding obligation of the Group Companies, enforceable in accordance with its terms and is in full force and effect. None of the Group Companies has breached, nor does any Seller Party have any knowledge of any claim or threat that (i) any term or condition of any Material Contract has been breached or (ii) any other agreement or understanding to which any Group Company is a party or by which its properties are bound has been breached, in each case which would reasonably be expected to impose liability on any Group Company in excess of RMB50,000,000.

(c) Without limitation to the foregoing subclause (a), none of the Group Companies has breached, and no facts or circumstances are in existence which, with or without the passage of time, could lead to any of the Group Companies being in breach of: (i) the Series A Preferred Share Purchase Agreement (as defined in the Eighth Shareholders Agreement), (ii) the Series B Preferred Share Purchase Agreement (as defined in the Eighth Shareholders Agreement), (iii) Ordinary Share Purchase Agreement, dated 31 December 2009, by and among the Company, Max Smart, Jingdong Century, certain other PRC Subsidiaries, Jingdong 360, the Founder and Tiger Global Five 360 Holdings, (iv) Ordinary Share Purchase Agreement, dated 17 March 2010, by and among the Company, the Founder, Kaixin Asia Limited and Accurate Way Limited, (v) May 2010 Ordinary Share Purchase Agreement (as defined in the Eighth Shareholders Agreement), (vi) Rescission Agreement, dated September 3, 2010, by and among the Company, Max Smart, Tiger 360Buy and certain individual shareholders, (vii) Share Purchase Agreement, dated September 3, 2010, by and among Max Smart, Tiger 360Buy and certain individual shareholders, (viii) Series C Preferred Share Subscription Agreement (as defined in the Eighth Shareholders Agreement), (ix) the Warrants (as defined in the Eighth Shareholders Agreement), (x) First DST Global Ordinary Share Purchase Agreement (as defined in the Eighth Shareholders Agreement), (xi) Second DST Global Ordinary Share Purchase Agreement (as defined in the Eighth Shareholders Agreement), (xii) Sequoia Ordinary Share Purchase Agreement (as defined in the Eighth Shareholders Agreement) and (xiii) all shareholder rights and voting agreements of the Company, including the Eighth Shareholders Agreement; and none of the Group Companies has any liability (including any contingent liability) under any of the foregoing agreements.

3.10 Litigation. There is no material action, suit, proceeding, claim, arbitration or investigation ("**Action**") pending or, to the best knowledge of the Seller Parties, currently threatened against any of the Group Companies, any Group Company's activities, properties or assets or, to the best knowledge of the Seller Parties, against any officer, director or employee of each Group Company in connection with such officer's, director's or employee's relationship with, or actions taken on behalf of any Group Company. To the best knowledge of the Seller Parties,

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there is no factual or legal basis for any such Action that is likely to result individually or in the aggregate in a Material Adverse Effect. By way of example, but not by way of limitation, there are no Actions pending against any of the Group Companies or threatened against any of the Group Companies, relating to the use by any employee of any Group Company of any information, technology or techniques allegedly proprietary to any of their former employers, clients or other parties. None of the Group Companies is a party to or subject to (and none of its business or assets is affected by) the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality and there is no Action by any Group Company currently pending or which it intends to initiate. No Group Company has disputes with or claims against any governmental authority whether in respect of taxes, fines, penalties, administrative action, or otherwise.

3.11 Compliance with Laws; Consents and Permits

(a) None of the Seller Parties, the employee shareholders and, to the knowledge of the Seller Parties, any other beneficial owners of the Company who are PRC residents as defined under Circular 75 (as defined below) is in violation of any applicable statute, rule, regulation, order or restriction of any domestic or foreign government or any instrumentality or agency thereof in respect of the conduct of the Business or the ownership of Group Companies' properties, including but not limited to the registration requirement for the Founder's, the employee shareholders' and, to the knowledge of the Seller Parties, any other PRC resident's (indirect) investment in the Company under the Circular 75 issued by the State Administration of Foreign Exchange ("**SAFE**") on October 21, 2005, titled "Notice Regarding Certain Administrative Measures on Financing and Inbound Investments by PRC Residents Through Offshore Special Purpose Vehicles", effective as of November 1, 2005 ("**Circular 75**"), and any successor rule or regulation under PRC law.

(b) All consents, licenses, permits, approvals, orders, authorizations or registrations, qualifications, designations, declarations or filings by or with any governmental authority (the "**Permits**") and any third party (collectively with the Permits, the "**Consents**") which are required to be obtained or made by each Group Company in connection with the consummation of the transactions contemplated hereunder shall have been obtained or made prior to and shall be fully effective as of the Closing. Each Group Company has all material franchises, Permits, licenses and any similar authority necessary for the conduct of its Business as currently conducted or the business as set forth in the business scope of each Group Company and the ownership of its properties and assets. None of the Group Companies is in default in any material respect under any of such franchises, Permits, licenses or other similar authority.

3.12 Compliance with Other Instruments and Agreements. None of the Group Companies is or has been in, nor shall the conduct of its business as currently conducted result in, violation, breach or default of any term of its Constitutional Documents of the respective Group Company, or in any material respect of any term or provision of the Material Contracts or of any provision of any judgment, decree, order, statute, rule or regulation applicable to or binding upon the Group Company. None of the activities, agreements, commitments or rights of any Group Company is ultra vires or invalid, or unauthorized. The execution, delivery and performance of

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and compliance with this Agreement, the Restated Shareholders Agreement and the Ancillary Agreements and the consummation of the transactions contemplated hereby and thereby, will not result in any such violation, breach or default, or be in conflict with or constitute, with or without the passage of time or the giving of notice or both, either a default under any Group Company's Constitutional Documents or any Material Contract, or a violation of any statutes, laws, regulations or orders, or an event which results in the creation of any lien, charge or encumbrance upon any asset of any Group Company.

3.13 Registration Rights. Except as provided in the Restated Shareholders Agreement, no Seller Party has granted or agreed to grant any person or entity any registration rights (including piggyback registration rights) with respect to, nor is the Company obliged to list, any of the Company's shares (or PRC Subsidiaries' or the PRC Affiliates' shares) on any securities exchange. Except as contemplated under this Agreement, the Restated Shareholders Agreement, the Restated Articles, the Agreement on Post-IPO Memorandum and Articles of Association dated February 10, 2012 and the VIE Agreements, there are no voting or similar agreements which relate to the shares of the Company or any of the equity interests of the PRC Subsidiaries or the PRC Affiliates.

3.14 Financial Advisor Fees. There exists no agreement or understanding between any Group Company and any investment bank or other financial advisor under which such Group Company may owe any brokerage, placement or other fees relating to the offer or sale of the Purchased Shares.

3.15 Financial Statements. The following financial statements of the Group Companies, namely (i) the audited consolidated financial statements of the Group Companies for the periods from 1 January 2009 to 31 December 2009, from 1 January 2010 to 31 December 2010 and from 1 January 2011 to 31 December 2011 (together with each of the respective auditor's report thereon) and (ii) the management accounts of the Group Companies for the period from 1 January 2012 to 30 September 2012 (the foregoing audited consolidated financial statements and the management accounts and any notes thereto are hereinafter collectively referred to as the "Financial Statements" and 30 September 2012 is hereinafter referred to as the "Financial Statements Date") are each (a) in accordance with the books and records of the Group Companies, (b) true, correct and complete and present fairly the financial condition of the Group Companies at the date or dates therein indicated and the results of operations for the period or periods therein specified, and (c) have been prepared in accordance with generally accepted accounting principles of the United States ("US GAAP"), in respect of the Financial Statements specified in the foregoing subclauses (i)), and generally accepted accounting principles of the PRC ("PRC GAAP"), in respect of the Financial Statements specified in the foregoing subclause (ii), in each case, applied on a consistent basis, except (as to the unaudited consolidated financial statements) for the omission of notes thereto and normal year-end provision and audit adjustments. All the financial statements to be provided to the Investors under this Section 3.15 shall include a statement of income, balance sheet and cash flow statements. Specifically, but not by way of limitation, the respective balance sheets of the Financial Statements disclose all of the Group Companies' respective debts, liabilities and obligations of any nature, whether due or to become due, as of their respective dates (including, without limitation, absolute liabilities, accrued liabilities, and contingent liabilities) to the extent such debts, liabilities and obligations are required to be

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disclosed in accordance with US GAAP (in respect of the Financial Statements specified in the foregoing subclauses (i)) and PRC GAAP (in respect of the Financial Statements specified in the foregoing subclause (ii)). The Group Companies have good and marketable title to all assets set forth on the balance sheets of the respective Financial Statements, except for such assets as have been spent, sold or transferred in the ordinary course of business since their respective dates. Except as disclosed in the Financial Statements, none of the Group Companies is a guarantor or indemnitor of any indebtedness of any person or entity other than the Group Companies. Each Group Company maintains and will continue to maintain a standard system of accounting established and administered in accordance with generally accepted accounting principles as required in the jurisdiction where it is incorporated.

3.16 Activities Since Financial Statements Date. Since the Financial Statements Date, with respect to each Group Company, there has not been:

- (a) any change in the assets, liabilities, financial condition or operating results of the Group Companies from that reflected in the Financial Statements, except changes in the ordinary course of business, that, individually or in the aggregate, has or could become or result in a Material Adverse Effect;
- (b) any material change in the contingent obligations of the Group Company by way of guarantee, endorsement, indemnity, warranty or otherwise;
- (c) any damage, destruction or loss, whether or not covered by insurance, that, individually or in the aggregate, has or could become or result in a Material Adverse Effect;
- (d) any waiver by the Group Company of a valuable right or of a material debt;
- (e) any satisfaction or discharge of any lien, claim or encumbrance or payment of any obligation by the Group Company, except such satisfaction, discharge or payment made in the ordinary course of business that would not have a Material Adverse Effect;
- (f) any material change or amendment to a material contract or arrangement by which the Group Company or any of its assets or properties is bound or subject, except for changes or amendments which are expressly provided for or disclosed in this Agreement;
- (g) any material change in any compensation arrangement or agreement with any Key Employee or any resignation or termination of any Key Employee of the Group Companies (for purpose of this Agreement, "Key Employees" shall refer to LIU Qiangdong, CHEN Shengqiang, WANG Yaqing, LAN Ye and ZHAO Guoqing, who are the chief executive officer, chief financial officer, chief technology officer, chief marketing officer and chief strategy officer of the Company, respectively);
- (h) any sale, assignment or transfer of any Proprietary Assets or other material intangible assets of the Group Company;

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(i) any mortgage, pledge, transfer of a security interest in, or lien created by the Group Company, with respect to any of the Group Company's properties or assets, except liens for taxes not yet due or payable;

(j) any debt, obligation, or liability incurred, assumed or guaranteed by the Group Company in excess of five hundred thousand U.S. dollars (US\$500,000) or in excess of one million U.S. dollars (US\$1,000,000) in the aggregate;

(k) any declaration, setting aside or payment or other distribution in respect of any Group Company's share capital, or any direct or indirect redemption, purchase or other acquisition of share capital by any Group Company;

(l) any failure to conduct business in the ordinary course, consistent with the Group Companies' past practices;

(m) any transactions of any kind with any of its officers, directors or employees, or any members of their immediate families, or any entity controlled by any of such individuals other than in respect of continuing and ordinary course employment matters;

(n) any other event or condition of any character, individually or in the aggregate, which could reasonably be expected to have a Material Adverse Effect; or

(o) any agreement or commitment by any Group Company or any Seller Party to do any of the things described in this [Section 3.16](#).

3.17 Tax Matters.

(a) The provisions for taxes in the respective Financial Statements are sufficient for the payment of all accrued and unpaid applicable taxes of the covered Group Companies, whether or not assessed or disputed, as of the date of such Financial Statements. Each Group Company has duly filed all tax returns required to be filed by it and paid all taxes shown to be due on such returns. No material issue has been raised by any taxing authority in any tax audit or examination of the Group Companies. Each Group Company is not subject to any waivers of applicable statutes of limitations with respect to taxes for any year. Since the Financial Statements Date, none of the Group Companies has incurred any material taxes, penalties or interest, assessments or governmental charges other than in the ordinary course of Business and each Group Company has made adequate provisions on its books of account for all material taxes, penalties or interest, assessments and governmental charges with respect to its business, properties and operations for such period. Each Group Company has withheld or withdrawn from each payment to its employees and overseas service providers an amount of income tax (including without limitation income tax in the PRC) required to be withheld or withdrawn to the extent required by applicable laws and has paid such amounts to the relevant tax authorities.

(b) To the best knowledge of each of the Seller Parties after due inquiry, immediately after the Closing, the Company will not be a "Controlled Foreign Corporation"

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("CFC") as defined in the U.S. Internal Revenue Code of 1986, as amended (or any successor thereto) (the "Code") with respect to the shares held by the Investors.

(c) The Company does not expect to be, with respect to its taxable year during which the Closing occurs, a "passive foreign investment company" ("PFIC") within the meaning of Section 1297 of the Code. The Company shall use its commercially reasonable efforts to avoid being a PFIC.

3.18 OFAC Compliance. Neither the Company nor any Group Company or any directors, administrators, officers, board of directors (supervisory and management) members or employees of the Company or any Group Company is an OFAC Sanctioned Person (as defined below). The Group Companies and their directors, administrators, officers, administrators, board of directors (supervisory and management) members or employees are in compliance with, and have not previously violated, the USA Patriot Act of 2001, and all other applicable United States and PRC anti-money laundering laws and regulations. None of (i) the purchase and sale of the Purchased Shares, (ii) the execution, delivery and performance of this Agreement, the Restated Shareholders Agreement, the Constitutional Documents or any other Ancillary Agreement, or (iii) the consummation of any transaction contemplated hereby or thereby, or the fulfillment of the terms hereof or thereof, will result in a violation by anyone, including without limitation the Investors, of any of the OFAC Sanctions or of any anti-money laundering laws of the United States, the PRC or any other applicable jurisdiction.

For the purposes of this [Section 3.18](#):

(a) "**OFAC Sanctions**" means any sanctions program administered by the Office of Foreign Assets Control of the United States Department of the Treasury ("**OFAC**") under authority delegated to the Secretary of the Treasury (the "**Secretary**") by the President of the United States or provided to the Secretary by statute, and any order or license issued by, or under authority delegated by, the President or provided to the Secretary by statute in connection with a sanctions program thus administered by OFAC. For ease of reference, and not by way of limitation, OFAC Sanctions programs are described on OFAC's website at www.treas.gov/ofac.

(b) "**OFAC Sanctioned Person**" means any government, country, corporation or other entity, group or individual with whom or which the OFAC Sanctions prohibit a United States Person from engaging in transactions, and includes without limitation any individual or corporation or other entity that appears on the current OFAC list of Specially Designated Nationals and Blocked Persons (the "**SDN List**"). For ease of reference, and not by way of limitation, OFAC Sanctioned Persons other than government and countries can be found on the SDN List on OFAC's website at ww.treas.gov/offices/enforcement/ofac/sdn.

(c) "**United States Person**" means any United States citizen, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person (individual or entity) in the United States, and, with respect to the Cuban Assets Control Regulations, also includes any corporation or other entity that is owned or controlled by one of the foregoing, without regard to where it is organized or doing business.

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3.19 Anti-Corruption Laws. Neither the Company nor any of the PRC Subsidiaries and PRC Affiliates, nor, while acting on behalf of the Company or any of the PRC Subsidiaries and PRC Affiliates and to the Company's knowledge, any agent, director, officer or employee of the Company or of any of the PRC Subsidiaries and PRC Affiliates, has taken any action or has been the subject of any investigation, inquiry or enforcement proceedings by any governmental, administrative or regulatory body regarding any offence in violation of applicable laws relating to anti-bribery, anti-corruption, anti-money laundering, record keeping and internal control laws applicable to any Group Company ("**Anti-Corruption Laws**"), including to the extent applicable the U.S. Foreign Corrupt Practices Act. Each Group Company has implemented adequate procedures to ensure compliance by each director, officer or employee of such Group Company with applicable Anti-Corruption Laws, and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith. Each of the Founder and the Group Companies is aware of and understands the applicable Anti-Corruption Laws. No equity holder, officer or director of any Group Company is a candidate for political office, or an employee or officer of any government, or of any political party.

3.20 Interested Party Transactions. No Seller Party, officer or director of a Group Company or any “Affiliate” or “Associate” (as those terms are defined in Rule 405 promulgated under the Act) of any such person has any agreement (whether oral or written), understanding, proposed transaction with, or is indebted to, any Group Company, nor is any Group Company indebted (or committed to make loans or extend or guarantee credit) to any of such persons (other than for accrued salaries, reimbursable expenses or other standard employee benefits), except those disclosed in the Financial Statements under subclause (i) of Section 3.15. No Key Employees, and to the best knowledge of the Seller Parties, no director of a Seller Party or any Affiliate or Associate of any such person has had, either directly or indirectly, an interest in: (a) any person or entity which purchases from or sells, licenses or furnishes to a Group Company any goods, property, intellectual or other property rights or services that are material to the Group Companies; (b) any person or entity that competes with a Group Company; or (c) except this Agreement, the Ancillary Agreements and the Restated Shareholders Agreement, any material contract or agreement to which a Group Company is a party or by which it may be bound or affected.

3.21 Environmental and Safety Laws. None of the Group Companies is in violation of any applicable statute, law, or regulation relating to the environment or occupational health and safety in any material respect and no material expenditures are or will be required in order to comply with any such existing statute, law or regulation.

3.22 Employee Matters. The Group Companies have complied in all material aspects with all applicable employment and labor laws. The Group Companies are not aware that any Key Employee nor any senior officer of any Group Company intends to terminate their employment with any Group Company, nor does any Group Company have a present intention to terminate the employment of any Key Employee or any senior officer of any Group Company. The Group Companies are not party to or bound by any currently effective incentive plan, profit sharing plan, retirement agreement or other employee compensation agreement, except the Company’s 2008

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Stock Issuing Plan adopted in June 2008, 2009 Employee Stock Incentive Plan adopted in February 2009, 2010 Employee Stock Incentive Plan adopted in March 2010, 2011 Employee Stock Incentive Plan and 2011 Special Employee Stock Incentive Plan adopted in April 2011. All of the employees of the Group Companies are subject to employment agreements that specify their position, payment of compensation and the terms and conditions of employment (including confidentiality, non-compete and non-solicitation provisions that are customarily applied to the positions in the industry of the Group Companies similar to those held by such employees).

3.23 Exempt Offering. The offer and sale of the Purchased Shares under this Agreement are or shall be exempt from the registration requirements and prospectus delivery requirements of the Act, and from the registration or qualification requirements of any other applicable securities laws and regulations. None of the Company, its Affiliates or any person acting on its or their behalf, has engaged in any directed selling efforts (within the meaning of Regulation S under the Act) in the United States in connection with the transactions contemplated in this Agreement.

3.24 No Other Business. The Company was formed solely to acquire and hold an equity interest in the offshore entities referenced in Part II of Exhibit A and Jingdong Century, and since its formation has not engaged in any business and has not incurred any liability in the course of its business of acquiring and holding its equity interest in the Offshore Subsidiaries and Jingdong Century. The PRC Subsidiaries and the PRC Affiliates are engaged solely in the Business and activities necessary for and associated with the Business and have no other activities.

3.25 Minute Books. The minute books of each Group Company have been made available to the Investors upon request and each such minute books provided contains a complete summary of all meetings and actions taken by directors and shareholders or owners of such Group Company since its time of formation, and reflects all transactions referred to in such minutes accurately in all material respects.

3.26 Obligations of Management. Each of the Key Employees is currently devoting his or her full working time to the conduct of the Business of the Group Companies. No Seller Party has received any notice or application from any Key Employee that he/she will work less than full time with the Group Companies. None of the Key Employees or the Founder is currently working for a competitive enterprise, whether or not such person is or will be compensated by such enterprise.

3.27 Disclosure. Each Seller Party has fully provided the Investors with all the information that the Investors have requested for deciding whether to purchase the Purchased Shares. No representation or warranty in writing provided by any Seller Party in this Agreement and no information or materials in writing provided by any Seller Party to the Investors in connection with the negotiation or execution of this Agreement or any agreement contemplated hereby contains any untrue statement of a material fact, or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances in which they are made, not misleading. The financial forecasts or forward-looking statements in any business plans or other materials provided by any Seller Party to the Investors have been prepared in good faith and based on reasonable assumptions of the Seller Parties.

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3.28 Other Representations and Warranties relating to the PRC Subsidiaries and the PRC Affiliates.

(a) The Constitutional Documents and all material Consents necessary or appropriate for the PRC Subsidiaries and the PRC Affiliates are valid, have been duly approved or issued (as applicable) by competent PRC authorities or other applicable parties and are in full force and effect.

(b) All material consents, approvals, authorizations or licenses required under PRC law for the due and proper establishment and operation of the PRC Subsidiaries and the PRC Affiliates have been duly obtained from the relevant PRC authorities and are in full force and effect.

(c) All material filings and registrations with the PRC authorities required in respect of the PRC Subsidiaries and the PRC Affiliates and their operations, including but not limited to the registrations with the Ministry of Commerce, the State Administration of Industry and Commerce, SAFE, tax bureau, customs and other authorities, have been duly completed in accordance with the relevant rules and regulations.

(d) The registered capital of each of the PRC Subsidiaries and the PRC Affiliates is paid in accordance with its articles of association and applicable laws. All of the equity interests in each of the Group Companies are legally owned directly by the entities or individuals in the percentages as set out in Exhibit A hereto. There are no outstanding commitments or undertakings made by the Company to sell, transfer or otherwise dispose of any of its equity interest in any of the Offshore Subsidiaries or Jingdong Century, or by Jingdong Century to sell, transfer or otherwise dispose of any of its equity interest in the other PRC Subsidiaries, or by the Founder or Mr. Sun Jiaming to sell, transfer or otherwise dispose of any of his equity interest in Jingdong 360 or Jiangsu Yuanzhou.

(e) None of the PRC Subsidiaries or the PRC Affiliates are in receipt of any letter or notice from any relevant authority notifying revocation of any permits or licenses issued to it for non-compliance or the need for compliance or remedial actions in respect of the activities carried out directly or indirectly by it.

(f) Each of the PRC Subsidiaries and the PRC Affiliates has been conducting and will conduct its business activities within the permitted scope of business or is otherwise operating its business in full compliance with all relevant legal requirements and with all requisite licenses, permits and approvals granted by competent PRC authorities in all material respects.

(g) In respect of any material Permits requisite for the conduct of any part of the Business of the PRC Subsidiaries or the PRC Affiliates which are subject to periodic renewal, no Seller Party has any reason to believe that such requisite renewals will not be timely granted by the relevant PRC authorities.

(h) The PRC Subsidiaries and the PRC Affiliates have complied with all applicable PRC labor laws and regulations in all material respects, including without limitation,

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laws and regulations pertaining to welfare funds, social benefits, medical benefits, insurance, retirement benefits, pensions and housing funds, except for the accrued amounts for the underpaid employment benefit payments for which each Group Company has made adequate provisions on its books of account and which are included in Financial Statements.

(i) All PRC regulatory and corporate authorizations and approvals, necessary or appropriate for the consummation of the transactions contemplated herein have been duly obtained, and such authorizations and approvals are currently, or will be as of the Closing, valid and subsisting at PRC law and in accordance with their respective terms.

(j) the VIE Agreements have been duly authorized by the respective parties thereto (including, without limitation, the board of the Group Companies, as applicable), and constitutes valid and binding obligations of such parties enforceable against such parties in accordance with the laws of the PRC. The VIE Agreements constitute sufficient basis for the PRC Affiliates to be included in consolidated financial statements of the Group Companies under US GAAP.

3.29 **Insurance.** The Group Companies have in full force and effect all risk property insurance and employee casualty insurance policies, with extended coverage, sufficient in amount (subject to reasonable deductibles) to allow them to receive adequate compensation for any of the losses that they may incur within the two categories cited above.

3.30 **Corporate Restructuring and Issuance of Preferred Shares.** The obligations arising from the Series A Preferred Shares documentation, the Series B Preferred Shares documentation and the Series C Preferred Shares documentation have been duly fulfilled and complied with and no party to the Series A Preferred Shares documentation, the Series B Preferred Shares documentation or the Series C Preferred Shares documentation is in breach or default of any obligation therein in any material respect.

3.31 **Insolvency and Winding Up.** No order or petition has been presented or resolution passed for the administration, winding-up, dissolution or liquidation of any Group Company and no administrator, receiver or manager has been appointed in respect thereof. None of the Group Companies has commenced any other proceeding under any bankruptcy, reorganization, composition, arrangement, adjustment of debt, release of debtors, dissolution, insolvency, liquidation or similar Law of any jurisdiction and no such proceedings have been commenced against any Group Company.

4. REPRESENTATIONS AND WARRANTIES OF THE INVESTORS.

Each Investor represents and warrants, severally and not jointly and severally, to the Seller Parties as follows:

4.1 **Authorization.** Investor has all requisite power, authority and capacity to enter into this Agreement, the Restated Shareholders Agreement and the Ancillary Agreements, and to perform its obligations under this Agreement, the Restated Shareholders Agreement and the

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Ancillary Agreements. This Agreement has been duly authorized, executed and delivered by such Investor. Each of this Agreement, the Restated Shareholders Agreement and the Ancillary Agreements, when executed and delivered by such Investor, will constitute valid and legally binding obligations of such Investor enforceable in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles.

4.2 **Purchase for Own Account.** The Purchased Shares will be acquired for such Investor's own account, not as a nominee or agent, and not with a view to or in connection with the sale or distribution of any part thereof. By executing this Agreement, such Investor further represents that it does not have any contract with any person to sell, transfer or grant participations to any person, with respect to any of the Purchased Shares.

4.3 **Organization, Good Standing and Qualification.** Investor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation.

4.4 **Investment Experience.** Investor acknowledges that it is able to fend for itself, can bear the economic risks of its investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Purchased Shares.

4.5 **Status of Investor.** Investor is (i) purchasing the Purchased Shares outside the United States in compliance with Regulation S under the Act and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction or (ii) an "accredited investor" within the meaning of Securities and Exchange Commission ("SEC") Rule 501 of Regulation D, as presently in effect, under the Act.

4.6 **Restricted Securities.** Investor understands that the Purchased Shares it is purchasing are characterized as "restricted securities" under U.S. federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Act only in certain limited circumstances.

4.7 **Legends.** It is understood that the certificates evidencing the Purchased Shares shall bear the following legend:

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR A VALID EXEMPTION THEREFROM."

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5. COVENANTS OF THE SELLER PARTIES.

Each of the Seller Parties jointly and severally covenants to each Investor as follows:

5.1 Use of Proceeds from the Sale of Purchased Shares. The Company will use the proceeds from the issuance and sale of the Purchased Shares for capital expenditure and working capital of the Group Companies. Unless otherwise agreed to in writing by the Investors, no proceeds from the sale of the Purchased Shares shall be used in the payment of any debt of the Group Companies or in the repurchase or cancellation of securities held by any shareholders of the Company.

5.2 Business of the Company. The business of Max Smart and the Company shall be restricted to the holding of shares or equity interest in the Company, and the Offshore Subsidiaries and Jingdong Century, respectively.

5.3 Business of the PRC Subsidiaries and the PRC Affiliates. Each Seller Party shall use its commercially reasonable efforts and take all necessary actions to implement and carry out the Group Companies' business plan. The business of Jingdong Century and other Group Companies shall be limited to the Business.

5.4 Use of Investor's Names or Logos. Without the prior written consent of each Investor, and whether or not such Investor is then a shareholder of the Company, none of the Group Companies, their shareholders (excluding each Investor in respect of itself), nor the Founder shall use, publish or reproduce the name of such Investor or any similar names, trademarks or logos in any of their marketing, advertising or promotion materials or otherwise for any marketing, advertising or promotional purposes, except for the fact of the equity investments in the Group Companies by such Investor (and in any such case shall not disclose the aggregate or individual investment amounts, pricing or ownership percentage, or any of the terms of this Agreement, the Restated Shareholders Agreement or any of the Ancillary Agreements).

5.5 Equity Compensation. The Company shall not directly or indirectly issue Ordinary Shares, share options or other forms of equity of the Company to any employees, directors or consultants or their Associates except in accordance with the employee share option plan (the "ESOP") approved from time to time by the Board of Directors.

5.6 [Reserved].

5.7 Initial Public Offering or Trade Sale. The Company shall use best efforts to, on and prior to January 1, 2015, consummate, and the Founder shall use commercially reasonable efforts to support, (a) a Qualified IPO (as defined in the Restated Shareholders Agreement); or (b) a Trade Sale (as defined in the Restated Shareholders Agreement).

5.8 Board of Directors. Unless otherwise approved by the Board of Directors, the Company shall hold meetings of the Board of Directors at least every three (3) months.

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5.9 Independent Auditors. The Company shall engage one of the Big 4 accounting firms (*i.e.*, PricewaterhouseCoopers, KPMG, Deloitte & Touche or Ernst & Young) or other reputable accounting firms and shall cause such international accounting firm to audit the Company's annual consolidated financial statements within one hundred and eighty (180) days after the end of each fiscal year.

5.10 Cash Deposit. All the Group Companies' cash shall be deposited with sound international or PRC financial institutions, and all such cash deposits shall be short-term with free liquidity unless otherwise approved by the Board of Directors.

5.11 Regulatory Compliance. Each Seller Party shall use its best efforts to cause all shareholders of each Group Company, and any successor entity or controlled affiliate of any Group Company and, to the knowledge of the Seller Parties, any PRC residents (as defined under Circular 75) holding beneficial interests in the Company, to timely complete all required registrations and other procedures with applicable governmental authorities (including without limitation SAFE) as and when required by applicable laws and regulations in all material respects. The Seller Parties shall ensure that, prior to the commencement of Qualified IPO (as defined in the Restated Shareholders Agreement) by the Company, each entity described above and its respective shareholders are in compliance with such requirements in all material respects and that there is no barrier to repatriation of profits, dividends and other distributions from the PRC Subsidiaries (or any successor entity, respectively) to the Company.

5.12 Lock up. Subject to the terms and conditions hereof, following a Qualified IPO (as defined in the Restated Shareholders Agreement), the Founder, Max Smart and holders of Ordinary Shares who are management personnel of the Company (other than the Investors) shall be subject to any customary lock-up period to the extent requested by the lead underwriter of securities of the Company in connection with the registration relating to such Qualified IPO.

5.13 Non-Compete. The Founder acknowledges that the Investors have agreed to invest in the Company on the basis of the continued and exclusive services of and full devotion and commitment by the Founder to the Group Companies, and agrees that the Investors should have reasonable assurance of such basis of investment. The Founder undertakes to each Investor that he will not, and he will procure that none of his Associates (as defined below) will, directly or indirectly:

(a) until the later of (i) the consummation of a Qualified IPO (as defined in the Restated Shareholders Agreement) or (ii) such time as there are no (X) Preferred Shares or (Y) Ordinary Shares held by any Investor (the "**Restriction Period**"), participate, assist, engage or be interested in, any business or entity in any Relevant Jurisdiction (as defined below) in any manner, directly or indirectly, which is in competition with the Business carried on by any Group Company at any time during the Restriction Period;

(b) during the Restriction Period, solicit in any manner any person who is or has been during the Restriction Period a customer or client of any Group Company for the purpose of offering to such person any goods or services similar to or competing with any of the businesses conducted by any Group Company at any time during the Restriction Period;

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(c) during the Restriction Period, solicit or entice away, or endeavor to solicit or entice away, any employee or officer of any Group Company; and

(d) at any time disclose to any person, or use for any purpose other than for the benefit of the Group Companies, any trade secrets or confidential information of or relating to any of the Group Companies.

In addition to and without limiting the restrictions set forth herein, the Founder and Max Smart shall not compete directly or indirectly with the Business carried on by any Group Company in the above manner for a period of two years after the Founder and/or Max Smart and/or the Founder's Associates collectively cease to hold more than 5% of the Company's shares (calculated on a fully diluted and as-converted basis).

In addition to and without limiting the restrictions set forth herein, the Founder hereof further undertakes to each Investor that he will not, and he will use his best efforts to procure that the directors nominated by the Founder or Max Smart or the executive officers of the Company will not, directly or indirectly compete with the business carried on by any Group Company in the above manner during the period that the Founder or the foregoing persons are directors and/or executive officers of the Company and within two years after the Founder or such foregoing person leaves his or her director or executive officer post.

In addition to and without limiting the restrictions set forth herein, the Founder hereof further undertakes to each Investor that he shall not engage in any other entity's business or operation (i) during his employment period with any of the Group Companies, or (ii) until the consummation of a Qualified IPO (as defined in the Restated Shareholders Agreement), whichever is earlier, *provided, however*, that nothing herein shall be deemed to restrict him and his Associates from owning an aggregate interest of not more than five percent (5%) of the outstanding shares of a publicly listed company.

For purposes of this Section, "**Associate**" means, in relation to an individual, his spouse, his child or step-child, brother, sister, parent, nominee or trustee of any trust in which such individual or any of its foregoing mentioned family members is a beneficiary or a discretionary object, or any entity or company controlled by any of the aforesaid persons or any person acting under his instructions (pursuant to an agreement or arrangement, formal or otherwise) in each case from time to time. For the said purpose, a person shall be deemed to **control** a company if that person, directly or indirectly:

- (i) controls the composition of a majority of the board of the company;
- (ii) controls more than half of the voting power of the company;
- (iii) holds legally or beneficially more than half of the issued share capital, or ordinary share capital, of the company; or
- (iv) is a person in accordance with whose directions the board of directors of the company is accustomed to act.

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"**Relevant Jurisdiction**" means a jurisdiction in which any Group Company carries on or conducts any business, including but not limited to the PRC, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan.

Notwithstanding anything to the contrary contained herein, in the event of (i) occurrence of a hostile takeover of the Company, OR (ii) after the termination by the Group Company of the Founder's employment with the Group Company without Cause, this Section 5.13 shall not apply to the Founder after the occurrence of any such event. For purposes of this section, "**Cause**" means, with respect to a person, (i) gross negligence or failure to perform the duties and responsibilities of such person's office resulting in material harm to the Group Companies, taken as a whole, (ii) failure or refusal to comply in any material respect with material and lawful policies and directives of the Company resulting in material harm to the Group Companies, taken as a whole, (iii) material breach of any statutory duty or any other obligation that such person owes to the Group Companies resulting in material harm to the Group Companies, taken as a whole, (iv) commission of an act of fraud, theft or embezzlement against the Group Companies or involving their material properties or assets, or (v) conviction of any felony or crime of moral turpitude, *provided, however*, that with respect to any occurrence of any of (i), (ii) or (iii), such person shall have been given not less than 60 days' written notice by the Board of Directors of the Company of the Board's determination (such determination being made independent of such person, if such person is a Board member) that such event had occurred, and such person shall have until the end of such 60 day period following receipt of such notice to rectify or cure such occurrence if such occurrence is curable before any action premised upon a determination of Cause can be taken.

5.14 Additional Covenants. Except as required by this Agreement, no resolution of the directors, owners, members, partners or shareholders of any of the Group Companies shall be passed, nor shall any contract or commitment be entered into, in each case, prior to the Closing without the prior written consent of the Investors, except that the Group Companies may carry on its respective business in the same manner as heretofore and may pass resolutions or enter into contracts for so long as they are effected in the ordinary course of business.

If at any time before the Closing, any of the Seller Parties comes to know of any material fact or event which:

- (a) is in any way materially inconsistent with any of the representations and warranties given by any Seller Party, and/or
- (b) suggests that any material fact warranted may not be as warranted or may be materially misleading, and/or

(c) might affect the willingness of a reasonable investor in making a prudent decision to purchase the Purchased Shares or cause him to adjust the amount of consideration which the Investors would be prepared to pay for the Purchased Shares, such Seller Party shall give immediate written notice to the Investors, in which event (if such event should occur prior to the Closing), the Investors may within five (5) Business Days of receiving such notice terminate this Agreement, as far as the Investors are concerned, by written notice without any penalty

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whatsoever and without prejudice to any rights that the Investors may have under this Agreement or applicable law.

5.15 Filing of Articles. Before the Closing, the Company shall have duly filed the Restated Articles (in the form attached hereto as Exhibit D) with the Registrar of Corporate Affairs in the BVI.

5.16 Access to Information. From the date hereof until the Closing Date, the Group Companies will give the Investors and each of their respective authorized representatives access to the books, records, financial and operating data and other information relating to the Group Companies as such persons may reasonably request and cooperate with the Investors in their investigation of the Group Companies. No investigation by the Investors, no information received by the Investors, nor any knowledge of the Investors (actual or constructive) shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the Seller Parties hereunder.

5.17 Maintenance of Leases. The Group Companies shall maintain in full force and effect leases for offices and warehouses that are necessary and material to the Business.

5.18 Employee Matters. Prior to a Qualified IPO (as defined in the Restated Shareholders Agreement) by the Company, the PRC Subsidiaries and the PRC Affiliates shall have submitted a plan to the reasonable satisfaction of the Company's Board of Directors regarding compliance with all applicable PRC labor laws and regulations in all material respects, including without limitation, laws and regulations pertaining to welfare funds, social benefits, medical benefits, insurance, retirement benefits, pensions and housing funds.

5.19 Tax Matters. The PRC Subsidiaries and the PRC Affiliates shall comply with all applicable PRC tax laws and regulations in all material respects, including without limitation, laws and regulations pertaining to enterprise income tax, value added tax and business tax.

5.20 Tax Covenants.

(a) In the event that the Company is determined by counsel or accountants for the Investors to be a CFC with respect to the shares held by the Investors, the Company agrees (a) to use commercially reasonable efforts to avoid generating Subpart F Income (as defined in Section 952 of the Code) ("**Subpart F Income**") and (b) to the extent permitted by the applicable laws, to annually make dividend distributions to the Investors in an amount equal to 50% of any income deemed distributed to each Investor that would have been deemed distributed to such Investor pursuant to Section 951(a) of the Code had such Investor been a "United States person" as such term is defined in Section 7701(a)(30) of the Code (or such lesser amount determined by the Investor in its sole discretion). The Company shall provide to the Investors upon request (i) any information in its possession concerning its shareholders and, to the Company's actual knowledge, the direct and indirect interest holders in each shareholder, sufficient for the Investors to determine the Company's status as a CFC, and/or a report regarding the Company's status as a CFC if available to the Company, and (ii) in the event that the Company is determined to be a CFC, any information in the possession of the Company to determine whether the Investors or any of the

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Investors' Partners is required to report its pro rata portion of the Company's Subpart F Income on its United States federal income tax return, or to allow the Investors or such Investors' Partners to otherwise comply with applicable United States federal income tax laws. For purposes of this Section 5.20, (i) the term "**Investors' Partners**" shall mean the Investors' shareholders, partners, members or other equity holders and any direct or indirect equity owners of such entities and (ii) the "**Company**" shall mean the Company and any of its subsidiaries.

(b) The Company shall, upon any Investor's request, at the expense of such Investor who so requests, as soon as reasonably practicable engage a nationally recognized U.S. tax advisor (which can include the Company's accounting firm if such firm has a U.S. office) to determine whether the Company or any subsidiary of the Company is a PFIC, and, request such tax advisor to inform all of the Investors in writing, as soon as reasonably practicable following the end of the Company's taxable year, whether the Company or any subsidiary of the Company is a PFIC. The advisor shall also make itself available, as reasonably requested by such Investor, to answer questions with respect to its determination as to whether the Company or any subsidiary of the Company is a PFIC. In the event that the Company engages an accounting firm to determine the Company's status as a PFIC or otherwise reports such status to any other Company shareholder, the Company shall provide a report of such status to the Investors.

(c) The Company shall take such actions, including making an election to be treated as a corporation or refraining from making an election to be treated as a partnership, as may be required to ensure that at all times the Company is treated as corporation for United States federal income tax purposes.

(d) The Company shall make due inquiry with its tax advisors (and shall cooperate with the Investors' tax advisors with respect to such inquiry) on at least an annual basis regarding whether the Investors' or any Investors' Partner's direct or indirect interest in the Company is subject to the reporting requirements of either or both of Sections 6038 and 6038B of the Code (and the Company shall duly inform the Investors of the results of such determination), and in the event that the Investors' or any Investors' Partner's direct or indirect interest in Company is determined by the Company's tax advisors or the Investors' tax advisors to be subject to the reporting requirements of either or both of Sections 6038 and 6038B, the Company agrees, upon a request from the Investors, to provide such information as may be necessary to fulfill the Investors' or the Investors' Partner's obligations thereunder.

6. CONDITIONS TO THE INVESTORS' OBLIGATIONS AT THE CLOSING.

6.1 The obligation of any Investor to purchase the Purchased Shares at the Closing is subject to the fulfillment, to the satisfaction of such Investor (or waiver thereof) on or prior to the date of the Closing (the "**Closing Date**"), of the following conditions:

(a) Representations and Warranties True and Correct. The representations and warranties made by the Seller Parties in Section 3 hereof shall be true and correct and complete as of the Closing Date (except to the extent such representations and warranties expressly speak of a

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specified date, in which case such representations and warranties shall be true and correct and complete as of such specified date).

(b) Proceedings and Documents. The resolutions of the Board of Directors, and the resolutions of shareholder(s) of the Group Companies in connection with the transactions contemplated hereby shall have been duly passed, and the Investors shall have received certified copies of such documents as they may reasonably request in a form as agreed by the Investors.

(c) Approvals, Consents and Waivers. Each Group Company shall have obtained the waiver by the existing shareholders of the Company of any anti-dilution rights, rights of first refusal, preemptive rights and all similar rights in connection with the issuance of the Purchased Shares at the Closing.

(d) Compliance Certificate. The Seller Parties shall deliver to the Investors a certificate (in substantially the form attached hereto as Exhibit G), dated the Closing Date, signed by the Company's President or director, the legal representative of each Seller Party certifying that the conditions specified in Section 6.1 have been fulfilled with all requisite instruments and documents attached and stating that there shall have been no material adverse change in the business, affairs, prospects, operations, properties, assets or conditions of the Group Companies since the date of this Agreement.

(e) Amendment to Constitutional Documents. The Restated Articles (in substantially the form attached hereto as Exhibit D) shall have been duly adopted by the Company by all necessary corporate action of its Board of Directors and its shareholders and shall have been duly filed with the Registrar of Corporate Affairs in the BVI.

(f) Opinions of Company Counsel. The Investors shall have received from the PRC counsel opinions in substantially the form attached hereto as Exhibit H and from the BVI counsel the opinions in substantially the form attached hereto as Exhibit I, addressed to the Investors, in each case dated as of the Closing Date.

(g) Execution of Restated Shareholders Agreement. The Company shall have delivered to the Investors the Restated Shareholders Agreement (in substantially the form attached hereto as Exhibit E), duly executed by the Company and all other parties thereto (except for the Investors).

(h) Good Standing. The Investors shall have received a certificate of good standing, dated no longer than four Business Days prior to the Closing Date, issued by the Registrar of Corporate Affairs of the BVI with respect to the Company.

(i) Capitalization Table. The Company shall deliver to the Investors a pre- and post-closing capitalization table of the Company as of the Closing Date.

6.2 Any Investor may at any time waive in writing any of the conditions above, on such terms as it may decide.

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7. CONDITIONS TO THE COMPANY'S OBLIGATIONS AT THE CLOSING.

7.1 Closing. The obligations of the Company under this Agreement with respect to the Investors are subject to the fulfillment, on or prior to the Closing Date of the following conditions:

(a) Representations and Warranties. The representations and warranties of the Investors contained in Section 4 hereof shall be true and correct as of the Closing Date (except to the extent such representations and warranties expressly speak of a specified date, in which case such representations and warranties shall be true and correct as of such specified date).

(b) Payment of the Purchase Price. Each Investor shall have delivered to the Company its portion of the Purchase Price in accordance with Section 1.2.

(c) Execution of Restated Shareholders Agreement. The Investors shall have executed and delivered to the Company the Restated Shareholders Agreement.

(d) Execution of Letter Agreement. Classroom shall have executed and delivered to the Company the Letter Agreement in substantially the form attached hereto as Exhibit J.

8. POST-CLOSING OBLIGATIONS.

8.1 Post-closing Obligations. Following the Closing, the Group Companies shall, and the Founder shall procure the Group Companies to, take all necessary steps and action to ensure that the Business and affairs of the Group Companies will be in compliance with the relevant laws and regulations in the PRC in all material respects.

8.2 Invitation to Board Meetings. So long as Classroom holds at least 44,182,531 shares of Ordinary Shares (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), the Company shall invite a representative of Classroom to attend, in a nonvoting capacity, the meetings of the Board of Directors in which representatives from certain other existing shareholders, other than the incumbent directors and observer, are also invited, and shall give such Classroom representative copies of all notices, minutes, consents and other materials that it provides to its directors and observer; *provided, however*, that the Company reserves the rights to withhold any information and to exclude such Classroom representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of highly confidential proprietary technical information.

8.3 Founder SAFE Registration. The Founder shall, on or before February 28, 2013, (i) update his outbound investment foreign exchange registration in respect of his shareholding in the Company with the competent branch of SAFE to reflect the consummation of the transactions contemplated in this Agreement, and (ii) provide documentary evidence confirming the foregoing shareholding has been duly registered with the competent branch of SAFE.

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8.4 Registration of Share Pledgee. Jingdong Century, the PRC Affiliates and the Founder shall, on or before February 28, 2013, (i) update the registration of the share pledge agreements, dated May 29, 2012, made by the Founder and Sun Jiaming (with PRC identity number of 320881198008071616), with respect to the 100% equity interest of Jingdong 360 and Jiangsu Yuanzhou, respectively, in favor of Jingdong Century with the competent branch of the State Administration for Industry and Commerce ("SAIC"), and provide documentary evidence confirming the foregoing share pledges have been duly registered with the competent branch of the SAIC, unless the competent branch of SAIC does not deem such update to be necessary or does not accept application for such update .

8.5 Employee Matters. The Group Companies shall comply in all material aspects with all applicable employment and labor laws, including without limitation, laws and regulations pertaining to welfare funds, social benefits, medical benefits, insurance, retirement benefits, pensions and housing funds (including continuation coverage, reporting and disclosure obligations).

8.6 Miscellaneous Post-Closing Actions. The Seller Parties shall, or procure the Group Companies to, use their commercially reasonable efforts to obtain and maintain all Permits that are necessary for the conduct of the Business as currently conducted or currently proposed to be conducted, the absence of which would be reasonable likely to have a Material Adverse Effect.

8.7 No Transfer to Competitors. Notwithstanding anything to the contrary, as long as the Founder and Founder's Associate collectively and beneficially own (through his interest in Max Smart or otherwise) more than twenty percent (20%) of the voting power of the Company's then outstanding shares (calculated on a fully-diluted and as converted basis), without the prior written consent of the Founder, Classroom shall not make a Transfer of its Ordinary Shares, or permit any issuance or direct or indirect transfer of equity interest in itself, to any Competitor prior to December 31, 2015; *provided* that the foregoing restrictions shall not apply (a) to a Transfer of the Company's shares following the Company's initial public offering, or (b) if such Transfer is made in connection with a Trade Sale.

For purposes of this Agreement, (i) "**Transfer**" shall mean any proposed assignment, sale, offer to sell, pledge, mortgage, hypothecation, encumbrance, disposition of or any other like transfer or encumbering in a single transaction of any interest in the Company's shares; (ii) "**Competitor**" shall mean any person or entity or Affiliates of any such person or entity whose primary business is the same as, or in direct competition with, the Business; and (iii) "**Trade Sale**" means either (a) a merger, consolidation, share purchase, or other business combination of the Company with or into any other business entity in which the shareholders of the Company immediately after such merger, consolidation, share purchase or business combination hold shares representing less than a majority of the voting power of the outstanding share capital of the surviving business entity, or (b) the sale, lease, transfer or other disposition of all or substantially all of the Company's assets.

9. MISCELLANEOUS.

9.1 Indemnity.

(a) Subject to Section 9.1(d) below, each Seller Party shall, jointly and severally, indemnify each Investor, and its directors, officers, employees, Affiliates, agents and assigns (each, an “**Indemnitee**”) against any losses, liabilities, damages, liens, penalties, diminution in value, costs and expenses, including reasonable advisor’s fees and other reasonable expenses of investigation and defense of any of the foregoing, incurred by such Investor (the “**Indemnifiable Loss**”) as a result of (i) any breach or violation of any representation or warranty made by any Seller Party including without limitation the Financial Statements; and (ii) any breach by any Seller Party of any covenant or agreement contained herein, including without limitation claims by tax authorities against any Group Company.

(b) If any Investor believes that it has a claim that may give rise to an indemnity obligation hereunder, it shall promptly notify the Seller Party stating specifically the basis on which such claim is being made, the material facts related thereto, and (if ascertainable or quantifiable) the amount of the claim asserted. For purposes hereof, notice delivered to the Founder at the Company’s address pursuant to Section 9.8 shall constitute effective notice to all Seller Parties. In the event of a third party claim against an Indemnitee for which such Indemnitee seeks indemnification from the Seller Parties, no settlement shall be deemed conclusive with respect whether there was an Indemnifiable Loss or the amount of such Indemnifiable Loss unless such settlement is consented to by the Seller Parties. Any dispute related to this Section 9.1(b) shall be resolved pursuant to Section 9.18 hereof.

(c) (i) none of the Seller Parties shall have any liability under this Agreement until the aggregate amount of Indemnifiable Loss incurred by an Indemnitee exceeds an amount equal to US\$1,000,000, in which case such Indemnitee shall be entitled to indemnification of the entire amount of the Indemnifiable Loss; and (ii) the amount of Indemnifiable Loss (other than Indemnifiable Loss relating to breaches of Fundamental Warranties) for which the Investors may be indemnified by the Seller Parties under this Agreement shall be limited to the Purchase Price actually paid by the Investors, which shall be allocated in accordance with the pro rata portion of each Investor’s payment for the Purchased Shares.

(d) Subject to the foregoing, (x) the Founder’s indemnity obligations that are determined to arise under this Agreement shall be satisfied solely with, and recourse will be limited solely to, the Ordinary Shares and any other securities of the Company held directly or indirectly, currently or in the future by the Founder and his Associates, and no other assets of the Founder shall in any respect be used to satisfy any of the Founder’s indemnity obligations under this Agreement, and each Investor hereby agrees to waive any right or claim against the Founder or his assets except pursuant to the terms and subject to the conditions under this Agreement; (y) all claims asserted under this Agreement against the Seller Parties shall be settled by the Seller Parties in accordance with the following contribution procedure: first, the Group Companies shall satisfy all claims to the extent possible; second, to the extent that such claims are not fully satisfied (such unsatisfied amounts, the “**Remaining Losses**”), such Remaining Losses shall be settled by the gratis transfer to the related Indemnitee of such number of Ordinary Shares or other securities of

the Company then held by the Founder and/or his Associates calculated by dividing the Remaining Losses by the fair market value of such Ordinary Share (determined pursuant to Section 9.18 if the related parties cannot agree to the fair market value of such Ordinary Shares); and (z) notwithstanding any other provision contained herein, any claims against the Founder and any of the Founder’s indemnity and guarantee obligations under this Agreement shall terminate, and be wholly barred and unenforceable, upon the consummation of a Qualified IPO (as defined in the Restated Shareholders Agreement).

(e) Notwithstanding any other provision contained herein, this Section 9.1 shall be the sole and exclusive monetary remedy of each Investor for any claim against the Seller Parties arising out of or resulting from this Agreement and the transactions contemplated hereby, except that no limitation or exceptions with respect to the obligations or liabilities on any Seller Party provided in the foregoing sub-sections under this Section 9.1 shall apply to an Indemnifiable Loss arising due to the fraud or willful misconduct of any Seller Party.

9.2 [Reserved].

9.3 Founder’s Guarantee. Subject to Section 9.1, in consideration of each Investor entering into this Agreement, the Founder hereby unconditionally and irrevocably guarantees, as primary obligor and not merely a surety, to such Investor that so long as the Founder has management control over the Group Companies, whether directly or indirectly, the due and punctual performance and observance will be conducted by each of Max Smart, the Company, the PRC Subsidiaries and the PRC Affiliates, in each case, of all its respective obligations, commitments, undertakings, warranties, indemnities and covenants under or pursuant to this Agreement and agrees to fully and unconditionally indemnify the Indemnitees against all losses, damages, costs and expenses (including legal costs and expenses) which the Indemnitees may suffer through or arising from any breach by any of the Company, Max Smart, the PRC Subsidiaries and the PRC Affiliates. The liability of the Company, Max Smart, the PRC Subsidiaries and the PRC Affiliates (as the case may be) as aforesaid shall not be released or diminished by any arrangements or alterations of terms (whether of this Agreement, or otherwise) or any forbearance, neglect or delay in seeking performance of the obligations hereby imposed or any granting of time for such performance.

9.4 Governing Law. This Agreement shall be governed by and construed in accordance with the law of Hong Kong as to matters within the scope thereof, without regard to its principles of conflicts of laws.

9.5 Survival. The representations, warranties, covenants and agreements made herein shall survive for two (2) years after the Closing, *provided* that the representations and warranties of Seller Parties (i) under Sections 3.17 and 3.21 shall survive until the expiration of applicable statute of limitation and (ii) under Sections 3.1, 3.2, 3.4, 3.5 and 3.14 (collectively, the “**Fundamental Warranties**”) shall survive perpetually. Such representations and warranties of the Seller Parties shall in no way be affected by any investigation of the subject matter thereof made by or on behalf of the Investors.

9.6 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto. This Agreement and the rights and obligations therein may not be assigned by the Founder, Max Smart or any Group Companies without the written consent of the Investors. Notwithstanding the foregoing, any Investor may assign its rights hereunder, including without limitation the right to acquire Purchased Shares together with the related obligations of such Investor hereunder, to an Affiliate, *provided* that such Affiliate shall join the Restated Shareholders Agreement as a “Classroom Party” or a “Tiger Party”, as applicable, and an “Investor”, by executing a deed of adherence or other necessary document in form and substance reasonably satisfactory to the Company, the Founder and Max Smart.

9.7 Entire Agreement. This Agreement, the Restated Shareholders Agreement, any Ancillary Agreements, and the schedules and exhibits hereto and thereto, which are hereby expressly incorporated herein by this reference constitute the entire understanding and agreement between the parties with regard to the subjects hereof and thereof; *provided, however*, that nothing in this Agreement or related agreements shall be deemed to terminate or supersede the provisions of any confidentiality and nondisclosure agreements executed by the parties hereto prior to the date hereof, which agreements shall continue in full force and effect until terminated in accordance with their respective terms.

9.8 Notices. Except as may be otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and shall be conclusively deemed to have been duly given (a) when hand delivered to the other party, upon delivery; (b) when sent by facsimile at the number set forth in Exhibit F hereto, upon receipt of confirmation of error-free transmission; (c) seven (7) Business Days after deposit in the mail as air mail or certified mail, receipt requested, postage prepaid and addressed to the relevant party or parties as set forth in Exhibit F; or (d) three (3) Business Days after deposit with an overnight delivery service, postage prepaid, addressed to the relevant parties as set forth in Exhibit F with next business day delivery guaranteed, *provided* that the sending party receives a confirmation of delivery from the delivery service provider.

Each person making a communication hereunder by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant hereto, but the absence of such confirmation shall not affect the validity of any such communication. A party may change or supplement the addresses given above, or designate additional addresses, for purposes of this Section 9.8, by giving the other parties written notice of the new address in the manner set forth above.

9.9 Amendments. Any term of this Agreement may be amended only with the written consent of the Company, the Founder and the Investors.

9.10 Waivers. Each of the Seller Parties, by executing this Agreement, hereby waives any anti-dilution rights, rights of first refusal, preemptive rights and all similar rights in connection with the issuance of the Purchased Shares.

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9.11 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any Seller Party or Investor, upon any breach or default of any party hereto under this Agreement, shall impair any such right, power or remedy of such Seller Party or Investor, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach of default thereafter occurring; nor shall any waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Seller Party or Investor of any breach of default under this Agreement or any waiver on the part of any Seller Party or Investor of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, or by law or otherwise afforded to the Seller Parties and the Investors shall be cumulative and not alternative.

9.12 Finder's Fees. Subject to Section 3.14 and the Company's indemnification obligation relating thereto under Section 9.1 thereunder, each party represents and warrants to the other parties hereto that it has retained no finder or broker in connection with the transactions contemplated by this Agreement and hereby agrees to indemnify and to hold harmless the other party hereto from and against any liability for any commission or compensation in the nature of a finder's fee of any broker or other person or firm (and the costs and expenses of defending against such liability or asserted liability) for which the indemnifying party or any of its employees or representatives are responsible.

9.13 Interpretation; Titles and Subtitles. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless otherwise expressly provided herein, all references to Sections and Exhibits herein are to Sections and Exhibits of this Agreement. As used in this Agreement, the words "include" and "including", and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation".

9.14 Counterparts. This Agreement may be executed (including facsimile signature) in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

9.15 Severability. If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the parties. In such event, the parties shall use best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly effects the parties' intent in entering into this Agreement.

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9.16 Confidentiality and Non-Disclosure. The parties hereto agree to be bound by the confidentiality and non-disclosure provisions of Section 9 of the Restated Shareholders Agreement, which shall mutatis mutandis apply.

9.17 Further Assurances. Each party shall from time to time and at all times hereafter make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required to effect the transactions contemplated by this Agreement.

9.18 Dispute Resolution.

(a) Consultation Between Parties. Any dispute, controversy or, claim or difference of any kind whatsoever arising out of, relating to or in connection with this Agreement, or the breach, termination or invalidity hereof (including the validity, scope and enforceability of this arbitration provision) (the "**Dispute**") shall first be attempted to be resolved through consultation between the Parties in good faith for a period of thirty (30) days after written notice has been sent by registered mail by any Party to the other Party (the "**Consultation Period**").

(b) Arbitration. If the Dispute remains unresolved upon expiration of the Consultation Period, any Party may in its sole discretion elect to submit the matter to arbitration with notice to any other Party or Parties. The arbitration shall be conducted in Hong Kong and shall be administered by the Hong Kong International Arbitration Centre ("**HKIAC**") in accordance with the HKIAC Administered Arbitration Rules in force at the time of the commencement of the arbitration. The arbitration tribunal shall consist of three arbitrators. The language of the arbitration shall be English. The decision of the arbitrators (by rule of majority) shall be final and binding on the parties (including any decision on their fees) and their fees shall be borne and paid by the parties in such proportions as the arbitrators shall determine.

9.19 Expenses. The Investors and the Seller Parties shall bear their own cost and expense for consummation of the transaction contemplated hereunder.

9.20 Termination. This Agreement may be terminated by the Investors or the Company, on or after December 15, 2012 (the "**Termination Date**"), by written notice to the other parties, if the Closing has not occurred on or prior to such date *provided that*: (i) the terminating party is not in material default of any of its obligations hereunder, and (ii) the right to terminate this Agreement pursuant to this Section 9.20 shall not be available to any party whose breach of any provision of this Agreement has been the cause of, or has resulted, directly or indirectly, in, the failure of the Closing to be consummated by the Termination Date. Such termination under this Section 9.20 shall be without prejudice to any claims for damages or other remedies that the parties may have under this Agreement or applicable law.

9.21 Disclosure Schedule. The parties hereto agree that any reference in a particular Section of the Disclosure Schedule to this Agreement shall only be deemed to be an exception to (or, as applicable, a disclosure for purposes of) the representations and warranties of the relevant party that are contained in the corresponding Section of this Agreement only if the relevance of that reference as an exception to (or a disclosure for purposes of) such representations and

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warranties would be readily apparent to a reasonable person who has read that reference and such representations and warranties, without any independent knowledge on the part of the reader regarding the matter(s) so disclosed.

[The Remainder of this page has been intentionally left blank]

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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE SELLER PARTIES:

/s/360BUY JINGDONG INC.

/s/MAX SMART LIMITED

/s/BEIJING JINGDONG CENTURY TRADING CO. LTD. (□□□□□□□□□□)
(Company seal)

/s/BEIJING JINGDONG 360 DEGREE E-COMMERCE CO., LTD. (□□□□□□
□□□□□□□□□□)
(Company seal)

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

/s/JIANGSU YUANZHOU E-COMMERCE CO., LTD. (□□□□□□□□□□)
(Company seal)

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE FOUNDER

/s/ LIU Qiangdong
LIU Qiangdong(□□□)
PRC ID No.: ***

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

/s/ SHANGHAI YUANMAI TRADING CO., LTD. (□□□□□□□□□□)
(Company seal)

/s/ GUANGZHOU JINGDONG TRADING CO., LTD. (□□□□□□□□□□)
(Company seal)

/s/ JIANGSU JINGDONG INFORMATION TECHNOLOGY CO., LTD. (江苏京东信息科技股份有限公司)
(Company seal)

/s/ CHENGDU JINGDONG CENTURY TRADING CO., LTD. (成都京东世纪贸易有限公司)
(Company seal)

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

/s/ BEIJING JINGDONG CENTURY INFORMATION TECHNOLOGY CO., LTD (北京京东世纪信息科技股份有限公司)
(Company seal)

/s/ JIANGSU YUANMAI TRADING CO., LTD. (江苏圆迈贸易有限公司)
(Company seal)

/s/ WUHAN JINGDONG CENTURY TRADING CO., LTD. (武汉京东世纪贸易有限公司)
(Company seal)

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

/s/ SHANGHAI SHENGDAYUAN INFORMATION TECHNOLOGY CO., LTD. (上海晟德源信息技术有限公司)
(Company seal)

/s/ TIANJIN STAR EAST CORPORATION LIMITED (天津星东集团有限公司)
(Company seal)

/s/ SHENYANG JINGDONG CENTURY TRADING CO., LTD. (沈阳京东世纪贸易有限公司)
(Company seal)

/s/ BEIJING JINGDONG SHANGKE INFORMATION TECHNOLOGY CO., LTD. (北京京东尚科信息技术有限公司)
(Company seal)

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

/s/ BEIJING JINGBANGDA TRADING CO., LTD. (北京京邦达贸易有限公司)
(Company seal)

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

/s /CLASSROOM INVESTMENTS INC.

/s/ TIGER GLOBAL 360BUY HOLDINGS

DATED January 23, 2013

360BUY JINGDONG INC.

and

MAX SMART LIMITED

and

BEIJING JINGDONG CENTURY TRADING CO., LTD.

(□□□□□□□□□□)

and

BEIJING JINGDONG 360 DEGREE E-COMMERCE CO., LTD.

(□□□□□□□□□□□□□□)

and

JIANGSU YUANZHOU E-COMMERCE CO., LTD.

(□□□□□□□□□□)

and

SHANGHAI YUANMAI TRADING CO., LTD.

(□□□□□□□□□□)

and

GUANGZHOU JINGDONG TRADING CO., LTD.

(□□□□□□□□□□)

and

JIANGSU JINGDONG INFORMATION TECHNOLOGY CO., LTD.

(□□□□□□□□□□)

and

CHENGDU JINGDONG CENTURY TRADING CO., LTD.

(□□□□□□□□□□)

and

BEIJING JINGDONG CENTURY INFORMATION TECHNOLOGY CO., LTD

(□□□□□□□□□□□□)

and

JIANGSU YUANMAI TRADING CO., LTD.

(□□□□□□□□□□)

and

WUHAN JINGDONG CENTURY TRADING CO., LTD.

(□□□□□□□□□□)

and

SHANGHAI SHENGDAYUAN INFORMATION TECHNOLOGY CO., LTD.

(□□□□□□□□□□□□)

and

TIANJIN STAR EAST CO., LTD.

(□□□□□□□□□□)

and

BEIJING JINGBANGDA TRADING CO., LTD.

(□□□□□□□□□□)

and

SHENYANG JINGDONG CENTURY TRADING CO., LTD.

(□□□□□□□□□□)

and

BEIJING JINGDONG SHANGKE INFORMATION TECHNOLOGY CO., LTD.

(□□□□□□□□□□□□)

and

LIU QIANGDONG

(□□□)

and

SUPREME UNIVERSAL HOLDINGS LTD.

and

GOLDSTONE CAPITAL LTD.

and

KINGDOM 5-KR-225, LTD.

and

KINGDOM 5-KR-232, LTD.

ORDINARY SHARE PURCHASE AGREEMENT

ORDINARY SHARE PURCHASE AGREEMENT

THIS ORDINARY SHARE PURCHASE AGREEMENT (the "Agreement") is made and entered into as of January 23, 2013, by and among:

1. **360BUY JINGDONG INC.** (formerly known as Star Wave Investments Holdings Limited), a BVI Business Company limited by shares and organized and existing under the laws of the British Virgin Islands (“**BVI**”) (the “**Company**”);
2. **MAX SMART LIMITED**, a BVI Business Company limited by shares and organized and existing under the laws of the BVI (“**Max Smart**”);
3. **LIU QIANGDONG** (□□□), the beneficial owner of 100% equity interest of Max Smart, People’s Republic of China (“**PRC**”) ID Number *** (the “**Founder**”);
4. **BEIJING JINGDONG CENTURY TRADING CO., LTD.** (□□□□□□□□□□□□), a wholly foreign-owned enterprise organized and existing under the laws of the PRC (“**Jingdong Century**”);
5. **BEIJING JINGDONG 360 DEGREE E-COMMERCE CO., LTD.** (□□□□□□□□□□□□□□□□), a limited liability company organized and existing under the laws of the PRC (“**Jingdong 360**”);
6. **JIANGSU YUANZHOU E-COMMERCE CO., LTD.** (□□□□□□□□□□□□), a limited liability company organized and existing under the laws of the PRC (“**Jiangsu Yuanzhou**”);
7. **SHANGHAI YUANMAI TRADING CO., LTD.** (□□□□□□□□□□), a limited liability company organized and existing under the laws of the PRC (the “**Shanghai Subsidiary**”);
8. **GUANGZHOU JINGDONG TRADING CO., LTD.** (□□□□□□□□□□), a limited liability company organized and existing under the laws of the PRC (the “**Guangzhou Subsidiary**”);
9. **JIANGSU JINGDONG INFORMATION TECHNOLOGY CO., LTD.** (□□□□□□□□□□□□), a limited liability company organized and existing under the laws of the PRC (the “**Jiangsu Subsidiary**”);
10. **CHENGDU JINGDONG CENTURY TRADING CO., LTD.** (□□□□□□□□□□□□), a limited liability company organized and existing under the laws of the PRC (the “**Chengdu Subsidiary**”);

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11. **BEIJING JINGDONG CENTURY INFORMATION TECHNOLOGY CO., LTD.** (□□□□□□□□□□□□□□), a limited liability company organized and existing under the laws of the PRC (the “**Beijing Subsidiary**”);
 12. **JIANGSU YUANMAI TRADING CO., LTD.** (□□□□□□□□□□), a limited liability company organized and existing under the laws of the PRC (“**Jiangsu Yuanmai**”);
 13. **WUHAN JINGDONG CENTURY TRADING CO., LTD.** (□□□□□□□□□□□□), a limited liability company organized and existing under the laws of the PRC (the “**Wuhan Subsidiary**”);
 14. **SHANGHAI SHENGDAYUAN INFORMATION TECHNOLOGY CO., LTD.** (□□□□□□□□□□□□), a limited liability company organized and existing under the laws of the PRC (“**Shanghai Shengdayuan**”);
 15. **TIANJIN STAR EAST CORPORATION LIMITED** (□□□□□□□□□□□□), a limited liability company organized and existing under the laws of the PRC (“**Tianjin Star East**”);
 16. **BEIJING JINGBANGDA TRADING CO., LTD.** (□□□□□□□□□□□□), a limited liability company organized and existing under the laws of the PRC (“**Beijing Jingbangda**”);
 17. **SHENYANG JINGDONG CENTURY TRADING CO., LTD.** (□□□□□□□□□□□□), a limited liability company organized and existing under the laws of the PRC (the “**Shenyang Subsidiary**”);
 18. **BEIJING JINGDONG SHANGKE INFORMATION TECHNOLOGY CO., LTD.** (□□□□□□□□□□□□□□), a limited liability company organized and existing under the laws of the PRC (“**Beijing Shangke**”);
 19. **SUPREME UNIVERSAL HOLDINGS LTD.**, a company organized and existing under the laws of the Cayman Islands (“**Supreme Universal**”);
 20. **GOLDSTONE CAPITAL LTD.**, a company organized and existing under the laws of Guernsey (“**Goldstone Capital**”);
 21. **KINGDOM 5-KR-225, LTD.**, a company organized and existing under the laws of the Cayman Islands (“**Kingdom 225**”); and
 22. **KINGDOM 5-KR-232, LTD.**, a company organized and existing under the laws of the Cayman Islands (“**Kingdom 232**”, together with Supreme Universal, Goldstone Capital and Kingdom 225, the “**Investors**”, and each, an “**Investor**”).

Jingdong 360 and Jiangsu Yuanzhou are collectively referred to herein as the “**PRC Affiliates**” and each, a “**PRC Affiliate**”. Jingdong Century, Shanghai Subsidiary, Jiangsu

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Subsidiary, Guangzhou Subsidiary, Chengdu Subsidiary, Beijing Subsidiary, Jiangsu Yuanmai, Wuhan Subsidiary, Shanghai Shengdayuan, Tianjin Star East, Beijing Jingbangda, Shenyang Subsidiary and Beijing Shangke are referred to collectively herein as the “**PRC Subsidiaries**” and each, a “**PRC Subsidiary**”. The Company, the offshore subsidiaries of the Company as listed in Part II of Exhibit A attached hereto (excluding Justyle Group Limited) (the “**Offshore Subsidiaries**”), the PRC Subsidiaries, the PRC Affiliates, the subsidiaries of the PRC Subsidiaries and the PRC Affiliates listed in Parts III and IV of Exhibit A attached hereto and any other entity whose financial statements are consolidated with those of the Company in accordance with generally accepted accounting principles in the United States and are recorded on the books of the Company for financial reporting purposes are referred to collectively herein as the “**Group Companies**”, and each, a “**Group Company**”.

RECITALS

- A. The Company was incorporated under the laws of the BVI. Further particulars of the Company are set out in Exhibit A to this Agreement.
- B. The Company desires to issue and sell to the Investors, and the Investors desire to purchase from the Company certain number of ordinary shares, par value US\$0.00002 per share, of the Company (the “**Ordinary Shares**”) on the terms and conditions set forth in this Agreement.
- C. Jingdong Century was established as a limited liability company under the laws of the PRC and wholly owned by the Company.
- D. Each of Shanghai Subsidiary, Jiangsu Subsidiary, Guangzhou Subsidiary, Chengdu Subsidiary, Beijing Subsidiary, Jiangsu Yuanmai, Wuhan Subsidiary, Shenyang Subsidiary and Beijing Shangke was established as a limited liability company under the laws of the PRC and wholly owned by Jingdong Century.
- E. Shanghai Shengdayuan was established as a limited liability company under the laws of the PRC and an indirect wholly owned subsidiary of the Company.
- F. Tianjin Star East was established as a limited liability company under the laws of the PRC and an indirect wholly owned subsidiary of the Company.
- G. Beijing Jingbangda was established as a limited liability company under the laws of the PRC and an indirect wholly owned subsidiary of the Company.
- H. Each PRC Affiliate was established as a limited liability company under the laws of the PRC and is owned 99% by the Founder and 1% by Mr. Sun Jiaming. The financial statements of the PRC Affiliates are intended to be consolidated with those of the Company and are recorded on the books of the Company for financial reporting purposes.
- I. The Group Companies mainly engage in the business of (i) e-commerce business (including business-to-consumer or B2C), (ii) sale of digital products, food, healthcare products, clothes, cosmetic products, books, audio/video products and other general merchandise products

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through the internet websites and relevant services and (iii) logistics (collectively, the “**Business**”).

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. AGREEMENT TO PURCHASE AND SELL PURCHASED SHARES.

1.1 Agreement to Purchase and Sell Purchased Shares. Subject to the terms and conditions hereof, at the Closing (as defined below) the Company shall issue and sell to (a) Supreme Universal, and Supreme Universal shall purchase from the Company, severally and not jointly with Goldstone Capital, Kingdom 225 and Kingdom 232, Eighteen Million Nine Hundred and Thirty Five Thousand Three Hundred and Seventy (18,935,370) Ordinary Shares for a purchase price of US\$75,000,000, (b) Goldstone Capital, and Goldstone Capital shall purchase from the Company, severally and not jointly with Supreme Universal, Kingdom 225 and Kingdom 232, Eighteen Million Nine Hundred and Thirty Five Thousand Three Hundred and Seventy (18,935,370) Ordinary Shares for a purchase price of US\$75,000,000, (c) Kingdom 225, and Kingdom 225 shall purchase from the Company, severally and not jointly with Supreme Universal, Goldstone Capital and Kingdom 232, Thirty One Million Five Hundred and Fifty Eight Thousand Nine Hundred and Fifty One (31,558,951) Ordinary Shares for a purchase price of US\$125,000,000, and (d) Kingdom 232, and Kingdom 232 shall purchase from the Company, severally and not jointly with Supreme Universal, Goldstone Capital and Kingdom 225, Thirty One Million Five Hundred and Fifty Eight Thousand Nine Hundred and Fifty One (31,558,951) Ordinary Shares for a purchase price of US\$125,000,000 (all such Ordinary Shares purchased by Supreme Universal, Goldstone Capital, Kingdom 225 and Kingdom 232 are collectively referred to as “the **Purchased Shares**”) for an aggregate purchase price of US\$400,000,000 (the “**Purchase Price**”). The consideration for each of the Purchased Shares shall be approximately US\$3.961 per share.

Such Ordinary Shares shall have the rights, privileges and restrictions as set forth in the Twelfth Amended and Restated Memorandum and Articles of Association of the Company attached hereto as Exhibit D (as amended, the “**Restated Articles**”).

The Company and the Investors agree that, in the event that any of Supreme Universal and Goldstone Capital determines not to subscribe for any and all of the Purchased Shares, (i) Kingdom 225 and/or Kingdom 232 shall have the option, but not an obligation, to subscribe for, in the aggregate, up to the maximum number of the Purchased Shares that either of Supreme Universal and Goldstone Capital has agreed to under the first paragraph of Section 1.1 above, but has not subscribed for at the Closing; and (ii) the Company’s agreement to complete the Closing with Kingdom 225 and Kingdom 232, and Kingdom 225’s and Kingdom 232’s agreement to complete the Closing under subclauses (c) and (d), respectively, of the first paragraph of Section

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1.1 above, shall not be conditioned on the completion of the Closing by Supreme Universal and/or Goldstone Capital.

1.2 Transfer of Funds. At the Closing, each Investor shall pay the Purchase Price by wire transfer of United States dollars in immediately available funds to a designated account of the Company, *provided* that the Company shall deliver wire transfer instructions to such Investor at least three (3) business days (“**Business Day**”, defined as any day other than a Saturday or Sunday on which banks are ordinarily open for business in Hong Kong Special Administrative Region of the PRC (“**Hong Kong**”), PRC, Saudi Arabia and the Cayman Islands) prior to the Closing.

1.3 Post-Investment Capitalization Structure. Immediately following the issue and sale of the Purchased Shares at the Closing, the post-investment capitalization structure of the Company (calculated on a fully-diluted and as converted basis) is as set out in Part II of Exhibit B hereto.

1.4 Issuance of ESOP Shares.

(a) As of the date hereof, Fortune Rising Holding Limited (“**Fortune Rising**”) holds 74,215,905 Ordinary Shares that were issued to it at an issuance price of US\$0.00002 per share. The parties agree that concurrent with or immediately after the Closing, the Company shall issue an aggregate of 9,960,005 Ordinary Shares, representing 0.5% of the total number of Ordinary Shares (on an as-converted basis) outstanding immediately after the Closing and the repurchase of Old Shares as provided for in Section 9.8 below, to Fortune Rising at an issuance price of US\$0.00002 per share. The abovementioned 74,215,905 Ordinary Shares and the 9,960,005 Ordinary Shares shall be collectively referred to as “**ESOP Shares**”.

(b) In relation to the ESOP Shares, the parties agree that (i) the ESOP Shares shall be held by Fortune Rising on behalf of or for issuance to the officers, directors, employees and consultants (collectively, the “**Awardees**”) of the Group Companies; and (ii) the allotment of any of the ESOP Shares to any Awardee shall be subject to the approval of the Board of Directors of the Company (the “**Board of Directors**”), including the consent of at least two directors out of any of the Series A Director, the Series B Director, the Series C Director and Tiger Director (each as defined in the Restated Shareholders Agreement (as defined below)).

(c) After the allotment of the ESOP Shares in accordance with Section 1.4(a) of this Agreement, the disposition of any such ESOP Shares that an Awardee is entitled to dispose of shall be subject to Section 4.5 of the Restated Shareholders Agreement.

(d) This Section 1.4 shall terminate upon a Qualified IPO (as defined in the Restated Shareholders Agreement).

2. **CLOSINGS; DELIVERY.**

2.1 Closing. The allotment and sale of the Purchased Shares shall be held within five (5) Business Days after the fulfillment or waiver of the conditions to closing as set forth in Section 7 and Section 8.1 or at such other time as the Company and the applicable Investor may mutually agree (the “**Closing**”).

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2.2 Delivery by the Company. In addition to any items the delivery of which at or before the Closing is made an express condition to each applicable Investor’s obligations pursuant to Section 7, the Company will, at the Closing, (a) deliver to each applicable Investor duly issued share certificates issued in favor of such Investor representing the Purchased Shares purchased by such Investor, duly signed and sealed for and on behalf of the Company; and (b) cause its register of members to be duly updated to reflect the Purchased Shares purchased by such Investor, and deliver a copy of such updated register of members to such Investor, certified as a true and correct copy by the Company’s registered agent or a director of the Company.

3. **REPRESENTATIONS AND WARRANTIES OF THE SELLER PARTIES.**

The Company, the PRC Subsidiaries, the PRC Affiliates and the Founder (collectively, the “**Seller Parties**” and individually, a “**Seller Party**”) hereby jointly and severally represent and warrant to the Investors, subject to Section 10.21 and the exceptions set forth in the Disclosure Schedule (the “**Disclosure Schedule**”) attached to this Agreement as Exhibit C (which Disclosure Schedule shall be deemed to be representations and warranties to each Investor), as of the date hereof and the date of the Closing as follows (in this Agreement, any reference to a party’s “**knowledge**” means such party’s actual knowledge, and, in the case of a party that is a legal entity, the actual knowledge of the Key Employees after due and diligent inquiries of the employees or outside consultants of such party reasonably believed to have knowledge of the matter in question):

3.1 Organization, Standing and Qualification. Each Group Company is duly organized, validly existing and in good standing (or equivalent status in the relevant jurisdiction) under, and by virtue of, the laws of the place of its incorporation or establishment and has all requisite power and authority to own its properties and assets and to carry on its business as now conducted and to perform each of its obligations hereunder and under any agreement contemplated hereunder to which it is a party. Each Group Company is qualified to do business and is in good standing (or equivalent status in the relevant jurisdiction) in each jurisdiction where failure to be so qualified would have a Material Adverse Effect. “**Material Adverse Effect**” means any event, occurrence, fact, condition, change or development, individually or together with other events, occurrences, facts, conditions, changes or developments, (i) that has had, has, or could reasonably be expected to have a material adverse effect on the business (as presently conducted and presently contemplated to be conducted), condition (financial or otherwise), affairs, prospects, properties, employees, liabilities, assets or results of operation of the Group Companies taken as a whole, (ii) that prevents or materially impedes the consummation by the Company of the transactions contemplated by this Agreement, or (iii) material impairment of the ability of the Group Companies to perform their material obligations under this Agreement or the Restated Shareholders Agreement and the various agreements attached to this Agreement (collectively, “**Ancillary Agreements**”).

3.2 Capitalization.

(a) Ordinary Shares. Immediately prior to the Closing (and prior to the adoption of the Restated Articles), the Company is authorized to issue a total of 1,935,536,365 Ordinary Shares, par value US\$0.00002 per share, of which 1,358,540,331 shares are issued and outstanding.

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(b) Preferred Shares. Immediately prior to the Closing (and prior to the adoption of the Restated Articles), the Company is authorized to issue a total of 564,463,635 Preferred Shares, par value US\$0.00002 per share, of the Company, of which (i) 221,360,925 are designated as Series A Preferred Shares, par value US\$0.00002 per share (the “**Series A Preferred Shares**”), and 191,894,000 Series A Preferred Shares are issued and outstanding, (ii) 84,786,405 are designated as Series B Preferred Shares, par value US\$0.00002 per share (the “**Series B Preferred Shares**”), and 84,786,405 Series B Preferred Shares are issued and outstanding and (iii) 258,316,305 are designated as Series C Preferred Shares, par value US\$0.00002 per share (the “**Series C Preferred Shares**,” together with Series A Preferred Shares and Series B Preferred Shares, the “**Preferred Shares**”), and 258,316,305 Series C Preferred Shares are issued and outstanding.

(c) Options, Warrants, Reserved Shares. Immediately prior to the Closing, the Company has reserved enough Ordinary Shares for issuance upon the conversion of all Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares. Except for (i) the conversion privileges of the Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares, as provided in the Ninth Amended and Restated Shareholders Agreement dated November 1, 2012 (the “**Ninth Shareholders Agreement**”) and the Eleventh Amended and Restated Memorandum and Articles of Association of the Company (the “**Eleventh Articles**”), (ii) the ESOP Shares reserved for issuance to the employees, directors, consultants and advisors of the Group Companies pursuant to the employee and advisor stock option plan from time to time duly adopted by the Company, (iii) as provided in the Restated Articles, and (iv) as contemplated hereby and by the Tenth Amended and Restated Shareholders Agreement attached hereto as Exhibit E (the “**Restated Shareholders Agreement**”), there are no options, warrants, conversion privileges, agreements or rights of any kind with respect to the issuance or purchase of the Purchased Shares or any other securities of the Company. Apart from the exceptions noted in this Section 3.2(c), the Restated Articles and the Restated Shareholders Agreement, no outstanding shares (including the Purchased Shares), or shares issuable upon exercise, conversion or exchange of any outstanding options, warrants or other shares issuable by the Company, are subject to any preemptive rights, rights of first refusal or other rights of any kind to purchase such shares (whether in favor of the Company or any other person).

(d) Outstanding Security Holders. A complete and current list of all shareholders, option holders, warrant holders and other security holders of the Company as of the date hereof indicating the type and number of shares, options, warrants or other securities held by each such shareholder, option holder, warrant holder or other security holder is set forth in the shareholding tables in Exhibit B, except for the employees, directors, consultants or advisors of the Group Companies who have been allocated with any of the ESOP Shares pursuant to the employee and advisor stock option plan from time to time duly adopted by the Company. The information set out in Exhibit B is true and complete in all respects and there is no information the omission of which might make such information misleading or inaccurate in any respect.

(e) No Acceleration. Except for the ESOP (as defined below), no share plan, share purchase, share option or other agreement or understanding between the Company and any holder of any securities of the Company or rights exercisable or convertible for securities of the Company provides for acceleration or other changes in the vesting provisions or other terms of

such agreement or understanding as a result of the consummation of the transactions contemplated in this Agreement.

3.3 Subsidiaries; Group Structure.

(a) One hundred percent (100%) of the equity interests of the PRC Subsidiaries are owned directly or indirectly by the Company, and the equity interests of the PRC Affiliates are held ninety-nine percent (99%) and one percent (1%), respectively, directly by the Founder and Sun Jiaming (孙健), with the PRC identity number of 320881198008071616). Apart from the entities listed in Exhibit A, the Company does not presently own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, association, or other entity which is still in operation. The information relating to each Group Company as set out in Exhibit A is true and accurate in all respects and there is no information the omission of which might make such information misleading or inaccurate in any respect.

(b) There are no options, warrants, conversion privileges or other rights, or agreements with respect to the issuance thereof, presently outstanding to purchase any of the equity interest of any of the PRC Subsidiaries and PRC Affiliates, Max Smart or Fortune Rising.

3.4 Due Authorization. All corporate actions on the part of the Group Companies and, as applicable, their respective officers, directors and shareholders necessary for (i) the authorization of the Restated Articles, the certificate of incorporation or other equivalent corporate charter documents of any of the Group Companies, including VIE Agreements for Jiangsu Yuanzhou and Jingdong 360 (collectively with the Restated Articles, the “**Constitutional Documents**”), (ii) the authorization, execution and delivery of, and the performance of the obligations of the Seller Parties under this Agreement, the Restated Shareholders Agreement and the Ancillary Agreements, and (iii) the authorization, issuance, reservation for issuance and delivery of all of the Purchased Shares being sold under this Agreement have been taken or will be taken prior to the Closing. Each of this Agreement, the Restated Shareholders Agreement, the Ancillary Agreements and the Constitutional Documents to which such Group Company is a party or is subject is or will be a valid and binding obligation of each such Group Company enforceable in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors’ rights generally and to general equitable principles. Immediately prior to the Closing, the Restated Articles will be in full force and effect.

3.5 Valid Issuance of Purchased Shares.

(a) The Purchased Shares, when issued, sold and delivered in accordance with the terms of this Agreement and the Restated Articles, will be duly and validly issued, fully paid and non-assessable.

(b) All currently outstanding shares of the Company are duly and validly issued, fully paid and non-assessable, and all outstanding shares, options, warrants and other securities of the Company and each other Group Company have been issued in full compliance with the requirements of all applicable laws and regulations including, to the extent applicable, the registration and prospectus delivery requirements of the United States Securities Act of 1933, as

amended (the “**Act**”), or in compliance with applicable exemptions therefrom, and all other provisions of applicable securities laws and regulations, including, without limitation, anti-fraud provisions.

(c) All waivers of rights of first refusal, preemptive rights, redemption rights, co-sale or tag-along rights, drag-along rights, put or call rights, rights to liquidation preferences or special dividends or any other rights triggered by the transactions contemplated by this Agreement or the Ancillary Agreements have been duly and validly obtained and are irrevocable.

3.6 Liabilities. The Group Companies do not have any liabilities or obligations of any nature, whether accrued, absolute, contingent, asserted, unasserted or otherwise, except liabilities or obligations (i) stated or adequately reserved against in the balance sheets of the respective Financial Statements (as defined below), (ii) incurred as a result of or arising out of the consummation of the transactions contemplated hereunder, or (iii) incurred in the ordinary course of business since the Financial Statements Date.

3.7 Title to Properties and Assets; ICP License.

(a) Each Group Company has good and marketable title to its properties and assets held in each case subject to no mortgage, pledge, lien, encumbrance, security interest or charge of any kind. With respect to the properties and assets it leases, each Group Company is in compliance in all material respects with such leases, and the aggregate amount of liabilities upon the Group Companies (including any contingent liability) arising from all the noncompliance with such leases by the Group Companies in aggregate does not have a Material Adverse Effect. To the best knowledge of each of the Seller Parties, such Group Company holds valid leasehold interests in such assets. Section 3.7(a) of the Disclosure Schedule sets out a true and correct schedule of all material real estate owned, leased or otherwise used or occupied by each Group Company. For purpose of this Section 3.7(a), “material” shall mean (i) any property that is necessary, desirable or otherwise material to the conduct of the Business as currently conducted or contemplated, (ii) having an value in excess of RMB20,000,000 for each asset, except for real property, and (iii) having an area of above 500 square meters for real property.

(b) Jingdong 360 has obtained and validly maintained in full force and effect the internet content provider license (the “**ICP License**”) and has commenced to engage in the internet information service. The Founder warrants and represents that neither he nor his Associates (as defined in Section 6.12) has any interest in any other business operation which is similar to the Business of the Group Companies (and to the extent there is or has been any such interest, such interest or business operation has been terminated and deregistered).

3.8 Status of Proprietary Assets. Each Group Company (i) has independently developed or owns free and clear of all claims, security interests, liens or other encumbrances, or (ii) has a valid right or license to use, all Proprietary Assets, including without limitation all Registered Intellectual Property, necessary and appropriate or otherwise material for the Business and without any conflict with or infringement of the rights of others. There are no outstanding options, licenses, agreements or rights of any kind granted by any Group Company or any other party relating to any Group Company’s Proprietary Assets. No Group Company has received any written communications alleging that it has violated or, by conducting its business as currently

conducted or as currently proposed, has violated or would violate any Proprietary Assets of any other person or entity, nor, to the best knowledge of the Seller Parties, is there any reasonable basis therefor. To the best knowledge of the Seller Parties, none of the current or former officers, employees or consultants of any Group Company (at the time of their employment or engagement by a Group Company) has been or is obligated under any agreement (including licenses, covenants or commitments of any nature) or other arrangement or undertaking of any kind, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with the use of his, her or its best efforts to promote the interests of such Group Company or that would conflict with the business of such Group Company as currently conducted or currently proposed to be conducted or that would prevent such officers, employees or consultants from assigning to such Group Company inventions conceived or reduced to practice in connection with services rendered to such Group Company. To the best knowledge of the Seller Parties, neither the execution nor delivery of this Agreement, the Restated Shareholders Agreement or any Ancillary Agreement, nor the carrying on of the Business of any Group Company by its employees, nor the conduct of the business of any Group Company as currently conducted or proposed to be conducted, conflict or will conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant or instrument under which any of such employees is now obligated. It will not be necessary to utilize any inventions of any of the Group Companies' employees (or people the Group Companies currently intend to hire) made prior to or outside the scope of their employment by the relevant Group Company. No government funding, facilities of any educational institution or research center, or funding from third parties has been used in the development of any Proprietary Assets of any Group Company that would adversely affect or interfere with any Group Company's title or right to use to such Proprietary Assets in any way. For purpose of this Agreement, (i) "Proprietary Assets" shall mean all patents, patent applications, trademarks, service marks, trade names, domain names, copyrights, copyright registrations and applications and all other rights corresponding thereto, inventions, databases and all rights therein, all computer software including all source code, object code, firmware, development tools, files, records and data, including all media on which any of the foregoing is stored, formulas, designs, business methods, trade secrets, confidential and proprietary information, proprietary rights, knowhow and processes, and all documentation related to any of the foregoing; and (ii) "Registered Intellectual Property" means all Proprietary Assets of any Group Company, wherever located, that is the subject of an application, certificate, filing, registration or other document issued by, filed with or recorded by any governmental authority.

3.9 Material Contracts and Obligations.

(a) All of the following agreements, contracts, leases, licenses, mortgages, indentures, instruments, commitments (oral or written), indebtedness, liabilities and other obligations to which each Group Company is a party or by which it or its assets is bound (each, a "Material Contract" and collectively, the "Material Contracts") have been made available for inspection by the Investors and their counsel and are listed in Section 3.9(a) of the Disclosure Schedule:

(i) having an aggregate value, cost or amount, or imposing liability or contingent liability on any Group Company, in excess of RMB20,000,000 other than the cash deposit agreements with banks the amounts of which are included in the Financial Statements (provided that only such Material Contracts under this subclause (i) having an aggregate value,

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cost or amount, or imposing liability or contingent liability on any Group Company, in excess of RMB50,000,000 have been made available for inspection by the Investors and their counsel and included in Section 3.9(a) of the Disclosure Schedule);

(ii) containing exclusivity, non-competition, or similar clauses that impair, restrict or impose conditions on any Group Company's right to offer or sell products or services in specified areas, during specified periods, or otherwise;

(iii) entered not in the ordinary course of business and having an aggregate value, cost or amount, or imposing liability or contingent liability on any Group Company, in excess of RMB1,000,000;

(iv) transferring or licensing any Proprietary Assets to or from any Group Company other than agreements for commercially available off-the-shelf software that has not been modified or customized for any Group Company;

(v) termination of which would be reasonably likely to have a Material Adverse Effect.

(vi) entered between the Company, Jingdong Century and Tianjin Star East, on the one hand, and any of the PRC Affiliates or individual shareholders of the PRC Affiliates, on the other hand (the "VIE Agreements");

(vii) involving any of the Key Employees, directors, senior officers or shareholders of any Group Company (provided that Section 3.9(a) of the Disclosure Schedule included only such Material Contracts under this subclause (vii) other than those relating employment or service arrangements in the ordinary course of business the amounts of which have been included in the Financial Statements);

(viii) involving any governmental authority (provided that Section 3.9(a) of the Disclosure Schedule included only such Material Contracts that are not in the ordinary course of business);

(ix) terminating or requiring the consent of a third party as a result of the transactions contemplated by this Agreement or the Ancillary Agreements;

(x) obligating such Group Company to share, license or develop any product or technology;

(xi) relating to the sale, issuance, grant, exercise, award, purchase, repurchase or redemption of any securities of any Group Company other than (a) those relating to the repurchase of Old Shares as contemplated under Section 9.8 hereof, (b) those agreements pursuant to which the employees, directors, consultants or advisors of the Group Companies have been allocated with any of the ESOP Shares pursuant to the employee and advisor stock option plan from time to time duly adopted by the Company and (b) those agreements the transactions contemplated under which have been consummated and reflected in the Financial Statements); or

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(xii) involving the acquisition or sale of a business, a merger, consolidation, amalgamation or similar transaction, or a partnership, joint venture, or similar arrangement other than those agreements the transactions contemplated under which have been consummated and reflected in the Financial Statements.

(b) Each Material Contract constitutes the valid and legally binding obligation of the Group Companies, enforceable in accordance with its terms, and the performance of which does not violate any applicable statute, law, injunction, judgment, decree, order, ruling, assessment or writ of any governmental authority, and is in full force and effect. Each Group Company has duly performed all of its obligations under each Material Contract in all material respects to the extent that such

obligations to perform have accrued, and none of the Group Companies has breached, nor does any Seller Party have any knowledge of any claim or threat that (i) any term or condition of any Material Contract has been breached or (ii) any other agreement or understanding to which any Group Company is a party or by which its properties are bound has been breached, in each case which would reasonably be expected to impose liability on any Group Company in excess of RMB50,000,000. No Group Company has given notice (whether or not written) that it intends to terminate a Material Contract or that any other party thereto has materially breached, violated or defaulted under any Material Contract. No Group Company has received any notice (whether or not written) that (i) it has breached, violated or defaulted under any Material Contract or (ii) any other party thereto intends to terminate such Material Contract.

(c) Without limitation to the foregoing subclause (a), none of the Group Companies has breached, and no facts or circumstances are in existence which, with or without the passage of time, could lead to any of the Group Companies being in breach of: (i) the Series A Preferred Share Purchase Agreement (as defined in the Ninth Shareholders Agreement), (ii) the Series B Preferred Share Purchase Agreement (as defined in the Ninth Shareholders Agreement), (iii) Ordinary Share Purchase Agreement, dated December 31, 2009, by and among the Company, Max Smart, Jingdong Century, certain other PRC Subsidiaries, Jingdong 360, the Founder and Tiger Global Five 360 Holdings, (iv) Ordinary Share Purchase Agreement, dated March 17, 2010, by and among the Company, the Founder, Kaixin Asia Limited and Accurate Way Limited, (v) May 2010 Ordinary Share Purchase Agreement (as defined in the Ninth Shareholders Agreement), (vi) Rescission Agreement, dated September 3, 2010, by and among the Company, Max Smart, Tiger 360Buy and certain individual shareholders, (vii) Share Purchase Agreement, dated September 3, 2010, by and among Max Smart, Tiger 360Buy and certain individual shareholders, (viii) Series C Preferred Share Subscription Agreement (as defined in the Ninth Shareholders Agreement), (ix) the Warrants (as defined in the Ninth Shareholders Agreement), which have been fully and duly exercised by the relevant parties (or its Affiliates) to the Warrants pursuant to the terms and conditions in the respective Warrant, (x) First DST Global Ordinary Share Purchase Agreement (as defined in the Ninth Shareholders Agreement), (xi) Second DST Global Ordinary Share Purchase Agreement (as defined in the Ninth Shareholders Agreement), (xii) Sequoia Ordinary Share Purchase Agreement (as defined in the Ninth Shareholders Agreement), (xiii) Classroom Ordinary Share Purchase Agreement (as defined in the Ninth Shareholders Agreement) and (xiv) all shareholder rights and voting agreements of the Company, including the Ninth Shareholders Agreement; and none of the Group Companies has any liability (including any contingent liability) under any of the foregoing agreements.

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3.10 Litigation. There is no material action, suit, proceeding, claim, arbitration or investigation (“**Action**”) pending or, to the best knowledge of the Seller Parties, currently threatened against any of the Group Companies, any Group Company’s activities, properties or assets or, to the best knowledge of the Seller Parties, against any officer, director or employee of each Group Company in connection with such officer’s, director’s or employee’s relationship with, or actions taken on behalf of any Group Company. The aggregate amount of liabilities upon the Group Companies (including any contingent liability) arising from the actions, suits, proceedings, claims, arbitrations or investigations (except for the Actions) pending or, to the best knowledge of the Seller Parties, currently threatened against any of the Group Companies, any Group Company’s activities, properties or assets or, to the best knowledge of the Seller Parties, against any officer, director or employee of each Group Company in connection with such officer’s, director’s or employee’s relationship with, or actions taken on behalf of any Group Company does not have a Material Adverse Effect. To the best knowledge of the Seller Parties, there is no factual or legal basis for any such Action that is likely to result individually or in the aggregate in a Material Adverse Effect. By way of example, but not by way of limitation, there are no Actions pending against any of the Group Companies or threatened against any of the Group Companies, relating to the use by any employee of any Group Company of any information, technology or techniques allegedly proprietary to any of their former employers, clients or other parties. None of the Group Companies is a party to or subject to (and none of its business or assets is affected by) the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality and there is no Action by any Group Company currently pending or which it intends to initiate. No Group Company has disputes with or claims against any governmental authority whether in respect of taxes, fines, penalties, administrative action, or otherwise.

3.11 Compliance with Laws; Consents and Permits.

(a) None of the Seller Parties, the employee shareholders and, to the best knowledge of the Seller Parties, any other beneficial owners of the Company who are PRC residents as defined under Circular 75 (as defined below) is in violation of any applicable statute, rule, regulation, order or restriction of any domestic or foreign government or any instrumentality or agency thereof in respect of the conduct of the Business or the ownership of Group Companies’ properties, including but not limited to the registration requirement for the Founder’s, the employee shareholders’ and, to the best knowledge of the Seller Parties, any other PRC resident’s (indirect) investment in the Company under the Circular 75 issued by the State Administration of Foreign Exchange (“SAFE”) on October 21, 2005, titled “Notice Regarding Certain Administrative Measures on Financing and Inbound Investments by PRC Residents Through Offshore Special Purpose Vehicles”, effective as of November 1, 2005 (“**Circular 75**”), and any successor rule or regulation under PRC law, including any applicable implementing rules or regulations of Circular 75, e.g., the SAFE Circular on Issuing the Operational Rules concerning Foreign Exchange Administration of Company Financings and Round-Tripping Investments via Overseas Special Purpose Companies by Residents in China [Huifa (2011) No. 19] issued by SAFE and effective as of July 1, 2011.

(b) All consents, licenses, permits, approvals, orders, authorizations or registrations, qualifications, designations, declarations or filings by or with any governmental authority (the “**Permits**”) and any third party (collectively with the Permits, the “**Consents**”)

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which are required to be obtained or made by each Group Company in connection with the consummation of the transactions contemplated hereunder shall have been obtained or made prior to and shall be fully effective as of the Closing. Each Group Company has all material franchises, Permits, licenses and any similar authority necessary for the conduct of its Business as currently conducted or the business as set forth in the business scope of each Group Company and the ownership of its properties and assets. None of the Group Companies is in default in any material respect under any of such franchises, Permits, licenses or other similar authority, and the lack of and/or default under franchises, Permits, licenses and any similar authority by the Group Companies in the aggregate does not have a Material Adverse Effect.

3.12 Compliance with Other Instruments and Agreements. None of the Group Companies is or has been in, nor shall the conduct of its business as currently conducted result in, violation, breach or default of any term of its Constitutional Documents of the respective Group Company, or in any material respect of any term or provision of the Material Contracts or of any provision of any judgment, decree, order, statute, rule or regulation applicable to or binding upon the Group Company. None of the activities, agreements, commitments or rights of any Group Company is ultra vires or invalid, or unauthorized. The execution, delivery and performance of and compliance with this Agreement, the Restated Shareholders Agreement and the Ancillary Agreements and the consummation of the transactions contemplated hereby and thereby, will not result in any such violation, breach or default, or be in conflict with or constitute, with or without the passage of time or the giving of notice or both, either a default under any Group Company’s Constitutional Documents or any Material Contract, or a violation of any statutes, laws, regulations or orders, or an event which results in the creation of any lien, charge or encumbrance upon any asset of any Group Company.

3.13 Registration Rights. Except as provided in the Restated Shareholders Agreement, no Seller Party has granted or agreed to grant any person or entity any registration rights (including piggyback registration rights) with respect to, nor is the Company obliged to list, any of the Company’s shares (or PRC Subsidiaries’ or the PRC Affiliates’ shares) on any securities exchange. Except as provided by the Ninth Shareholders Agreement, the Eleventh Articles, the Agreement on Post-IPO Memorandum and Articles of Association dated February 10, 2012 and related side letter agreement (the “**Agreements on Post-IPO M&AA**”) and the VIE

Agreements, and as contemplated under this Agreement, the Restated Articles, the Restated Shareholders Agreement and Ancillary Agreements, there are no voting or similar agreements which relate to the shares of the Company or any of the equity interests of the PRC Subsidiaries or the PRC Affiliates.

3.14 Financial Advisor Fees. There exists no agreement or understanding between any Group Company and any investment bank or other financial advisor under which such Group Company may owe any brokerage, placement or other fees relating to the offer or sale of the Purchased Shares.

3.15 Financial Statements. The following financial statements of the Group Companies, namely (i) the audited consolidated financial statements of the Group Companies for the periods from January 1, 2009 to December 31, 2009, from January 1, 2010 to December 31, 2010 and from January 1, 2011 to December 31, 2011 (together with each of the respective auditor's report thereon), and (ii) the management accounts of the Group Companies for the period from January 1, 2012 to November 30, 2012 (November 30, 2012 is hereinafter referred to as the "**Financial**

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Statements Date") are each (a) in accordance with the books and records of the Group Companies, (b) true, correct and complete and present fairly the financial condition of the Group Companies at the date or dates therein indicated and the results of operations for the period or periods therein specified, and (c) have been prepared in accordance with generally accepted accounting principles of the United States ("**US GAAP**"), in respect of the financial statements specified in the foregoing subclause (i), and generally accepted accounting principles of the PRC ("**PRC GAAP**"), in respect of the financial statements specified in the foregoing subclause (ii), in each case, applied on a consistent basis, except (as to the unaudited financial statements) for the omission of notes thereto and normal year-end provision and audit adjustments. The unaudited consolidated financial statements of the Group Companies for the interim period from January 1, 2012 to September 30, 2012 have been prepared in accordance with US GAAP without being audited or reviewed by outside independent auditors, and the Company believes such financial statements present fairly the financial condition of the Group Companies at the date or dates therein indicated and the results of operations for the period or periods therein specified. The foregoing audited consolidated financial statements, the management accounts and the unaudited interim financial statements and any notes thereto are hereinafter collectively referred to as the "**Financial Statements**." All the financial statements to be provided to the Investors under this Section 3.15 shall include a statement of income, balance sheet and cash flow statements. Specifically, but not by way of limitation, the respective balance sheets of the Financial Statements disclose all of the Group Companies' respective debts, liabilities and obligations of any nature, whether due or to become due, as of their respective dates (including, without limitation, absolute liabilities, accrued liabilities, and contingent liabilities) to the extent such debts, liabilities and obligations are required to be disclosed in accordance with US GAAP (in respect of the Financial Statements specified in the foregoing subclause (i)) and PRC GAAP (in respect of the Financial Statements specified in the foregoing subclause (ii)). The Group Companies have good and marketable title to all assets set forth on the balance sheets of the respective Financial Statements, except for such assets as have been spent, sold or transferred in the ordinary course of business since their respective dates. Except as disclosed in the Financial Statements, none of the Group Companies is a guarantor or indemnitor of any indebtedness of any person or entity other than the Group Companies. Each Group Company maintains and will continue to maintain a standard system of accounting established and administered in accordance with generally accepted accounting principles as required in the jurisdiction where it is incorporated.

3.16 Activities Since Financial Statements Date. Since the Financial Statements Date, with respect to each Group Company, there has not been:

- (a) any change in the assets, liabilities, financial condition or operating results of the Group Companies from that reflected in the Financial Statements, except changes in the ordinary course of business, that, individually or in the aggregate, has or could become or result in a Material Adverse Effect;
- (b) any material change in the contingent obligations of the Group Company by way of guarantee, endorsement, indemnity, warranty or otherwise;
- (c) any damage, destruction or loss, whether or not covered by insurance, that, individually or in the aggregate, has or could become or result in a Material Adverse Effect;

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- (d) any waiver by the Group Company of a valuable right or of a material debt;
- (e) any satisfaction or discharge of any lien, claim or encumbrance or payment of any obligation by the Group Company, except such satisfaction, discharge or payment made in the ordinary course of business that would not have a Material Adverse Effect;
- (f) any material change or amendment to a material contract or arrangement by which the Group Company or any of its assets or properties is bound or subject, except for changes or amendments which are expressly provided for or disclosed in this Agreement;
- (g) any material change in any compensation arrangement or agreement with any Key Employee or any resignation or termination of any Key Employee of the Group Companies (for purpose of this Agreement, "**Key Employees**" shall refer to LIU Qiangdong, CHEN Shengqiang, WANG Yaqing, LAN Ye and ZHAO Guoqing, who are the chief executive officer, chief financial officer, chief technology officer, chief marketing officer and chief strategy officer of the Company);
- (h) any sale, assignment or transfer of any Proprietary Assets or other material intangible assets of the Group Company;
- (i) any mortgage, pledge, transfer of a security interest in, or lien created by the Group Company, with respect to any of the Group Company's properties or assets, except liens for taxes not yet due or payable;
- (j) any debt, obligation, or liability incurred, assumed or guaranteed by the Group Company in excess of five hundred thousand U.S. dollars (US\$500,000) or in excess of one million U.S. dollars (US\$1,000,000) in the aggregate;
- (k) any declaration, setting aside or payment or other distribution in respect of any Group Company's share capital, or any direct or indirect redemption, purchase or other acquisition of share capital by any Group Company;
- (l) any failure to conduct business in the ordinary course, consistent with the Group Companies' past practices;
- (m) any transactions of any kind with any of its officers, directors or employees, or any members of their immediate families, or any entity controlled by any of such individuals other than in respect of continuing and ordinary course employment matters;
- (n) any other event or condition of any character, individually or in the aggregate, which could reasonably be expected to have a Material Adverse Effect; or

- (o) any agreement or commitment by any Group Company or any Seller Party to do any of the things described in this [Section 3.16](#).

3.17 Tax Matters.

(a) The provisions for taxes in the respective Financial Statements are sufficient for the payment of all accrued and unpaid applicable taxes of the covered Group Companies, whether or not assessed or disputed, as of the date of such Financial Statements. Each Group Company has duly filed all tax returns required to be filed by it and paid all taxes shown to be due on such returns. No material issue has been raised by any taxing authority in any tax audit or examination of the Group Companies. Each Group Company is not subject to any waivers of applicable statutes of limitations with respect to taxes for any year. Since the Financial Statements Date, none of the Group Companies has incurred any material taxes, penalties or interest, assessments or governmental charges other than in the ordinary course of Business and each Group Company has made adequate provisions on its books of account for all material taxes, penalties or interest, assessments and governmental charges with respect to its business, properties and operations for such period. No written claim has ever been made by a governmental authority in a jurisdiction where the Group Companies do not file tax returns that any of the Group Company is or may be subject to taxation by that jurisdiction. None of the Group Companies has received notice of any proposed or determined tax deficiency or assessment from any governmental authority. Each Group Company has withheld or withdrawn from each payment to its employees and overseas service providers an amount of income tax (including without limitation income tax in the PRC) required to be withheld or withdrawn to the extent required by applicable laws and has paid such amounts to the relevant tax authorities.

(b) To the best knowledge of each of the Seller Parties after due inquiry, immediately after the Closing, the Company will not be a “Controlled Foreign Corporation” (“CFC”) as defined in the U.S. Internal Revenue Code of 1986, as amended (or any successor thereto) (the “Code”) with respect to the shares held by the Investors.

(c) The Company does not expect to be, with respect to its taxable year during which the Closing occurs, a “passive foreign investment company” (“PFIC”) within the meaning of Section 1297 of the Code. The Company shall use its commercially reasonable efforts to avoid being a PFIC.

(d) Any preferential tax treatment enjoyed by any Group Company on or prior to the Closing has been in compliance with all applicable laws and will not be subject to any retroactive deduction or cancellation except as a result of retroactive effects of changes in the applicable laws. None of the Group Companies is treated as a resident for tax purposes of, or is otherwise subject to income tax in, a jurisdiction other than the jurisdiction in which it has been established.

3.18 OFAC Compliance. Neither the Company nor any Group Company or any directors, administrators, officers, board of directors (supervisory and management) members or employees of the Company or any Group Company is an OFAC Sanctioned Person (as defined below). The Group Companies and their directors, administrators, officers, administrators, board of directors (supervisory and management) members or employees are in compliance with, and have not previously violated, the USA Patriot Act of 2001, and all other applicable United States and PRC anti-money laundering laws and regulations. None of (i) the purchase and sale of the Purchased Shares, (ii) the execution, delivery and performance of this Agreement, the Restated

Shareholders Agreement, the Constitutional Documents or any other Ancillary Agreement, or (iii) the consummation of any transaction contemplated hereby or thereby, or the fulfillment of the terms hereof or thereof, will result in a violation by anyone, including without limitation the Investors, of any of the OFAC Sanctions or of any anti-money laundering laws of the United States, the PRC or any other applicable jurisdiction.

For the purposes of this [Section 3.18](#):

(a) “**OFAC Sanctions**” means any sanctions program administered by the Office of Foreign Assets Control of the United States Department of the Treasury (“**OFAC**”) under authority delegated to the Secretary of the Treasury (the “**Secretary**”) by the President of the United States or provided to the Secretary by statute, and any order or license issued by, or under authority delegated by, the President or provided to the Secretary by statute in connection with a sanctions program thus administered by OFAC. For ease of reference, and not by way of limitation, OFAC Sanctions programs are described on OFAC’s website at www.treas.gov/ofac.

(b) “**OFAC Sanctioned Person**” means any government, country, corporation or other entity, group or individual with whom or which the OFAC Sanctions prohibit a United States Person from engaging in transactions, and includes without limitation any individual or corporation or other entity that appears on the current OFAC list of Specially Designated Nationals and Blocked Persons (the “**SDN List**”). For ease of reference, and not by way of limitation, OFAC Sanctioned Persons other than government and countries can be found on the SDN List on OFAC’s website at www.treas.gov/offices/enforcement/ofac/sdn.

(c) “**United States Person**” means any United States citizen, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person (individual or entity) in the United States, and, with respect to the Cuban Assets Control Regulations, also includes any corporation or other entity that is owned or controlled by one of the foregoing, without regard to where it is organized or doing business.

3.19 Anti-Corruption Laws. Neither the Company nor any of the PRC Subsidiaries and PRC Affiliates, nor, while acting on behalf of the Company or any of the PRC Subsidiaries and PRC Affiliates and to the Company’s knowledge, any agent, director, officer or employee of the Company or of any of the PRC Subsidiaries and PRC Affiliates, has taken any action or has been the subject of any investigation, inquiry or enforcement proceedings by any governmental, administrative or regulatory body regarding any offence in violation of applicable laws relating to anti-bribery, anti-corruption, anti-money laundering, record keeping and internal control laws applicable to any Group Company (“**Anti-Corruption Laws**”), including to the extent applicable the U.S. Foreign Corrupt Practices Act and the PRC anti-corruption related laws. Each Group Company has implemented adequate procedures to ensure compliance by each director, officer or employee of such Group Company with applicable Anti-Corruption Laws, and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith. Each of the Founder and the Group Companies is aware of and understands the applicable Anti-Corruption Laws. No equity holder, officer or director of any Group Company is a candidate for political office, or an employee or officer of any government, or of any political party.

3.20 Interested Party Transactions. No Seller Party, officer or director of a Group Company or any “Affiliate” or “Associate” (as those terms are defined in Rule 405 promulgated under the Act) of any such person has any agreement (whether oral or written), understanding, proposed transaction with, or is indebted to, any Group Company, nor is any Group Company indebted (or committed to make loans or extend or guarantee credit) to any of such persons (other than for accrued salaries, reimbursable expenses or other standard employee benefits), except those disclosed in the Financial Statements under subclause (i) of [Section 3.15](#). No Key Employees, and to the best knowledge of the Seller Parties, no director of a Seller Party or any Affiliate or Associate of any such person has had, either directly or indirectly, an interest in: (a) any person or entity which purchases from or sells, licenses or furnishes to a Group Company any goods, property, intellectual or other property rights or services that are material to the Group Companies; (b) any person or entity that competes with a Group Company; or (c) except this Agreement, the Ancillary

Agreements and the Restated Shareholders Agreement, any material contract or agreement to which a Group Company is a party or by which it may be bound or affected. Except as provided by the Ninth Shareholders Agreement, the Eleventh Articles, the Agreements on Post-IPO M&AA and the VIE Agreements, and as contemplated under this Agreement, the Restated Articles, the Restated Shareholders Agreement and Ancillary Agreements, there is no agreement between the Founder and any other person with respect to the ownership or control of any Group Companies, Max Smart or Fortune Rising, except those award agreements or trust agreements pursuant to which Fortune Rising allocated any of the ESOP Shares to the employees, directors, consultants or advisors of the Group Companies pursuant to the employee and advisor stock option plan from time to time duly adopted by the Company.

3.21 Environmental and Safety Laws. None of the Group Companies is in violation of any applicable statute, law, or regulation relating to the environment or occupational health and safety in any material respect and no material expenditures are or will be required in order to comply with any such existing statute, law or regulation.

3.22 Employee Matters. Each Group Company (i) has complied in all material aspects with all applicable employment and labor laws, employment practices generally applied to other entities in similar industry as such Group Company in the jurisdiction where such Group Company is incorporated, the terms and conditions of employment, in each case, with respect to its employees, except for the accrued amounts for the underpaid employment benefit payments disclosed in Section 3.22 of Disclosure Schedule, for which each Group Company has made adequate provisions on its books of account and which are included in Financial Statements; (ii) has withheld and reported all amounts required by any applicable law or any contract or agreement to be withheld and reported with respect to wages, salaries and other payments to employees; (iii) is not liable for any arrears of wages or any taxes or any penalty for failure to comply with any of the foregoing; and (iv) other than as required by law, is not liable for any payment to any trust or other fund governed by or maintained by or on behalf of any governmental authority, with respect to unemployment compensation benefits, social security or other benefits or obligations for employees. The Group Companies are not aware that any Key Employee nor any senior officer of any Group Company intends to terminate their employment with any Group Company, nor does any Group Company have a present intention to terminate the employment of any Key Employee or any senior officer of any Group Company. The Group Companies are not party to or bound by any currently effective incentive plan, profit sharing plan, retirement agreement or other employee compensation agreement, except the Company's 2008 Stock Issuing Plan adopted in June 2008,

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2009 Employee Stock Incentive Plan adopted in February 2009, 2010 Employee Stock Incentive Plan adopted in March 2010, 2011 Employee Stock Incentive Plan and 2011 Special Employee Stock Incentive Plan adopted in April 2011. All of the employees of the Group Companies are subject to written employment agreements that specify their position, payment of compensation and the terms and conditions of employment (including confidentiality, non-compete and non-solicitation provisions that are customarily applied to the positions in the industry of the Group Companies similar to those held by such employees).

3.23 Exempt Offering. The offer and sale of the Purchased Shares under this Agreement are or shall be exempt from the registration requirements and prospectus delivery requirements of the Act, and from the registration or qualification requirements of any other applicable securities laws and regulations. None of the Company, its Affiliates or any person acting on its or their behalf, has engaged in any directed selling efforts (within the meaning of Regulation S under the Act) in the United States in connection with the transactions contemplated in this Agreement.

3.24 No Other Business. The Company was formed solely to acquire and hold an equity interest in the Offshore Subsidiaries and Jingdong Century, and since its formation has not engaged in any business and has not incurred any liability in the course of its business of acquiring and holding its equity interest in the Offshore Subsidiaries and Jingdong Century. Since the incorporation of each Offshore Subsidiary in the Cayman Islands or British Virgin Islands, such Subsidiary does not engage in any business and has not incurred any liability in the course of its business of acquiring and holding certain equity interest in the applicable PRC Subsidiaries. The PRC Subsidiaries and the PRC Affiliates are engaged solely in the Business and activities necessary for and associated with the Business and have no other activities.

3.25 Minute Books. The minute books of each Group Company have been made available to the Investors upon request and each such minute books provided contains a complete summary of all meetings and actions taken by directors and shareholders or owners of such Group Company since its time of formation, and reflects all transactions referred to in such minutes accurately in all material respects.

3.26 Obligations of Management. Each of the Key Employees is currently devoting his or her full working time to the conduct of the Business of the Group Companies. No Seller Party has received any notice or application from any Key Employee that he/she will work less than full time with the Group Companies. None of the Key Employees or the Founder is currently working for a competitive enterprise, whether or not such person is or will be compensated by such enterprise.

3.27 Disclosure. Each Seller Party has fully provided the Investors with all the information that the Investors have requested for deciding whether to purchase the Purchased Shares. No representation or warranty in writing provided by any Seller Party in this Agreement and no information or materials in writing provided by any Seller Party to the Investors in connection with the negotiation or execution of this Agreement or any agreement contemplated hereby contains any untrue statement of a material fact, or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances in which they are made, not misleading. The financial forecasts or forward-looking statements in any business plans or other materials, including the 2013 budget of the Group Companies preliminarily reviewed and

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to be further approved by the Board of Directors, provided by any Seller Party to the Investors have been prepared in good faith and based on reasonable assumptions of the Seller Parties.

3.28 Other Representations and Warranties relating to the PRC Subsidiaries and the PRC Affiliates.

(a) The Constitutional Documents and all material Consents necessary or appropriate for the PRC Subsidiaries and the PRC Affiliates are valid, have been duly approved or issued (as applicable) by competent PRC authorities or other applicable parties and are in full force and effect.

(b) All material consents, approvals, authorizations or licenses required under PRC law for the due and proper establishment and operation of the PRC Subsidiaries and the PRC Affiliates have been duly obtained from the relevant PRC authorities and are in full force and effect.

(c) All material filings and registrations with the PRC authorities required in respect of the PRC Subsidiaries and the PRC Affiliates and their operations, including but not limited to the registrations with the Ministry of Commerce, the State Administration of Industry and Commerce, SAFE, tax bureau, customs and other authorities, have been duly completed in accordance with the relevant rules and regulations.

(d) The registered capital of each of the PRC Subsidiaries and the PRC Affiliates is paid in accordance with its articles of association and applicable laws. All of the equity interests in each of the Group Companies are legally owned directly by the entities or individuals in the percentages as set out in

Exhibit A hereto. There are no outstanding commitments or undertakings made by the Company to sell, transfer or otherwise dispose of any of its equity interest in any of the Offshore Subsidiaries or Jingdong Century, or by Jingdong Century to sell, transfer or otherwise dispose of any of its equity interest in the other PRC Subsidiaries, or by the Founder or Mr. Sun Jiaming to sell, transfer or otherwise dispose of any of his equity interest in Jingdong 360 or Jiangsu Yuanzhou.

(e) None of the PRC Subsidiaries or the PRC Affiliates are in receipt of any letter or notice from any relevant authority notifying revocation of any permits or licenses issued to it for non-compliance or the need for compliance or remedial actions in respect of the activities carried out directly or indirectly by it.

(f) Each of the PRC Subsidiaries and the PRC Affiliates has been conducting and will conduct its business activities within the permitted scope of business or is otherwise operating its business in full compliance with all relevant legal requirements and with all requisite licenses, permits and approvals granted by competent PRC authorities in all material respects.

(g) In respect of any material Permits requisite for the conduct of any part of the Business of the PRC Subsidiaries or the PRC Affiliates which are subject to periodic renewal, no Seller Party has any reason to believe that such requisite renewals will not be timely granted by the relevant PRC authorities.

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(h) The PRC Subsidiaries and the PRC Affiliates have complied with all applicable PRC labor laws and regulations in all material respects, including without limitation, laws and regulations pertaining to welfare funds, social benefits, medical benefits, insurance, retirement benefits, pensions and housing funds, except for the accrued amounts for the underpaid employment benefit payments for which each Group Company has made adequate provisions on its books of account and which are included in Financial Statements.

(i) All PRC regulatory and corporate authorizations and approvals, necessary or appropriate for the consummation of the transactions contemplated herein have been duly obtained, and such authorizations and approvals are currently, or will be as of the Closing, valid and subsisting at PRC law and in accordance with their respective terms.

(j) the VIE Agreements have been duly authorized by the respective parties thereto (including, without limitation, the board of the Group Companies, as applicable), and constitutes valid and binding obligations of such parties enforceable against such parties in accordance with the laws of the PRC. The VIE Agreements constitute sufficient basis for the PRC Affiliates to be included in consolidated financial statements of the Group Companies under US GAAP.

3.29 Insurance. The Group Companies have in full force and effect all risk property insurance and employee casualty insurance policies, with extended coverage, sufficient in amount (subject to reasonable deductibles) to allow them to receive adequate compensation for any of the losses that they may incur within the two categories cited above.

3.30 Corporate Restructuring and Issuance of Preferred Shares. The obligations arising from the Series A Preferred Shares documentation, the Series B Preferred Shares documentation and the Series C Preferred Shares documentation have been duly fulfilled and complied with and no party to the Series A Preferred Shares documentation, the Series B Preferred Shares documentation or the Series C Preferred Shares documentation is in breach or default of any obligation therein in any material respect.

3.31 Insolvency and Winding Up. Both before and after giving effect to the transactions contemplated hereby, (a) the aggregate assets, at a fair valuation, of each Group Company will exceed the aggregate debt of each such entity, as the debt becomes absolute and matures and (b) each Group Company will not have incurred or intended to incur debt beyond its ability to pay such debt as such debt becomes absolute and matures. No order or petition has been presented or resolution passed for the administration, winding-up, dissolution or liquidation of any Group Company and no administrator, receiver or manager has been appointed in respect thereof. None of the Group Companies has commenced any other proceeding under any bankruptcy, reorganization, composition, arrangement, adjustment of debt, release of debtors, dissolution, insolvency, liquidation or similar Law of any jurisdiction and no such proceedings have been commenced against any Group Company.

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4. REPRESENTATIONS AND WARRANTIES OF MAX SMART AND THE FOUNDER

Max Smart and the Founder hereby jointly and severally represent and warrant to each Investor as follows:

4.1 Organization, Good Standing and Qualification. Max Smart has been duly incorporated, and is validly existing and in good standing under the laws of the British Virgin Islands. The Founder owns all the outstanding equities in Max Smart, free and clear of any third party interest and encumbrances and liens, and that the following table shows all of the direct and indirect shareholders of Max Smart as of the date hereof and as of the Closing Date:

<u>Name</u>	<u>Number and Type of Shares in Max Smart</u>	<u>Percentage of its Shareholding in Max Smart</u>
LIU Qiangdong	1 ordinary share	100%
Total:	1 ordinary share	100%

4.2 Authorization. Max Smart has the full power and authority for the execution and delivery of, and the performance of all obligations of Max Smart under, this Agreement, the Restated Shareholders Agreement and Ancillary Agreements. Each of this Agreement, the Restated Shareholders Agreement and the Ancillary Agreements constitutes a valid and legally binding obligation of Max Smart, enforceable in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles.

5. REPRESENTATIONS AND WARRANTIES OF THE INVESTORS.

Each Investor represents and warrants, severally and not jointly and severally, to the Seller Parties and Max Smart as follows:

5.1 Authorization. Such Investor has all requisite power, authority and capacity to enter into this Agreement, the Restated Shareholders Agreement and the Ancillary Agreements, and to perform its obligations under this Agreement, the Restated Shareholders Agreement and the Ancillary Agreements. This Agreement has been duly authorized, executed and delivered by such Investor. Each of this Agreement, the Restated Shareholders Agreement and the Ancillary Agreements, when executed and delivered by such Investor, will constitute valid and legally binding obligations of such Investor enforceable in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles.

5.2 Purchase for Own Account. The Purchased Shares will be acquired for such Investor's own account, not as a nominee or agent, and not with a view to or in connection with the sale or distribution of any part thereof. By executing this Agreement, such Investor further represents that it does not have any contract with any person to sell, transfer or grant participations to any person, with respect to any of the Purchased Shares.

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5.3 Organization, Good Standing and Qualification. Such Investor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation.

5.4 Investment Experience. Such Investor acknowledges that it is able to fend for itself, can bear the economic risks of its investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Purchased Shares.

5.5 Status of Investor. Such Investor is (i) purchasing the Purchased Shares outside the United States in compliance with Regulation S under the Act and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction or (ii) an "accredited investor" within the meaning of Securities and Exchange Commission ("SEC") Rule 501 of Regulation D, as presently in effect, under the Act.

5.6 Restricted Securities. Such Investor understands that the Purchased Shares it is purchasing are characterized as "restricted securities" under U.S. federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Act only in certain limited circumstances.

5.7 Legends. It is understood that the certificates evidencing the Purchased Shares shall bear the following legend:

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR A VALID EXEMPTION THEREFROM."

5.8 Sufficient Funds Available. Such Investor has, or will have as of the Closing, sufficient funds available to consummate the transactions completed by, and to perform its obligations to be performed as of the Closing, including payment of the Purchase Price due under this Agreement.

6. COVENANTS OF THE SELLER PARTIES.

Each of the Seller Parties jointly and severally covenants to each Investor as follows:

6.1 Use of Proceeds from the Sale of Purchased Shares. The Company will use the proceeds from the issuance and sale of the Purchased Shares for capital expenditure and working capital of the Group Companies. Unless otherwise agreed to in writing by the Investors, no proceeds from the sale of the Purchased Shares shall be used in the payment of any debt of the Group Companies or in the repurchase or cancellation of securities held by any shareholders of the Company, except for the repurchase of Old Shares (as defined below).

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6.2 Business of the Company, Max Smart and the Offshore Subsidiaries. The business of Max Smart and the Company shall be restricted to the holding of shares or equity interest in the Company, and the Offshore Subsidiaries and Jingdong Century, respectively. The business of each Offshore Subsidiary incorporated in the Cayman Islands or British Virgin Islands shall be restricted to the holding of shares or equity interest in the applicable PRC Subsidiaries.

6.3 Business of the PRC Subsidiaries and the PRC Affiliates. Each Seller Party shall use its commercially reasonable efforts and take all necessary actions to implement and carry out the Group Companies' business plan. The business of Jingdong Century and other Group Companies shall be limited to the Business.

6.4 Use of Investors' Names or Logos. Without the prior written consent of the Investor, and whether or not such Investor is then a shareholder of the Company, none of the Group Companies, their shareholders (excluding each Investor in respect of itself), nor the Founder shall use, publish or reproduce the name of such Investor or any similar names, trademarks or logos in any of their marketing, advertising or promotion materials or otherwise for any marketing, advertising or promotional purposes, except for the fact of the equity investments in the Group Companies by such Investor (and in any such case shall not disclose the aggregate or individual investment amounts, pricing or ownership percentage, or any of the terms of this Agreement, the Restated Shareholders Agreement or any of the Ancillary Agreements).

6.5 Equity Compensation. The Company shall not directly or indirectly issue Ordinary Shares, share options or other forms of equity of the Company to any employees, directors or consultants or their Associates except in accordance with the employee share option plan (the "ESOP") approved from time to time by the Board of Directors.

6.6 Initial Public Offering or Trade Sale. The Company shall use best efforts to, on and prior to January 1, 2015, consummate, and the Founder shall use commercially reasonable efforts to support, (a) a Qualified IPO (as defined in the Restated Shareholders Agreement); or (b) a Trade Sale (as defined in the Restated Shareholders Agreement).

6.7 Board of Directors. Unless otherwise approved by the Board of Directors, the Company shall hold meetings of the Board of Directors at least every three (3) months.

6.8 Independent Auditors. The Company shall engage one of the Big 4 accounting firms (*i.e.*, PricewaterhouseCoopers, KPMG, Deloitte & Touche or Ernst & Young) or other reputable accounting firms and shall cause such international accounting firm to audit the Company's annual consolidated financial statements within one hundred and eighty (180) days after the end of each fiscal year.

6.9 Cash Deposit. All the Group Companies' cash shall be deposited with sound international or PRC financial institutions, and all such cash deposits shall be short-term with free liquidity unless otherwise approved by the Board of Directors.

6.10 Regulatory Compliance. Each Seller Party shall use its best efforts to cause all shareholders of each Group Company, and any successor entity or controlled affiliate of any Group Company and, to the knowledge of the Seller Parties, any PRC residents (as defined under Circular 75) holding beneficial interests in the Company, to timely complete all required

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registrations and other procedures with applicable governmental authorities (including without limitation SAFE) as and when required by applicable laws and regulations in all material respects. The Seller Parties shall ensure that, prior to the commencement of Qualified IPO (as defined in the Restated Shareholders Agreement) by the Company, each entity described above and its respective shareholders are in compliance with such requirements in all material respects and that there is no barrier to repatriation of profits, dividends and other distributions from the PRC Subsidiaries (or any successor entity, respectively) to the Company.

6.11 **Lock up.** Subject to the terms and conditions hereof, following a Qualified IPO (as defined in the Restated Shareholders Agreement), the Founder, Max Smart and holders of Ordinary Shares who are management personnel of the Company (other than the Investors) shall be subject to any customary lock-up period to the extent requested by the lead underwriter of securities of the Company in connection with the registration relating to such Qualified IPO.

6.12 **Non-Compete.** The Founder acknowledges that the Investors have agreed to invest in the Company on the basis of the continued and exclusive services of and full devotion and commitment by the Founder to the Group Companies, and agrees that the Investors should have reasonable assurance of such basis of investment. The Founder undertakes to each Investor that he will not, and he will procure that none of his Associates (as defined below) will, directly or indirectly:

(a) until the later of (i) the consummation of a Qualified IPO (as defined in the Restated Shareholders Agreement) or (ii) such time as there are no (X) Preferred Shares or (Y) Ordinary Shares held by any Investor (the “**Restriction Period**”), participate, assist, engage or be interested in, any business or entity in any Relevant Jurisdiction (as defined below) in any manner, directly or indirectly, which is in competition with the Business carried on by any Group Company at any time during the Restriction Period;

(b) during the Restriction Period, solicit in any manner any person who is or has been during the Restriction Period a customer or client of any Group Company for the purpose of offering to such person any goods or services similar to or competing with any of the businesses conducted by any Group Company at any time during the Restriction Period;

(c) during the Restriction Period, solicit or entice away, or endeavor to solicit or entice away, any employee or officer of any Group Company;

(d) at any time disclose to any person, or use for any purpose other than for the benefit of the Group Companies, any trade secrets or confidential information of or relating to any of the Group Companies.

In addition to and without limiting the restrictions set forth herein, the Founder and Max Smart shall not compete directly or indirectly with the Business carried on by any Group Company in the above manner for a period of two (2) years after the Founder and/or Max Smart and/or the Founder’s Associates collectively cease to hold more than 5% of the Company’s shares (calculated on a fully diluted and as-converted basis).

In addition to and without limiting the restrictions set forth herein, the Founder hereof further undertakes to each Investor that he will not, and he will use his best efforts to procure that

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the directors nominated by the Founder or Max Smart or the executive officers of the Company will not, directly or indirectly compete with the business carried on by any Group Company in the above manner during the period that the Founder or the foregoing persons are directors and/or executive officers of the Company and within two (2) years after the Founder or such foregoing person leaves his or her director or executive officer post.

In addition to and without limiting the restrictions set forth herein, the Founder hereof further undertakes to each Investor that he shall not engage in any other entity’s business or operation (i) during his employment period with any of the Group Companies, or (ii) until the consummation of a Qualified IPO (as defined in the Restated Shareholders Agreement), whichever is earlier, *provided, however*, that nothing herein shall be deemed to restrict him and his Associates from owning an aggregate interest of not more than five percent (5%) of the outstanding shares of a publicly listed company.

For purposes of this Agreement, “**Associate**” means, in relation to an individual, his spouse, his child or step-child, brother, sister, parent, nominee or trustee of any trust in which such individual or any of its foregoing mentioned family members is a beneficiary or a discretionary object, or any entity or company controlled by any of the aforesaid persons or any person acting under his instructions (pursuant to an agreement or arrangement, formal or otherwise) in each case from time to time. For the said purpose, a person shall be deemed to **control** a company if that person, directly or indirectly:

- (i) controls the composition of a majority of the board of the company;
- (ii) controls more than half of the voting power of the company;
- (iii) holds legally or beneficially more than half of the issued share capital, or ordinary share capital, of the company; or
- (iv) is a person in accordance with whose directions the board of directors of the company is accustomed to act.

“**Relevant Jurisdiction**” means a jurisdiction in which any Group Company carries on or conducts any business, including but not limited to the PRC, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan.

Notwithstanding anything to the contrary contained herein, in the event of (i) occurrence of a hostile takeover of the Company, or (ii) after the termination by the Group Company of the Founder’s employment with the Group Company without Cause, this Section 6.12 shall not apply to the Founder after the occurrence of any such event. For purposes of this Section 6.12, “**Cause**” means, with respect to a person, (i) gross negligence or failure to perform the duties and responsibilities of such person’s office resulting in material harm to the Group Companies, taken as a whole, (ii) failure or refusal to comply in any material respect with material and lawful policies and directives of the Company resulting in material harm to the Group Companies, taken as a whole, (iii) material breach of any statutory duty or any other obligation that such person owes to the Group Companies resulting in material harm to the Group Companies, taken as a whole, (iv) commission of an act of fraud, theft or embezzlement against the Group Companies or involving their material properties or assets, or (v) conviction of any felony or crime of moral turpitude,

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provided, however, that with respect to any occurrence of any of (i), (ii) or (iii), such person shall have been given not less than sixty (60) days’ written notice by the Board of Directors of the Company of the Board’s determination (such determination being made independent of such person, if such person is a Board member) that

such event had occurred, and such person shall have until the end of such sixty (60) day period following receipt of such notice to rectify or cure such occurrence if such occurrence is curable before any action premised upon a determination of Cause can be taken.

6.13 Additional Covenants. Except as required by this Agreement, no resolution of the directors, owners, members, partners or shareholders of any of the Group Companies shall be passed, nor shall any contract or commitment be entered into, in each case, prior to the Closing without the prior written consent of the Investors, except that the Group Companies may carry on its respective business in the same manner as heretofore and may pass resolutions or enter into contracts for so long as they are effected in the ordinary course of business, and except for the resolutions to add three directors to the Board of Directors pursuant to the Ninth Shareholders Agreement and the Eleventh Articles.

If at any time before the Closing, any of the Seller Parties comes to know of any material fact or event which:

- (a) is in any way materially inconsistent with any of the representations and warranties given by any Seller Party, and/or
- (b) suggests that any material fact warranted may not be as warranted or may be materially misleading, and/or

(c) might affect the willingness of a reasonable investor in making a prudent decision to purchase the Purchased Shares or cause him to adjust the amount of consideration which the Investors would be prepared to pay for the Purchased Shares, such Seller Party shall give immediate written notice to the Investors, in which event (if such event should occur prior to the Closing), the Investors may within five (5) Business Days of receiving such notice terminate this Agreement, as far as the Investors are concerned, by written notice without any penalty whatsoever and without prejudice to any rights that the Investors may have under this Agreement or applicable law.

6.14 Filing of Articles. Before the Closing, the Company shall have duly filed the Restated Articles (in the form attached hereto as Exhibit D) with the Registrar of Corporate Affairs in the BVI.

6.15 Access to Information. From the date hereof until the Closing Date, the Group Companies will give the Investors and each of their respective authorized representatives access to the books, records, financial and operating data and other information relating to the Group Companies as such persons may reasonably request and cooperate with the Investors in their investigation of the Group Companies. No investigation by the Investors, no information received by the Investors, nor any knowledge of the Investors (actual or constructive) shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the Seller Parties hereunder.

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6.16 Maintenance of Leases. The Group Companies shall maintain in full force and effect leases for offices and warehouses that are necessary and material to the Business.

6.17 Employee Matters. Prior to a Qualified IPO (as defined in the Restated Shareholders Agreement) by the Company, the PRC Subsidiaries and the PRC Affiliates shall have submitted a plan to the reasonable satisfaction of the Company's Board of Directors regarding compliance with all applicable PRC labor laws and regulations in all material respects, including without limitation, laws and regulations pertaining to welfare funds, social benefits, medical benefits, insurance, retirement benefits, pensions and housing funds.

6.18 Tax Matters. The PRC Subsidiaries and the PRC Affiliates shall comply with all applicable PRC tax laws and regulations in all material respects, including without limitation, laws and regulations pertaining to enterprise income tax, value added tax and business tax.

6.19 Tax Covenants.

(a) In the event that the Company is determined by counsel or accountants for the Investors to be a CFC with respect to the shares held by the Investors, the Company agrees (a) to use commercially reasonable efforts to avoid generating Subpart F Income (as defined in Section 952 of the Code) ("**Subpart F Income**") and (b) to the extent permitted by the applicable laws, to annually make dividend distributions to the Investors in an amount equal to 50% of any income deemed distributed to each Investor that would have been deemed distributed to such Investor pursuant to Section 951(a) of the Code had such Investor been a "United States person" as such term is defined in Section 7701(a)(30) of the Code (or such lesser amount determined by the Investor in its sole discretion). The Company shall provide to the Investors upon request (i) any information in its possession concerning its shareholders and, to the Company's actual knowledge, the direct and indirect interest holders in each shareholder, sufficient for the Investors to determine the Company's status as a CFC, and/or a report regarding the Company's status as a CFC if available to the Company, and (ii) in the event that the Company is determined to be a CFC, any information in the possession of the Company to determine whether the Investors or any of the Investors' Partners is required to report its pro rata portion of the Company's Subpart F Income on its United States federal income tax return, or to allow the Investors or such Investors' Partners to otherwise comply with applicable United States federal income tax laws. For purposes of this Section 6.19, (i) the term "**Investors' Partners**" shall mean the Investors' shareholders, partners, members or other equity holders and any direct or indirect equity owners of such entities and (ii) the "**Company**" shall mean the Company and any of its subsidiaries.

(b) The Company shall, upon any Investor's request, at the expense of such Investor who so requests, as soon as reasonably practicable engage a nationally recognized U.S. tax advisor (which can include the Company's accounting firm if such firm has a U.S. office) to determine whether the Company or any subsidiary of the Company is a PFIC, and, request such tax advisor to inform all of the Investors in writing, as soon as reasonably practicable following the end of the Company's taxable year, whether the Company or any subsidiary of the Company is a PFIC. The advisor shall also make itself available, as reasonably requested by such Investor, to answer questions with respect to its determination as to whether the Company or any subsidiary of the Company is a PFIC. In the event that the Company engages an accounting firm to determine

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the Company's status as a PFIC or otherwise reports such status to any other Company shareholder, the Company shall provide a report of such status to the Investors.

(c) The Company shall take such actions, including making an election to be treated as a corporation or refraining from making an election to be treated as a partnership, as may be required to ensure that at all times the Company is treated as corporation for United States federal income tax purposes.

(d) The Company shall make due inquiry with its tax advisors (and shall cooperate with the Investors' tax advisors with respect to such inquiry) on at least an annual basis regarding whether the Investors' or any Investors' Partner's direct or indirect interest in the Company is subject to the reporting requirements of either or both of Sections 6038 and 6038B of the Code (and the Company shall duly inform the Investors of the results of such determination), and in the event that the Investors' or any Investors' Partner's direct or indirect interest in Company is determined by the Company's tax advisors or the Investors' tax advisors to be subject to the reporting requirements of either or both of Sections 6038 and 6038B, the Company agrees, upon a request from the Investors, to provide such information as may be necessary to fulfill the Investors' or the Investors' Partner's obligations thereunder.

7. CONDITIONS TO THE INVESTORS' OBLIGATIONS AT THE CLOSING.

7.1 The obligation of any Investor to purchase the Purchased Shares at the Closing is subject to the fulfillment, to the satisfaction of such Investor (or waiver thereof) on or prior to the Closing Date, of the following conditions:

- (a) Representations and Warranties True and Correct. The representations and warranties made by the Seller Parties in Section 3 and by Max Smart and the Founder in Section 4 hereof shall be true and correct and complete as of the Closing Date (except to the extent such representations and warranties expressly speak of a specified date, in which case such representations and warranties shall be true and correct and complete as of such specified date).
 - (b) Proceedings and Documents. The resolutions of the board of directors of the Company, the PRC Subsidiaries and the PRC Affiliates, and the resolutions of shareholder(s) of the Company and the PRC Affiliates, in connection with the transactions contemplated hereby shall have been duly passed, and the Investors shall have received copies of such documents as they may reasonably request in form and substance as agreed by the Investors.
 - (c) Approvals, Consents and Waivers. The existing shareholders of the Company shall have waived any anti-dilution rights, rights of first refusal, preemptive rights and all similar rights in connection with the issuance of the Purchased Shares at the Closing.
 - (d) Compliance Certificate. The Seller Parties shall deliver to the Investors a certificate (in substantially the form attached hereto as Exhibit G), dated the Closing Date, signed by the Company's President or director, the legal representative of each Seller Party certifying that the conditions specified in Section 7.1 have been fulfilled with all requisite instruments and documents attached and stating that there shall have been no material adverse change which would be reasonable likely to have a Material Adverse Effect since the date of this Agreement.
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- (e) Amendment to Constitutional Documents. The Restated Articles (in substantially the form attached hereto as Exhibit D) shall have been duly adopted by the Company by all necessary corporate action of its Board of Directors and its shareholders and shall have been duly filed with the Registrar of Corporate Affairs in the BVI (the proof of completion of such filing shall have been provided to the Investors in the form and substance satisfactory to the Investors), with a copy of the stamped Restated Articles being delivered to the Investors within three (3) Business Days after the Closing.
 - (f) Opinions of Company Counsel. The Investors shall have received from the PRC counsel opinions in substantially the form attached hereto as Exhibit H and from the BVI counsel the opinions in substantially the form attached hereto as Exhibit I, addressed to the Investors, in each case dated as of the Closing Date.
 - (g) Execution of Restated Shareholders Agreement and Ancillary Agreements. The Company shall have delivered to the Investors the Restated Shareholders Agreement (in substantially the form attached hereto as Exhibit E) and the Ancillary Agreements (as applicable), duly executed by the Company and all other parties thereto (except for the Investors).
 - (h) Good Standing. The Investors shall have received a certificate of good standing, dated no longer than four (4) Business Days prior to the Closing Date, issued by the Registrar of Corporate Affairs of the BVI with respect to the Company.
 - (i) Capitalization Table. The Company shall deliver to the Investors a pre- and post-closing capitalization table of the Company as of the Closing Date.
 - (j) Performance. Each Seller Party shall have performed and complied with all of the obligations and conditions that are required to be performed or complied with by them, on or before the Closing.
 - (k) No Material Adverse Effect. There shall have been no Material Adverse Effect since the execution date of this Agreement.
 - (l) Closing Deliveries. The Company shall have delivered to the Investors their closing deliveries under Section 2.2.

7.2 Any Investor may at any time waive in writing any of the conditions above, on such terms as it may decide.

8. CONDITIONS TO THE COMPANY'S OBLIGATIONS AT THE CLOSING.

8.1 Closing. The obligations of the Company under this Agreement with respect to each Investor are subject to the fulfillment, on or prior to the Closing Date of the following conditions:

- (a) Representations and Warranties. The representations and warranties of such Investor contained in Section 5 hereof shall be true and correct as of the Closing Date (except

to the extent such representations and warranties expressly speak of a specified date, in which case such representations and warranties shall be true and correct as of such specified date).

- (b) Payment of the Purchase Price. Such Investor shall have delivered to the Company and the Company shall have received in its designated account, the Purchase Price in accordance with Section 1.2.
- (c) Execution of Restated Shareholders Agreement and Ancillary Agreements. Such Investor shall have executed and delivered to the Company the Restated Shareholders Agreement and the Ancillary Agreements (as applicable).
- (d) Execution of Letter Agreement. Such Investor shall have executed and delivered to the Company the Letter Agreement in substantially the form attached hereto as Exhibit J.
- (e) Performance. Such Investor shall have performed and complied with all of the obligations and conditions that are required to be performed or complied with by them, on or before the Closing.

9. POST-CLOSING OBLIGATIONS.

9.1 Post-closing Obligations. Following the Closing, the Seller Parties shall procure the Group Companies to, take all necessary steps and action to ensure that the Business and affairs of the Group Companies will be in compliance with applicable laws, including without limitation to the relevant laws and regulations in the PRC, and their Constitutional Documents in all material respects.

9.2 Invitation to Board Meetings. So long as the Investors hold in aggregate as least 75,000,000 shares of Ordinary Shares (as adjusted for any share dividends, consolidation, combinations, reclassifications or splits with respect to such shares and the like), the Company shall invite a representative of the Investors to attend, in a nonvoting capacity, the meetings of the Board of Directors in which representatives from certain other existing shareholders, other than the incumbent directors and observer, are also invited, and shall give the Investors' representative copies of all notices, minutes, consents and other materials that it provides to its directors and observer; *provided, however*, that the Company reserves the rights to withhold any information and to exclude the Investors' representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of highly confidential proprietary technical information.

9.3 Founder SAFE Registration. The Founder shall, on or before June 30, 2013, (i) update his outbound investment foreign exchange registration in respect of his shareholding in the Company with the competent branch of SAFE to reflect the consummation of the transactions contemplated in this Agreement, and (ii) provide documentary evidence confirming the foregoing shareholding has been duly registered with the competent branch of SAFE.

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9.4 Registration of Share Pledgee. Jingdong Century, Jingdong 360 and the Founder shall, on or before February 28, 2013, (i) update the registration of the share pledge agreement, dated May 29, 2012, made by the Founder and Sun Jiaming (with PRC identity number of 320881198008071616), with respect to the 100% equity interest of Jingdong 360, in favor of Jingdong Century with the competent branch of the State Administration for Industry and Commerce ("SAIC"), and provide documentary evidence confirming the foregoing share pledges have been duly registered with the competent branch of the SAIC, unless the competent branch of SAIC does not deem such update to be necessary or does not accept application for such update.

9.5 Employee Matters. The Seller Parties shall, and shall procure the Group Companies to, comply in all material aspects with all applicable employment and labor laws, including without limitation, laws and regulations pertaining to welfare funds, social benefits, medical benefits, insurance, retirement benefits, pensions and housing funds (including continuation coverage, reporting and disclosure obligations).

9.6 Miscellaneous Post-Closing Actions. The Seller Parties shall, or procure the Group Companies to, use their commercially reasonable efforts to obtain and maintain all Permits that are necessary for the conduct of the Business as currently conducted or currently proposed to be conducted, the absence of which would be reasonable likely to have a Material Adverse Effect.

9.7 No Transfer to Competitors. Notwithstanding anything to the contrary, as long as the Founder and Founder's Associate collectively and beneficially own (through his interest in Max Smart or otherwise) more than twenty percent (20%) of the voting power of the Company's then outstanding shares (calculated on a fully-diluted and as converted basis), without the prior written consent of the Founder, each Investor shall not make a Transfer of its Ordinary Shares to any Competitor prior to December 31, 2015, *provided* that the foregoing restrictions shall not apply (a) to a Transfer of the Company's shares following the Company's initial public offering, or (b) if such Transfer is made in connection with a Trade Sale.

For purposes of this Agreement, (i) "**Transfer**" shall mean any proposed assignment, sale, offer to sell, pledge, mortgage, hypothecation, encumbrance, disposition of or any other like transfer or encumbering in a single transaction of any interest in the Company's shares; (ii) "**Competitor**" shall mean any person or entity or Affiliates of any such person or entity whose primary business is the same as, or in direct competition with, the Business; and (iii) "**Trade Sale**" means either (a) a merger, consolidation, share purchase, or other business combination of the Company with or into any other business entity in which the shareholders of the Company immediately after such merger, consolidation, share purchase or business combination hold shares representing less than a majority of the voting power of the outstanding share capital of the surviving business entity, or (b) the sale, lease, transfer or other disposition of all or substantially all of the Company's assets.

9.8 Repurchase of Old Shares from Max Smart. The Investors agree that concurrent with or immediately after the Closing, the Company will repurchase from Max Smart, and Max Smart will sell and transfer to the Company, 2,524,716 Ordinary Shares (the "**Old Shares**") for an aggregate repurchase price of US\$10,000,000, or approximately US\$3.961 per share, and agrees to sign any document that is necessary for the consummation of the repurchase and is required to be signed by the Investors as a shareholder of the Company to effect the repurchase. The Company

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shall update the register of members of the Company accordingly to reflect the completion of such repurchase and provide a certified copy of the updated register of members of the Company to the Investors immediately upon the completion of such update in the form and substance to the reasonable satisfaction of the Company.

9.9 Miscellaneous Specific Post-Closing Covenants. Without prejudice to the generality of any other post-closing obligations, the Seller Parties shall, and shall procure the Group Companies (as applicable) to, use their commercially reasonable efforts to ensure that the specific matters as listed in Exhibit K hereto are duly addressed as per the specific requirements for each such matter as set forth in Exhibit K.

10. MISCELLANEOUS.

10.1 Indemnity.

(a) Subject to Section 10.1(d) below, each Seller Party shall, jointly and severally, indemnify each Investor, and its directors, officers, employees, Affiliates, agents and assigns (each, an "**Indemnitee**") against any losses, liabilities, damages, liens, penalties, diminution in value, costs and expenses, including reasonable advisor's fees and other reasonable expenses of investigation and defense of any of the foregoing, incurred by such Investor (the "**Indemnifiable Loss**") as a result of (i) any breach or violation of any representation or warranty made by any Seller Party including without limitation the Financial Statements; and (ii) any breach by any Seller Party of any covenant or agreement contained herein, including without limitation claims by tax authorities against any Group Company.

(b) If any Investor believes that it has a claim that may give rise to an indemnity obligation hereunder, it shall promptly notify the Seller Party stating specifically the basis on which such claim is being made, the material facts related thereto, and (if ascertainable or quantifiable) the amount of the claim asserted. For purposes hereof, notice delivered to the Founder at the Company's address pursuant to Section 10.8 shall constitute effective notice to all Seller Parties. In the event of a third party claim against an Indemnitee for which such Indemnitee seeks indemnification from the Seller Parties, no settlement shall be deemed conclusive with respect whether there was an Indemnifiable Loss or the amount of such Indemnifiable Loss unless such settlement is consented to by the Seller Parties. Any dispute related to this Section 10.1(b) shall be resolved pursuant to Section 10.18 hereof.

(c) (i) none of the Seller Parties shall have any liability under this Agreement until the aggregate amount of Indemnifiable Loss incurred by an Indemnitee exceeds an amount equal to US\$1,000,000, in which case such Indemnitee shall be entitled to indemnification of the entire amount of the Indemnifiable Loss; and (ii) the amount of Indemnifiable Loss (other than Indemnifiable Loss relating to breaches of Fundamental Warranties) for which the Investors may be indemnified by the Seller Parties under this Agreement shall be limited to the Purchase Price actually paid by the Investors, which shall be allocated in accordance with the pro rata portion of each Investor's payment for the Purchase Shares.

(d) Subject to the foregoing, (x) the Founder's indemnity obligations that are determined to arise under this Agreement shall be satisfied solely with, and recourse will be

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limited solely to, the Ordinary Shares and any other securities of the Company held directly or indirectly, currently or in the future by the Founder and his Associates, and no other assets of the Founder shall in any respect be used to satisfy any of the Founder's indemnity obligations under this Agreement, and each Investor hereby agrees to waive any right or claim against the Founder or his assets except pursuant to the terms and subject to the conditions under this Agreement; (y) all claims asserted under this Agreement against the Seller Parties shall be settled by the Seller Parties in accordance with the following contribution procedure: first, the Group Companies shall satisfy all claims to the extent possible; second, to the extent that such claims are not fully satisfied (such unsatisfied amounts, the "**Remaining Losses**"), such Remaining Losses shall be settled by the gratis transfer to the related Indemnitee of such number of Ordinary Shares or other securities of the Company then held by the Founder and/or his Associates calculated by dividing the Remaining Losses by the fair market value of such Ordinary Share (determined pursuant to Section 10.18 if the related parties cannot agree to the fair market value of such Ordinary Shares); and (z) notwithstanding any other provision contained herein, any claims against the Founder and any of the Founder's indemnity and guarantee obligations under this Agreement shall terminate, and be wholly barred and unenforceable, upon the consummation of a Qualified IPO (as defined in the Restated Shareholders Agreement).

(e) Notwithstanding any other provision contained herein, this Section 10.1 shall be the sole and exclusive monetary remedy of each Investor for any claim against the Seller Parties arising out of or resulting from this Agreement and the transactions contemplated hereby, except that no limitation or exceptions with respect to the obligations or liabilities on any Seller Party provided in the foregoing sub-sections under this Section 10.1 shall apply to an Indemnifiable Loss arising due to the fraud or willful misconduct of any Seller Party.

10.2 [Reserved].

10.3 Founder's Guarantee. Subject to Section 10.1, in consideration of each Investor entering into this Agreement, the Founder hereby unconditionally and irrevocably guarantees, as primary obligor and not merely a surety, to such Investor that so long as the Founder has management control over the Group Companies, whether directly or indirectly, the due and punctual performance and observance will be conducted by each of the Company, the PRC Subsidiaries, the PRC Affiliates and Max Smart, in each case, of all its respective obligations, commitments, undertakings, warranties, indemnities and covenants under or pursuant to this Agreement and agrees to fully and unconditionally indemnify the Indemnitees against all losses, damages, costs and expenses (including legal costs and expenses) which the Indemnitees may suffer through or arising from any breach by any of the Company, the PRC Subsidiaries, the PRC Affiliates and Max Smart. The liability of the Company, the PRC Subsidiaries, the PRC Affiliates and Max Smart (as the case may be) as aforesaid shall not be released or diminished by any arrangements or alterations of terms (whether of this Agreement, or otherwise) or any forbearance, neglect or delay in seeking performance of the obligations hereby imposed or any granting of time for such performance.

10.4 Governing Law. This Agreement shall be governed by and construed in accordance with the law of Hong Kong as to matters within the scope thereof, without regard to its principles of conflicts of laws.

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10.5 Survival. The representations, warranties, covenants and agreements made herein shall survive for two (2) years after the Closing, *provided* that the representations and warranties of Seller Parties (i) under Sections 3.17 and 3.21 shall survive until the expiration of applicable statute of limitation and (ii) under Sections 3.1, 3.2, 3.4 and 3.5 (collectively, the "**Fundamental Warranties**") shall survive perpetually. Such representations and warranties of the Seller Parties shall in no way be affected by any investigation of the subject matter thereof made by or on behalf of the Investors.

10.6 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto. This Agreement and the rights and obligations therein may not be assigned by any of the Seller Parties or Max Smart without the written consent of the Investors. Notwithstanding the foregoing, any Investor may assign its rights hereunder, including without limitation the right to acquire Purchased Shares together with the related obligations of such Investor hereunder, to an Affiliate, *provided* that such Affiliate shall join the Restated Shareholders Agreement as a "Kingdom Party" and an "Investor", by executing a deed of adherence or other necessary document in form and substance reasonably satisfactory to the Company, the Founder and Max Smart.

10.7 Entire Agreement. This Agreement, the Restated Shareholders Agreement, any Ancillary Agreements, and the schedules and exhibits hereto and thereto, which are hereby expressly incorporated herein by this reference constitute the entire understanding and agreement between the parties with regard to the subjects hereof and thereof; *provided, however*, that nothing in this Agreement or related agreements shall be deemed to terminate or supersede the provisions of any confidentiality and nondisclosure agreements executed by the parties hereto prior to the date hereof, which agreements shall continue in full force and effect until terminated in accordance with their respective terms.

10.8 Notices. Except as may be otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and shall be conclusively deemed to have been duly given (a) when hand delivered to the other party, upon delivery; (b) when sent by facsimile at the number set forth in Exhibit F hereto, upon receipt of confirmation of error-free transmission; (c) seven (7) Business Days after deposit in the mail as air mail or certified mail, receipt requested, postage prepaid and addressed to the relevant party or parties as set forth in Exhibit F; or (d) three (3) Business Days after deposit with an overnight delivery service, postage prepaid, addressed to the relevant parties as set forth in Exhibit F with next business day delivery guaranteed, *provided* that the sending party receives a confirmation of delivery from the delivery service provider.

Each person making a communication hereunder by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant hereto, but the absence of such confirmation shall not affect the validity of any such communication. A party may change or supplement the addresses given above, or designate additional addresses, for purposes of this Section 10.8, by giving the other parties written notice of the new address in the manner set forth above.

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10.9 Amendments. Any term of this Agreement may be amended only with the written consent of the Company, the Founder and the Investors.

10.10 Waivers. Each of the Seller Parties, by executing this Agreement, hereby waives any anti-dilution rights, rights of first refusal, preemptive rights and all similar rights in connection with the issuance of the Purchased Shares.

10.11 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any Seller Party or Investor, upon any breach or default of any party hereto under this Agreement, shall impair any such right, power or remedy of such Seller Party or Investor, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach of default thereafter occurring; nor shall any waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Seller Party or Investor of any breach of default under this Agreement or any waiver on the part of any Seller Party or Investor of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, or by law or otherwise afforded to the Seller Parties and the Investors shall be cumulative and not alternative.

10.12 Finder's Fees. Each party represents and warrants to the other parties hereto that it has retained no finder or broker in connection with the transactions contemplated by this Agreement and hereby agrees to indemnify and to hold harmless the other party hereto from and against any liability for any commission or compensation in the nature of a finder's fee of any broker or other person or firm (and the costs and expenses of defending against such liability or asserted liability) for which the indemnifying party or any of its employees or representatives are responsible.

10.13 Interpretation; Titles and Subtitles. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless otherwise expressly provided herein, all references to Sections and Exhibits herein are to Sections and Exhibits of this Agreement. As used in this Agreement, the words "include" and "including", and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation".

10.14 Counterparts. This Agreement may be executed (including facsimile signature) in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

10.15 Severability. If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or

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benefits intended by the parties. In such event, the parties shall use best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly effects the parties' intent in entering into this Agreement.

10.16 Confidentiality and Non-Disclosure. The parties hereto agree to be bound by the confidentiality and non-disclosure provisions of Section 10 of the Restated Shareholders Agreement, which shall mutatis mutandis apply.

10.17 Further Assurances. Each party shall from time to time and at all times hereafter make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required to effect the transactions contemplated by this Agreement.

10.18 Dispute Resolution.

(a) Consultation between Parties. Any dispute, controversy or, claim or difference of any kind whatsoever arising out of, relating to or in connection with this Agreement, or the breach, termination or invalidity hereof (including the validity, scope and enforceability of this arbitration provision) (the "**Dispute**") shall first be attempted to be resolved through consultation between the Parties in good faith for a period of thirty (30) days after written notice has been sent by registered mail by any Party to the other Party (the "**Consultation Period**").

(b) Arbitration. If the Dispute remains unresolved upon expiration of the Consultation Period, any Party may in its sole discretion elect to submit the matter to arbitration with notice to any other Party or Parties. The arbitration shall be conducted in Hong Kong and shall be administered by the Hong Kong International Arbitration Centre ("**HKIAC**") in accordance with the HKIAC Administered Arbitration Rules in force at the time of the commencement of the arbitration. The arbitration tribunal shall consist of three arbitrators. The language of the arbitration shall be English. The decision of the arbitrators (by rule of majority) shall be final and binding on the parties (including any decision on their fees) and their fees shall be borne and paid by the parties in such proportions as the arbitrators shall determine.

10.19 Expenses. The Investors and the Seller Parties shall bear their own cost and expense for consummation of the transaction contemplated hereunder.

10.20 Termination. This Agreement may be terminated by the Investors or the Company, on or after February 8, 2013 (the "**Termination Date**"), by written notice to the other parties, if the Closing has not occurred on or prior to such date *provided that*: (i) the terminating party is not in material default of any of its obligations hereunder, and (ii) the right to terminate this Agreement pursuant to this Section 10.20 shall not be available to any party whose breach of any provision of this Agreement has been the cause of, or has resulted, directly or indirectly, in, the failure of the Closing to be consummated by the Termination Date. Such termination under this Section 10.20 shall be without prejudice to any claims for damages or other remedies that the parties may have under this Agreement or applicable law.

10.21 Disclosure Schedule. The parties hereto agree that any reference in a particular Section of the Disclosure Schedule to this Agreement shall only be deemed to be an exception to (or, as applicable, a disclosure for purposes of) the representations and warranties of the relevant

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party that are contained in the corresponding Section of this Agreement only if the relevance of that reference as an exception to (or a disclosure for purposes of) such representations and warranties would be readily apparent to a reasonable person who has read that reference and such representations and warranties, without any independent knowledge on the part of the reader regarding the matter(s) so disclosed.

[The Remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE SELLER PARTIES:

/s/ **360BUY JINGDONG INC.**

/s/ **MAX SMART LIMITED**

/s/ **BEIJING JINGDONG CENTURY TRADING CO., LTD.**
(□□□□□□□□□□)
(Company seal)

/s/ **BEIJING JINGDONG 360 DEGREE E-COMMERCE CO., LTD.**
(□□□□□□□□□□□□□□)
(Company seal)

SIGNATURE PAGE TO ORDINARY SHARE PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

/s/ **JIANGSU YUANZHOU E-COMMERCE CO., LTD.**
(□□□□□□□□□□)
(Company seal)

SIGNATURE PAGE TO ORDINARY SHARE PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE FOUNDER

/s/ **LIU Qiangdong**
LIU Qiangdong(□□□)
PRC ID No.: ***

SIGNATURE PAGE TO ORDINARY SHARE PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

/s/ **SHANGHAI YUANMAI TRADING CO., LTD.**
(□□□□□□□□□□)
(Company seal)

/s/ **GUANGZHOU JINGDONG TRADING CO., LTD.**
(□□□□□□□□□□)
(Company seal)

/s/ **JIANGSU JINGDONG INFORMATION TECHNOLOGY CO., LTD.**
(□□□□□□□□□□)
(Company seal)

/s/ **CHENGDU JINGDONG CENTURY TRADING CO., LTD.**
(□□□□□□□□□□)
(Company seal)

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

/s/ **BEIJING JINGDONG CENTURY INFORMATION TECHNOLOGY CO., LTD.**

(□□□□□□□□□□)
(Company seal)

/s/ **JIANGSU YUANMAI TRADING CO., LTD.**

(□□□□□□□□)
(Company seal)

/s/ **WUHAN JINGDONG CENTURY TRADING CO., LTD.**

(□□□□□□□□□□)
(Company seal)

SIGNATURE PAGE TO ORDINARY SHARE PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

/s/ **SHANGHAI SHENGDAYUAN INFORMATION TECHNOLOGY CO., LTD.**

(□□□□□□□□□□)
(Company seal)

/s/ **TIANJIN STAR EAST CORPORATION LIMITED**

(□□□□□□□□□□)
(Company seal)

/s/ **SHENYANG JINGDONG CENTURY TRADING CO., LTD.**

(□□□□□□□□□□)
(Company seal)

/s/ **BEIJING JINGDONG SHANGKE INFORMATION TECHNOLOGY CO., LTD.**

(□□□□□□□□□□)
(Company seal)

SIGNATURE PAGE TO ORDINARY SHARE PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

/s/ **BEIJING JINGBANGDA TRADING CO., LTD.**

(□□□□□□□□□□)
(Company seal)

SIGNATURE PAGE TO ORDINARY SHARE PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTOR:

/s/ **SUPREME UNIVERSAL HOLDINGS LTD.**

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTOR:

/s/ GOLDSTONE CAPITAL LTD.

SIGNATURE PAGE TO ORDINARY SHARE PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTOR:

/s/ KINGDOM 5-KR-225, LTD.

SIGNATURE PAGE TO ORDINARY SHARE PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTOR:

/s/ KINGDOM 5-KR-232, LTD.

SIGNATURE PAGE TO ORDINARY SHARE PURCHASE AGREEMENT

DATED FEBRUARY 6, 2013

360BUY JINGDONG INC.
and
MAX SMART LIMITED
and
BEIJING JINGDONG CENTURY TRADING CO., LTD.
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and
BEIJING JINGDONG 360 DEGREE E-COMMERCE CO., LTD.
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and
JIANGSU YUANZHOU E-COMMERCE CO., LTD.
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and
SHANGHAI YUANMAI TRADING CO., LTD.
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and
GUANGZHOU JINGDONG TRADING CO., LTD.
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and
JIANGSU JINGDONG INFORMATION TECHNOLOGY CO., LTD.
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and
CHENGDU JINGDONG CENTURY TRADING CO., LTD.
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and
BEIJING JINGDONG CENTURY INFORMATION TECHNOLOGY CO., LTD
()
and
JIANGSU YUANMAI TRADING CO., LTD.
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and
WUHAN JINGDONG CENTURY TRADING CO., LTD.
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and
SHANGHAI SHENGDAYUAN INFORMATION TECHNOLOGY CO., LTD.
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and
TIANJIN STAR EAST CO., LTD.
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and
BEIJING JINGBANGDA TRADING CO., LTD.
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and
SHENYANG JINGDONG CENTURY TRADING CO., LTD.

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and
BEIJING JINGDONG SHANGKE INFORMATION TECHNOLOGY CO., LTD.
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and
LIU QIANGDONG
()
and
DST CHINA EC X, L.P.

ORDINARY SHARE PURCHASE AGREEMENT

ORDINARY SHARE PURCHASE AGREEMENT

THIS ORDINARY SHARE PURCHASE AGREEMENT (the “**Agreement**”) is made and entered into as of February 6, 2013, by and among:

1. **360BUY JINGDONG INC.** (formerly known as Star Wave Investments Holdings Limited), a BVI Business Company limited by shares and organized and existing under the laws of the British Virgin Islands (“**BVI**”) (the “**Company**”);
2. **MAX SMART LIMITED**, a BVI Business Company limited by shares and organized and existing under the laws of the BVI (“**Max Smart**”);

3. **LIU QIANGDONG** (刘强东), the beneficial owner of 100% equity interest of Max Smart, People’s Republic of China (“**PRC**”) ID Number *** (the “**Founder**”);
4. **BEIJING JINGDONG CENTURY TRADING CO., LTD.** (北京京东世纪贸易有限公司), a wholly foreign-owned enterprise organized and existing under the laws of the PRC (“**Jingdong Century**”);
5. **BEIJING JINGDONG 360 DEGREE E-COMMERCE CO., LTD.** (北京京东三六零度电子商务有限公司), a limited liability company organized and existing under the laws of the PRC (“**Jingdong 360**”);
6. **JIANGSU YUANZHOU E-COMMERCE CO., LTD.** (江苏元 Zhou 电子商务有限公司), a limited liability company organized and existing under the laws of the PRC (“**Jiangsu Yuanzhou**”);
7. **SHANGHAI YUANMAI TRADING CO., LTD.** (上海源迈贸易有限公司), a limited liability company organized and existing under the laws of the PRC (the “**Shanghai Subsidiary**”);
8. **GUANGZHOU JINGDONG TRADING CO., LTD.** (广州京东世纪贸易有限公司), a limited liability company organized and existing under the laws of the PRC (the “**Guangzhou Subsidiary**”);
9. **JIANGSU JINGDONG INFORMATION TECHNOLOGY CO., LTD.** (江苏京东世纪信息技术有限公司), a limited liability company organized and existing under the laws of the PRC (the “**Jiangsu Subsidiary**”);
10. **CHENGDU JINGDONG CENTURY TRADING CO., LTD.** (成都京东世纪贸易有限公司), a limited liability company organized and existing under the laws of the PRC (the “**Chengdu Subsidiary**”);

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11. **BEIJING JINGDONG CENTURY INFORMATION TECHNOLOGY CO., LTD.** (北京京东世纪信息技术有限公司), a limited liability company organized and existing under the laws of the PRC (the “**Beijing Subsidiary**”);
12. **JIANGSU YUANMAI TRADING CO., LTD.** (江苏源迈贸易有限公司), a limited liability company organized and existing under the laws of the PRC (“**Jiangsu Yuanmai**”);
13. **WUHAN JINGDONG CENTURY TRADING CO., LTD.** (武汉京东世纪贸易有限公司), a limited liability company organized and existing under the laws of the PRC (the “**Wuhan Subsidiary**”);
14. **SHANGHAI SHENGDAYUAN INFORMATION TECHNOLOGY CO., LTD.** (上海晟德源信息技术有限公司), a limited liability company organized and existing under the laws of the PRC (“**Shanghai Shengdayuan**”);
15. **TIANJIN STAR EAST CORPORATION LIMITED** (天津星东有限公司), a limited liability company organized and existing under the laws of the PRC (“**Tianjin Star East**”);
16. **BEIJING JINGBANGDA TRADING CO., LTD.** (北京京邦达贸易有限公司), a limited liability company organized and existing under the laws of the PRC (“**Beijing Jingbangda**”);
17. **SHENYANG JINGDONG CENTURY TRADING CO., LTD.** (沈阳京东世纪贸易有限公司), a limited liability company organized and existing under the laws of the PRC (the “**Shenyang Subsidiary**”);
18. **BEIJING JINGDONG SHANGKE INFORMATION TECHNOLOGY CO., LTD.** (北京京东世纪尚客信息技术有限公司), a limited liability company organized and existing under the laws of the PRC (“**Beijing Shangke**”); and
19. **DST CHINA EC X, L.P.**, a company organized and existing under the laws of the Cayman Islands (the “**Investor**”).

Jingdong 360 and Jiangsu Yuanzhou are collectively referred to herein as the “**PRC Affiliates**” and each, a “**PRC Affiliate**”. Jingdong Century, Shanghai Subsidiary, Jiangsu Subsidiary, Guangzhou Subsidiary, Chengdu Subsidiary, Beijing Subsidiary, Jiangsu Yuanmai, Wuhan Subsidiary, Shanghai Shengdayuan, Tianjin Star East, Beijing Jingbangda, Shenyang Subsidiary and Beijing Shangke are referred to collectively herein as the “**PRC Subsidiaries**” and each, a “**PRC Subsidiary**”. The Company, the offshore subsidiaries of the Company as listed in Part II of Exhibit A attached hereto (excluding Justyle Group Limited) (the “**Offshore Subsidiaries**”), the PRC Subsidiaries, the PRC Affiliates, the subsidiaries of the PRC Subsidiaries and the PRC Affiliates listed in Parts III and IV of Exhibit A attached hereto and any other entity whose financial statements are consolidated with those of the Company in accordance with generally accepted accounting principles in the United States and are recorded on the books of the

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Company for financial reporting purposes are referred to collectively herein as the “**Group Companies**”, and each, a “**Group Company**”.

RECITALS

- A. The Company was incorporated under the laws of the BVI. Further particulars of the Company are set out in Exhibit A to this Agreement.
- B. The Company desires to issue and sell to the Investors, and the Investors desire to purchase from the Company certain number of ordinary shares, par value US\$0.00002 per share, of the Company (the “**Ordinary Shares**”) on the terms and conditions set forth in this Agreement.
- C. Jingdong Century was established as a limited liability company under the laws of the PRC and wholly owned by the Company.
- D. Each of Shanghai Subsidiary, Jiangsu Subsidiary, Guangzhou Subsidiary, Chengdu Subsidiary, Beijing Subsidiary, Jiangsu Yuanmai, Wuhan Subsidiary, Shenyang Subsidiary and Beijing Shangke was established as a limited liability company under the laws of the PRC and wholly owned by Jingdong Century.

- E. Shanghai Shengdayuan was established as a limited liability company under the laws of the PRC and an indirect wholly owned subsidiary of the Company.
- F. Tianjin Star East was established as a limited liability company under the laws of the PRC and an indirect wholly owned subsidiary of the Company.
- G. Beijing Jingbangda was established as a limited liability company under the laws of the PRC and an indirect wholly owned subsidiary of the Company.
- H. Each PRC Affiliate was established as a limited liability company under the laws of the PRC and is owned 99% by the Founder and 1% by Mr. Sun Jiaming. The financial statements of the PRC Affiliates are intended to be consolidated with those of the Company and are recorded on the books of the Company for financial reporting purposes.
- I. The Group Companies mainly engage in the business of (i) e-commerce business (including business-to-consumer or B2C), (ii) sale of digital products, food, healthcare products, clothes, cosmetic products, books, audio/video products and other general merchandise products through the internet websites and relevant services and (iii) logistics (collectively, the “**Business**”).

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. AGREEMENT TO PURCHASE AND SELL PURCHASED SHARES.

1.1 Agreement to Purchase and Sell Purchased Shares. Subject to the terms and conditions hereof, at the Closing (as defined below) the Company shall issue and sell to (a) the Investor and the Investor shall purchase from the Company, Eight Million One Hundred and Ninety Six Thousand Nine Hundred and Ninety Five (8,196,995) Ordinary Shares (the “**Purchased Shares**”) for a purchase price of US\$32,466,998 (the “**Purchase Price**”). The consideration for each of the Purchased Shares shall be approximately US\$3.961 per share.

Such Ordinary Shares shall have the rights, privileges and restrictions as set forth in the Twelfth Amended and Restated Memorandum and Articles of Association of the Company attached hereto as Exhibit D (as amended, the “**Restated Articles**”).

1.2 Transfer of Funds. At the Closing, the Investor shall pay the Purchase Price by wire transfer of United States dollars in immediately available funds to a designated account of the Company, *provided* that the Company shall deliver wire transfer instructions to the Investor at least three (3) business days (“**Business Day**”, defined as any day other than a Saturday or Sunday on which banks are ordinarily open for business in Hong Kong Special Administrative Region of the PRC (“**Hong Kong**”), PRC, Saudi Arabia and the Cayman Islands) prior to the Closing.

1.3 Post-Investment Capitalization Structure. Immediately following the issue and sale of the Purchased Shares at the Closing, the post-investment capitalization structure of the Company (calculated on a fully-diluted and as converted basis) is as set out in Part II of Exhibit B hereto.

1.4 Issuance of ESOP Shares.

(a) As of the date hereof, Fortune Rising Holding Limited (“**Fortune Rising**”) holds 74,215,905 Ordinary Shares that were issued to it at an issuance price of US\$0.00002 per share. The parties agree that concurrent with or immediately after the Closing, the Company shall issue an aggregate of 9,960,005 Ordinary Shares to Fortune Rising at an issuance price of US\$0.00002 per share. The abovementioned 74,215,905 Ordinary Shares and the 9,960,005 Ordinary Shares shall be collectively referred to as “**ESOP Shares**”.

(b) In relation to the ESOP Shares, the parties agree that (i) the ESOP Shares shall be held by Fortune Rising on behalf of or for issuance to the officers, directors, employees and consultants (collectively, the “**Awardees**”) of the Group Companies; and (ii) the allotment of any of the ESOP Shares to any Awardee shall be subject to the approval of the Board of Directors of the Company (the “**Board of Directors**”), including the consent of at least two directors out of any of the Series A Director, the Series B Director, the Series C Director and Tiger Director (each as defined in the Restated Shareholders Agreement (as defined below)).

(c) After the allotment of the ESOP Shares in accordance with Section 1.4(a) of this Agreement, the disposition of any such ESOP Shares that an Awardee is entitled to dispose of shall be subject to Section 4.5 of the Restated Shareholders Agreement.

(d) This Section 1.4 shall terminate upon a Qualified IPO (as defined in the Restated Shareholders Agreement).

2. CLOSINGS; DELIVERY.

2.1 Closing. The allotment and sale of the Purchased Shares shall be held within five (5) Business Days after the fulfillment or waiver of the conditions to closing as set forth in Section 7 and Section 8.1 or at such other time as the Company and the Investor may mutually agree (the “**Closing**”).

2.2 Delivery by the Company. In addition to any items the delivery of which at or before the Closing is made an express condition to the Investor’s obligations pursuant to Section 7, the Company will, at the Closing, (a) deliver to the Investor duly issued share certificates issued in favor of the Investor representing the Purchased Shares purchased by the Investor, duly signed and sealed for and on behalf of the Company; and (b) cause its register of members to be duly updated to reflect the Purchased Shares purchased by the Investor, and deliver a copy of such updated register of members to the Investor, certified as a true and correct copy by the Company’s registered agent or a director of the Company.

3. REPRESENTATIONS AND WARRANTIES OF THE SELLER PARTIES.

The Company, the PRC Subsidiaries, the PRC Affiliates and the Founder (collectively, the “**Seller Parties**” and individually, a “**Seller Party**”) hereby jointly and severally represent and warrant to the Investor, subject to Section 10.21 and the exceptions set forth in the Disclosure Schedule (the “**Disclosure Schedule**”) attached to this Agreement as Exhibit C (which Disclosure Schedule shall be deemed to be representations and warranties to the Investor), as of the date hereof and the date of the Closing as follows (in this Agreement, any reference to a party’s “**knowledge**” means such party’s actual knowledge, and, in the case of a party that is a legal

entity, the actual knowledge of the Key Employees after due and diligent inquiries of the employees or outside consultants of such party reasonably believed to have knowledge of the matter in question):

3.1 Organization, Standing and Qualification. Each Group Company is duly organized, validly existing and in good standing (or equivalent status in the relevant jurisdiction) under, and by virtue of, the laws of the place of its incorporation or establishment and has all requisite power and authority to own its properties and assets and to carry on its business as now conducted and to perform each of its obligations hereunder and under any agreement contemplated hereunder to which it is a party. Each Group Company is qualified to do business and is in good standing (or equivalent status in the relevant jurisdiction) in each jurisdiction where failure to be so qualified would have a Material Adverse Effect. “**Material Adverse Effect**” means any event, occurrence, fact, condition, change or development, individually or together with other events, occurrences, facts, conditions, changes or developments, (i) that has had, has, or could reasonably be expected to have a material adverse effect on the business (as presently conducted and presently

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contemplated to be conducted), condition (financial or otherwise), affairs, prospects, properties, employees, liabilities, assets or results of operation of the Group Companies taken as a whole, (ii) that prevents or materially impedes the consummation by the Company of the transactions contemplated by this Agreement, or (iii) material impairment of the ability of the Group Companies to perform their material obligations under this Agreement or the Restated Shareholders Agreement and the various agreements attached to this Agreement (collectively, “**Ancillary Agreements**”).

3.2 Capitalization.

(a) Ordinary Shares. Immediately prior to the Closing (and prior to the adoption of the Restated Articles), the Company is authorized to issue a total of 1,935,536,365 Ordinary Shares, par value US\$0.00002 per share, of which 1,358,540,331 shares are issued and outstanding.

(b) Preferred Shares. Immediately prior to the Closing (and prior to the adoption of the Restated Articles), the Company is authorized to issue a total of 564,463,635 Preferred Shares, par value US\$0.00002 per share, of the Company, of which (i) 221,360,925 are designated as Series A Preferred Shares, par value US\$0.00002 per share (the “**Series A Preferred Shares**”), and 191,894,000 Series A Preferred Shares are issued and outstanding, (ii) 84,786,405 are designated as Series B Preferred Shares, par value US\$0.00002 per share (the “**Series B Preferred Shares**”), and 84,786,405 Series B Preferred Shares are issued and outstanding and (iii) 258,316,305 are designated as Series C Preferred Shares, par value US\$0.00002 per share (the “**Series C Preferred Shares**,” together with Series A Preferred Shares and Series B Preferred Shares, the “**Preferred Shares**”), and 258,316,305 Series C Preferred Shares are issued and outstanding.

(c) Options, Warrants, Reserved Shares. Immediately prior to the Closing, the Company has reserved enough Ordinary Shares for issuance upon the conversion of all Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares. Except for (i) the conversion privileges of the Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares, as provided in the Ninth Amended and Restated Shareholders Agreement dated November 1, 2012 (the “**Ninth Shareholders Agreement**”) and the Eleventh Amended and Restated Memorandum and Articles of Association of the Company (the “**Eleventh Articles**”), (ii) the ESOP Shares reserved for issuance to the employees, directors, consultants and advisors of the Group Companies pursuant to the employee and advisor stock option plan from time to time duly adopted by the Company, (iii) the Ordinary Share Purchase Agreement dated January 23, 2013 between the Company and Kingdom 5-KR-232, Ltd., Kingdom 5-KR-225, Ltd., Supreme Universal Holdings Ltd., Goldstone Capital Ltd. and certain other parties named therein (iv) as provided in the Restated Articles, and (v) as contemplated hereby and by the Tenth Amended and Restated Shareholders Agreement attached hereto as Exhibit E (the “**Restated Shareholders Agreement**”), there are no options, warrants, conversion privileges, agreements or rights of any kind with respect to the issuance or purchase of the Purchased Shares or any other securities of the Company. Apart from the exceptions noted in this Section 3.2(c), the Restated Articles and the Restated Shareholders Agreement, no outstanding shares (including the Purchased Shares), or shares issuable upon exercise, conversion or exchange of any outstanding options, warrants or other shares issuable by the Company, are subject to any preemptive rights, rights of first refusal or

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other rights of any kind to purchase such shares (whether in favor of the Company or any other person).

(d) Outstanding Security Holders. A complete and current list of all shareholders, option holders, warrant holders and other security holders of the Company as of the date hereof indicating the type and number of shares, options, warrants or other securities held by each such shareholder, option holder, warrant holder or other security holder is set forth in the shareholding tables in Exhibit B, except for the employees, directors, consultants or advisors of the Group Companies who have been allocated with any of the ESOP Shares pursuant to the employee and advisor stock option plan from time to time duly adopted by the Company. The information set out in Exhibit B is true and complete in all respects and there is no information the omission of which might make such information misleading or inaccurate in any respect.

(e) No Acceleration. Except for the ESOP (as defined below), no share plan, share purchase, share option or other agreement or understanding between the Company and any holder of any securities of the Company or rights exercisable or convertible for securities of the Company provides for acceleration or other changes in the vesting provisions or other terms of such agreement or understanding as a result of the consummation of the transactions contemplated in this Agreement.

3.3 Subsidiaries; Group Structure.

(a) One hundred percent (100%) of the equity interests of the PRC Subsidiaries are owned directly or indirectly by the Company, and the equity interests of the PRC Affiliates are held ninety-nine percent (99%) and one percent (1%), respectively, directly by the Founder and Sun Jiaming (孙建明), with the PRC identity number of 320881198008071616). Apart from the entities listed in Exhibit A, the Company does not presently own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, association, or other entity which is still in operation. The information relating to each Group Company as set out in Exhibit A is true and accurate in all respects and there is no information the omission of which might make such information misleading or inaccurate in any respect.

(b) There are no options, warrants, conversion privileges or other rights, or agreements with respect to the issuance thereof, presently outstanding to purchase any of the equity interest of any of the PRC Subsidiaries and PRC Affiliates, Max Smart or Fortune Rising.

3.4 Due Authorization. All corporate actions on the part of the Group Companies and, as applicable, their respective officers, directors and shareholders necessary for (i) the authorization of the Restated Articles, the certificate of incorporation or other equivalent corporate charter documents of any of the Group Companies, including VIE Agreements for Jiangsu Yuanzhou and Jingdong 360 (collectively with the Restated Articles, the “**Constitutional Documents**”), (ii) the authorization, execution and delivery of, and the performance of the obligations of the Seller Parties under this Agreement, the Restated Shareholders Agreement and the Ancillary Agreements, and (iii) the authorization, issuance, reservation for issuance and delivery of all of the Purchased Shares being sold under this Agreement have

or is subject is or will be a valid and binding obligation of each such Group Company enforceable in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles. Immediately prior to the Closing, the Restated Articles will be in full force and effect.

3.5 Valid Issuance of Purchased Shares.

(a) The Purchased Shares, when issued, sold and delivered in accordance with the terms of this Agreement and the Restated Articles, will be duly and validly issued, fully paid and non-assessable.

(b) All currently outstanding shares of the Company are duly and validly issued, fully paid and non-assessable, and all outstanding shares, options, warrants and other securities of the Company and each other Group Company have been issued in full compliance with the requirements of all applicable laws and regulations including, to the extent applicable, the registration and prospectus delivery requirements of the United States Securities Act of 1933, as amended (the "Act"), or in compliance with applicable exemptions therefrom, and all other provisions of applicable securities laws and regulations, including, without limitation, anti-fraud provisions.

(c) All waivers of rights of first refusal, preemptive rights, redemption rights, co-sale or tag-along rights, drag-along rights, put or call rights, rights to liquidation preferences or special dividends or any other rights triggered by the transactions contemplated by this Agreement or the Ancillary Agreements have been duly and validly obtained and are irrevocable.

3.6 Liabilities. The Group Companies do not have any liabilities or obligations of any nature, whether accrued, absolute, contingent, asserted, unasserted or otherwise, except liabilities or obligations (i) stated or adequately reserved against in the balance sheets of the respective Financial Statements (as defined below), (ii) incurred as a result of or arising out of the consummation of the transactions contemplated hereunder, or (iii) incurred in the ordinary course of business since the Financial Statements Date.

3.7 Title to Properties and Assets; ICP License.

(a) Each Group Company has good and marketable title to its properties and assets held in each case subject to no mortgage, pledge, lien, encumbrance, security interest or charge of any kind. With respect to the properties and assets it leases, each Group Company is in compliance in all material respects with such leases, and the aggregate amount of liabilities upon the Group Companies (including any contingent liability) arising from all the noncompliance with such leases by the Group Companies in aggregate does not have a Material Adverse Effect. To the best knowledge of each of the Seller Parties, such Group Company holds valid leasehold interests in such assets. Section 3.7(a) of the Disclosure Schedule sets out a true and correct schedule of all material real estate owned, leased or otherwise used or occupied by each Group Company. For purpose of this Section 3.7(a), "material" shall mean (i) any property that is necessary, desirable or otherwise material to the conduct of the Business as currently conducted or contemplated, (ii)

having an value in excess of RMB20,000,000 for each asset, except for real property, and (iii) having an area of above 500 square meters for real property.

(b) Jingdong 360 has obtained and validly maintained in full force and effect the internet content provider license (the "ICP License") and has commenced to engage in the internet information service. The Founder warrants and represents that neither he nor his Associates (as defined in Section 6.12) has any interest in any other business operation which is similar to the Business of the Group Companies (and to the extent there is or has been any such interest, such interest or business operation has been terminated and deregistered).

3.8 Status of Proprietary Assets. Each Group Company (i) has independently developed or owns free and clear of all claims, security interests, liens or other encumbrances, or (ii) has a valid right or license to use, all Proprietary Assets, including without limitation all Registered Intellectual Property, necessary and appropriate or otherwise material for the Business and without any conflict with or infringement of the rights of others. There are no outstanding options, licenses, agreements or rights of any kind granted by any Group Company or any other party relating to any Group Company's Proprietary Assets. No Group Company has received any written communications alleging that it has violated or, by conducting its business as currently conducted or as currently proposed, has violated or would violate any Proprietary Assets of any other person or entity, nor, to the best knowledge of the Seller Parties, is there any reasonable basis therefor. To the best knowledge of the Seller Parties, none of the current or former officers, employees or consultants of any Group Company (at the time of their employment or engagement by a Group Company) has been or is obligated under any agreement (including licenses, covenants or commitments of any nature) or other arrangement or undertaking of any kind, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with the use of his, her or its best efforts to promote the interests of such Group Company or that would conflict with the business of such Group Company as currently conducted or currently proposed to be conducted or that would prevent such officers, employees or consultants from assigning to such Group Company inventions conceived or reduced to practice in connection with services rendered to such Group Company. To the best knowledge of the Seller Parties, neither the execution nor delivery of this Agreement, the Restated Shareholders Agreement or any Ancillary Agreement, nor the carrying on of the Business of any Group Company by its employees, nor the conduct of the business of any Group Company as currently conducted or proposed to be conducted, conflict or will conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant or instrument under which any of such employees is now obligated. It will not be necessary to utilize any inventions of any of the Group Companies' employees (or people the Group Companies currently intend to hire) made prior to or outside the scope of their employment by the relevant Group Company. No government funding, facilities of any educational institution or research center, or funding from third parties has been used in the development of any Proprietary Assets of any Group Company that would adversely affect or interfere with any Group Company's title or right to use to such Proprietary Assets in any way. For purpose of this Agreement, (i) "Proprietary Assets" shall mean all patents, patent applications, trademarks, service marks, trade names, domain names, copyrights, copyright registrations and applications and all other rights corresponding thereto, inventions, databases and all rights therein, all computer software including all source code, object code, firmware, development tools, files, records and data, including all media on which any of the foregoing is stored, formulas, designs, business methods, trade secrets, confidential and proprietary

information, proprietary rights, knowhow and processes, and all documentation related to any of the foregoing; and (ii) "Registered Intellectual Property" means all Proprietary Assets of any Group Company, wherever located, that is the subject of an application, certificate, filing, registration or other document issued by, filed with or recorded by any governmental authority.

3.9 Material Contracts and Obligations.

(a) All of the following agreements, contracts, leases, licenses, mortgages, indentures, instruments, commitments (oral or written), indebtedness, liabilities and other obligations to which each Group Company is a party or by which it or its assets is bound (each, a “**Material Contract**” and collectively, the “**Material Contracts**”) have been made available for inspection by the Investor and its counsel and are listed in Section 3.9(a) of the Disclosure Schedule:

- (i) having an aggregate value, cost or amount, or imposing liability or contingent liability on any Group Company, in excess of RMB20,000,000 other than the cash deposit agreements with banks the amounts of which are included in the Financial Statements (provided that only such Material Contracts under this subclause (i) having an aggregate value, cost or amount, or imposing liability or contingent liability on any Group Company, in excess of RMB50,000,000 have been made available for inspection by the Investor and its counsel and included in Section 3.9(a) of the Disclosure Schedule);
- (ii) containing exclusivity, non-competition, or similar clauses that impair, restrict or impose conditions on any Group Company’s right to offer or sell products or services in specified areas, during specified periods, or otherwise;
- (iii) entered not in the ordinary course of business and having an aggregate value, cost or amount, or imposing liability or contingent liability on any Group Company, in excess of RMB1,000,000;
- (iv) transferring or licensing any Proprietary Assets to or from any Group Company other than agreements for commercially available off-the-shelf software that has not been modified or customized for any Group Company;
- (v) termination of which would be reasonably likely to have a Material Adverse Effect.
- (vi) entered between the Company, Jingdong Century and Tianjin Star East, on the one hand, and any of the PRC Affiliates or individual shareholders of the PRC Affiliates, on the other hand (the “**VIE Agreements**”),
- (vii) involving any of the Key Employees, directors, senior officers or shareholders of any Group Company (provided that Section 3.9(a) of the Disclosure Schedule included only such Material Contracts under this subclause (vii) other than those relating employment or service arrangements in the ordinary course of business the amounts of which have been included in the Financial Statements);

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(viii) involving any governmental authority (provided that Section 3.9(a) of the Disclosure Schedule included only such Material Contracts that are not in the ordinary course of business);

(ix) terminating or requiring the consent of a third party as a result of the transactions contemplated by this Agreement or the Ancillary Agreements;

(x) obligating such Group Company to share, license or develop any product or technology;

(xi) relating to the sale, issuance, grant, exercise, award, purchase, repurchase or redemption of any securities of any Group Company other than (a) those relating to the repurchase of Old Shares as contemplated under Section 9.7 hereof, (b) those agreements pursuant to which the employees, directors, consultants or advisors of the Group Companies have been allocated with any of the ESOP Shares pursuant to the employee and advisor stock option plan from time to time duly adopted by the Company and (c) those agreements the transactions contemplated under which have been consummated and reflected in the Financial Statements); or

(xii) involving the acquisition or sale of a business, a merger, consolidation, amalgamation or similar transaction, or a partnership, joint venture, or similar arrangement other than those agreements the transactions contemplated under which have been consummated and reflected in the Financial Statements.

(b) Each Material Contract constitutes the valid and legally binding obligation of the Group Companies, enforceable in accordance with its terms, and the performance of which does not violate any applicable statute, law, injunction, judgment, decree, order, ruling, assessment or writ of any governmental authority, and is in full force and effect. Each Group Company has duly performed all of its obligations under each Material Contract in all material respects to the extent that such obligations to perform have accrued, and none of the Group Companies has breached, nor does any Seller Party have any knowledge of any claim or threat that (i) any term or condition of any Material Contract has been breached or (ii) any other agreement or understanding to which any Group Company is a party or by which its properties are bound has been breached, in each case which would reasonably be expected to impose liability on any Group Company in excess of RMB50,000,000. No Group Company has given notice (whether or not written) that it intends to terminate a Material Contract or that any other party thereto has materially breached, violated or defaulted under any Material Contract. No Group Company has received any notice (whether or not written) that (i) it has breached, violated or defaulted under any Material Contract or (ii) any other party thereto intends to terminate such Material Contract.

(c) Without limitation to the foregoing subclause (a), none of the Group Companies has breached, and no facts or circumstances are in existence which, with or without the passage of time, could lead to any of the Group Companies being in breach of: (i) the Series A Preferred Share Purchase Agreement (as defined in the Ninth Shareholders Agreement), (ii) the Series B Preferred Share Purchase Agreement (as defined in the Ninth Shareholders Agreement), (iii) Ordinary Share Purchase Agreement, dated December 31, 2009, by and among the Company, Max Smart, Jingdong Century, certain other PRC Subsidiaries, Jingdong 360, the Founder and Tiger Global Five 360 Holdings, (iv) Ordinary Share Purchase Agreement, dated March 17, 2010,

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by and among the Company, the Founder, Kaixin Asia Limited and Accurate Way Limited, (v) May 2010 Ordinary Share Purchase Agreement (as defined in the Ninth Shareholders Agreement), (vi) Rescission Agreement, dated September 3, 2010, by and among the Company, Max Smart, Tiger 360Buy and certain individual shareholders, (vii) Share Purchase Agreement, dated September 3, 2010, by and among Max Smart, Tiger 360Buy and certain individual shareholders, (viii) Series C Preferred Share Subscription Agreement (as defined in the Ninth Shareholders Agreement), (ix) the Warrants (as defined in the Ninth Shareholders Agreement), which have been fully and duly exercised by the relevant parties (or its Affiliates) to the Warrants pursuant to the terms and conditions in the respective Warrant, (x) First DST Global Ordinary Share Purchase Agreement (as defined in the Ninth Shareholders Agreement), (xi) Second DST Global Ordinary Share Purchase Agreement (as defined in the Ninth Shareholders Agreement), (xii) Sequoia Ordinary Share Purchase Agreement (as defined in the Ninth Shareholders Agreement), (xiii) Classroom Ordinary Share Purchase Agreement (as defined in the Ninth Shareholders Agreement) and (xiv) all shareholder rights and voting agreements of the Company, including the Ninth Shareholders Agreement; and none of the Group Companies has any liability (including any contingent liability) under any of the foregoing agreements.

3.10 Litigation. There is no material action, suit, proceeding, claim, arbitration or investigation (“**Action**”) pending or, to the best knowledge of the Seller Parties, currently threatened against any of the Group Companies, any Group Company’s activities, properties or assets or, to the best knowledge of the Seller Parties, against any officer, director or employee of each Group Company in connection with such officer’s, director’s or employee’s relationship with, or actions taken on behalf of any Group Company. The aggregate amount of liabilities upon the Group Companies (including any contingent liability) arising from the actions, suits, proceedings, claims, arbitrations or investigations (except for the Actions) pending or, to the best knowledge of the Seller Parties, currently threatened against any of the Group Companies, any Group Company’s activities, properties or assets or, to the best knowledge of the Seller Parties, against any officer, director or employee of each Group Company in connection with such officer’s, director’s or employee’s relationship with, or actions taken on behalf of any Group Company does not have a Material Adverse Effect. To the best knowledge of the Seller Parties, there is no factual or legal basis for any such Action that is likely to result individually or in the aggregate in a Material Adverse Effect. By way of example, but not by way of limitation, there are no Actions pending against any of the Group Companies or threatened against any of the Group Companies, relating to the use by any employee of any Group Company of any information, technology or techniques allegedly proprietary to any of their former employers, clients or other parties. None of the Group Companies is a party to or subject to (and none of its business or assets is affected by) the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality and there is no Action by any Group Company currently pending or which it intends to initiate. No Group Company has disputes with or claims against any governmental authority whether in respect of taxes, fines, penalties, administrative action, or otherwise.

3.11 Compliance with Laws; Consents and Permits.

(a) None of the Seller Parties, the employee shareholders and, to the best knowledge of the Seller Parties, any other beneficial owners of the Company who are PRC residents as defined under Circular 75 (as defined below) is in violation of any applicable statute,

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rule, regulation, order or restriction of any domestic or foreign government or any instrumentality or agency thereof in respect of the conduct of the Business or the ownership of Group Companies’ properties, including but not limited to the registration requirement for the Founder’s, the employee shareholders’ and, to the best knowledge of the Seller Parties, any other PRC resident’s (indirect) investment in the Company under the Circular 75 issued by the State Administration of Foreign Exchange (“SAFE”) on October 21, 2005, titled “Notice Regarding Certain Administrative Measures on Financing and Inbound Investments by PRC Residents Through Offshore Special Purpose Vehicles”, effective as of November 1, 2005 (“**Circular 75**”), and any successor rule or regulation under PRC law, including any applicable implementing rules or regulations of Circular 75, e.g., the SAFE Circular on Issuing the Operational Rules concerning Foreign Exchange Administration of Company Financings and Round-Tripping Investments via Overseas Special Purpose Companies by Residents in China [Huifa (2011) No. 19] issued by SAFE and effective as of July 1, 2011.

(b) All consents, licenses, permits, approvals, orders, authorizations or registrations, qualifications, designations, declarations or filings by or with any governmental authority (the “**Permits**”) and any third party (collectively with the Permits, the “**Consents**”) which are required to be obtained or made by each Group Company in connection with the consummation of the transactions contemplated hereunder shall have been obtained or made prior to and shall be fully effective as of the Closing. Each Group Company has all material franchises, Permits, licenses and any similar authority necessary for the conduct of its Business as currently conducted or the business as set forth in the business scope of each Group Company and the ownership of its properties and assets. None of the Group Companies is in default in any material respect under any of such franchises, Permits, licenses or other similar authority, and the lack of and/or default under franchises, Permits, licenses and any similar authority by the Group Companies in the aggregate does not have a Material Adverse Effect.

3.12 Compliance with Other Instruments and Agreements. None of the Group Companies is or has been in, nor shall the conduct of its business as currently conducted result in, violation, breach or default of any term of its Constitutional Documents of the respective Group Company, or in any material respect of any term or provision of the Material Contracts or of any provision of any judgment, decree, order, statute, rule or regulation applicable to or binding upon the Group Company. None of the activities, agreements, commitments or rights of any Group Company is ultra vires or invalid, or unauthorized. The execution, delivery and performance of and compliance with this Agreement, the Restated Shareholders Agreement and the Ancillary Agreements and the consummation of the transactions contemplated hereby and thereby, will not result in any such violation, breach or default, or be in conflict with or constitute, with or without the passage of time or the giving of notice or both, either a default under any Group Company’s Constitutional Documents or any Material Contract, or a violation of any statutes, laws, regulations or orders, or an event which results in the creation of any lien, charge or encumbrance upon any asset of any Group Company.

3.13 Registration Rights. Except as provided in the Restated Shareholders Agreement, no Seller Party has granted or agreed to grant any person or entity any registration rights (including piggyback registration rights) with respect to, nor is the Company obliged to list, any of the Company’s shares (or PRC Subsidiaries’ or the PRC Affiliates’ shares) on any securities exchange. Except as provided by the Ninth Shareholders Agreement, the Eleventh Articles, the Agreement

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on Post-IPO Memorandum and Articles of Association dated February 10, 2012 and related side letter agreement (the “**Agreements on Post-IPO M&A**”) and the VIE Agreements, and as contemplated under this Agreement, the Restated Articles, the Restated Shareholders Agreement and Ancillary Agreements, there are no voting or similar agreements which relate to the shares of the Company or any of the equity interests of the PRC Subsidiaries or the PRC Affiliates.

3.14 Financial Advisor Fees. There exists no agreement or understanding between any Group Company and any investment bank or other financial advisor under which such Group Company may owe any brokerage, placement or other fees relating to the offer or sale of the Purchased Shares.

3.15 Financial Statements. The following financial statements of the Group Companies, namely (i) the audited consolidated financial statements of the Group Companies for the periods from January 1, 2009 to December 31, 2009, from January 1, 2010 to December 31, 2010 and from January 1, 2011 to December 31, 2011 (together with each of the respective auditor’s report thereon), and (ii) the management accounts of the Group Companies for the period from January 1, 2012 to November 30, 2012 (November 30, 2012 is hereinafter referred to as the “**Financial Statements Date**”) are each (a) in accordance with the books and records of the Group Companies, (b) true, correct and complete and present fairly the financial condition of the Group Companies at the date or dates therein indicated and the results of operations for the period or periods therein specified, and (c) have been prepared in accordance with generally accepted accounting principles of the United States (“**US GAAP**”), in respect of the financial statements specified in the foregoing subclause (i), and generally accepted accounting principles of the PRC (“**PRC GAAP**”), in respect of the financial statements specified in the foregoing subclause (ii), in each case, applied on a consistent basis, except (as to the unaudited financial statements) for the omission of notes thereto and normal year-end provision and audit adjustments. The unaudited consolidated financial statements of the Group Companies for the interim period from January 1, 2012 to September 30, 2012 have been prepared in accordance with US GAAP without being audited or reviewed by outside independent auditors, and the Company believes such financial statements present fairly the financial condition of the Group Companies at the date or dates therein indicated and the results of operations for the period or periods therein specified. The foregoing audited consolidated financial statements, the management accounts and the unaudited interim financial statements and any notes thereto are hereinafter collectively referred to as the “**Financial Statements**.” All the financial statements to be provided to the Investor under this Section 3.15 shall include a statement of income, balance sheet and cash flow statements. Specifically, but not by way of limitation, the respective balance sheets of the Financial Statements disclose all of the Group Companies’ respective debts, liabilities and obligations of any nature, whether due or to

become due, as of their respective dates (including, without limitation, absolute liabilities, accrued liabilities, and contingent liabilities) to the extent such debts, liabilities and obligations are required to be disclosed in accordance with US GAAP (in respect of the Financial Statements specified in the foregoing subclause (i)) and PRC GAAP (in respect of the Financial Statements specified in the foregoing subclause (ii)). The Group Companies have good and marketable title to all assets set forth on the balance sheets of the respective Financial Statements, except for such assets as have been spent, sold or transferred in the ordinary course of business since their respective dates. Except as disclosed in the Financial Statements, none of the Group Companies is a guarantor or indemnitor of any indebtedness of any person or entity other than the Group Companies. Each Group Company maintains and will continue to maintain a standard system of

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accounting established and administered in accordance with generally accepted accounting principles as required in the jurisdiction where it is incorporated.

3.16 Activities Since Financial Statements Date. Since the Financial Statements Date, with respect to each Group Company, there has not been:

- (a) any change in the assets, liabilities, financial condition or operating results of the Group Companies from that reflected in the Financial Statements, except changes in the ordinary course of business, that, individually or in the aggregate, has or could become or result in a Material Adverse Effect;
- (b) any material change in the contingent obligations of the Group Company by way of guarantee, endorsement, indemnity, warranty or otherwise;
- (c) any damage, destruction or loss, whether or not covered by insurance, that, individually or in the aggregate, has or could become or result in a Material Adverse Effect;
- (d) any waiver by the Group Company of a valuable right or of a material debt;
- (e) any satisfaction or discharge of any lien, claim or encumbrance or payment of any obligation by the Group Company, except such satisfaction, discharge or payment made in the ordinary course of business that would not have a Material Adverse Effect;
- (f) any material change or amendment to a material contract or arrangement by which the Group Company or any of its assets or properties is bound or subject, except for changes or amendments which are expressly provided for or disclosed in this Agreement;
- (g) any material change in any compensation arrangement or agreement with any Key Employee or any resignation or termination of any Key Employee of the Group Companies (for purpose of this Agreement, “**Key Employees**” shall refer to LIU Qiangdong, CHEN Shengqiang, WANG Yaqing, LAN Ye and ZHAO Guoqing, who are the chief executive officer, chief financial officer, chief technology officer, chief marketing officer and chief strategy officer of the Company);
- (h) any sale, assignment or transfer of any Proprietary Assets or other material intangible assets of the Group Company;
- (i) any mortgage, pledge, transfer of a security interest in, or lien created by the Group Company, with respect to any of the Group Company’s properties or assets, except liens for taxes not yet due or payable;
- (j) any debt, obligation, or liability incurred, assumed or guaranteed by the Group Company in excess of five hundred thousand U.S. dollars (US\$500,000) or in excess of one million U.S. dollars (US\$1,000,000) in the aggregate;
- (k) any declaration, setting aside or payment or other distribution in respect of any Group Company’s share capital, or any direct or indirect redemption, purchase or other acquisition of share capital by any Group Company;

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- (l) any failure to conduct business in the ordinary course, consistent with the Group Companies’ past practices;
 - (m) any transactions of any kind with any of its officers, directors or employees, or any members of their immediate families, or any entity controlled by any of such individuals other than in respect of continuing and ordinary course employment matters;
 - (n) any other event or condition of any character, individually or in the aggregate, which could reasonably be expected to have a Material Adverse Effect; or
 - (o) any agreement or commitment by any Group Company or any Seller Party to do any of the things described in this Section 3.16.

3.17 Tax Matters.

(a) The provisions for taxes in the respective Financial Statements are sufficient for the payment of all accrued and unpaid applicable taxes of the covered Group Companies, whether or not assessed or disputed, as of the date of such Financial Statements. Each Group Company has duly filed all tax returns required to be filed by it and paid all taxes shown to be due on such returns. No material issue has been raised by any taxing authority in any tax audit or examination of the Group Companies. Each Group Company is not subject to any waivers of applicable statutes of limitations with respect to taxes for any year. Since the Financial Statements Date, none of the Group Companies has incurred any material taxes, penalties or interest, assessments or governmental charges other than in the ordinary course of Business and each Group Company has made adequate provisions on its books of account for all material taxes, penalties or interest, assessments and governmental charges with respect to its business, properties and operations for such period. No written claim has ever been made by a governmental authority in a jurisdiction where the Group Companies do not file tax returns that any of the Group Company is or may be subject to taxation by that jurisdiction. None of the Group Companies has received notice of any proposed or determined tax deficiency or assessment from any governmental authority. Each Group Company has withheld or withdrawn from each payment to its employees and overseas service providers an amount of income tax (including without limitation income tax in the PRC) required to be withheld or withdrawn to the extent required by applicable laws and has paid such amounts to the relevant tax authorities.

(b) To the best knowledge of each of the Seller Parties after due inquiry, immediately after the Closing, the Company will not be a “Controlled Foreign Corporation” (“**CFC**”) as defined in the U.S. Internal Revenue Code of 1986, as amended (or any successor thereto) (the “**Code**”) with respect to the shares held by the Investor.

(c) The Company does not expect to be, with respect to its taxable year during which the Closing occurs, a “passive foreign investment company” (“**PFIC**”) within the meaning of Section 1297 of the Code. The Company shall use its commercially reasonable efforts to avoid being a PFIC.

(d) Any preferential tax treatment enjoyed by any Group Company on or prior to the Closing has been in compliance with all applicable laws and will not be subject to any retroactive deduction or cancellation except as a result of retroactive effects of changes in the

applicable laws. None of the Group Companies is treated as a resident for tax purposes of, or is otherwise subject to income tax in, a jurisdiction other than the jurisdiction in which it has been established.

3.18 **OFAC Compliance.** Neither the Company nor any Group Company or any directors, administrators, officers, board of directors (supervisory and management) members or employees of the Company or any Group Company is an OFAC Sanctioned Person (as defined below). The Group Companies and their directors, administrators, officers, administrators, board of directors (supervisory and management) members or employees are in compliance with, and have not previously violated, the USA Patriot Act of 2001, and all other applicable United States and PRC anti-money laundering laws and regulations. None of (i) the purchase and sale of the Purchased Shares, (ii) the execution, delivery and performance of this Agreement, the Restated Shareholders Agreement, the Constitutional Documents or any other Ancillary Agreement, or (iii) the consummation of any transaction contemplated hereby or thereby, or the fulfillment of the terms hereof or thereof, will result in a violation by anyone, including without limitation the Investor, of any of the OFAC Sanctions or of any anti-money laundering laws of the United States, the PRC or any other applicable jurisdiction.

For the purposes of this Section 3.18:

(a) **“OFAC Sanctions”** means any sanctions program administered by the Office of Foreign Assets Control of the United States Department of the Treasury (**“OFAC”**) under authority delegated to the Secretary of the Treasury (the **“Secretary”**) by the President of the United States or provided to the Secretary by statute, and any order or license issued by, or under authority delegated by, the President or provided to the Secretary by statute in connection with a sanctions program thus administered by OFAC. For ease of reference, and not by way of limitation, OFAC Sanctions programs are described on OFAC’s website at www.treas.gov/ofac.

(b) **“OFAC Sanctioned Person”** means any government, country, corporation or other entity, group or individual with whom or which the OFAC Sanctions prohibit a United States Person from engaging in transactions, and includes without limitation any individual or corporation or other entity that appears on the current OFAC list of Specially Designated Nationals and Blocked Persons (the **“SDN List”**). For ease of reference, and not by way of limitation, OFAC Sanctioned Persons other than government and countries can be found on the SDN List on OFAC’s website at ww.treas.gov/offices/enforcement/ofac/sdn.

(c) **“United States Person”** means any United States citizen, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person (individual or entity) in the United States, and, with respect to the Cuban Assets Control Regulations, also includes any corporation or other entity that is owned or controlled by one of the foregoing, without regard to where it is organized or doing business.

3.19 **Anti-Corruption Laws.** Neither the Company nor any of the PRC Subsidiaries and PRC Affiliates, nor, while acting on behalf of the Company or any of the PRC Subsidiaries and PRC Affiliates and to the Company’s knowledge, any agent, director, officer or employee of the Company or of any of the PRC Subsidiaries and PRC Affiliates, has taken any action or has been the subject of any investigation, inquiry or enforcement proceedings by any governmental,

administrative or regulatory body regarding any offence in violation of applicable laws relating to anti-bribery, anti-corruption, anti-money laundering, record keeping and internal control laws applicable to any Group Company (**“Anti-Corruption Laws”**), including to the extent applicable the U.S. Foreign Corrupt Practices Act and the PRC anti-corruption related laws. Each Group Company has implemented adequate procedures to ensure compliance by each director, officer or employee of such Group Company with applicable Anti-Corruption Laws, and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith. Each of the Founder and the Group Companies is aware of and understands the applicable Anti-Corruption Laws. No equity holder, officer or director of any Group Company is a candidate for political office, or an employee or officer of any government, or of any political party.

3.20 **Interested Party Transactions.** No Seller Party, officer or director of a Group Company or any “Affiliate” or “Associate” (as those terms are defined in Rule 405 promulgated under the Act) of any such person has any agreement (whether oral or written), understanding, proposed transaction with, or is indebted to, any Group Company, nor is any Group Company indebted (or committed to make loans or extend or guarantee credit) to any of such persons (other than for accrued salaries, reimbursable expenses or other standard employee benefits), except those disclosed in the Financial Statements under subclause (i) of Section 3.15. No Key Employees, and to the best knowledge of the Seller Parties, no director of a Seller Party or any Affiliate or Associate of any such person has had, either directly or indirectly, an interest in: (a) any person or entity which purchases from or sells, licenses or furnishes to a Group Company any goods, property, intellectual or other property rights or services that are material to the Group Companies; (b) any person or entity that competes with a Group Company; or (c) except this Agreement, the Ancillary Agreements and the Restated Shareholders Agreement, any material contract or agreement to which a Group Company is a party or by which it may be bound or affected. Except as provided by the Ninth Shareholders Agreement, the Eleventh Articles, the Agreements on Post-IPO M&AA and the VIE Agreements, and as contemplated under this Agreement, the Restated Articles, the Restated Shareholders Agreement and Ancillary Agreements, there is no agreement between the Founder and any other person with respect to the ownership or control of any Group Companies, Max Smart or Fortune Rising, except those award agreements or trust agreements pursuant to which Fortune Rising allocated any of the ESOP Shares to the employees, directors, consultants or advisors of the Group Companies pursuant to the employee and advisor stock option plan from time to time duly adopted by the Company.

3.21 **Environmental and Safety Laws.** None of the Group Companies is in violation of any applicable statute, law, or regulation relating to the environment or occupational health and safety in any material respect and no material expenditures are or will be required in order to comply with any such existing statute, law or regulation.

3.22 **Employee Matters.** Each Group Company (i) has complied in all material aspects with all applicable employment and labor laws, employment practices generally applied to other entities in similar industry as such Group Company in the jurisdiction where such Group Company is incorporated, the terms and conditions of employment, in each case, with respect to its employees, except for the accrued amounts for the underpaid employment benefit payments disclosed in Section 3.22 of Disclosure Schedule, for which each Group Company has made adequate provisions on its books of account and which are included in Financial Statements; (ii)

has withheld and reported all amounts required by any applicable law or any contract or agreement to be withheld and reported with respect to wages, salaries and other payments to employees; (iii) is not liable for any arrears of wages or any taxes or any penalty for failure to comply with any of the foregoing; and (iv) other than as

required by law, is not liable for any payment to any trust or other fund governed by or maintained by or on behalf of any governmental authority, with respect to unemployment compensation benefits, social security or other benefits or obligations for employees. The Group Companies are not aware that any Key Employee nor any senior officer of any Group Company intends to terminate their employment with any Group Company, nor does any Group Company have a present intention to terminate the employment of any Key Employee or any senior officer of any Group Company. The Group Companies are not party to or bound by any currently effective incentive plan, profit sharing plan, retirement agreement or other employee compensation agreement, except the Company's 2008 Stock Issuing Plan adopted in June 2008, 2009 Employee Stock Incentive Plan adopted in February 2009, 2010 Employee Stock Incentive Plan adopted in March 2010, 2011 Employee Stock Incentive Plan and 2011 Special Employee Stock Incentive Plan adopted in April 2011. All of the employees of the Group Companies are subject to written employment agreements that specify their position, payment of compensation and the terms and conditions of employment (including confidentiality, non-compete and non-solicitation provisions that are customarily applied to the positions in the industry of the Group Companies similar to those held by such employees).

3.23 Exempt Offering. The offer and sale of the Purchased Shares under this Agreement are or shall be exempt from the registration requirements and prospectus delivery requirements of the Act, and from the registration or qualification requirements of any other applicable securities laws and regulations. None of the Company, its Affiliates or any person acting on its or their behalf, has engaged in any directed selling efforts (within the meaning of Regulation S under the Act) in the United States in connection with the transactions contemplated in this Agreement.

3.24 No Other Business. The Company was formed solely to acquire and hold an equity interest in the Offshore Subsidiaries and Jingdong Century, and since its formation has not engaged in any business and has not incurred any liability in the course of its business of acquiring and holding its equity interest in the Offshore Subsidiaries and Jingdong Century. Since the incorporation of each Offshore Subsidiary in the Cayman Islands or British Virgin Islands, such Subsidiary does not engage in any business and has not incurred any liability in the course of its business of acquiring and holding certain equity interest in the applicable PRC Subsidiaries. The PRC Subsidiaries and the PRC Affiliates are engaged solely in the Business and activities necessary for and associated with the Business and have no other activities.

3.25 Minute Books. The minute books of each Group Company have been made available to the Investor upon request and each such minute books provided contains a complete summary of all meetings and actions taken by directors and shareholders or owners of such Group Company since its time of formation, and reflects all transactions referred to in such minutes accurately in all material respects.

3.26 Obligations of Management. Each of the Key Employees is currently devoting his or her full working time to the conduct of the Business of the Group Companies. No Seller Party has received any notice or application from any Key Employee that he/she will work less than full time with the Group Companies. None of the Key Employees or the Founder is currently working

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for a competitive enterprise, whether or not such person is or will be compensated by such enterprise.

3.27 Disclosure. Each Seller Party has fully provided the Investor with all the information that the Investor has requested for deciding whether to purchase the Purchased Shares. No representation or warranty in writing provided by any Seller Party in this Agreement and no information or materials in writing provided by any Seller Party to the Investor in connection with the negotiation or execution of this Agreement or any agreement contemplated hereby contains any untrue statement of a material fact, or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances in which they are made, not misleading. The financial forecasts or forward-looking statements in any business plans or other materials, including the 2013 budget of the Group Companies preliminarily reviewed and to be further approved by the Board of Directors, provided by any Seller Party to the Investor have been prepared in good faith and based on reasonable assumptions of the Seller Parties.

3.28 Other Representations and Warranties relating to the PRC Subsidiaries and the PRC Affiliates.

(a) The Constitutional Documents and all material Consents necessary or appropriate for the PRC Subsidiaries and the PRC Affiliates are valid, have been duly approved or issued (as applicable) by competent PRC authorities or other applicable parties and are in full force and effect.

(b) All material consents, approvals, authorizations or licenses required under PRC law for the due and proper establishment and operation of the PRC Subsidiaries and the PRC Affiliates have been duly obtained from the relevant PRC authorities and are in full force and effect.

(c) All material filings and registrations with the PRC authorities required in respect of the PRC Subsidiaries and the PRC Affiliates and their operations, including but not limited to the registrations with the Ministry of Commerce, the State Administration of Industry and Commerce, SAFE, tax bureau, customs and other authorities, have been duly completed in accordance with the relevant rules and regulations.

(d) The registered capital of each of the PRC Subsidiaries and the PRC Affiliates is paid in accordance with its articles of association and applicable laws. All of the equity interests in each of the Group Companies are legally owned directly by the entities or individuals in the percentages as set out in Exhibit A hereto. There are no outstanding commitments or undertakings made by the Company to sell, transfer or otherwise dispose of any of its equity interest in any of the Offshore Subsidiaries or Jingdong Century, or by Jingdong Century to sell, transfer or otherwise dispose of any of its equity interest in the other PRC Subsidiaries, or by the Founder or Mr. Sun Jiaming to sell, transfer or otherwise dispose of any of his equity interest in Jingdong 360 or Jiangsu Yuanzhou.

(e) None of the PRC Subsidiaries or the PRC Affiliates are in receipt of any letter or notice from any relevant authority notifying revocation of any permits or licenses issued to

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it for non-compliance or the need for compliance or remedial actions in respect of the activities carried out directly or indirectly by it.

(f) Each of the PRC Subsidiaries and the PRC Affiliates has been conducting and will conduct its business activities within the permitted scope of business or is otherwise operating its business in full compliance with all relevant legal requirements and with all requisite licenses, permits and approvals granted by competent PRC authorities in all material respects.

(g) In respect of any material Permits requisite for the conduct of any part of the Business of the PRC Subsidiaries or the PRC Affiliates which are subject to periodic renewal, no Seller Party has any reason to believe that such requisite renewals will not be timely granted by the relevant PRC authorities.

(h) The PRC Subsidiaries and the PRC Affiliates have complied with all applicable PRC labor laws and regulations in all material respects, including without limitation, laws and regulations pertaining to welfare funds, social benefits, medical benefits, insurance, retirement benefits, pensions and housing

funds, except for the accrued amounts for the underpaid employment benefit payments for which each Group Company has made adequate provisions on its books of account and which are included in Financial Statements.

(i) All PRC regulatory and corporate authorizations and approvals, necessary or appropriate for the consummation of the transactions contemplated herein have been duly obtained, and such authorizations and approvals are currently, or will be as of the Closing, valid and subsisting at PRC law and in accordance with their respective terms.

(j) the VIE Agreements have been duly authorized by the respective parties thereto (including, without limitation, the board of the Group Companies, as applicable), and constitutes valid and binding obligations of such parties enforceable against such parties in accordance with the laws of the PRC. The VIE Agreements constitute sufficient basis for the PRC Affiliates to be included in consolidated financial statements of the Group Companies under US GAAP.

3.29 **Insurance.** The Group Companies have in full force and effect all risk property insurance and employee casualty insurance policies, with extended coverage, sufficient in amount (subject to reasonable deductibles) to allow them to receive adequate compensation for any of the losses that they may incur within the two categories cited above.

3.30 **Corporate Restructuring and Issuance of Preferred Shares.** The obligations arising from the Series A Preferred Shares documentation, the Series B Preferred Shares documentation and the Series C Preferred Shares documentation have been duly fulfilled and complied with and no party to the Series A Preferred Shares documentation, the Series B Preferred Shares documentation or the Series C Preferred Shares documentation is in breach or default of any obligation therein in any material respect.

3.31 **Insolvency and Winding Up** 3.32 . Both before and after giving effect to the transactions contemplated hereby, (a) the aggregate assets, at a fair valuation, of each Group Company will exceed the aggregate debt of each such entity, as the debt becomes absolute and matures and (b) each Group Company will not have incurred or intended to incur debt beyond its ability to pay

such debt as such debt becomes absolute and matures. No order or petition has been presented or resolution passed for the administration, winding-up, dissolution or liquidation of any Group Company and no administrator, receiver or manager has been appointed in respect thereof. None of the Group Companies has commenced any other proceeding under any bankruptcy, reorganization, composition, arrangement, adjustment of debt, release of debtors, dissolution, insolvency, liquidation or similar Law of any jurisdiction and no such proceedings have been commenced against any Group Company.

4. REPRESENTATIONS AND WARRANTIES OF MAX SMART AND THE FOUNDER

Max Smart and the Founder hereby jointly and severally represent and warrant to the Investor as follows:

4.1 **Organization, Good Standing and Qualification.** Max Smart has been duly incorporated, and is validly existing and in good standing under the laws of the British Virgin Islands. The Founder owns all the outstanding equities in Max Smart, free and clear of any third party interest and encumbrances and liens, and that the following table shows all of the direct and indirect shareholders of Max Smart as of the date hereof and as of the Closing Date:

<u>Name</u>	<u>Number and Type of Shares in Max Smart</u>	<u>Percentage of its Shareholding in Max Smart</u>
LIU Qiangdong	1 ordinary share	100%
Total:	1 ordinary share	100%

4.2 **Authorization.** Max Smart has the full power and authority for the execution and delivery of, and the performance of all obligations of Max Smart under, this Agreement, the Restated Shareholders Agreement and Ancillary Agreements. Each of this Agreement, the Restated Shareholders Agreement and the Ancillary Agreements constitutes a valid and legally binding obligation of Max Smart, enforceable in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles.

5. REPRESENTATIONS AND WARRANTIES OF THE INVESTOR.

The Investor represents and warrants to the Seller Parties and Max Smart as follows:

5.1 **Authorization.** The Investor has all requisite power, authority and capacity to enter into this Agreement, the Restated Shareholders Agreement and the Ancillary Agreements, and to perform its obligations under this Agreement, the Restated Shareholders Agreement and the Ancillary Agreements. This Agreement has been duly authorized, executed and delivered by the Investor. Each of this Agreement, the Restated Shareholders Agreement and the Ancillary Agreements, when executed and delivered by the Investor, will constitute valid and legally binding obligations of the Investor enforceable in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles.

5.2 **Purchase for Own Account.** The Purchased Shares will be acquired for the Investor's own account, not as a nominee or agent, and not with a view to or in connection with the sale or distribution of any part thereof. By executing this Agreement, the Investor further represents that it does not have any contract with any person to sell, transfer or grant participations to any person, with respect to any of the Purchased Shares.

5.3 **Organization, Good Standing and Qualification.** The Investor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation.

5.4 **Investment Experience.** The Investor acknowledges that it is able to fend for itself, can bear the economic risks of its investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Purchased Shares.

5.5 **Status of Investor.** The Investor is (i) purchasing the Purchased Shares outside the United States in compliance with Regulation S under the Act and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction or (ii) an "accredited investor" within the meaning of Securities and Exchange Commission ("SEC") Rule 501 of Regulation D, as presently in effect, under the Act.

5.6 Restricted Securities. The Investor understands that the Purchased Shares it is purchasing are characterized as “restricted securities” under U.S. federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Act only in certain limited circumstances.

5.7 Legends. It is understood that the certificates evidencing the Purchased Shares shall bear the following legend:

“THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR A VALID EXEMPTION THEREFROM.”

5.8 Sufficient Funds Available. The Investor has, or will have as of the Closing, sufficient funds available to consummate the transactions completed by, and to perform its obligations to be performed as of the Closing, including payment of the Purchase Price due under this Agreement.

6. COVENANTS OF THE SELLER PARTIES.

Each of the Seller Parties jointly and severally covenants to the Investor as follows:

6.1 Use of Proceeds from the Sale of Purchased Shares. The Company will use the proceeds from the issuance and sale of the Purchased Shares for capital expenditure and working

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capital of the Group Companies. Unless otherwise agreed to in writing by the Investor, no proceeds from the sale of the Purchased Shares shall be used in the payment of any debt of the Group Companies or in the repurchase or cancellation of securities held by any shareholders of the Company, except for the repurchase of Old Shares (as defined below).

6.2 Business of the Company, Max Smart and the Offshore Subsidiaries. The business of Max Smart and the Company shall be restricted to the holding of shares or equity interest in the Company, and the Offshore Subsidiaries and Jingdong Century, respectively. The business of each Offshore Subsidiary incorporated in the Cayman Islands or British Virgin Islands shall be restricted to the holding of shares or equity interest in the applicable PRC Subsidiaries.

6.3 Business of the PRC Subsidiaries and the PRC Affiliates. Each Seller Party shall use its commercially reasonable efforts and take all necessary actions to implement and carry out the Group Companies’ business plan. The business of Jingdong Century and other Group Companies shall be limited to the Business.

6.4 Use of Investor’s Name or Logo. Without the prior written consent of the Investor, and whether or not the Investor is then a shareholder of the Company, none of the Group Companies, their shareholders (excluding the Investor in respect of itself), nor the Founder shall use, publish or reproduce the name of the Investor or any similar names, trademarks or logos in any of their marketing, advertising or promotion materials or otherwise for any marketing, advertising or promotional purposes, except for the fact of the equity investments in the Group Companies by the Investor (and in any such case shall not disclose the aggregate or individual investment amounts, pricing or ownership percentage, or any of the terms of this Agreement, the Restated Shareholders Agreement or any of the Ancillary Agreements).

6.5 Equity Compensation. The Company shall not directly or indirectly issue Ordinary Shares, share options or other forms of equity of the Company to any employees, directors or consultants or their Associates except in accordance with the employee share option plan (the “ESOP”) approved from time to time by the Board of Directors.

6.6 Initial Public Offering or Trade Sale. The Company shall use best efforts to, on and prior to January 1, 2015, consummate, and the Founder shall use commercially reasonable efforts to support, (a) a Qualified IPO (as defined in the Restated Shareholders Agreement); or (b) a Trade Sale (as defined in the Restated Shareholders Agreement).

6.7 Board of Directors. Unless otherwise approved by the Board of Directors, the Company shall hold meetings of the Board of Directors at least every three (3) months.

6.8 Independent Auditors. The Company shall engage one of the Big 4 accounting firms (*i.e.*, PricewaterhouseCoopers, KPMG, Deloitte & Touche or Ernst & Young) or other reputable accounting firms and shall cause such international accounting firm to audit the Company’s annual consolidated financial statements within one hundred and eighty (180) days after the end of each fiscal year.

6.9 Cash Deposit. All the Group Companies’ cash shall be deposited with sound international or PRC financial institutions, and all such cash deposits shall be short-term with free liquidity unless otherwise approved by the Board of Directors.

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6.10 Regulatory Compliance. Each Seller Party shall use its best efforts to cause all shareholders of each Group Company, and any successor entity or controlled affiliate of any Group Company and, to the knowledge of the Seller Parties, any PRC residents (as defined under Circular 75) holding beneficial interests in the Company, to timely complete all required registrations and other procedures with applicable governmental authorities (including without limitation SAFE) as and when required by applicable laws and regulations in all material respects. The Seller Parties shall ensure that, prior to the commencement of Qualified IPO (as defined in the Restated Shareholders Agreement) by the Company, each entity described above and its respective shareholders are in compliance with such requirements in all material respects and that there is no barrier to repatriation of profits, dividends and other distributions from the PRC Subsidiaries (or any successor entity, respectively) to the Company.

6.11 Lock up. Subject to the terms and conditions hereof, following a Qualified IPO (as defined in the Restated Shareholders Agreement), the Founder, Max Smart and holders of Ordinary Shares who are management personnel of the Company (other than the Investor) shall be subject to any customary lock-up period to the extent requested by the lead underwriter of securities of the Company in connection with the registration relating to such Qualified IPO.

6.12 Non-Compete. The Founder acknowledges that the Investor has agreed to invest in the Company on the basis of the continued and exclusive services of and full devotion and commitment by the Founder to the Group Companies, and agrees that the Investor should have reasonable assurance of such basis of investment. The Founder undertakes to the Investor that he will not, and he will procure that none of his Associates (as defined below) will, directly or indirectly:

(a) until the later of (i) the consummation of a Qualified IPO (as defined in the Restated Shareholders Agreement) or (ii) such time as there are no (X) Preferred Shares or (Y) Ordinary Shares held by the Investor (the “**Restriction Period**”), participate, assist, engage or be interested in, any business or entity in any Relevant Jurisdiction (as defined below) in any manner, directly or indirectly, which is in competition with the Business carried on by any Group Company at any time during the Restriction Period;

(b) during the Restriction Period, solicit in any manner any person who is or has been during the Restriction Period a customer or client of any Group Company for the purpose of offering to such person any goods or services similar to or competing with any of the businesses conducted by any Group Company at any time during the Restriction Period;

(c) during the Restriction Period, solicit or entice away, or endeavor to solicit or entice away, any employee or officer of any Group Company;

and

(d) at any time disclose to any person, or use for any purpose other than for the benefit of the Group Companies, any trade secrets or confidential information of or relating to any of the Group Companies.

In addition to and without limiting the restrictions set forth herein, the Founder and Max Smart shall not compete directly or indirectly with the Business carried on by any Group Company in the above manner for a period of two (2) years after the Founder and/or Max Smart and/or the

Founder’s Associates collectively cease to hold more than 5% of the Company’s shares (calculated on a fully diluted and as-converted basis).

In addition to and without limiting the restrictions set forth herein, the Founder hereof further undertakes to the Investor that he will not, and he will use his best efforts to procure that the directors nominated by the Founder or Max Smart or the executive officers of the Company will not, directly or indirectly compete with the business carried on by any Group Company in the above manner during the period that the Founder or the foregoing persons are directors and/or executive officers of the Company and within two (2) years after the Founder or such foregoing person leaves his or her director or executive officer post.

In addition to and without limiting the restrictions set forth herein, the Founder hereof further undertakes to the Investor that he shall not engage in any other entity’s business or operation (i) during his employment period with any of the Group Companies, or (ii) until the consummation of a Qualified IPO (as defined in the Restated Shareholders Agreement), whichever is earlier, *provided, however*, that nothing herein shall be deemed to restrict him and his Associates from owning an aggregate interest of not more than five percent (5%) of the outstanding shares of a publicly listed company.

For purposes of this Agreement, “**Associate**” means, in relation to an individual, his spouse, his child or step-child, brother, sister, parent, nominee or trustee of any trust in which such individual or any of its foregoing mentioned family members is a beneficiary or a discretionary object, or any entity or company controlled by any of the aforesaid persons or any person acting under his instructions (pursuant to an agreement or arrangement, formal or otherwise) in each case from time to time. For the said purpose, a person shall be deemed to **control** a company if that person, directly or indirectly:

- (i) controls the composition of a majority of the board of the company;
- (ii) controls more than half of the voting power of the company;
- (iii) holds legally or beneficially more than half of the issued share capital, or ordinary share capital, of the company; or
- (iv) is a person in accordance with whose directions the board of directors of the company is accustomed to act.

“**Relevant Jurisdiction**” means a jurisdiction in which any Group Company carries on or conducts any business, including but not limited to the PRC, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan.

Notwithstanding anything to the contrary contained herein, in the event of (i) occurrence of a hostile takeover of the Company, or (ii) after the termination by the Group Company of the Founder’s employment with the Group Company without Cause, this Section 6.12 shall not apply to the Founder after the occurrence of any such event. For purposes of this Section 6.12, “**Cause**” means, with respect to a person, (i) gross negligence or failure to perform the duties and responsibilities of such person’s office resulting in material harm to the Group Companies, taken as a whole, (ii) failure or refusal to comply in any material respect with material and lawful

policies and directives of the Company resulting in material harm to the Group Companies, taken as a whole, (iii) material breach of any statutory duty or any other obligation that such person owes to the Group Companies resulting in material harm to the Group Companies, taken as a whole, (iv) commission of an act of fraud, theft or embezzlement against the Group Companies or involving their material properties or assets, or (v) conviction of any felony or crime of moral turpitude, *provided, however*, that with respect to any occurrence of any of (i), (ii) or (iii), such person shall have been given not less than sixty (60) days’ written notice by the Board of Directors of the Company of the Board’s determination (such determination being made independent of such person, if such person is a Board member) that such event had occurred, and such person shall have until the end of such sixty (60) day period following receipt of such notice to rectify or cure such occurrence if such occurrence is curable before any action premised upon a determination of Cause can be taken.

6.13 Additional Covenants. Except as required by this Agreement, no resolution of the directors, owners, members, partners or shareholders of any of the Group Companies shall be passed, nor shall any contract or commitment be entered into, in each case, prior to the Closing without the prior written consent of the Investor, except that the Group Companies may carry on its respective business in the same manner as heretofore and may pass resolutions or enter into contracts for so long as they are effected in the ordinary course of business, and except for the resolutions to add three directors to the Board of Directors pursuant to the Ninth Shareholders Agreement and the Eleventh Articles.

If at any time before the Closing, any of the Seller Parties comes to know of any material fact or event which:

- (a) is in any way materially inconsistent with any of the representations and warranties given by any Seller Party, and/or
- (b) suggests that any material fact warranted may not be as warranted or may be materially misleading, and/or
- (c) might affect the willingness of a reasonable investor in making a prudent decision to purchase the Purchased Shares or cause him to adjust the amount of consideration which the Investor would be prepared to pay for the Purchased Shares, such Seller Party shall give immediate written notice to the Investor, in

which event (if such event should occur prior to the Closing), the Investor may within five (5) Business Days of receiving such notice terminate this Agreement, as far as the Investor is concerned, by written notice without any penalty whatsoever and without prejudice to any rights that the Investor may have under this Agreement or applicable law.

6.14 Filing of Articles. Before the Closing, the Company shall have duly filed the Restated Articles (in the form attached hereto as Exhibit D) with the Registrar of Corporate Affairs in the BVI.

6.15 Access to Information. From the date hereof until the Closing Date, the Group Companies will give the Investor and its authorized representatives access to the books, records, financial and operating data and other information relating to the Group Companies as such

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persons may reasonably request and cooperate with the Investor in its investigation of the Group Companies. No investigation by the Investor, no information received by the Investor, nor any knowledge of the Investor (actual or constructive) shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the Seller Parties hereunder.

6.16 Maintenance of Leases. The Group Companies shall maintain in full force and effect leases for offices and warehouses that are necessary and material to the Business.

6.17 Employee Matters. Prior to a Qualified IPO (as defined in the Restated Shareholders Agreement) by the Company, the PRC Subsidiaries and the PRC Affiliates shall have submitted a plan to the reasonable satisfaction of the Company's Board of Directors regarding compliance with all applicable PRC labor laws and regulations in all material respects, including without limitation, laws and regulations pertaining to welfare funds, social benefits, medical benefits, insurance, retirement benefits, pensions and housing funds.

6.18 Tax Matters. The PRC Subsidiaries and the PRC Affiliates shall comply with all applicable PRC tax laws and regulations in all material respects, including without limitation, laws and regulations pertaining to enterprise income tax, value added tax and business tax.

6.19 Tax Covenants.

(a) In the event that the Company is determined by counsel or accountants for the Investor to be a CFC with respect to the shares held by the Investor, the Company agrees (a) to use commercially reasonable efforts to avoid generating Subpart F Income (as defined in Section 952 of the Code) ("**Subpart F Income**") and (b) to the extent permitted by the applicable laws, to annually make dividend distributions to the Investor in an amount equal to 50% of any income deemed distributed to the Investor that would have been deemed distributed to the Investor pursuant to Section 951(a) of the Code had the Investor been a "United States person" as such term is defined in Section 7701(a)(30) of the Code (or such lesser amount determined by the Investor in its sole discretion). The Company shall provide to the Investor upon request (i) any information in its possession concerning its shareholders and, to the Company's actual knowledge, the direct and indirect interest holders in each shareholder, sufficient for the Investor to determine the Company's status as a CFC, and/or a report regarding the Company's status as a CFC if available to the Company, and (ii) in the event that the Company is determined to be a CFC, any information in the possession of the Company to determine whether the Investor or any Investor Partner is required to report its pro rata portion of the Company's Subpart F Income on its United States federal income tax return, or to allow the Investor or its Investor Partners to otherwise comply with applicable United States federal income tax laws. For purposes of this Section 6.19, (i) the term "**Investor Partners**" shall mean the Investor's shareholders, partners, members or other equity holders and any direct or indirect equity owners of such entities and (ii) the "**Company**" shall mean the Company and any of its subsidiaries.

(b) The Company shall, upon the Investor's request, and at the Investor's expense, as soon as reasonably practicable engage a nationally recognized U.S. tax advisor (which can include the Company's accounting firm if such firm has a U.S. office) to determine whether the Company or any subsidiary of the Company is a PFIC, and, request such tax advisor to inform the Investor in writing, as soon as reasonably practicable following the end of the Company's

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taxable year, whether the Company or any subsidiary of the Company is a PFIC. The advisor shall also make itself available, as reasonably requested by the Investor, to answer questions with respect to its determination as to whether the Company or any subsidiary of the Company is a PFIC. In the event that the Company engages an accounting firm to determine the Company's status as a PFIC or otherwise reports such status to any other Company shareholder, the Company shall provide a report of such status to the Investor.

(c) The Company shall take such actions, including making an election to be treated as a corporation or refraining from making an election to be treated as a partnership, as may be required to ensure that at all times the Company is treated as corporation for United States federal income tax purposes.

(d) The Company shall make due inquiry with its tax advisors (and shall cooperate with the Investor's tax advisors with respect to such inquiry) on at least an annual basis regarding whether the Investor or any Investor Partner's direct or indirect interest in the Company is subject to the reporting requirements of either or both of Sections 6038 and 6038B of the Code (and the Company shall duly inform the Investor of the results of such determination), and in the event that the Investor's or any Investor Partner's direct or indirect interest in Company is determined by the Company's tax advisors or the Investor's tax advisors to be subject to the reporting requirements of either or both of Sections 6038 and 6038B, the Company agrees, upon a request from the Investor, to provide such information as may be necessary to fulfill the Investor's or the Investor Partner's obligations thereunder.

7. CONDITIONS TO THE INVESTOR'S OBLIGATIONS AT THE CLOSING.

7.1 The obligation of the Investor to purchase the Purchased Shares at the Closing is subject to the fulfillment, to the satisfaction of the Investor (or waiver thereof) on or prior to the Closing Date, of the following conditions:

(a) Representations and Warranties True and Correct. The representations and warranties made by the Seller Parties in Section 3 and by Max Smart and the Founder in Section 4 hereof shall be true and correct and complete as of the Closing Date (except to the extent such representations and warranties expressly speak of a specified date, in which case such representations and warranties shall be true and correct and complete as of such specified date).

(b) Proceedings and Documents. The resolutions of the board of directors of the Company, the PRC Subsidiaries and the PRC Affiliates, and the resolutions of shareholder(s) of the Company and the PRC Affiliates, in connection with the transactions contemplated hereby shall have been duly passed, and the Investor shall have received copies of such documents as it may reasonably request in form and substance as agreed by the Investor.

(c) Approvals, Consents and Waivers. The existing shareholders of the Company shall have waived any anti-dilution rights, rights of first refusal, preemptive rights and all similar rights in connection with the issuance of the Purchased Shares at the Closing.

(d) Compliance Certificate. The Seller Parties shall deliver to the Investor a certificate (in substantially the form attached hereto as Exhibit G), dated the Closing Date, signed

by the Company's President or director, the legal representative of each Seller Party certifying that the conditions specified in Section 7.1 have been fulfilled with all requisite instruments and documents attached and stating that there shall have been no material adverse change which would be reasonable likely to have a Material Adverse Effect since the date of this Agreement.

(e) Amendment to Constitutional Documents. The Restated Articles (in substantially the form attached hereto as Exhibit D) shall have been duly adopted by the Company by all necessary corporate action of its Board of Directors and its shareholders and shall have been duly filed with the Registrar of Corporate Affairs in the BVI (the proof of completion of such filing shall have been provided to the Investor in the form and substance satisfactory to the Investor), with a copy of the stamped Restated Articles being delivered to the Investor within three (3) Business Days after the Closing.

(f) Opinions of Company Counsel. The Investor shall have received from the PRC counsel an opinion in substantially the form attached hereto as Exhibit H and from the BVI counsel an opinion in substantially the form attached hereto as Exhibit I, addressed to the Investor, in each case dated as of the Closing Date.

(g) Execution of Restated Shareholders Agreement and Ancillary Agreements. The Company shall have delivered to the Investor the Restated Shareholders Agreement (in substantially the form attached hereto as Exhibit E) and the Ancillary Agreements (as applicable), duly executed by the Company and all other parties thereto (except for the Investor).

(h) Good Standing. The Investor shall have received a certificate of good standing, dated no longer than four (4) Business Days prior to the Closing Date, issued by the Registrar of Corporate Affairs of the BVI with respect to the Company.

(i) Capitalization Table. The Company shall deliver to the Investor a pre- and post-closing capitalization table of the Company as of the Closing Date.

(j) Performance. Each Seller Party shall have performed and complied with all of the obligations and conditions that are required to be performed or complied with by them, on or before the Closing.

(k) No Material Adverse Effect. There shall have been no Material Adverse Effect since the execution date of this Agreement.

(l) Closing Deliveries. The Company shall have delivered to the Investor the closing deliveries under Section 2.2.

7.2 The Investor may at any time waive in writing any of the conditions above, on such terms as it may decide.

8. CONDITIONS TO THE COMPANY'S OBLIGATIONS AT THE CLOSING.

8.1 Closing. The obligations of the Company under this Agreement with respect to the Investor are subject to the fulfillment, on or prior to the Closing Date of the following conditions:

(a) Representations and Warranties. The representations and warranties of the Investor contained in Section 5 hereof shall be true and correct as of the Closing Date (except to the extent such representations and warranties expressly speak of a specified date, in which case such representations and warranties shall be true and correct as of such specified date).

(b) Payment of the Purchase Price. The Investor shall have delivered to the Company and the Company shall have received in its designated account, the Purchase Price in accordance with Section 1.2.

(c) Execution of Restated Shareholders Agreement and Ancillary Agreements. The Investor shall have executed and delivered to the Company the Restated Shareholders Agreement and the Ancillary Agreements (as applicable).

(d) Execution of Letter Agreement. The Investor shall have executed and delivered to the Company the Letter Agreement in substantially the form attached hereto as Exhibit J.

(e) Performance. The Investor shall have performed and complied with all of the obligations and conditions that are required to be performed or complied with by it, on or before the Closing.

9. POST-CLOSING OBLIGATIONS.

9.1 Post-closing Obligations. Following the Closing, the Seller Parties shall procure the Group Companies to, take all necessary steps and action to ensure that the Business and affairs of the Group Companies will be in compliance with applicable laws, including without limitation to the relevant laws and regulations in the PRC, and their Constitutional Documents in all material respects.

9.2 Founder SAFE Registration. The Founder shall, on or before June 30, 2013, (i) update his outbound investment foreign exchange registration in respect of his shareholding in the Company with the competent branch of SAFE to reflect the consummation of the transactions contemplated in this Agreement, and (ii) provide documentary evidence confirming the foregoing shareholding has been duly registered with the competent branch of SAFE.

9.3 Registration of Share Pledge. Jingdong Century, Jingdong 360 and the Founder shall, on or before February 28, 2013, (i) update the registration of the share pledge agreement, dated May 29, 2012, made by the Founder and Sun Jiaming (with PRC identity number of 320881198008071616), with respect to the 100% equity interest of Jingdong 360, in favor of Jingdong Century with the competent branch of the State Administration for Industry and Commerce ("SAIC"), and provide documentary evidence confirming the foregoing share pledges have been duly registered with the competent branch of the SAIC, unless the competent branch of SAIC does not deem such update to be necessary or does not accept application for such update.

9.4 Employee Matters. The Seller Parties shall, and shall procure the Group Companies to, comply in all material aspects with all applicable employment and labor laws, including without limitation, laws and regulations pertaining to welfare funds, social benefits,

medical benefits, insurance, retirement benefits, pensions and housing funds (including continuation coverage, reporting and disclosure obligations).

9.5 Miscellaneous Post-Closing Actions. The Seller Parties shall, or procure the Group Companies to, use their commercially reasonable efforts to obtain and maintain all Permits that are necessary for the conduct of the Business as currently conducted or currently proposed to be conducted, the absence of which would be reasonable likely to have a Material Adverse Effect.

9.6 No Transfer to Competitors. Notwithstanding anything to the contrary, as long as the Founder and Founder's Associate collectively and beneficially own (through his interest in Max Smart or otherwise) more than twenty percent (20%) of the voting power of the Company's then outstanding shares (calculated on a fully-diluted and as converted basis), without the prior written consent of the Founder, the Investor shall not make a Transfer of its Ordinary Shares to any Competitor prior to December 31, 2015, *provided* that the foregoing restrictions shall not apply (a) to a Transfer of the Company's shares following the Company's initial public offering, or (b) if such Transfer is made in connection with a Trade Sale.

For purposes of this Agreement, (i) "**Transfer**" shall mean any proposed assignment, sale, offer to sell, pledge, mortgage, hypothecation, encumbrance, disposition of or any other like transfer or encumbering in a single transaction of any interest in the Company's shares; (ii) "**Competitor**" shall mean any person or entity or Affiliates of any such person or entity whose primary business is the same as, or in direct competition with, the Business; and (iii) "**Trade Sale**" means either (a) a merger, consolidation, share purchase, or other business combination of the Company with or into any other business entity in which the shareholders of the Company immediately after such merger, consolidation, share purchase or business combination hold shares representing less than a majority of the voting power of the outstanding share capital of the surviving business entity, or (b) the sale, lease, transfer or other disposition of all or substantially all of the Company's assets.

9.7 Repurchase of Old Shares from Max Smart. The Investor agrees that concurrent with or immediately after the Closing, the Company will repurchase from Max Smart, and Max Smart will sell and transfer to the Company, 2,524,716 Ordinary Shares (the "**Old Shares**") for an aggregate repurchase price of US\$10,000,000, or approximately US\$3.961 per share, and agrees to sign any document that is necessary for the consummation of the repurchase and is required to be signed by the Investor as a shareholder of the Company to effect the repurchase. The Company shall update the register of members of the Company accordingly to reflect the completion of such repurchase and provide a certified copy of the updated register of members of the Company to the Investor immediately upon the completion of such update in the form and substance to the reasonable satisfaction of the Company.

9.8 Miscellaneous Specific Post-Closing Covenants. Without prejudice to the generality of any other post-closing obligations, the Seller Parties shall, and shall procure the Group Companies (as applicable) to, use their commercially reasonable efforts to ensure that the specific matters as listed in Exhibit K hereto are duly addressed as per the specific requirements for each such matter as set forth in Exhibit K.

10. MISCELLANEOUS.

10.1 Indemnity.

(a) Subject to Section 10.1(d) below, each Seller Party shall, jointly and severally, indemnify the Investor, and its directors, officers, employees, Affiliates, agents and assigns (each, an "**Indemnitee**") against any losses, liabilities, damages, liens, penalties, diminution in value, costs and expenses, including reasonable advisor's fees and other reasonable expenses of investigation and defense of any of the foregoing, incurred by the Investor (the "**Indemnifiable Loss**") as a result of (i) any breach or violation of any representation or warranty made by any Seller Party including without limitation the Financial Statements; and (ii) any breach by any Seller Party of any covenant or agreement contained herein, including without limitation claims by tax authorities against any Group Company.

(b) If the Investor believes that it has a claim that may give rise to an indemnity obligation hereunder, it shall promptly notify the Seller Party stating specifically the basis on which such claim is being made, the material facts related thereto, and (if ascertainable or quantifiable) the amount of the claim asserted. For purposes hereof, notice delivered to the Founder at the Company's address pursuant to Section 10.8 shall constitute effective notice to all Seller Parties. In the event of a third party claim against an Indemnitee for which such Indemnitee seeks indemnification from the Seller Parties, no settlement shall be deemed conclusive with respect whether there was an Indemnifiable Loss or the amount of such Indemnifiable Loss unless such settlement is consented to by the Seller Parties. Any dispute related to this Section 10.1(b) shall be resolved pursuant to Section 10.18 hereof.

(c) (i) none of the Seller Parties shall have any liability under this Agreement until the aggregate amount of Indemnifiable Loss incurred by an Indemnitee exceeds an amount equal to US\$1,000,000, in which case such Indemnitee shall be entitled to indemnification of the entire amount of the Indemnifiable Loss; and (ii) the amount of Indemnifiable Loss (other than Indemnifiable Loss relating to breaches of Fundamental Warranties) for which the Investor may be indemnified by the Seller Parties under this Agreement shall be limited to the Purchase Price actually paid by the Investor.

(d) Subject to the foregoing, (x) the Founder's indemnity obligations that are determined to arise under this Agreement shall be satisfied solely with, and recourse will be limited solely to, the Ordinary Shares and any other securities of the Company held directly or indirectly, currently or in the future by the Founder and his Associates, and no other assets of the Founder shall in any respect be used to satisfy any of the Founder's indemnity obligations under this Agreement, and the Investor hereby agrees to waive any right or claim against the Founder or his assets except pursuant to the terms and subject to the conditions under this Agreement; (y) all claims asserted under this Agreement against the Seller Parties shall be settled by the Seller Parties in accordance with the following contribution procedure: first, the Group Companies shall satisfy all claims to the extent possible; second, to the extent that such claims are not fully satisfied (such unsatisfied amounts, the "**Remaining Losses**"), such Remaining Losses shall be settled by the gratis transfer to the related Indemnitee of such number of Ordinary Shares or other securities of the Company then held by the Founder and/or his Associates calculated by dividing the Remaining Losses by the fair market value of such Ordinary Share (determined pursuant to Section 10.18 if

the related parties cannot agree to the fair market value of such Ordinary Shares); and (z) notwithstanding any other provision contained herein, any claims against the Founder and any of the Founder's indemnity and guarantee obligations under this Agreement shall terminate, and be wholly barred and unenforceable, upon the consummation of a Qualified IPO (as defined in the Restated Shareholders Agreement).

(e) Notwithstanding any other provision contained herein, this Section 10.1 shall be the sole and exclusive monetary remedy of the Investor for any claim against the Seller Parties arising out of or resulting from this Agreement and the transactions contemplated hereby, except that no limitation or exceptions with respect to the obligations or liabilities on any Seller Party provided in the foregoing sub-sections under this Section 10.1 shall apply to an Indemnifiable Loss arising due to the fraud or willful misconduct of any Seller Party.

10.2 [Reserved].

10.3 Founder's Guarantee. Subject to Section 10.1, in consideration of the Investor entering into this Agreement, the Founder hereby unconditionally and irrevocably guarantees, as primary obligor and not merely a surety, to the Investor that so long as the Founder has management control over the Group Companies, whether directly or indirectly, the due and punctual performance and observance will be conducted by each of the Company, the PRC Subsidiaries, the PRC Affiliates and Max Smart, in each case, of all its respective obligations, commitments, undertakings, warranties, indemnities and covenants under or pursuant to this Agreement and agrees to fully and unconditionally indemnify the Indemnitees against all losses, damages, costs and expenses (including legal costs and expenses) which the Indemnitees may suffer through or arising from any breach by any of the Company, the PRC Subsidiaries, the PRC Affiliates and Max Smart. The liability of the Company, the PRC Subsidiaries, the PRC Affiliates and Max Smart (as the case may be) as aforesaid shall not be released or diminished by any arrangements or alterations of terms (whether of this Agreement, or otherwise) or any forbearance, neglect or delay in seeking performance of the obligations hereby imposed or any granting of time for such performance.

10.4 Governing Law. This Agreement shall be governed by and construed in accordance with the law of Hong Kong as to matters within the scope thereof, without regard to its principles of conflicts of laws.

10.5 Survival. The representations, warranties, covenants and agreements made herein shall survive for two (2) years after the Closing, *provided* that the representations and warranties of Seller Parties (i) under Sections 3.17 and 3.21 shall survive until the expiration of applicable statute of limitation and (ii) under Sections 3.1, 3.2, 3.4 and 3.5 (collectively, the "**Fundamental Warranties**") shall survive perpetually. Such representations and warranties of the Seller Parties shall in no way be affected by any investigation of the subject matter thereof made by or on behalf of the Investor.

10.6 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto. This Agreement and the rights and obligations therein may not be assigned by any of the Seller Parties or Max Smart without the written consent

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of the Investor. Notwithstanding the foregoing, the Investor may assign its rights hereunder, including without limitation the right to acquire Purchased Shares together with the related obligations of the Investor hereunder, to an Affiliate, *provided* that such Affiliate shall join the Restated Shareholders Agreement as an "Investor", by executing a deed of adherence or other necessary document in form and substance reasonably satisfactory to the Company, the Founder and Max Smart.

10.7 Entire Agreement. This Agreement, the Restated Shareholders Agreement, any Ancillary Agreements, and the schedules and exhibits hereto and thereto, which are hereby expressly incorporated herein by this reference constitute the entire understanding and agreement between the parties with regard to the subjects hereof and thereof; *provided, however*, that nothing in this Agreement or related agreements shall be deemed to terminate or supersede the provisions of any confidentiality and nondisclosure agreements executed by the parties hereto prior to the date hereof, which agreements shall continue in full force and effect until terminated in accordance with their respective terms.

10.8 Notices. Except as may be otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and shall be conclusively deemed to have been duly given (a) when hand delivered to the other party, upon delivery; (b) when sent by facsimile at the number set forth in Exhibit F hereto, upon receipt of confirmation of error-free transmission; (c) seven (7) Business Days after deposit in the mail as air mail or certified mail, receipt requested, postage prepaid and addressed to the relevant party or parties as set forth in Exhibit F; or (d) three (3) Business Days after deposit with an overnight delivery service, postage prepaid, addressed to the relevant parties as set forth in Exhibit F with next business day delivery guaranteed, *provided* that the sending party receives a confirmation of delivery from the delivery service provider.

Each person making a communication hereunder by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant hereto, but the absence of such confirmation shall not affect the validity of any such communication. A party may change or supplement the addresses given above, or designate additional addresses, for purposes of this Section 10.8, by giving the other parties written notice of the new address in the manner set forth above.

10.9 Amendments. Any term of this Agreement may be amended only with the written consent of the Company, the Founder and the Investor.

10.10 Waivers. Each of the Seller Parties, by executing this Agreement, hereby waives any anti-dilution rights, rights of first refusal, preemptive rights and all similar rights in connection with the issuance of the Purchased Shares.

10.11 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any Seller Party or the Investor, upon any breach or default of any party hereto under this Agreement, shall impair any such right, power or remedy of such Seller Party or the Investor, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach of default thereafter occurring; nor shall any waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or

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character on the part of any Seller Party or the Investor of any breach of default under this Agreement or any waiver on the part of any Seller Party or the Investor of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, or by law or otherwise afforded to the Seller Parties and the Investor shall be cumulative and not alternative.

10.12 Finder's Fees. Each party represents and warrants to the other parties hereto that it has retained no finder or broker in connection with the transactions contemplated by this Agreement and hereby agrees to indemnify and to hold harmless the other party hereto from and against any liability for any commission or compensation in the nature of a finder's fee of any broker or other person or firm (and the costs and expenses of defending against such liability or asserted liability) for which the indemnifying party or any of its employees or representatives are responsible.

10.13 Interpretation; Titles and Subtitles. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless otherwise expressly provided herein, all references

to Sections and Exhibits herein are to Sections and Exhibits of this Agreement. As used in this Agreement, the words "include" and "including", and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation".

10.14 Counterparts. This Agreement may be executed (including facsimile signature) in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

10.15 Severability. If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the parties. In such event, the parties shall use best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly effects the parties' intent in entering into this Agreement.

10.16 Confidentiality and Non-Disclosure. The parties hereto agree to be bound by the confidentiality and non-disclosure provisions of Section 10 of the Restated Shareholders Agreement, which shall mutatis mutandis apply.

10.17 Further Assurances. Each party shall from time to time and at all times hereafter make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required to effect the transactions contemplated by this Agreement.

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10.18 Dispute Resolution.

(a) Consultation between Parties. Any dispute, controversy or, claim or difference of any kind whatsoever arising out of, relating to or in connection with this Agreement, or the breach, termination or invalidity hereof (including the validity, scope and enforceability of this arbitration provision) (the "**Dispute**") shall first be attempted to be resolved through consultation between the Parties in good faith for a period of thirty (30) days after written notice has been sent by registered mail by any Party to the other Party (the "**Consultation Period**").

(b) Arbitration. If the Dispute remains unresolved upon expiration of the Consultation Period, any Party may in its sole discretion elect to submit the matter to arbitration with notice to any other Party or Parties. The arbitration shall be conducted in Hong Kong and shall be administered by the Hong Kong International Arbitration Centre ("**HKIAC**") in accordance with the HKIAC Administered Arbitration Rules in force at the time of the commencement of the arbitration. The arbitration tribunal shall consist of three arbitrators. The language of the arbitration shall be English. The decision of the arbitrators (by rule of majority) shall be final and binding on the parties (including any decision on their fees) and their fees shall be borne and paid by the parties in such proportions as the arbitrators shall determine.

10.19 Expenses. The Investor and the Seller Parties shall bear their own cost and expense for consummation of the transaction contemplated hereunder.

10.20 Termination. This Agreement may be terminated by the Investor or the Company, on or after February 8, 2013 (the "**Termination Date**"), by written notice to the other parties, if the Closing has not occurred on or prior to such date *provided that*: (i) the terminating party is not in material default of any of its obligations hereunder, and (ii) the right to terminate this Agreement pursuant to this Section 10.20 shall not be available to any party whose breach of any provision of this Agreement has been the cause of, or has resulted, directly or indirectly, in, the failure of the Closing to be consummated by the Termination Date. Such termination under this Section 10.20 shall be without prejudice to any claims for damages or other remedies that the parties may have under this Agreement or applicable law.

10.21 Disclosure Schedule. The parties hereto agree that any reference in a particular Section of the Disclosure Schedule to this Agreement shall only be deemed to be an exception to (or, as applicable, a disclosure for purposes of) the representations and warranties of the relevant party that are contained in the corresponding Section of this Agreement only if the relevance of that reference as an exception to (or a disclosure for purposes of) such representations and warranties would be readily apparent to a reasonable person who has read that reference and such representations and warranties, without any independent knowledge on the part of the reader regarding the matter(s) so disclosed.

[The Remainder of this page has been intentionally left blank]

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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE SELLER PARTIES:

/s/ 360BUY JINGDONG INC.

/s/ MAX SMART LIMITED

/s/ BEIJING JINGDONG CENTURY TRADING CO., LTD.

(□□□□□□□□□□)

(Company seal)

/s/ BEIJING JINGDONG 360 DEGREE E-COMMERCE CO., LTD.

(□□□□□□□□□□□□□□)

(Company seal)

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

/s/ **JIANGSU YUANZHOU E-COMMERCE CO., LTD.** (□□□□□□□□□□)
(Company seal)

SIGNATURE PAGE TO ORDINARY SHARE PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE FOUNDER

/s/ LIU Qiangdong

LIU Qiangdong(□□□)
PRC ID No.: ***

SIGNATURE PAGE TO ORDINARY SHARE PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

/s/ **SHANGHAI YUANMAI TRADING CO., LTD.**
(□□□□□□□□□□)
(Company seal)

/s/ **GUANGZHOU JINGDONG TRADING CO., LTD.**
(□□□□□□□□□□)
(Company seal)

/s/ **JIANGSU JINGDONG INFORMATION TECHNOLOGY CO., LTD.**
(□□□□□□□□□□)
(Company seal)

/s/ **CHENGDU JINGDONG CENTURY TRADING CO., LTD.**
(□□□□□□□□□□)
(Company seal)

SIGNATURE PAGE TO ORDINARY SHARE PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

/s/ **BEIJING JINGDONG CENTURY INFORMATION TECHNOLOGY CO., LTD.**
(□□□□□□□□□□□□)
(Company seal)

/s/ **JIANGSU YUANMAI TRADING CO., LTD.**
(□□□□□□□□□□)
(Company seal)

/s/ **WUHAN JINGDONG CENTURY TRADING CO., LTD.**
(□□□□□□□□□□)
(Company seal)

SIGNATURE PAGE TO ORDINARY SHARE PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

/s/ **SHANGHAI SHENGDAYUAN INFORMATION TECHNOLOGY CO., LTD.**

(□□□□□□□□□□)
(Company seal)

/s/ **TIANJIN STAR EAST CORPORATION LIMITED**

(□□□□□□□□□□)
(Company seal)

/s/ **SHENYANG JINGDONG CENTURY TRADING CO., LTD.**

(□□□□□□□□□□)
(Company seal)

/s/ **BEIJING JINGDONG SHANGKE INFORMATION TECHNOLOGY CO., LTD.**

(□□□□□□□□□□)
(Company seal)

SIGNATURE PAGE TO ORDINARY SHARE PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

/s/ **BEIJING JINGBANGDA TRADING CO., LTD.**

(□□□□□□□□□□)
(Company seal)

SIGNATURE PAGE TO ORDINARY SHARE PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTOR:

/s/ **DST CHINA EC X, L.P.**

SIGNATURE PAGE TO ORDINARY SHARE PURCHASE AGREEMENT

SHARE SUBSCRIPTION AGREEMENT

DATED March 10, 2014

BY AND BETWEEN

TENCENT HOLDINGS LIMITED

HUANG RIVER INVESTMENT LIMITED

AND

JD.COM, INC.

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SHARE SUBSCRIPTION AGREEMENT

THIS SHARE SUBSCRIPTION AGREEMENT (“Agreement”), dated as of March 10, 2014, is between Tencent Holdings Limited, an exempted company registered under the laws of the Cayman Islands (“Tencent Parent”), and JD.com, Inc., an exempted company registered under the laws of the Cayman Islands (“JD Parent”), and solely for the purposes of Section 2 herein, Huang River Investment Limited, an exempted company registered under the laws of the British Virgin Islands (“BuyCo”).

WITNESSETH:

WHEREAS, Tencent Parent is the direct or indirect owner of, or directly or indirectly controls, certain entities described in Schedule 1-Part A hereto;

WHEREAS, pursuant to the terms and conditions of this Agreement and the Transaction Documents, JD Parent desires to purchase, or cause one or more of its Subsidiaries or Affiliates to purchase, from Tencent Parent or from one or more of its Subsidiaries or Affiliates, certain equity interests described in Schedule 2 hereto;

WHEREAS, pursuant to the terms and conditions of this Agreement, JD Parent and Tencent Parent desire to enter into the BCA and the Transition Cooperation Agreement (each as defined below); and

WHEREAS, pursuant to the terms and conditions of this Agreement, JD Parent desires to issue and sell to Buyco, a Subsidiary of Tencent Parent, and Tencent Parent desires to purchase, or cause Buyco to purchase, from JD Parent, 351,678,637 Ordinary Shares of JD Parent constituting 15% of JD Parent’s issued and outstanding share capital on a Fully-Diluted (by Treasury Method) basis (the “JD Shares”).

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.01 **Definitions.** As used in this Agreement, the following terms have the meanings indicated below:

“Affiliate” means any Person that directly or indirectly controls, is controlled by or is under common control with JD Parent or Tencent Parent, as the case may be. As used in this definition, “control” (including, its correlative meanings “controlled by” and “under common control with”) means possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of voting securities or partnership or other ownership interests, by Contract or otherwise).

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“Approval” means any approval, authorization, consent, permit, qualification or registration, or any waiver of any of the foregoing, required to be obtained from or made with, or any notice, statement or other communication required to be filed with or delivered to, any Governmental Entity or any other Person.

“Assets and Properties” means “assets and properties” under any Transaction Document.

“Assumed Liabilities” means all Liabilities assumed by, or transferred to, JD Parent and/or its Subsidiaries and Affiliates pursuant to any Transaction Document including with respect to any Reorganization In Assets.

“BCA” means the business cooperation agreement between Tencent Parent and JD Parent, substantially in the form set forth in Exhibit A.

“Business Day” means as any day other than a Saturday or Sunday on which banks are ordinarily open for business in the Hong Kong Special Administrative Region of the PRC (“Hong Kong”), PRC and the Cayman Islands.

“Contracts” means any contract, agreement, indenture, note, bond, loan, instrument, lease, conditional sale contract, mortgage, security agreement, license, franchise, commitment or other arrangement or agreement, whether written or oral.

“Encumbrance” means any mortgage, lien, pledge, charge, security interest, title defect, preemptive or similar right or other encumbrance.

“Excluded Businesses” means each business of Tencent Parent and its Subsidiaries excluding the Transferred Business.

“Founder” means Liu Qiangdong with PRC ID Number ***.

“Fully-Diluted (by Treasury Method)” means calculated in accordance with the methodology set forth on Schedule 4 hereto.

“Fundamental JD Warranties” means (i) the representations and warranties provided by any JD Group Company in any Transaction Document that are identified as fundamental representations and warranties of such JD Group Company, and (ii) the representations and warranties set forth under Sections 4.01 (Organization, Standing and Qualification), 4.02 (Capitalization; No Other Agreements), 4.04 (Due Authorization), 4.05 (Valid Issuance of JD Shares), 4.16 (Taxes), 4.21 (Exempt Offering; Investment Company) and 4.26 (Insolvency), of this Agreement.

“Fundamental Tencent Warranties” means (i) the representations and warranties of Tencent Parent under Article III-A hereof relating to any representations and warranties provided by Tencent Parent or any of its Subsidiaries or Affiliates in any Transaction Document that are identified as fundamental representations and warranties of Tencent Parent or such Subsidiary or Affiliate of Tencent Parent, including by use of the term “fundamental Tencent warranties,” and (ii) the representations and warranties set forth under Sections 3.01 (Organization, Standing),

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3.02 (Due Authorization), 3.05 (Purchase for Own Account), 3.06 (Investment Experience) and 3.07 (Status) in this Agreement.

“Governmental Entity” means any federal, national, state, provincial or local, whether domestic or foreign, government or any court of competent jurisdiction, administrative agency or commission or other governmental, regulatory, self-regulatory or enforcement authority or instrumentality, whether domestic, foreign or supranational.

“Hong Kong” means the Hong Kong Special Administrative Region of the PRC.

“IFRS” means International Financial Reporting Standards, in effect from time to time, consistently applied.

“Indebtedness” means (a) all indebtedness for borrowed money or for the deferred purchase price of property or services (other than current trade liabilities incurred in the ordinary course of business and payable in accordance with customary practices), (b) any other indebtedness that is evidenced by a note, bond, debenture or similar instrument, (c) all obligations under financing leases, (d) all obligations under or with respect to letters of credit or banker’s acceptances, (e) all liabilities secured by any Encumbrance on any property and (f) all obligations to guarantee or act as surety or be responsible for Indebtedness described in (a) — (e) above.

“Investee” means any Person defined as Investee under the Transaction Documents.

“IPO Articles” means the restated memorandum and articles of association of JD Parent adopted immediately prior to an initial public offering as attached hereto in Schedule 7.

“IPO Subscription Agreement” means the share purchase agreement dated the date hereof between Tencent Parent and JD Parent.

“JD Business” means the (a) the e-commerce business (including business-to-consumer or B2C), (b) the business of the sale of digital products, food, healthcare products, clothes, cosmetic products, books, audio/video products and other general merchandise products through the internet websites and relevant services and (c) logistics, in each case, as conducted by the JD Group Companies.

“JD Constitutional Documents” means the Restated Articles, the certificate of incorporation or other equivalent corporate charter documents of any of the JD Group Companies, including the JD Control Documents.

“JD Control Documents” means Contracts between JD Parent and Jingdong Century, on the one hand, and any of the JD PRC Affiliates or individual shareholders of the JD PRC Affiliates, on the other hand.

“JD Group Companies” means, collectively, (i) JD Parent, (ii) the offshore subsidiaries of JD Parent as listed in Part I of Schedule 3 attached hereto (excluding Justyle Group Limited and China Homerun Ltd.) (the “Offshore Subsidiaries”), (iii) each of the entities and their Subsidiaries (collectively the “JD PRC Subsidiaries,” and each, a “JD PRC Subsidiary”), as

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listed in Part II of Schedule 3 attached hereto, (iv) Beijing Jingdong 360 Degree E-Commerce Co., Ltd. (北京京东三六零度电子商务有限公司), a limited liability company organized and existing under the laws of the PRC (“Jingdong 360”); and Jiangsu Yuanzhou E-Commerce Co., Ltd. (江苏元洲电子商务有限公司), a limited liability company organized and existing under the laws of the PRC (“Jiangsu Yuanzhou,” and together with Jingdong 360, the “JD PRC Affiliates,” and each a “JD PRC Affiliate”), and their Subsidiaries, each as listed in Part III of Schedule 3 attached hereto, and (v) any other entity whose financial statements are consolidated with those of JD Parent in accordance with US GAAP and are recorded on the books of JD Parent for financial reporting purposes (and each, a “JD Group Company”).

“JD Key Employees” means each of the executive officers of JD Parent.

“JD Material Adverse Effect” means any event, occurrence, fact, condition, change or development, individually or together with other events, occurrences, facts, conditions, changes or developments, that (a) has had, has, or would reasonably be expected to have a material adverse effect on the JD Business as presently conducted, or the condition (financial or otherwise), affairs, properties, employees, liabilities, assets or results of operation of the JD Group Companies taken as a whole or (b) prevents or materially alters the ability of any JD Group Company to perform its material obligations under this Agreement or the Transaction Documents; provided, however, that in determining whether a JD Material Adverse Effect has occurred, there shall be excluded any effect on the JD Business or any JD Group Company relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement or taken at the written direction of Tencent Parent, (ii) changes affecting the industry in which the JD Group Companies operate generally or the economy of the PRC or any other market where the JD Group Companies have material operations or sales generally (provided in each case that such changes do not have a unique or materially disproportionate impact on the JD Business), or (iii) the announcement or consummation of the transactions contemplated by this Agreement.

“Jingdong Century” means Beijing Jingdong Century Trading Co., Ltd., a limited liability company organized and existing under the laws of PRC.

The phrase “to the Knowledge of,” when used in reference to a JD Group Company, means the actual knowledge of the JD Key Employees after due and diligent inquiries of the employees or outside consultants of such party or its Subsidiaries and controlled Affiliates reasonably believed to have knowledge of the matter in question, and, when used in reference to Tencent Parent or Tencent Key Employees, means the actual knowledge of the Tencent Key Employees after due and diligent inquiries of the employees or outside consultants of such party or its Subsidiaries or controlled Affiliates reasonably believed to have knowledge of the matter in question.

“Law” means any local, county, state, federal, foreign or other law, statute, regulation, ordinance, rule, order, decree, judgment, consent decree, settlement agreement or governmental requirement enacted, promulgated, entered into, agreed or imposed by any Governmental Entity, and any rules and regulations of any self-regulatory organization (including any securities exchange).

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“Legal Requirement” means, with respect to any Person, any Law, treaty, statute, code, ordinance, decree, administrative order, constitution, bylaw, permit, directive, policy, standard, rule, regulation, guideline and lawful requirements of any Governmental Entity and all judicial, quasi-judicial, administrative, quasi-administrative and arbitral judgments, orders (including injunctions) decisions or awards of any Governmental Entity.

“Liability,” means all Indebtedness, obligations and other liabilities of a Person, whether direct or indirect, absolute, accrued, contingent or otherwise, known or unknown, fixed or otherwise, due or to become due, whether or not accrued or paid.

“Max Smart” means Max Smart Limited, a company organized under the laws of the British Virgin Islands.

“Ordinary Shares” means ordinary shares, par value US\$0.00002 per share, of JD Parent.

“Permit” means any license, permit, franchise, authorization, approval or registration.

“Permitted Encumbrances” means (a) statutory liens for current Taxes, assessments or other governmental charges not yet due or delinquent or are being contested in good faith and for which adequate provision has been made in the financial statements of JD Parent provided to Tencent Parent prior to the execution of this Agreement in accordance with IFRS, (b) zoning, entitlement and other land use regulations by any Governmental Entity provided that such regulations or other requirements have not been violated and such regulations and requirements do not materially affect the value or interfere with the use made or to be made of the relevant Assets and Properties to which they apply, (c) mechanic’s, materialman’s, carrier’s, repairer’s and other similar Liens (i) arising or incurred in the ordinary course of business or (ii) that are not yet due and payable or (iii) that are being contested in good faith and for which adequate provision has been made in the financial statements of JD Parent provided to Tencent Parent prior to the execution of this Agreement in accordance with IFRS; (d) Encumbrances disclosed in the financial statements of JD Parent provided to Tencent Parent prior to the execution of this Agreement; and (e) Encumbrances incurred in the ordinary course of business.

“Person” means any individual, corporation, partnership, joint venture, association, limited liability company, joint-stock company, trust, or unincorporated organization, or any Governmental Entity, officer, department, commission, board, bureau, or instrumentality thereof.

“PRC” means the People’s Republic of China, excluding Hong Kong, Taiwan and Macau Special Administrative Region for the purposes of this Agreement.

“Post-Closing Transfer Asset” means a “post-closing transfer asset” under a Transaction Document.

“Post-Closing Transfer Date” with respect to a Transfer Representation and a Post-Closing Transfer Asset under a Transaction Document, the “post-closing transfer date” under such Transaction Document.

“Relevant Claim” has the same meaning as under the Transaction Documents.

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“Reorganization Out Assets” means any Assets and Properties, Contracts or Liabilities in the Transferred Companies relating to the Excluded Business contemplated to be transferred out from the Transferred Companies.

“Reorganization In Assets” means any Assets and Properties, Contracts or Liabilities relating to the Transferred Business contemplated to be injected into any Transferred Company under any Transaction Document as of the time stated therein.

“Required Transfer” has the same meaning as under the Transaction Documents.

“Restated Articles” means the Second Amended and Restated Memorandum and Articles of Association of JD Parent, adopted at Closing by the shareholders of JD Parent, substantially in the form attached hereto as Exhibit B.

“Restated Shareholders Agreement” means the Thirteenth Amended and Restated Shareholders Agreement, substantially in the form set forth in Exhibit C.

“Retained Liabilities” means any “retained liabilities” under any Transaction Document.

“Subsidiary,” with respect to any Person, means any other Person, whether or not existing on the date hereof, in which the specified Person directly or indirectly through subsidiaries or otherwise, beneficially owns at least fifty percent (50%) of either the equity interest or voting power of or in such other Person or otherwise controls such other Person, whether through Contract or otherwise (including, for the avoidance of doubt, any variable interest entities that are consolidated into the financial statements of such Person).

“Tax” or “Taxes” means any tax, governmental fee or other like assessment or charge of any kind whatsoever (including, but not limited to any income, capital gains, value-added, sales, service, excise, withholding, transfer, stamp or other taxes or similar charges), together with any interest, penalty, addition to tax or additional amount imposed by any Taxing Authority.

“Tax Return” means and includes all domestic or foreign (whether national, federal, state, provincial, local or otherwise) returns, statements, declarations, estimates, forms, reports, information returns and any other documents (including all consolidated, affiliated, combined or unitary versions of the same), including all related and supporting information, filed or required to be filed with any Governmental Entity in connection with the determination, assessment, reporting, payment, collection or administration of any Taxes.

“Taxing Authority,” means any Governmental Entity responsible for the imposition of any Tax.

“Tencent Key Employees” means the executive officers of Tencent Parent.

“Tencent Material Adverse Effect” means any event, occurrence, fact, condition, change or development, individually or together with other events, occurrences, facts, conditions, changes or developments, that (a) has had, has, or would reasonably be expected to have a material adverse effect on the business of the Transferred Companies (as presently conducted and presently contemplated to be conducted), the Transferred Assets and Reorganization In

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Assets taken as a whole, or the condition (financial or otherwise), affairs, properties, employees, liabilities, assets or results of operation of the Transferred Companies or the Transferred Assets or Reorganization In Assets, taken as a whole, or (b) prevents or materially alters the ability of any of Tencent Parent or its Subsidiaries to perform its material obligations under this Agreement or the other Transaction Documents; provided, however, that in determining whether a Tencent Material Adverse Effect has occurred, there shall be excluded any effect on the Transferred Business and the Transferred Assets and Reorganization In Assets relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement or taken at the written direction of JD Parent, (ii) changes affecting the industry in which the Transferred Companies operate generally or the economy of the PRC or any other market where the Transferred Companies have material operations or sales generally (provided in each case that such changes do not have a unique or materially disproportionate impact on the Transferred Business), or (iii) the announcement or consummation of the transactions contemplated by this Agreement.

“Transaction Documents” means, collectively, this Agreement, the BCA, the Transition Cooperation Agreement, the Restated Shareholders Agreement and each other document or agreement entered into or delivered in connection with the transactions contemplated hereby and thereby on or about the date hereof by and among Tencent Parent and its Subsidiaries and Affiliates on the one hand, and JD Parent and its Subsidiaries and Affiliates on the other hand.

“Transferred Assets” means any assets described as “transferred assets” under any Transaction Document.

“Transferred Business” means the Pai Pai/Wanggou open platform business.

“Transfer Representations” means each representation and warranty defined as a “transfer representation” under any Transaction Document.

“Transferred Companies” means each of the entities set forth in Schedule I-Part B hereto

“Transition Cooperation Agreement” means the transition cooperation agreement of an even date herewith between Tencent Parent and JD Parent, substantially in the form set forth in Exhibit D.

“US GAAP” means the generally accepted accounting principles of the United States.

Section 1.02 Additional Defined Terms. In addition to terms defined above, the following terms shall have the respective meanings given to them in the sections set forth below:

<u>Defined term</u>	<u>Section</u>
accredited investor	Section 3.08(b)
Act	Section 3.08
Affiliate	Section 1.01
Approval	Section 1.01
Assets and Properties	Section 1.01
BCA	Section 1.01

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Business Day	Section 1.01
Closing	Section 2.02(a)
Closing Date	Section 2.02(a)
Confidential Information	Section 5.02(a)
Consultation Period	Section 7.13(b)
Contracts	Section 1.01
JD Business	Section 1.01
JD Constitutional Documents	Section 1.01
JD Disclosure Schedule	Article IV
JD Group Companies	Section 1.01
JD Group Company	Section 1.01
JD Indemnitee	Section 6.02(a)
JD Key Employees	Section 1.01
JD Material Adverse Effect	Section 1.01
JD Parent	Preamble
JD PRC Affiliate	Section 1.01
JD PRC Affiliates	Section 1.01
JD PRC Subsidiaries	Section 1.01
JD PRC Subsidiary	Section 1.01
JD Shares	Recitals
Dispute	Section 7.13(b)
Encumbrance	Section 1.01
Equity Interest	Recitals
Excluded Businesses	Section 1.01
<u>Founder</u>	Section 1.01
<u>Fully Diluted</u>	Section 1.01
Fundamental JD Warranties	Section 7.01(a)
Fundamental Tencent Warranties	Section 7.01(b)
Governmental Entity	Section 1.01
HKIAC	Section 7.13(c)
Hong Kong	Section 1.01
IFRS	Section 1.01
Indebtedness	Section 1.01
Jiangsu Yuanzhou	Section 1.01
Jingdong 360	Section 1.01
Jingdong Century	Section 1.01
Law	Section 1.01
Legal Requirement	Section 1.01
Liability	Section 1.01
Losses	Section 6.01(a)
Max Smart	Section 1.01
Offshore Payment	Section 2.01(b)
Offshore Subsidiaries	Section 1.01
Ordinary Shares	Section 1.01
Permit	Section 1.01
Permitted Encumbrances	Section 1.01

Person	Section 1.01
Post-Closing Execution Covenants	Section 5.01(b)
PRC	Section 1.01
Pre-Signing Reorganization	Section 1.01
Registration Statement	Article IV
Restated Articles	Section 1.01
Restated Shareholders Agreement	Section 1.01
Retained Liabilities	Section 1.01
SEC	Section 3.08
Subsidiary	Section 1.01
Tax	Section 1.01
Tax Return	Section 1.01
Taxes	Section 1.01
Taxing Authority	Section 1.01
Tencent E-Commerce Interests	Recitals
Tencent Indemnitee	Section 6.01(a)
Tencent Key Employees	Section 1.01
Tencent Material Adverse Effect	Section 1.01
Tencent Parent	Preamble
Tencent WFOE	Recitals, Recitals
Tencent WFOE Interests	Recitals
Tianjin Star East	Section 1.01
Transferred Assets	Section 1.01
Transferred Business	Section 1.01
Transferred Companies	Section 1.01
Transaction Documents	Section 1.01
Transition Cooperation Agreement	Section 1.01
US GAAP	Section 1.01
YX Logistics	Schedule 1
YX Logistics Interests	Schedule 1

ARTICLE II.

CERTAIN TRANSACTIONS

Section 2.01 **Certain Transactions.** On the terms and subject to the conditions set forth in this Agreement and the Transaction Documents, as applicable:

(a) JD Parent shall allot and sell to BuyCo, and Tencent Parent shall cause BuyCo to purchase from JD Parent, the JD Shares free and clear of all Encumbrances and having the rights, privileges and restrictions set forth in the Restated Articles;

(b) Tencent Parent shall pay, or cause BuyCo to pay, US\$214,661,998 to JD Parent (the “Offshore Payment”) by delivery of a promissory note at Closing, followed by wire transfer by close of business on the same Business Day as the Closing of immediately available funds to the account designated by JD Parent in Schedule 10 hereto (following receipt of which

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the obligations under the promissory note shall be discharged in accordance with its terms);

(c) Tencent Parent shall deliver to JD Parent the BCA and the Transition Cooperation Agreement duly and validly executed by Tencent Parent;

(d) JD Parent shall deliver to Tencent Parent the BCA and the Transition Cooperation Agreement duly and validly executed by JD Parent;

(e) JD Parent shall cause one or more of the JD Group Companies to purchase, acquire and accept from Tencent Parent and/or its Subsidiaries and Affiliates Transferred Assets, Transferred Companies, Transferred Business and assume the Assumed Liabilities under the Transaction Documents as and when described therein; and

(f) Tencent Parent shall cause one or more of its Subsidiaries or Affiliates to sell or transfer to JD Parent and/or its Subsidiaries and Affiliates Transferred Assets, Transferred Companies, Transferred Business and cause such Subsidiaries or Affiliates (other than the Transferred Companies and the Investee) to assume and/or to retain the Retained Liabilities under the Transaction Documents as described therein.

Section 2.02 **Closing Deliverables.**

(a) The closing of the transactions contemplated by Section 2.01 (the “Closing”) shall take place remotely via the electronic exchange of the closing documents and signatures (followed by prompt delivery of the originals therefor) on the date hereof (the “Closing Date”). All transactions occurring at the Closing shall be deemed to occur simultaneously, and shall be effective as of the Closing and upon occurrence of all transactions contemplated by this Section 2.02. For the avoidance of doubt, the consummation of the transactions described in this Section 2.02 shall occur together, and the Closing shall be deemed not to have occurred if any party fails to deliver any agreement or other instrument or document required under this Section 2.02.

(b) At the Closing, Tencent Parent shall:

(i) deliver to JD Parent copies of the Transaction Documents duly and validly executed by Tencent Parent and/or its Subsidiaries and Affiliates that are a party thereto;

(ii) deliver to JD Parent the opinions from PRC counsel, in substantially the form attached hereto as Exhibit E-1 and Exhibit E-2 addressed to JD Parent and dated as of the Closing Date;

(iii) deliver or cause the delivery of all the documents expressly required under the Transaction Documents required to be delivered to JD Parent, its Subsidiaries or Affiliates at Closing, as applicable; and

(iv) deliver to JD Parent a Secretary’s Certificate certifying that the board of directors of Tencent Parent has duly approved this Agreement and the Transaction Documents.

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(c) At the Closing, JD Parent shall:

(i) deliver to Tencent Parent duly issued share certificates issued in favor of BuyCo representing the JD Shares purchased by Tencent Parent or such Subsidiary, duly signed and sealed for and on behalf of JD Parent;

(ii) deliver to Tencent Parent copies of the Transaction Documents duly and validly executed by each party to such Transaction Document (other than Tencent Parent and/or its Subsidiaries and Affiliates);

(iii) cause its register of members to be duly updated to reflect the issue and allotment of JD Shares purchased by BuyCo, and deliver a copy of such updated register of members to Tencent Parent, certified as a true and correct copy by JD Parent’s registered office provider;

(iv) deliver to Tencent Parent an updated copy of the register of directors of JD Parent to evidence the appointment of Tencent Parent’s nominee to the board of directors of JD Parent, such register duly certified as a true and correct copy by JD Parent’s registered agent or a director of JD Parent;

(v) deliver to Tencent Parent the opinions from PRC counsel, in substantially the form attached hereto as Exhibit F-1 and Exhibit F-2, and from Cayman Islands counsel, in substantially the form attached hereto as Exhibit G, in each case addressed to Tencent Parent and dated as of the Closing Date;

(vi) deliver to Tencent Parent a certificate of good standing, dated no later than five (5) Business Days prior to the Closing Date, issued by the Registrar of Companies of the Cayman Islands with respect to JD Parent; and

ARTICLE III.**REPRESENTATIONS AND WARRANTIES OF TENCENT PARENT**

Tencent Parent hereby represents and warrants to JD Parent as of the date hereof and the Closing Date (except for such representations and warranties made only as of a specific date), as follows:

Section 3.01 Organization; Standing. Tencent Parent is duly organized, validly existing and in good standing under, and by virtue of, the laws of the place of its incorporation or establishment and has all requisite power and authority to enter into, and perform each of its obligations under, this Agreement, each Transaction Document and under any agreement contemplated hereunder to which it is a party.

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Section 3.02 Due Authorization.

(a) The execution, delivery and performance on the part of Tencent Parent, each Subsidiary or Affiliate of Tencent Parent party to any Transaction Document and the consummation of the transactions contemplated hereby and under any other Transaction Document are within their respective corporate powers and have been duly authorized by all necessary corporation action on the part of Tencent Parent or such Subsidiary of Tencent Parent. This Agreement and each of the Transaction Documents will be when delivered at Closing, duly and validly executed and delivered by each of Tencent Parent and its Subsidiaries and Affiliates that is a party thereto, and (assuming due authorization, execution and delivery by each JD Group Company that is a party thereto) constitutes the legal, valid and binding obligation of Tencent Parent and its Subsidiaries and Affiliates that are a party thereto, enforceable in accordance with its terms, subject, in each case, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles.

(b) Neither the execution and delivery and performance of this Agreement or any other Transaction Document by Tencent Parent and its Subsidiaries or Affiliates that are a party thereto, nor the consummation of the transactions contemplated hereby and thereby will (i) conflict with, or result in any breach or violation of, or default under (with or without notice or lapse of time, or both), or give rise to a right of termination, cancellation or obligation or loss of any benefit, or the creation or imposition of any Encumbrance under (A) any provision of Tencent Parent's or any of its Subsidiaries' or Affiliate's articles, organizational or constitutional documents, (B) any mortgage, indenture, lease Contract, agreement, instrument or understanding to which any of the foregoing is a party or to which any of its or its Subsidiary's or Affiliate's properties or assets are bound or (C) any Legal Requirement applicable to Tencent Parent or any of its Subsidiaries or Affiliates or any of their respective properties or assets with such exceptions, in the case of each of clauses (B) and (C), as would not have, individually or in the aggregate, have a Tencent Material Adverse Effect; or (ii) require any Approval of any Governmental Entity or any third party other than Approvals required under any of the Transaction Documents.

Section 3.03 Litigation. There is no action, suit, proceeding, claim, arbitration or investigation ("Action") pending or, to the Knowledge of Tencent Parent, currently threatened against (a) Tencent Parent or any of its Subsidiaries or their activities, properties or assets or, to the Knowledge of Tencent Parent, against any officer or director Tencent Parent or any of its Subsidiaries in connection with such officer's or director's relationship with, or actions taken on behalf of Tencent Parent or any of its Subsidiaries, which would have a Tencent Material Adverse Effect, or (b) that questions the validity of this Agreement or any Transaction Document, the right of Tencent Parent or any of its Subsidiaries to enter into them, or to consummate the transactions contemplated by this Agreement or any Transaction Document. To the Knowledge of Tencent Parent, there is no factual or legal basis for any such Action that is likely to result individually or in the aggregate in a Tencent Material Adverse Effect.

Section 3.04 Financial Advisor Fees. Other than Barclays Bank PLC, there exists no agreement or understanding between Tencent Parent, its Subsidiaries or any Transferred Company and any investment bank or other financial advisor under which a Transferred Company may owe any brokerage, placement or other fees relating to the transactions contemplated by this Agreement or the Transaction Documents.

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Section 3.05 Purchase for Own Account. The JD Shares will be acquired for Tencent Parent's or its Subsidiary's own account, not as a nominee or agent, and not with a view to or in connection with the sale or distribution of any part thereof. By executing this Agreement, Tencent Parent further represents that it does not have, and none of its Subsidiaries or Affiliates have, any Contract with any person to sell, transfer or grant participations to any person, with respect to any of the JD Shares.

Section 3.06 Investment Experience. Tencent Parent acknowledges that Tencent Parent and its Subsidiaries can bear the economic risks of the investment, and have such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the JD Shares.

Section 3.07 Status. BuyCo is (a) acquiring the JD Shares outside the United States in compliance with Regulation S under the U.S. Securities Act of 1933, as amended (the "Act"), and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction or (b) an "accredited investor" within the meaning of Securities and Exchange Commission ("SEC") Rule 501 of Regulation D, as presently in effect, under the Act.

ARTICLE III-A

Section 3A.01 Repetition of Representations and Warranties. As of the date hereof and as of the Closing Date, each of the representations and warranties set forth in each of the Transaction Documents is true and correct subject to any disclosures qualifying such representations and warranties set forth in such Transaction Document, and each such representation and warranty in each such agreement shall and is hereby deemed to be included in this Agreement and repeated as a representation and warranty of Tencent Parent or JD Parent, as applicable, under this Agreement as of each such date.

Section 3A.02 Without limiting Section 3A.01, as of the Post-Closing Transfer Date with respect to a Post-Closing Transfer Asset, each of the Transfer Representations set forth in the Transaction Documents, to the extent it relates to such Post-Closing Transfer Asset, is true and correct subject to any disclosures qualifying such representations and warranties set forth in such Transaction Document, and each such representation and warranty in each such Transaction Document shall and is hereby deemed to be included in this Agreement and repeated as a representation and warranty of Tencent Parent under this Agreement as of such date.

REPRESENTATIONS OF JD PARENT

Except as set forth in (a) the schedule delivered to Tencent Parent prior to the execution of this Agreement setting forth specific exceptions to JD Parent's representations and warranties set forth herein (the "JD Disclosure Schedule"), and (b) the registration statement filed with the SEC on January 30, 2014 by JD Parent, including all financial statements included therein (the "Registration Statement"), JD Parent hereby represents and warrants to Tencent Parent as of the

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date hereof and the Closing Date (except for such representations and warranties made only as of a specific date) as follows:

Section 4.01 Organization, Standing and Qualification. Each JD Group Company is duly organized, validly existing and in good standing (or equivalent status in the relevant jurisdiction) under, and by virtue of, the laws of the place of its incorporation or establishment and has all requisite corporate power and authority to own its properties and to conduct its business as currently conducted and to perform each of its obligations hereunder and under any agreement contemplated hereunder to which it is a party. Each JD Group Company has all requisite corporate power and authority to own, lease, operate or license, if applicable its Assets and Properties and carry on its business as now conducted, and is qualified to do business in each jurisdiction where such qualification is required except where the failure to be so qualified would have a JD Material Adverse Effect.

Section 4.02 Capitalization; No Other Agreements

(a) Ordinary Shares. Immediately prior to the Closing (and prior to the adoption of the Restated Articles), (i) the total authorized share capital of JD Parent is US\$60,000 divided into 3,000,000,000 Ordinary Shares, par value US\$0.00002 per share, which consists of 2,435,536,365 Ordinary Shares and 564,463,635 Preferred Shares, (ii) the total number of Ordinary Shares issued and outstanding on an as-converted basis is 2,012,682,683 Ordinary Shares, (iii) the maximum possible number of Ordinary Shares issued and issuable based on the existing issued and outstanding Ordinary Shares and Preferred Shares on the as-converted basis as well as Ordinary Shares reserved for issuance under JD's 2013 Share Incentive Plan (the "JD 2013 Plan"), is 2,256,738,573 Ordinary Shares, (iv) the total number of Ordinary Shares underlying outstanding options granted under the JD 2013 Plan is 26,722,515 Ordinary Shares, exclusive of forfeited options, and (v) the total number of Ordinary Shares outstanding on a Fully Diluted (by Treasury Method), as-converted basis is 1,992,845,612 Ordinary Shares. Following the Closing (following the issuance of the JD Shares and the adoption of the Restated Articles), JD will amend and restate the JD 2013 Plan to add 117,226,212 Ordinary Shares to the total number of Ordinary Shares reserved under the JD 2013 Plan, of which 93,780,970 Ordinary Shares will be granted to the Founder or his Affiliates as share incentives to reward the Founder's performance.

(b) Preferred Shares. Immediately prior to the Closing (and prior to the adoption of the Restated Articles), JD Parent is authorized to issue a total of 564,463,635 Preferred Shares, par value US\$0.00002 per share, of JD Parent, of which (i) 221,360,925 are designated as Series A Preferred Shares, par value US\$0.00002 per share (the "Series A Preferred Shares"), and 191,894,000 Series A Preferred Shares are issued and outstanding, (ii) 84,786,405 are designated as Series B Preferred Shares, par value US\$0.00002 per share (the "Series B Preferred Shares"), and 84,786,405 Series B Preferred Shares are issued and outstanding and (iii) 258,316,305 are designated as Series C Preferred Shares, par value US\$0.00002 per share (the "Series C Preferred Shares," together with Series A Preferred Shares and Series B Preferred Shares, the "Preferred Shares"), and 258,316,305 Series C Preferred Shares are issued and outstanding.

(c) Options, Warrants Reserved Shares. Immediately prior to the Closing, JD

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Parent has reserved enough Ordinary Shares for issuance upon the conversion of all Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares. Except for (i) the conversion privileges of the Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares, as provided in the Twelfth Amended and Restated Shareholders Agreement dated December 11, 2013 (the "Twelfth Shareholders Agreement") and the Amended and Restated Memorandum and Articles of Association of JD Parent (the "Articles"), (ii) the shares of JD Parent (the "JD ESOP Shares") reserved for issuance to the employees, directors, consultants and advisors of the JD Group Companies pursuant to the employee and advisor stock option plan from time to time duly adopted by JD Parent (the "JD ESOP"), and (iii) as set forth in any Transaction Document, there are no options, warrants, securities convertible into Ordinary Shares, Preferred Shares or any voting securities, Indebtedness having general voting rights or debt convertible into securities having such rights, agreements or rights of any kind with respect to the issuance or purchase of the JD Shares or any other securities of JD Parent. Except as set forth in this Section 4.02, any rights under applicable Law and any rights under the Transaction Documents, no shares of JD Parent are subject to any preemptive rights, rights of first refusal or other rights of any kind to purchase such shares in favor of any Person.

(d) Outstanding Security Holders. A true, complete and current list of all shareholders, option holders, warrant holders and other security holders of JD Parent as of the date hereof indicating the type and number of shares, options, warrants or other securities held by each such shareholder, option holder, warrant holder or other security holder is set forth in the shareholding tables in Section 4.02 of the JD Disclosure Schedule, except for the employees, directors, consultants or advisors of the JD Group Companies who have been allocated with any of the JD ESOP Shares pursuant to the employee and advisor stock option plan from time to time duly adopted by JD Parent.

(e) No Acceleration. Except for the JD ESOP, no share plan, share purchase, share option or other agreement between JD Parent and any holder of any securities of JD Parent or rights exercisable or convertible for securities of JD Parent provides for acceleration or other changes in the vesting provisions or other terms of such agreement or as a result of the consummation of the transactions contemplated in this Agreement.

(f) Side Letters. Other than the share purchase agreements, the shareholders agreement entered into in connection with the prior investments in JD Parent, and the Agreements on Post-MA&A, JD Parent has not entered into any agreement, arrangement or understanding (including, but not limited to, any side letters) with any shareholder of JD Parent in connection with the equity interests, share capital or registered capital in any JD Group Company. Prior to the date hereof, JD Parent has delivered to Tencent Parent true and complete copies of all documents, contracts, arrangements and understandings between any JD Group Company and the existing shareholders of JD Parent (including any agreements, arrangements or side letters with any of the existing shareholders of JD Parent).

(g) Post-Closing Capitalization. Immediately following the Closing, the capital structure of JD Parent shall be as set forth in Schedule 4.

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Section 4.03 Subsidiaries; Group Structure

(a) One hundred percent (100%) of the equity interests of the JD PRC Subsidiaries are owned directly or indirectly by JD Parent, and the equity interests of the JD PRC Affiliates are held forty-five percent (45%) and fifty-five percent (55%), respectively, directly by the Founder and Sun Jiaming (孙建明), with the PRC identity number of 320881198008071616). Apart from the entities listed in Schedule 3 or the Registration Statement, JD Parent does not presently own or control, directly or indirectly, any interest in any other Person which is still in operation. The information relating to each JD Group Company as set out in Schedule 3 is true and accurate in all respects and there is no information the omission of which might make such information misleading or inaccurate in any respect.

(b) There are no options, warrants, securities convertible into Ordinary Shares, Preferred Shares or any voting securities, Indebtedness having general voting rights or debt convertible into securities having such rights, agreements or rights of any kind with respect to the issuance or purchase of the equity interest of any of the JD PRC Subsidiaries and JD PRC Affiliates.

Section 4.04 Due Authorization

(a) The execution, delivery and performance on the part of each JD Group Company party to any Transaction Document and the consummation of the transactions contemplated hereby and under any other Transaction Document are within their respective corporate powers and have been duly authorized by all necessary corporation action on the part of JD Parent or such other JD Group Company. This Agreement and each of the Transaction Documents will be when delivered at Closing, duly and validly executed and delivered by each of JD Parent and each other JD Group Company that is a party thereto, and (assuming due authorization, execution and delivery by Tencent Parent and each Subsidiary or Affiliate of Tencent Parent) constitutes the legal, valid and binding obligation of JD Parent and each other JD Group Company that is a party thereto, enforceable in accordance with its terms, subject, in each case, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles.

(b) Neither the execution and delivery and performance of this Agreement or any other Transaction Document by JD Parent and any other JD Group Company that is a party thereto, nor the consummation of the transactions contemplated hereby and thereby will (i) conflict with, or result in any breach or violation of, or default under (with or without notice or lapse of time, or both), or give rise to a right of termination, cancellation or obligation or loss of any benefit, or the creation or imposition of any Encumbrance under (A) any provision of JD Parent's or any other JD Group Company's articles, organizational or constitutional documents, (B) any mortgage, indenture, lease Contract, agreement, instrument or understanding to which any of the foregoing is a party or to which any of its or any properties or assets are bound or (C) any Legal Requirement applicable to JD Parent or any other JD Group Company's or any of their respective properties or assets with such exceptions, in the case of each of clauses (B) and (C), as would not have, individually or in the aggregate, have a JD Material Adverse Effect; or (ii) require any Approval of any Governmental Entity or any third party other than Approvals required under any of the Transaction Documents.

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Section 4.05 Valid Issuance of JD Shares

(a) The JD Shares, when issued, sold and delivered in accordance with the terms of this Agreement and the Restated Articles, will be duly and validly issued, fully paid and non-assessable and free and clear of any Encumbrances.

(b) All currently outstanding shares of JD Parent are duly and validly issued, fully paid and non-assessable, and all outstanding shares, options, warrants and other securities of JD Parent and each other JD Group Company have been issued in full compliance with the requirements of all applicable Laws and regulations including, to the extent applicable, the registration and prospectus delivery requirements of the Act, or in compliance with applicable exemptions therefrom.

(c) All waivers of rights of first refusal, preemptive rights, redemption rights, co-sale or tag-along rights, drag-along rights, put or call rights, rights to liquidation preferences or special dividends or any other rights triggered by the transactions contemplated by this Agreement or the Transaction Documents have been duly and validly obtained and are irrevocable.

Section 4.06 Liabilities. None of the JD Group Companies have any Liabilities or obligations except Liabilities or obligations (a) stated or reserved against in the balance sheets included in the respective JD Financial Statements (as defined below) or in the notes thereof, (b) incurred in the ordinary course of business since September 30, 2013, or (c) which would not, individually or in the aggregate, be material to the JD Group Companies, taken as a whole.

Section 4.07 Title to Properties and Assets; ICP License

(a) The material Assets and Properties that are purported to be owned or reflected as owned in the JD Financial Statements are owned by the applicable JD Group Company free and clear of all Encumbrances (other than Permitted Encumbrances). The applicable JD Group Companies hold valid leasehold interests in the material Assets and Properties that are purported to be leased or reflected as leased in the JD Financial Statements. All such Assets and Properties are adequate for the uses to which they are being put and have been maintained and serviced in accordance with prudent practice and in compliance with all applicable Legal Requirements, in each case except as would not, individually or in the aggregate, be material to the JD Group Companies, taken as a whole.

(b) Jingdong 360 has obtained and validly maintained in full force and effect the internet content provider license and has commenced to engage in the internet information service. Neither the Founder nor his "associates" (as such term is defined under Rule 405 of the Act) has any interest in any other business operation which is similar to the JD Business (and to the extent there is or has been any such interest, such interest or business operation has been terminated and deregistered).

Section 4.08 Status of Intellectual Property. Except as would not, individually or in the aggregate be material to the JD Business, to the extent any of the JD Group Companies purports to own any Intellectual Property, such JD Group Company owns such Intellectual Property free and clear of all Encumbrances (other than Permitted Encumbrances) or

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has a valid right or license to use, all Intellectual Property, including without limitation all Registered Intellectual Property, necessary and appropriate or otherwise material for the JD Business (the "JD Intellectual Property") and without any conflict with or infringement of the rights of others. There are no material outstanding options, licenses, agreements or rights of any kind granted by any of the JD Group Companies or any other party relating to any JD Intellectual Property. Except as would not, individually or in the aggregate, be material to the JD Business, none of the JD Group Companies is violating or has received any written communications alleging that it has violated any Intellectual Property of any other Person, nor, to the Knowledge of JD Parent, is there any reasonable basis therefor, nor to the Knowledge of JD Parent, is any third party currently violating any rights of the JD Group Companies to any JD Intellectual Property in any material respect.

Section 4.09 Material Contracts and Obligations

(a) None of the JD Group Companies is party to any Contracts:

(i) containing exclusivity, non-competition, or similar clauses that materially impair, restrict or impose conditions on any JD Group Company's right to offer or sell products or services in specified areas, during specified periods, or otherwise;

(ii) termination of which would be reasonably likely to have a JD Material Adverse Effect; or

(iii) obligating any JD Group Company to share, license or develop any material product or technology with any third party not in the ordinary course of business.

(b) Each material Contract of each JD Group Company (the "JD Material Contracts") constitutes the valid and legally binding obligation of the applicable JD Group Company and the other parties thereto, enforceable against each of them in accordance with its terms. Except as would not, individually or in the aggregate, be material to the JD Business or the JD Group Companies, taken as a whole, performance of each JD Material Contract does not violate any applicable Law, and each of the JD Material Contracts is in full force and effect. Each applicable JD Group Company has duly performed all of its obligations under each JD Material Contract in all material respects to the extent that such obligations to perform have accrued, and none of the JD Group Companies has breached, nor does JD Parent have any Knowledge of any claim or threat that any term or condition of any JD Material Contract has been breached which would reasonably be expected to impose material liability on any JD Group Company or materially adversely affect the operations of the JD Business. No JD Group Company has given notice (whether or not written) that it intends to terminate a JD Material Contract or that any other party thereto has materially breached, violated or defaulted under any JD Material Contract. No JD Group Company has received any notice (whether or not written) that (i) it has breached, violated or defaulted under any JD Material Contract or (ii) any other party thereto intends to terminate such JD Material Contract, and no Action is pending or, to the Knowledge of JD Parent, threatened that seeks to challenge any of the foregoing.

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(c) Without limitation to the foregoing subclause (a), none of the JD Group Companies has breached, and, to the Knowledge of JD Parent, no facts or circumstances are in existence which, with or without the passage of time, could lead to any of the JD Group Companies being in breach of: (i) the Series A Preferred Share Purchase Agreement (as defined in the Restated Shareholders Agreement), (ii) the Series B Preferred Share Purchase Agreement (as defined in the Restated Shareholders Agreement), (iii) Ordinary Share Purchase Agreement, dated December 31, 2009, by and among JD Parent, Max Smart, Jingdong Century, certain other PRC Subsidiaries, Jingdong 360, the Founder and Tiger Global Five 360 Holdings, (iv) Ordinary Share Purchase Agreement, dated March 17, 2010, by and among JD Parent, the Founder, Kaixin Asia Limited and Accurate Way Limited, (v) May 2010 Ordinary Share Purchase Agreement (as defined in the Restated Shareholders Agreement), (vi) Rescission Agreement, dated September 3, 2010, by and among JD Parent, Max Smart, Tiger 360Buy and certain individual shareholders, (vii) Share Purchase Agreement, dated September 3, 2010, by and among Max Smart, Tiger 360Buy and certain individual shareholders, (viii) Series C Preferred Share Subscription Agreement (as defined in the Restated Shareholders Agreement), (ix) the Warrants (as defined in the Restated Shareholders Agreement), which have been fully and duly exercised by the relevant parties (or its Affiliates) to the Warrants pursuant to the terms and conditions in the respective Warrant, (x) First DST Global Ordinary Share Purchase Agreement (as defined in the Restated Shareholders Agreement), (xi) Second DST Global Ordinary Share Purchase Agreement (as defined in the Restated Shareholders Agreement), (xii) Sequoia Ordinary Share Purchase Agreement (as defined in the Restated Shareholders Agreement), (xiii) Classroom Ordinary Share Purchase Agreement (as defined in the Restated Shareholders Agreement), (xiv) Kingdom Ordinary Share Purchase Agreement (as defined in the Restated Shareholders Agreement), (xv) China Life Purchase Agreement (as defined in the Restated Shareholders Agreement) and (xvi) all shareholder rights and voting agreements of JD Parent, including the Restated Shareholders Agreement; and none of the JD Group Companies has any liability (including any contingent liability) under any of the foregoing agreements.

Section 4.10 Litigation. There is no material Action pending or, to the Knowledge of JD Parent, currently threatened (a) against any of the JD Group Companies, any JD Group Company's activities, properties or assets or, to the Knowledge of JD Parent, against any officer or director of each JD Group Company in connection with such officer's or director's relationship with, or actions taken on behalf of any JD Group Company, which would have a JD Material Adverse Effect, or (b) questions the validity of this Agreement or any Transaction Document, the right of any JD Group Company to enter into them, or to consummate the transactions contemplated by this Agreement or any Transaction Document. To the Knowledge of JD Parent, there is no factual or legal basis for any such Action that is likely to result individually or in the aggregate in a JD Material Adverse Effect.

Section 4.11 Compliance with Laws; Approvals and Permits.

(a) None of JD Parent, the employee shareholders and, to the Knowledge of JD Parent, any other beneficial owners of JD Parent who are PRC residents as defined under Circular 75 (as defined below) is in violation of any applicable statute, rule, regulation, order or restriction of any domestic or foreign government or any instrumentality or agency thereof in respect of the conduct of the JD Business or the ownership of JD Group Companies' properties, including but not limited to the registration requirement for the Founder's, the employee

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shareholders' and, to the Knowledge of JD Parent, any other PRC resident's (indirect) investment in JD Parent under the Circular 75 issued by the State Administration of Foreign Exchange ("SAFE") on October 21, 2005, titled "Notice Regarding Certain Administrative Measures on Financing and Inbound Investments by PRC Residents Through Offshore Special Purpose Vehicles", effective as of November 1, 2005 ("Circular 75"), and any successor rule or regulation under PRC law, including any applicable implementing rules or regulations of Circular 75.

(b) Each of the JD Group Companies have all material franchises, Permits, licenses and any similar authority necessary for the conduct of the JD Business as currently conducted or the ownership of its assets. Each of the JD Group Companies is and has been in compliance with all relevant Legal Requirements. None of the JD Group Companies has received any letter or notice from any relevant authority notifying revocation of any Permits or licenses issued to it for non-compliance or the need for compliance or remedial actions in respect of the activities carried out directly or indirectly by it. None of the JD Group Companies is in default under any of such franchises, Permits, licenses or other similar authority except to the extent it does not in the aggregate have a JD Material Adverse Effect. In respect of any material Permits requisite for the conduct of any part of the business of any of the JD Group Companies which are subject to periodic renewal, to the Knowledge of JD Parent, there is no reason to believe that such requisite renewals will not be timely granted or renewed by the relevant PRC authorities.

Section 4.12 Registration Rights. Except as provided in the Restated Shareholders Agreement, JD Parent has not granted or agreed to grant any person or entity any registration rights (including piggyback registration rights) with respect to, nor is JD Parent obliged to list, any of JD Parent's shares (or JD PRC Subsidiaries' or the JD PRC Affiliates' shares) on any securities exchange. Except as provided by the Twelfth Shareholders Agreement, the Articles, the JD Control Documents, the Restated Articles, the Restated Shareholders Agreement, the Agreement on Post-IPO Memorandum and Articles of Association, dated as of February 10, 2012 by and among JD Parent and certain shareholders of JD Parent and related side agreements and as contemplated under this Agreement and the other Transaction Documents, there are no voting or similar agreements which relate to the shares of JD Parent or any of the equity interests of the JD PRC Subsidiaries or the JD PRC Affiliates.

Section 4.13 **Financial Advisor Fees.** Other than Merrill Lynch (Asia Pacific) Limited and China Renaissance Securities (Hong Kong) Limited, whose fees, costs and expenses shall be paid by JD Parent, there exists no agreement or understanding between any JD Group Company and any investment bank or other financial advisor under which such JD Group Company may owe any brokerage, placement or other fees relating to the offer or sale of the JD Shares.

Section 4.14 **Financial Statements.** The following financial statements of the JD Group Companies, namely (a) the audited consolidated financial statements of the JD Group Companies for the periods from January 1, 2011 to December 31, 2011, from January 1, 2012 to December 31, 2012, and (b) the unaudited consolidated financial statements of the JD Group Companies for the interim period from January 1, 2013 to September 30, 2013 have been prepared in accordance with US GAAP without having been audited by outside independent

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auditors are (i) in accordance with the books and records of the JD Group Companies, (ii) true, correct and complete and present fairly the financial condition of the JD Group Companies at the date or dates therein indicated and the results of operations for the period or periods therein specified, and (iii) have been prepared in accordance with generally accepted accounting principles of the United States (“US GAAP”), applied on a consistent basis, except (as to the unaudited financial statements) for the omission of notes thereto and normal year-end provisions and audit adjustments (collectively, the “JD Financial Statements”). Except as disclosed in the JD Financial Statements, none of the JD Group Companies is a guarantor or indemnitor of any material Indebtedness of any Person other than the JD Group Companies. Each JD Group Company maintains and will continue to maintain a standard system of accounting established and administered in accordance with generally accepted accounting principles as required in the jurisdiction where it is incorporated.

Section 4.15 **Activities Since Financial Statements Date.**

Since September 30, 2013, with respect to each JD Group Company other than in the ordinary course of business that does not constitute a JD Material Adverse Effect, there has not been:

- (a) any change in the assets, liabilities, financial condition or operating results of such JD Group Company apart from that reflected in the JD Financial Statements, except changes, that, individually or in the aggregate, would not result in a JD Material Adverse Effect;
- (b) any damage, destruction or loss, whether or not covered by insurance, that, individually or in the aggregate, would result in a JD Material Adverse Effect;
- (c) any waiver by any JD Group Company of a material right or, except as would not, individually or in the aggregate, have a JD Material Adverse Effect;
- (d) any satisfaction or discharge of any lien, claim or encumbrance or payment of any obligation by any JD Group Company, except such satisfaction, discharge or payment made in the ordinary course of business that would not, individually or in the aggregate, have a JD Material Adverse Effect;
- (e) any material change in any compensation arrangement or agreement with, or any resignation or termination of any JD Key Employee;
- (f) any mortgage, pledge, transfer of a security interest in, or lien created by any JD Group Company, with respect to any of the JD Group Company’s material properties or assets, except Permitted Encumbrances or as would not, individually or in the aggregate, have a JD Material Adverse Effect;
- (g) any declaration, setting aside or payment or other distribution in respect of the share capital of any of the JD Group Companies, or any direct or indirect redemption, purchase or other acquisition of share capital of the JD Group Companies;
- (h) any failure to conduct business in the ordinary course, consistent with the JD Group Companies’ past practices;

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- (i) any transactions of any kind with any of its officers, directors or employees, or any members of their immediate families, or any entity controlled by any of such individuals other than in respect of continuing and ordinary course employment matters;
 - (j) any other event or condition of any character, individually or in the aggregate, which would reasonably be expected to have a JD Material Adverse Effect; or
 - (k) any agreement or commitment by any JD Group Company to do any of the things described in this Section 4.15.

Section 4.16 **Tax Matters.**

(a) The provisions for Taxes in the respective JD Financial Statements are sufficient for the payment of all accrued and unpaid applicable Taxes of each of the JD Group Companies, whether or not assessed or disputed, as of the date of such JD Financial Statement, and since September 30, 2013, none of the JD Group Companies have incurred any Liability for Taxes, except with respect to operations in the ordinary course of business of the JD Group Companies and each JD Group Company has made adequate provisions on its books of account for all such Taxes for such period. Each of JD Group Company has complied in all material respects with all applicable Legal Requirements, rules and regulations relating to the payment and withholding of Taxes and have, within the time and in the manner prescribed by law, withheld and paid over to the proper Tax Authorities all amounts required to be so withheld and paid over under applicable Legal Requirements.

(b) Each of the JD Group Company has duly filed all material Tax Returns required to be filed by it has duly paid (or has had paid on their behalf) all Taxes required to be paid by it, whether or not shown on any Tax Return. All such Tax Returns were, when filed, true, complete and correct in all material respects. There are no Encumbrances for Taxes upon any Asset and Property of any of the JD Group Companies other than Permitted Encumbrances.

(c) No audit, investigation, assessment of Taxes, other examination by any Taxing Authority, or any administrative or judicial proceeding or appeal of such proceeding relating to Taxes (“Audit”) is presently pending with regard to any Taxes or Tax Returns of any of the JD Group Companies, except as would not have a JD Material Adverse Effect. No notification has been received by any of the JD Group Companies that such an Audit is pending or threatened with respect to any Taxes due from or with respect to or attributable to such JD Group Company or any Tax Return filed by or with respect to such JD Group Company. No material issue has been raised by any Taxing Authority in any such Audit of any of the JD Group Company.

(d) No written claim has ever been made by a Governmental Entity in a jurisdiction where a JD Group Company does not file Tax Returns that such JD Group Company is or may be subject to taxation by that jurisdiction. None of the JD Group Companies are treated as residents for Tax purposes of, or is

otherwise subject to income Tax in a jurisdiction other than the jurisdiction in which it has been established.

(e) All Tax deficiencies that have been claimed, proposed, assessed or asserted against each of the JD Group Companies have been fully paid or finally settled, and no

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issue has been raised in any examination by any Taxing Authority that could reasonably be expected to result in the proposal or assertion of a Tax deficiency for another year not so examined. None of the JD Group Companies has received notice of any proposed or determined Tax deficiency or assessment from any Governmental Entity or Taxing Authority. There are no outstanding requests, agreements, consents or waivers to extend the statutory period of limitations applicable to the assessment of any Taxes or deficiencies against any of the JD Group Companies.

(f) Each JD Group Company has withheld or withdrawn from each payment to its employees and overseas service providers an amount of income Tax (including without limitation income Tax in the PRC) required to be withheld or withdrawn to the extent required by applicable Laws and has paid such amounts to the relevant Tax Authorities.

(g) Any preferential Tax treatment enjoyed by any of the JD Group Companies on or prior to the Closing has been in compliance with all applicable Laws and will not be subject to any retroactive deduction or cancellation except as a result of retroactive effects of changes in the applicable Laws.

(h) None of the JD Group Companies has been a party to or otherwise involved in any transaction, Contract or arrangement (i) otherwise than by way of a bargain at arm's length; (ii) under which it has been or is or may be required to make any payment for goods, services or facilities provided to it which is in excess of the market value of such goods, services or facilities; (iii) under which it has been, or is or may be required to provide goods, services or facilities for a consideration which is less than the market value of such goods, services or facilities; or (iv) in consequence of which it is or might be assumed for Tax purposes to have received or paid for any goods, services or facilities an amount which differs from that actually received or paid, and no notice or enquiry has been made by any Taxing Authority in connection with any such transaction, Contract or arrangement.

Section 4.17 Anti-Corruption Laws. None of the JD Group Companies and, to the Knowledge of JD Parent, any agent, director, officer or employee of any such Person acting on behalf of such Person, has taken any action or has been the subject of any investigation, inquiry or enforcement proceedings by any governmental, administrative or regulatory body regarding any offence in violation of applicable Laws relating to anti-bribery, anti-corruption, anti-money laundering, record keeping and internal control laws applicable to such Person ("Anti-Corruption Laws"), including to the extent applicable the U.S. Foreign Corrupt Practices Act and the PRC anti-corruption related laws. Each such Person has implemented adequate procedures to ensure compliance by each director, officer or employee of such Person with applicable Anti-Corruption Laws, and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith. Each such Person is aware of and understands the applicable Anti-Corruption Laws. No equity holder, officer or director of any JD Group Company is a candidate for political office, or an employee or officer of any government, or of any political party.

Section 4.18 Interested Party Transactions. None of the officers or directors of a JD Group Company or any "Affiliate" or "Associate" (as those terms are defined in Rule 405 promulgated under the Act) of any JD Group Company has any agreement (whether oral or

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written), understanding, or is indebted to, any of the JD Group Companies, nor is any of the JD Group Companies indebted (or committed to make loans or extend or guarantee credit) to any of such persons (other than for accrued salaries, reimbursable expenses or other standard employee benefits), except (i) in connection with ordinary course employment and compensation arrangements, (ii) those disclosed in the JD Financial Statements. No key employees of the JD Business, and to the Knowledge of JD Parent, none of the directors or key employees of the JD Group Companies or any Affiliate or Associate of any JD Group Company has, either directly or indirectly, a material interest in: (a) any person or entity which purchases from or sells, licenses or furnishes to any of the JD Group Companies any goods, property, intellectual or other property rights or services that are material to such JD Group Company; or (b) any Person that competes with such JD Group Company. There is no agreement with respect to the ownership or control of any of the JD Group Companies other than this Agreement or any Transaction Document.

Section 4.19 Environmental and Safety Laws. None of the JD Group Companies is in violation of any applicable Law relating to the environment or occupational health and safety in any material respect and no material expenditures are or will be required in order to comply with any such existing Law.

Section 4.20 Employee Matters. Each JD Group Company (a) has complied in all material aspects with all applicable employment and labor Laws, employment practices generally applied to other entities in similar industry as such JD Group Company in the jurisdiction where such JD Group Company is incorporated, the terms and conditions of employment, in each case, with respect to its employees, except for accrued amounts for the underpaid employment benefit payments for which each JD Group Company has made adequate provisions in accordance with US GAAP on its books of account and which are included in JD Financial Statements; (b) has paid all wages, benefits and other required payments in the ordinary course of business; (c) is not liable for any arrears of wages or any Taxes or any penalty for failure to comply with any of the foregoing; and (d) other than as required by law, is not liable for any payment to any trust or other fund governed by or maintained by or on behalf of any Governmental Entity, with respect to unemployment compensation benefits, social security or other benefits or obligations for employees. No complaint or grievance relating to the labor practices of any of the JD Group Companies is pending or, to the Knowledge of JD Parent, threatened against any of the JD Group Companies, and (2) no charges are pending or, to the Knowledge of JD Parent, threatened before any Governmental Entity responsible for the prevention of unlawful employment practices with respect to any of the JD Group Companies, except in the case of each of (1) and (2) above as would not have a JD Material Adverse Effect.

Section 4.21 Exempt Offering; Investment Company.

(a) The offer and sale of the JD Shares under this Agreement are or shall be exempt from the registration requirements and prospectus delivery requirements of the Act, and from the registration or qualification requirements of any other applicable securities laws and regulations. None of JD Parent, its Affiliates or any person acting on its or their behalf, has engaged in any directed selling efforts (within the meaning of Regulation S under the Act) in the United States in connection with the transactions contemplated in this Agreement.

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(b) JD Parent is not, and after giving effect to the issuance and sale of the JD Shares and the application of the proceeds therefrom will not be, required to register as, an "investment company" as such term is defined in the U.S. Investment Company Act of 1940, as amended.

Section 4.22 No Other Business. The JD Group Companies are engaged solely in the JD Business and have no other material activities.

Section 4.23 Minute Books. The minute books of each JD Group Company have been made available to Tencent Parent upon request and each such minute books provided contains a complete summary of all meetings and actions taken by directors and shareholders or owners of such JD Group Company since January 1, 2011, and reflects all transactions referred to in such minutes accurately in all material respects.

Section 4.24 Key Employees. Each of the JD Key Employees is currently devoting sufficient time to the conduct of the JD Business in order for such key employees to perform his or her duties in the ordinary course.

Section 4.25 Insurance. The JD Group Companies have or benefit from insurance of the type and amounts (subject to reasonable deductibles) consistent with normal industry practices in the PRC for similar companies to allow them to receive adequate compensation for any of the losses that they may incur.

Section 4.26 Insolvency and Winding-Up. Both before and after giving effect to the transactions contemplated hereby, the aggregate assets, at a fair valuation, of each JD Group Company will exceed their aggregate debt, as the debt becomes absolute and matures. No order or petition has been presented or resolution passed for the administration, winding-up, dissolution or liquidation of any JD Group Company and no administrator, receiver or manager has been appointed in respect thereof. None of the JD Group Companies has commenced any other proceeding under any bankruptcy, reorganization, composition, arrangement, adjustment of debt, release of debtors, dissolution, insolvency, liquidation or similar Law of any jurisdiction and no such proceedings have been commenced against any JD Group Company.

Section 4.27 SEC Filings. The Form F-1 filed on January 30, 2014 by JD Parent with the SEC in connection with the proposed initial public offering of JD Parent complies in all material respects with the requirements under the Act and the applicable rules and regulations thereunder, and did not, when so filed, and (except as regarding disclosure on the transactions contemplated by this Agreement and the other Transaction Documents) does not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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ARTICLE V.

COVENANTS

Section 5.01 Post-Closing Obligations.

(a) Further Assurances. Subject to the terms and conditions of this Agreement, Tencent Parent and JD Parent will, and cause their respective Subsidiaries and controlled Affiliates to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary to consummate the transactions contemplated by this Agreement and the Transaction Documents and (i) in the case of Tencent Parent, to assure to the JD Group Companies all of the equity interests of the Transferred Companies and to substantially assure the JD Group Companies and Transferred Companies acquiring Transferred Assets or Reorganization In Assets, as the case may be, and their respective successors or assigns, the transfer to such JD Group Company or Transferred Company, and the ownership, possession and control by the JD Group Companies of all of the equity interests of the Transferred Companies, the Transferred Assets and the Reorganization In Assets, as applicable, at or as promptly as practicable following the Closing, and, (ii) in the case of JD Parent, to substantially assure to Tencent Parent or its Subsidiary or Affiliate acquiring the Reorganization Out Assets, and the ownership, possession and control by Tencent Parent or its Subsidiaries and Affiliates of all the Reorganization Out Assets. On and after the Closing Date, and subject to the provisions of this Agreement, Tencent Parent and JD Parent agree to execute and deliver such other documents, certificates, agreements and other writings and to take such other actions as may be necessary or desirable in order to implement the transactions contemplated by this Agreement and the other Transaction Documents. On or prior to two (2) Business Days from the date hereof, Tencent Parent shall deliver, or cause to be delivered, to JD Parent the duly executed resignations of the directors of each Transferred Company, in each case, acknowledging the release of any claims against such Transferred Company. Prior to March 31, 2014, Tencent Parent shall, directly or indirectly, acquire control of 90.1% of the equity interests of the Investee, and, from and after such date and except as set forth in the Transaction Documents, shall have the ability to cause the transfer of all such equity interests in the Investee.

(b) Undisclosed Assets. If after the date hereof Tencent Parent or any of its Subsidiaries shall determine that any material assets of any of them, or any material Contract to which any of them is a party, which on the date hereof relates exclusively to the Transferred Assets or is used exclusively in the Transferred Business or exclusively by any of the Transferred Companies (other than the Excluded Business), has not been transferred or assigned to a JD Group Company (other than the Transferred Assets transferred after Closing pursuant to the Post-Closing Execution Covenants in accordance with this Section 5.01), then Tencent Parent shall as soon as reasonably practicable disclose the existence and nature of such asset or Contract to JD Parent, and provide all information reasonably requested by JD Parent with respect thereto. Following such disclosure, JD Parent may, at its sole discretion, determine to have such asset or Contract transferred to one of its Subsidiaries, or assigned to one of its Subsidiaries, as the case may be, in which case Tencent Parent shall promptly cause the transfer or assignment of such asset or Contract (subject to receipt of any required approvals) to JD Parent's Subsidiary. No additional consideration shall be payable by JD Parent with respect thereto.

(c) Unintended Assets. If after the date hereof JD Parent or any of its Subsidiaries shall determine that any material assets of any of them, or any material Contract to which any of them is a party, which on the date hereof relates exclusively to the Excluded Business or is used exclusively in the Excluded Business, has been transferred or assigned to a JD Group Company (other than the Transferred Assets transferred after Closing pursuant to the Post-Closing Execution Covenants in accordance with this Section 5.01), then JD Parent shall as

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soon as reasonably practicable disclose the existence and nature of such asset or Contract to Tencent Parent, and provide all information reasonably requested by Tencent Parent with respect thereto. Following such disclosure, Tencent Parent may, at its sole discretion, determine to have such asset or Contract transferred to one of its Subsidiaries, or assigned to one of its Subsidiaries, as the case may be, in which case JD Parent shall promptly cause the transfer or assignment of such asset or Contract (subject to receipt of any required approvals) to Tencent Parent's Subsidiary. No additional consideration shall be payable by Tencent Parent with respect thereto.

(d) The agreements and covenants of Tencent Parent and JD Parent set forth in this Section 5.01 and under the Transition Cooperation Agreement are the "Post-Closing Execution Covenants." Tencent Parent shall be liable for any and all fees, costs or expenses incurred in connection with the performance of Post-Closing Execution Covenants to the extent and in the manner stated in the Transition Cooperation Agreement. Pending the assignment or transfer of any Transferred Assets to a JD Group Company or Reorganization In Assets to a Transferred Company pursuant to any Transaction Document, Tencent Parent shall cause its Subsidiaries and Affiliates to provide the JD Group Companies and the Transferred Companies with the substantial benefits of the Transferred Assets and the Reorganization In Assets, as applicable, and JD Parent shall cause its Subsidiaries and Affiliates to accept the burdens and obligations and costs of the Transferred Assets or Reorganization In Assets, in each case, in the manner set forth in the Transition Cooperation Agreement. Pending the assignment or transfer of any

Reorganization Out Assets to a Subsidiary or Affiliate of Tencent Parent, JD Parent shall cause its Subsidiaries and Affiliates to provide Tencent Parent and its Subsidiaries and Affiliates with the substantial benefits of the Reorganization Out Assets, as applicable, and Tencent Parent shall cause its Subsidiaries and Affiliates to accept the burdens and obligations and costs of the Reorganization Out Assets, in each case, in the manner set forth in the Transition Cooperation Agreement.

Section 5.02 Confidentiality.

(a) Following the Closing, (a) Tencent Parent shall, and shall cause its Subsidiaries, Affiliates and Representatives to, treat and hold as confidential any and all information relating to this Agreement and the Transaction Documents, the transactions contemplated hereby and by the Transaction Documents, the Transferred Business, the Transferred Assets, the Reorganization In Assets, the Transferred Companies and all other information which is confidential and proprietary information with respect to the JD Group Companies and their respective businesses, and (b) JD Parent shall, and shall cause its Subsidiaries, Affiliates and Representatives to, treat and hold as confidential any and all information relating to this Agreement and the Transaction Documents, the transactions contemplated hereby and by the Transaction Documents, the Excluded Businesses, the Reorganization Out Assets and all other information which is confidential and proprietary information with respect to Tencent Parent and its Subsidiaries, Affiliates and businesses (such information collectively, "Confidential Information"), provided, however that,

(i) if any of the Persons referred to in (a) or (b) above becomes legally compelled to disclose any Confidential Information, such Person shall provide JD Parent (in the case of Tencent Parent or its Subsidiary, Affiliates or Representative) or Tencent Parent (in the case of JD Parent or its Subsidiary, Affiliates or Representative)

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with prompt written notice of such requirement so that the Person which owns or controls such Confidential Information may at its own cost seek a protective order or other remedy, provided that nothing herein shall restrict a disclosing party from making timely and accurate disclosures to any securities regulator if so required under applicable securities Laws and regulations or the rules of any stock exchange,

(ii) in the event that such protective order or other remedy is not obtained, or such party owning or controlling such Confidential Information waives compliance with this Section 5.01(d), such legally compelled party shall furnish only that portion of the Confidential Information which is legally required to be provided and exercise its reasonable best efforts to obtain assurances that confidential treatment will be accorded such Confidential Information,

(iii) the parties hereto agree and acknowledge that remedies at law for any breach of obligations under this Section 5.01(d) are inadequate and that in addition thereto the non-breaching Party shall be entitled to seek equitable relief, including injunction and specific performance, in the event of any such breach; and

(iv) notwithstanding the foregoing, information or other materials or data disclosed to or otherwise in the possession of a Person described in (i) above prior to disclosure by JD Parent or its Subsidiaries and Affiliates, or in the possession of a Person described in (a)(ii) above prior to disclosure by Tencent Parent or its Subsidiaries and Affiliates, or which is otherwise publicly available through no breach by a Persons of any obligation of confidence, shall not be Confidential Information.

(b) Notwithstanding the other provisions of this Section 5.03, (i) the JD Group Companies may disclose any Confidential Information to any sponsor, underwriter, professional adviser of such sponsors and underwriters and investors in connection with JD Parent's proposed Qualified IPO (as defined in the Restated Shareholders Agreement), as long as such Person has been advised of the confidential nature of information and has agreed to keep such information confidential and (ii) the JD Group Companies may disclose to the extent required any Confidential Information to any regulator or in the registration statement, prospectus, announcements and other documents filed, issued or released in connection with such offering, and at investor meetings and roadshows for the Qualified IPO; provided that to the extent disclosure of any Confidential Information to any regulator or in any filing includes any Tencent Information (as defined below), any disclosure of such Tencent Information shall be subject to the provisions of Section 5.04(a). Notwithstanding the foregoing, no Transaction Document, other than this Agreement, the Restated Articles as set forth in Exhibit B, the IPO Articles as set forth in Schedule 7, the Restated Shareholders Agreement as set forth in Exhibit C, the IPO Subscription Agreement and the BCA as set forth in Exhibit A, in each case, without the schedules and exhibits thereto, may be publicly filed or otherwise made publically available without the prior written consent of Tencent Parent (such consent not to be unreasonably withheld or delayed) and in no event will competitively sensitive information in any Transaction Document be filed or otherwise made publicly without redaction to the fullest extent permitted by applicable Law.

(c) Tencent Parent and JD Parent shall be fully liable and responsible

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pursuant to this Agreement for any breach of this Section 5.01(d) by their respective Subsidiaries, Affiliates, officers, employees, accountants, counsel and other Representatives.

Section 5.03 Public Disclosure. None of Tencent Parent, JD Parent or their respective Subsidiaries or Affiliates shall issue or cause the publication of any press release or other public announcement or disclosure to any third party of the existence or any subject matter, terms or conditions of this Agreement or the Transaction Documents unless approved by the other party prior to release, announcement or disclosure, except as (a) required for the pursuit of the third-party Approvals required pursuant to the Post-Closing Execution Covenants, (b) required for the performance of the Parties' obligations pursuant to this Agreement and the Transaction Documents, (c) otherwise required by Law (including securities Laws) or by stock exchange rules, and (d) in connection with JD Parent's Qualified IPO (as defined in the Restated Shareholders Agreement), provided that in each of (a) — (c) above, the disclosing party shall provide the non-disclosing party with a reasonable opportunity to comment on any such press release, public announcement or disclosure.

Section 5.04 Cooperation.

(a) Qualified IPO.

(i) In connection with a Qualified IPO (as defined in the Restated Shareholders Agreement) of JD Parent, Tencent Parent agrees to provide reasonable cooperation to JD Parent in connection with such Qualified IPO, including without limitation by providing all information regarding the Transferred Companies, the Transferred Assets, the Reorganization In Assets or Tencent Parent and its Subsidiaries and Affiliates requested by JD Parent (and as required under applicable U.S. securities laws) for the purpose of any filings with the SEC and any other financial information, including without limitation carve-out financial statements, information for pro forma financial statements, information required in converting any financial statements to US GAAP (such information, the "Tencent Information"), reasonable ongoing accounting assistance to JD Parent's auditors in connection with the preparation of any financial statements and comfort letters, the ongoing reasonable assistance of Tencent Parent and Tencent Parent's auditors in connection with such

financial statement, any audit of financial statements and comfort letters and voting all of its JD Shares, and causing any director appointed to the Board of Directors of JD Parent to vote (subject to such director's fiduciary duties to JD Parent), in favor of all resolutions required for the purposes of consummating the Qualified IPO.

(ii) Prior to making any filings with the SEC in connection with the Qualified IPO that includes any Tencent Information, Tencent Parent and its counsel shall be given a reasonable opportunity to review and comment on any such SEC filing before it is filed with the SEC (to the extent it has not already had the opportunity to previously comment on substantially similar presentation of such Tencent Information), and JD Parent shall give reasonable and good faith consideration to any comments made by Tencent Parent and its counsel. JD Parent shall provide Tencent Parent and its counsel with (i) any comments or other communications, whether written or oral, that JD Parent or its counsel may receive from time to time from the SEC or its

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staff with respect to the Tencent Information set forth in such SEC filing promptly after receipt of those comments or other communications and (ii) a reasonable opportunity to comment on JD Parent's response to comments related to the Tencent Information and to provide comments on any response (to which reasonable and good faith consideration shall be given) with respect to the Tencent Information. Tencent Parent shall ensure that it acts efficiently and cooperatively with respect to the commenting process under this Section 5.04(a)(ii) and, in particular in a manner that does not interfere with the timetable for the Qualified IPO.

Section 5.05 Release of Claims.

(a) From and after the Closing, except as arising out of actions or omissions occurring after the Closing Date or arising as a result of this Agreement or the Transaction Documents, Tencent Parent hereby waives and releases, on behalf of itself and each of its Subsidiaries and Affiliates, each of the Transferred Companies and the Investee and its Subsidiaries from, to the fullest extent permitted by applicable Law, from any and all Liabilities (other than ordinary course receivables incurred in the normal operations of the Transferred Companies or the Investee and its Subsidiaries and included in the working capital of such entities), rights, defenses, claims and causes of action, known or unknown, foreseen or unforeseen which Tencent Parent or any of its Subsidiaries or Affiliates has or may have in the future against the Transferred Companies and the Investee and its Subsidiaries with respect to matters arising prior to the Closing Date.

(b) From and effective on June 10, 2014, Tencent Parent hereby waives and releases, on behalf of itself and each of its Subsidiaries and Affiliates, each of the Transferred Companies and the Investee and its Subsidiaries from, to the fullest extent permitted by applicable Law, from any and all Liabilities, rights, defenses, claims and causes of action, known or unknown, foreseen or unforeseen which Tencent Parent or any of its Subsidiaries or Affiliates has or may have in the future against the Transferred Companies and the Investee and its Subsidiaries under or with respect to any of the shareholder loans incurred by any of the Transferred Companies or the Investee or its Subsidiaries or Tencent Parent or any of its Subsidiaries or Affiliates prior to the Closing Date. Such shareholder loans incurred prior to the Closing Date shall remain outstanding until June 10, 2014, shall be non-interest bearing and unsecured, shall not be payable prior to June 11, 2014 and shall automatically and irrevocably be waived and released pursuant to this Section 5.05(b), to the fullest extent permitted by Law, on June 10, 2014.

Section 5.06 Tax Matters. Following the Closing, JD Parent and Tencent Parent shall (i) reasonably cooperate with each other in furnishing information and documents in connection with any Tax Return filing obligations, actions, proceedings, arrangements or disputes of any nature (other than any disputes for which an indemnity claim has been made in accordance with Article VI) with respect to Tax imposed with respect to the Transferred Companies, the Transferred Assets, the Reorganization In Assets, the Reorganization Out Assets and the business of the Transferred Companies; and (ii) furnish or cause to be furnished to each other (each at its own expense), as promptly as reasonably practicable, such information (including access to books and records) relating to the Transferred Companies, the Transferred Assets, the Reorganization In Assets, the Reorganization Out Assets and the business of the

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Transferred Companies as is reasonably necessary for the filing of any such Tax Returns, for the preparation of any audit, and for the prosecution or defense of any claim, suit or proceeding relating to any adjustment or proposed adjustment with respect to Taxes (other than with respect to any claims or suits for which an indemnity claim has been made under Article VI).

Section 5.07 Notification of Certain Matters. Prior to the completion of the Post-Closing Execution Covenants, Tencent Parent shall give prompt written notice to JD Parent of any failure of Tencent Parent or any of its Subsidiaries in any material respect to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; provided, however, that the delivery of any notice pursuant to this Section 5.07 shall not limit or otherwise affect any remedies available to the party receiving such notice.

Section 5.08 Compliance with Transaction Documents and Restated Shareholders Agreement. Tencent Parent hereby covenants and agrees with JD Parent and JD Parent hereby covenants and agrees with Tencent Parent to cause each covenant and agreement of its Subsidiaries or Affiliates party to each of the Transaction Documents to be fully performed, satisfied and discharged, as if such covenants and agreements were set forth herein and repeated by Tencent Parent or JD Parent (as applicable) hereunder as a primary obligor. Tencent Parent further covenants and agrees with JD Parent to cause any Subsidiary or Affiliate holding any Ordinary Shares subject to the terms of the Restated Shareholders Agreement to comply with the terms and conditions of the Restated Shareholders Agreement and shall not permit the transfer (directly or indirectly, including through a change of control of any such Subsidiary) any Ordinary Shares other than in accordance with the Restated Shareholders Agreement.

Section 5.09 Articles of Association. The articles of association of JD Parent to be adopted in connection with JD Parent's initial public offering, the IPO Articles shall be substantially in the form set forth as Schedule 7 hereto. Prior to the Lock-Up Expiration Date (as defined in the Restated Shareholders Agreement), JD Parent hereby agrees and covenants not to amend or otherwise modify sections 14, 90, and 91 of the IPO Articles (and any defined terms used therein) or make changes to the matters addressed therein in form or in substance without the prior written consent of Tencent Parent, which shall not be unreasonably withheld or delayed.

Section 5.10 Employment Agreement.

(a) The employment agreement between the Founder and JD Parent in connection with JD Parent's initial public offering shall be in the form set forth as Schedule 8 hereto ("Offshore Employment Agreement"), and JD Parent and the Founder shall enter into such Offshore Employment Agreement prior to consummation of the Qualified IPO (as defined under the Restated Shareholders Agreement). JD Parent hereby agrees and covenants with Tencent Parent that for the three (3) year period following the date hereof it will not amend or otherwise modify sections 10 and 11 of the Offshore Employment Agreement (and any defined terms used therein) or make changes to the matters addressed therein in form or in substance without the prior written consent of Tencent Parent (not to be unreasonably withheld or delayed).

Agreement”). JD Parent hereby agrees covenants with Tencent Parent that for the three (3) year period following the date hereof, it will not to amend or otherwise modify any provisions of the PRC Employment Agreement relating to non-compete provisions (and any defined terms used therein) in form or in substance without the prior written consent of Tencent Parent (not to be unreasonably withheld or delayed).

Section 5.11 Conversion to ADSs JD Parent agrees that as and when requested by Tencent Parent in compliance with the Restated Shareholders Agreement and applicable U.S. securities laws, JD Parent shall promptly take all steps reasonably necessary to facilitate the conversion of the JD Shares into American Depository Shares of JD Parent (“ADSs”) and removing any legends on such JD Shares, through the customary processes to be established with the depository for such ADSs.

ARTICLE VI.

INDEMNIFICATION

Section 6.01 Indemnification by JD Parent.

(a) Subject to the other provisions of this Section 6.01 and Schedule 5 (*Limitations on Liability*), JD Parent shall indemnify and hold harmless Tencent Parent, each Subsidiary of Tencent Parent and its directors, officers, employees, Affiliates, agents and assigns (each, a “Tencent Indemnitee”) against any losses, liabilities, damages, liens, penalties, diminution in value, costs and expenses, including reasonable advisor’s fees and other reasonable expenses of investigation and defense of any of the foregoing (collectively, “Losses”), incurred by such Tencent Indemnitee as a result of or arising out of (i) any breach or violation of, or inaccuracy in, any representation or warranty (other than the Fundamental JD Warranties) made by JD Parent and/or any of its Subsidiaries and Affiliates in this Agreement or any Transaction Document or any claim by any third party alleging, constituting or involving such a breach violation or inaccuracy; (ii) any breach or violation of, or inaccuracy in, any Fundamental JD Warranties made by JD Parent and/or any of its Subsidiaries and Affiliates in this Agreement or any Transaction Document or any claim by any third party alleging, constituting or involving such a breach, violation or inaccuracy; (iii) any breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, JD Parent and/or any of its Subsidiaries and Affiliates in this Agreement or any Transaction Document, or any claim by any third party alleging, constituting or involving any such breach or violation or default or failure to perform; (iv) fraud and (v) the Assumed Liabilities.

Section 6.02 Indemnification by Tencent Parent.

(a) Subject to the other provisions of this Section 6.02 and Schedule 5 (*Limitations on Liability*), Tencent Parent shall indemnify and hold harmless JD Parent, each Subsidiary of JD Parent and its respective directors, officers, employees, Affiliates, agents and assigns (each, a “JD Indemnitee”) against any Losses incurred by such JD Indemnitee as a result of or arising out of (i) any breach or violation of, or inaccuracy in, any representation or warranty

(other than the Fundamental Tencent Warranties) made by or on behalf of Tencent Parent or any of its Subsidiaries or Affiliates in this Agreement or any Transaction Document or any claim by any third party alleging, constituting or involving such a breach violation or inaccuracy; (ii) any breach or violation of, or inaccuracy in, any Fundamental Tencent Warranty made by or on behalf of Tencent Parent or any Subsidiary or Affiliate of Tencent Parent in this Agreement or any Transaction Document or any claim by any third party alleging, constituting or involving such a breach violation or inaccuracy; (iii) any breach or violation of, or failure to perform, any covenants or agreements (other than the Post-Closing Execution Covenants) made by or on behalf of, or to be performed by, any of Tencent Parent or any Subsidiary or Affiliate of Tencent Parent under this Agreement or any Transaction Document, or any claim by any third party alleging, constituting or involving any such breach or violation or default or failure to perform; (iv) any breach or violation of, or default in connection with, or failure to perform, the Post-Closing Execution Covenants made by or on behalf of, or to be performed by, Tencent Parent or any Subsidiary or Affiliate of Tencent Parent in this Agreement or any Transaction Document, or any claim by any third party alleging, constituting or involving any such breach or violation or default or failure to perform; (v) fraud; (vi) the Retained Liabilities and the Excluded Businesses; and (vii) any act or omission of any director of a Transferred Company during the period on and from Closing through the date JD Parent or its Subsidiaries or Affiliates receives an executed and effective resignation of such director, acknowledging no claims against such Transferred Company (except to the extent such act or omission was taken on the express written instructions of JD Parent).

(b) Without limiting the foregoing, any Losses as a result of or arising out Section 6.02(a)(iv), shall include without limitation additional costs or expenses incurred as a result of or arising out of procuring or acquiring a substitute for any such Transferred Assets or Reorganization In Assets (including by way of severing, partially assigning or novating any agreement or Contract underlying or in connection with such Transferred Asset or Reorganization In Assets).

(c) Notwithstanding the foregoing, the rights of JD Parent or any JD Indemnitee to indemnification for any Relevant Claim, and the obligations of the Tencent Parent and its Subsidiaries and Affiliates to indemnify JD Parent and the JD Indemnitees with respect to such Relevant Claim, shall continue in full force and effect until December 31, 2014, at which time they shall terminate unless JD Parent or such JD Indemnitee has given notice of such Relevant Claim (such notice to contain reasonable details of the basis for the Relevant Claim, to the extent reasonably practicable) to the applicable Indemnifying Party under the Transaction Documents on or prior December 31, 2014. To the extent notice of a Relevant Claim has been given by JD Parent or any JD Indemnitee on or prior to December 31, 2014 in accordance with this Section 6.02(c), the indemnification provisions of this Agreement (and the equivalent provisions of any other Transaction Documents) shall apply to such Relevant Claim, which shall be resolved or finally determined in accordance with Section 7.13 hereof.

Section 6.03 Materiality. Notwithstanding any other provision in this Agreement, for the purposes of Section 6.02 (Indemnification by Tencent Parent) and Schedule 5 (Limitations on Liability) hereof, in determining (a) the existence of any breach, violation or inaccuracy of any representation or warranty under this Agreement or under any Transaction Document, and (b) the amount of any Losses suffered by any JD Indemnitee as a result of,

arising out or in connection with any such breach, violation, inaccuracy in each such case for which Tencent Parent is required to indemnify and hold harmless the JD Indemnitees pursuant to this Article VI and Schedule 5 hereof, all qualifications and limitations in such representations and warranties, included or incorporated into this Agreement (including pursuant to Section 3A.01 (Repetition of Representations and Warranties)) and any of the Transaction Documents, in each case, with respect to material adverse effect, Tencent Material Adverse Effect, materiality, material or similar terms shall be entirely disregarded and will not have any effect, except that this

Section 6.03 shall not apply to the extent that (i) any such representation or warranty relates to whether a Tencent Material Adverse Effect or other material adverse effect has occurred; or (ii) any such term is used to limit or restrict an exception or carve out to any such representation or warranty.

Section 6.04 Reliance. JD Parent and Tencent Parent acknowledge and agree that (i) JD Parent has entered into this Agreement and agreed to cause certain JD Group Companies to acquire the Transferred Companies (including the Reorganization In Assets to be acquired by such Transferred Companies) and the Transferred Assets, as well as to the allotment and issuance of the JD Shares to Tencent Parent or its Subsidiary hereunder, in reliance on the representations and warranties, and covenants and agreements, made by Tencent Parent in this Agreement and by Tencent Parent and/or certain of its Subsidiaries and Affiliates in the other Transaction Documents; and (ii) Tencent Parent has entered into this Agreement and agreed to subscribe, or to cause one of its Subsidiaries to subscribe, for the JD Shares in reliance on the representations and warranties, and covenants and agreements, made by JD Parent in this Agreement and by certain JD Group Companies in the other Transaction Documents. The Parties expressly acknowledge and agree that part of the consideration for Tencent Parent's agreement hereunder to cause the sale and transfer of the Transferred Companies (including the Reorganization In Assets to be acquired by such Transferred Companies) and the Transferred Assets to certain JD Group Companies is the allotment and issuance of JD Shares hereunder.

Section 6.05 Investigation. The right to indemnification will not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with, any representation, warranty, covenant or agreement made by a party hereto or any other matter. The waiver of any condition based on the accuracy of any such representation or warranty, or on the performance of or compliance with any such covenant or agreement, will not affect the right to indemnification hereunder based on any such representation, warranty, covenant or agreement. No Tencent Indemnitee or JD Indemnitee, as applicable, shall be required to show reliance on any representation, warranty, certificate or other agreement in order for such Tencent Indemnitee or JD Indemnitee to be entitled to indemnification hereunder.

Section 6.06 Claims Process.

(a) If any third party shall notify either any Tencent Indemnitee or any JD Indemnitee (such party seeking indemnity, for the purposes of this Section 6.06, the "Indemnified Party") in writing with respect to any matter involving a claim by such third party (a "Third Party Claim") which such Indemnified Party believes would give rise to a claim for indemnification against the Indemnifying Party under this Article VI, then the Indemnified Party

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shall promptly (i) notify Tencent Parent or JD Parent (such party, for the purposes of this Section 6.06, the "Indemnifying Party") thereof in writing and (ii) transmit to the Indemnifying Party a written notice ("Claim Notice") describing in reasonable detail, to the extent reasonably practicable, the nature of the Third Party Claim, a copy of all papers served with respect to such claim (if any), and the basis of the Indemnified Party's request for indemnification under this Agreement. The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder except to the extent any Losses are increased by an amount in excess of US\$50,000 by the failure of the Indemnified Party to promptly notify the Indemnifying Party.

(b) Upon receipt of a Claim Notice with respect to a Third Party Claim, the Indemnifying Party shall have the right to assume the defense of any Third Party Claim by, within (30) days of receipt of the Claim Notice, notifying the Indemnified Party in writing that the Indemnifying Party elects to assume the defense of such Third Party Claim, and upon delivery of such notice by the Indemnifying Party, the Indemnifying Party shall have the right to control and settle the proceeding, provided, that, (i) any such settlement or compromise shall be permitted hereunder only with the written consent of the Indemnified Party which consent shall not be unreasonably withheld or delayed; and (ii) and the Indemnifying Party shall keep the Indemnified Party reasonably informed of the progress of such defense on a regular basis.

(c) If requested by the Indemnifying Party, the Indemnified Party shall, at the sole cost and expense of the Indemnifying Party, cooperate with the Indemnifying Party and its counsel in contesting any Third Party Claim which the Indemnifying Party elects to contest, including the making of any related counterclaim against the person asserting the Third Party Claim or any cross complaint against any person. The Indemnified Party shall have the right to receive copies of all pleadings, notices and communications with respect to any Third Party Claim for which indemnity is sought under this Agreement, other than any privileged communications between the Indemnifying Party and its counsel, and shall be entitled, at its sole cost and expense, to retain separate co-counsel and participate in, but not control, any defense or settlement (except for its consent required under Section 6.06(b) above) of any Third Party Claim assumed by the Indemnifying Party pursuant to Section 6.06(b).

(d) In the event of a Third Party Claim for which the Indemnifying Party elects not to assume the defense or fails to make such an election within thirty (30) days of the Claim Notice, the Indemnified Party may, at its option, defend, settle, compromise or pay such action or claim at the expense of the Indemnifying Party; provided, that, any such settlement or compromise shall be permitted hereunder only with the written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.

Section 6.07 Exclusive Remedy. Notwithstanding any other provision contained herein, this Article VI shall be the sole and exclusive monetary remedy of the parties hereto for any claim arising out of or resulting from this Agreement and the transactions contemplated hereby, except that no limitation or exceptions with respect to the obligations or liabilities on JD Parent or Tencent Parent provided in the foregoing sub-sections under this Article VI or Schedule 5 (Limitations on Liability), shall apply to a Loss incurred by any JD Indemnitee or Tencent Indemnitee, as applicable, arising due to the fraud or fraudulent misrepresentation of Tencent Parent or JD Parent, as applicable. Nothing in this Article VI or

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elsewhere in this Agreement shall affect the parties' rights to specific performance or other equitable or non-monetary remedies with respect to the covenants and agreements in this Agreement or any of the other Transaction Documents or that are to be performed at or after the Closing; provided that for the avoidance of doubt, nothing contained herein shall permit any party to rescind this Agreement or any other Transaction Document.

Section 6.08 Set-Off. The Indemnified Party shall be entitled to set-off any Losses (once finally determined in accordance with this Agreement, including Article VI and Section 7.13) against any amount owed by the Indemnified Party to the Indemnifying Party under any Transaction Document.

ARTICLE VII.

MISCELLANEOUS

Section 7.01 Survival of Representations, Warranties, Covenants and Agreements.

(a) **Representations, Warranties, Covenants and Agreements of JD Parent.** The representations and warranties made herein by JD Parent shall survive for eighteen (18) months after the Closing, provided that the Fundamental JD Warranties shall survive perpetually. Subject to Section 6.02(c) the covenants and agreements of JD Parent shall survive the Closing until fully discharged in accordance with their terms, except for those covenants and agreements of JD Parent which shall be complied with or discharged prior to the Closing in accordance with the terms of this Agreement, provided that the Post-Closing Execution Covenants of Tencent Parent (insofar as they relate to Tencent Parent's and its Subsidiaries' and Affiliates' obligations to make the Required Transfers to the JD Group Companies pursuant to the Transaction Documents) shall survive and continue in full force and effect until December 31, 2014, at which time they shall terminate unless JD Parent or any other JD Indemnitee has given notice of such Relevant Claim (such notice to contain reasonable details of the basis for the Relevant Claim, to the extent reasonably practicable) to the applicable Indemnifying Party under the Transaction Documents on or prior December 31, 2014.

(b) **Representations, Warranties, Covenants and Agreements of Tencent Parent.** The representations and warranties made herein by Tencent Parent shall survive for eighteen (18) months after the Closing, provided that the Fundamental Tencent Warranties shall survive perpetually. The covenants and agreements of Tencent Parent set forth herein or in any other Transaction Document shall survive the Closing until fully discharged in accordance with their terms, except for those covenants and agreements of Tencent Parent which shall be complied with or discharged prior to the Closing in accordance with the terms of this Agreement.

(c) Notwithstanding the foregoing sub-clauses (a) and (b), any breach of any representation, warranty, covenant or agreement in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the sub-clause (a) and (b) above, if notice of the inaccuracy or breach thereof giving rise to such

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right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time.

Section 7.02 Costs and Expenses. Whether or not the transactions contemplated by this Agreement are consummated, except as otherwise expressly provided herein, each of the parties shall bear all expenses and costs incurred by it in connection with this Agreement and the transactions contemplated by any of them, including, without limitation, the fees and disbursements of any legal counsel, independent accountants or any other Person or Representative retained or appointed by such party.

Section 7.03 Further Assurances. Any time or from time to time after the Closing, at the request of any party hereto, the parties shall cooperate reasonably with each other in connection with any steps required to be taken as part of their respective obligations under this Agreement, and shall: (a) furnish upon request to each other such further information as reasonably requested; (b) execute and deliver to each other such other documents as reasonably required in connection with such obligations; and (c) do such other acts and things, all as the other party may reasonably request for the purpose of carrying out the intent of transactions contemplated by this Agreement.

Section 7.04 Addresses for Notices, Etc. All notices, requests, demands and other communications that are required or may be given pursuant to the terms of this Agreement shall be in writing, and delivery shall be deemed sufficient in all respects and to have been duly given as follows: (a) on the actual date of service if delivered personally; (b) at the time of receipt if given by electronic mail to the e-mail addresses set forth in this Section 7.04; (c) on the third day after mailing if mailed by first-class mail return receipt requested, postage prepaid and properly addressed as set forth in this Section 7.04; or (d) on the day after delivery to a nationally recognized overnight courier service during its business hours for overnight delivery against receipt, and properly addressed as set forth in this Section:

If to Tencent Parent or Huang River:

Level 29, Three Pacific Place
1 Queen's Road East
Wanchai, Hong Kong
Attention: Assistant General Counsel
Telephone: +852 3148 5100 Ext: 68805
Facsimile: +852 2520 1148
richard.pu@tencent.com.hk

With a copy to each of:

Tencent Building
Kejizhongyi Avenue, Hi-tech Park\
Nanshan District, Shenzhen
518057, People's Republic of China
Attention: General Counsel
brentirvin@tencent.com
Telephone: +86 755 8601 3388 (Ext: 82238)
Fax No.: +86 755 8601 3090 (Ext: 82238)

Attention: General Manager, M&A

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Telephone: +86 755 8601 3388 (Ext: 88978)
Fax No.: +86 755 8601 3078
richardpeng@tencent.com

Davis Polk & Wardwell
The Hong Kong Club Building
3A Chater Road, Central
Hong Kong
Attention: Kirtee Kapoor; Abhishek Kolay
Facsimile: +852.2533.1720; +852.2533.1772
Email: kirtee.kapoor@davispolk.com; abhishek.kolay@davispolk.com

If to JD Parent:

JD.com, Inc.
10th Floor, Building A, North Star Century Center
No. 8 Beichen West Street
Chaoyang District, Beijing 100101

With a copy to:

Skadden, Arps, Slate, Meagher & Flom
42/F, Edinburgh Tower, The Landmark
15 Queen's Road Central, Hong Kong
Hong Kong
Attention: Julie Gao/Jonathan Stone
E-mail: Julie.Gao@Skadden.com or
Jonathan.Stone@Skadden.com

Any party may change its address or other contact information for notice by giving notice to each other party in accordance with the terms of this Section 7.04. In no event will delivery to a copied Person alone constitute delivery to the party represented by such copied Person.

Section 7.05 **Headings.** The article, section and paragraph headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

Section 7.06 **Construction.**

(a) The parties hereto agree that this Agreement is the product of negotiation between sophisticated parties and individuals, all of whom were represented by counsel, and each of whom had an opportunity to participate in and did participate in the drafting of each provision hereof. Accordingly, ambiguities in this Agreement, if any, shall not be construed strictly or in favor of or against any party but rather shall be given a fair and reasonable construction without regard to the rule of contra proferentem.

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(b) The term "Agreement" means this agreement together with all Schedules, Annexes and Exhibits hereto, as the same may from time to time be amended, modified, supplemented or restated in accordance with the terms hereof. Unless the context otherwise requires, words importing the singular shall include the plural, and vice versa. The use in this Agreement of the term "including" means "including, without limitation." The words "herein," "hereof," "hereunder," "hereby," "hereto," "hereinafter," and other words of similar import refer to this Agreement as a whole, including the Schedules, Annexes and Exhibits, as the same may from time to time be amended, modified, supplemented or restated, and not to any particular article, section, subsection, paragraph, subparagraph or clause contained in this Agreement. All references to articles, sections, subsections, clauses, paragraphs, schedules and exhibits mean such provisions of this Agreement and the Schedules, Annexes and Exhibits attached to this Agreement, except where otherwise stated. The use herein of the masculine, feminine or neuter forms shall also denote the other forms, as in each case the context may require.

(c) The drafting and negotiation of the representations, warranties, covenants and conditions to the obligations of the parties hereto herein reflect compromises, and certain provisions may overlap with other provisions or may address the same or similar subject matters in different ways or for different purposes. It is the intention of the parties hereto that, to the extent possible, unless provisions are mutually exclusive and effect cannot be given to both or all such provisions, (i) the representations, warranties and covenants in this Agreement and the other Transaction Documents shall be construed to be cumulative; (ii) each representation, warranty and covenant in this Agreement shall be given full separate and independent effect; and (iii) except to the extent set forth in Section 7.17 with respect to the JD Disclosure Schedule and in corresponding provisions of the Transaction Documents with respect to the JD Disclosure Schedule or the Tencent Disclosure Schedule, no limitation in or exception to any representation, warranty or covenant shall be construed to limit or apply to any other representation, warranty or covenant unless such limitation or exception is expressly made applicable to such other representation, warranty or covenant.

Section 7.07 **Severability.** The invalidity or unenforceability of any provision of this Agreement shall in no way affect the validity or enforceability of any other provision of this Agreement. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental Entity to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

Section 7.08 **Entire Agreement and Amendment.**

(a) This Agreement, including the Transaction Documents, the JD Disclosure Schedule and the Exhibits and Schedules referred to and incorporated by reference herein that form a part of this Agreement, contains the entire understanding of the parties with respect to the subject matter of this Agreement at the date of this Agreement to the exclusion of any terms

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implied by law which may be excluded by contract. There are no representations, promises, warranties, covenants or undertakings other than those expressly set forth in or provided for in this Agreement and the other Transaction Documents. This Agreement and the other Transaction Documents supersede all prior agreements and understandings, both oral and written, among the parties hereto with respect to the transactions contemplated by this Agreement and the other Transaction Documents (except for any matters set forth in any Transaction Document, which prevail in the event of any conflicts).

(b) No party shall have any claim or remedy in respect of any statement, representation, warranty or undertaking made by or on behalf of the other party in relation to the transactions contemplated hereby which is not expressly set out in this Agreement or any other Transaction Document and any terms or conditions implied by law in any jurisdiction in relation to the transactions contemplated by this Agreement are excluded to the fullest extent permitted by Law, or if incapable of exclusion, any rights or remedies in relation to them are irrevocably waived. Save as otherwise provided in this Agreement or any other Transaction Document, the only right or remedy of a party in relation to any provision of this Agreement or the relevant Transaction Document shall be for breach of this Agreement or the relevant Transaction Document, and except for any liability in respect of a breach of this Agreement or any other Transaction Document (including the right to specific performance and the indemnification provisions), no party shall owe any duty of care or have any liability in tort or otherwise to the other party in relation to the transactions contemplated by this Agreement; provided that this Section 7.08 shall not exclude any liability for (or remedy in respect of) fraud or fraudulent misrepresentation. The representations and warranties (including those qualified by Knowledge) set forth in this Agreement or in any other Transaction Document are for risk allocation between the parties hereto, and absent any intentional deceit, shall not form, individually or in the aggregate, a basis for any claim for fraud, fraudulent misrepresentation or bad faith.

(c) This Agreement may not be amended, supplemented, or otherwise modified except by a written agreement executed by each of Tencent Parent and JD Parent.

Section 7.09 Specific Performance. The parties hereto agree that if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached, irreparable damage would occur, no adequate remedy at law would exist and damages would be difficult to determine, and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity.

Section 7.10 No Waiver; Cumulative Remedies. Except as specifically set forth herein (including in Article 6), the rights and remedies of the parties to this Agreement are cumulative and not alternative. No failure or delay on the part of any party in exercising any right, power or remedy under this Agreement will operate as a waiver of such right, power or remedy, and no single or partial exercise of any such right, power or remedy will preclude any other or further exercise of such right, power or remedy or the exercise of any other right, power or remedy. To the maximum extent permitted by applicable Law, (a) no claim or right arising out of this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of

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that party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement.

Section 7.11 Parties in Interest. Nothing in this Agreement is intended to confer any rights or remedies under or by reason of this Agreement on any Person other than Tencent Parent and JD Parent, and their respective successors and permitted assigns, and, with respect to Article VI, the Tencent Indemnitees and JD Indemnitees.

Section 7.12 Successors and Assigns; Assignment. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of Law or otherwise) without the prior written consent of JD Parent, in the case of assignment by Tencent Parent, or Tencent Parent, in the case of assignment by JD Parent (except that Tencent Parent may assign its right to subscribe to the JD Shares to any directly or indirectly wholly-owned Subsidiary of Tencent Parent), provided that in each case no such assignment shall relieve such party of its duties or obligations hereunder. Except as expressly set forth herein, nothing in this Agreement shall confer any claim, right, interest or remedy on any Person (other than the parties hereto) or inure to the benefit of any Person (other than the parties hereto).

Section 7.13 Governing Law; Dispute Resolution.

(a) **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of Hong Kong, without regard to its principles of conflicts of laws.

(b) **Consultation; Escalation.** Any dispute, controversy, claim or difference of any kind whatsoever arising out of, relating to or in connection with this Agreement, or the breach, termination or invalidity hereof (including the validity, scope and enforceability of this arbitration provision) (the “Dispute”) shall first be attempted to be resolved through consultation between the parties in good faith for a period of thirty (30) days after written notice has been given to the other party in accordance with Section 7.04 (the “Consultation Period”). Such resolution may include agreeing upon a proposed plan specifying the steps to be taken, and the time period for taking such steps. At any time during such Consultation Period, any relevant party may escalate the matter to the Chief Executive Officers of Tencent Parent and JD Parent who will attempt in good faith and use their best efforts to resolve the matter. The parties agree that all discussions contemplated under this Section 7.13(b) will be conducted in good faith and that such executives and officers will use their best efforts to resolve the Dispute and preserve the arrangements contemplated under this Agreement. Notwithstanding any other provision contained herein, any party shall have the right in its sole discretion to seek emergency and/or interim measures at any time after the posting of a request for consultation.

(c) **Arbitration.** If the Dispute remains unresolved upon expiration of the Consultation Period, any Party may in its sole discretion elect to submit the Dispute to be finally settled by arbitration with notice to any other Party or Parties. The arbitration shall be conducted in Hong Kong and shall be administered by the Hong Kong International Arbitration Centre (“HKIAC”) in accordance with the HKIAC Administered Arbitration Rules in force at the time of the commencement of the arbitration. The arbitration tribunal shall consist of three arbitrators.

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The language of the arbitration shall be English. The seat of the arbitration shall be Hong Kong. The decision of the arbitrators (by rule of majority) shall be final and binding on the parties.

Section 7.14 Table of Contents and Captions. The Table of Contents and captions of the Articles and Sections of this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision of this Agreement.

Section 7.15 Schedules, Exhibits and Certificates. All Schedules and Exhibits referred to herein form an integral part of this Agreement and shall be deemed to be part of this Agreement to the same extent as if set forth in the text of this Agreement. Other than such representations and warranties contained herein or therein or in the Transaction Documents, no other representations or warranties as to the JD Shares, JD Parent or the other JD Group Companies, Tencent Parent, Subsidiaries of Tencent Parent or the Transferred Companies have been made or may be relied upon.

Section 7.16 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same agreement. Facsimile or electronic transmission of a counterpart hereto shall constitute an original hereof.

Section 7.17 Disclosure Schedule Matters. JD Parent has set forth information on the JD Disclosure Schedule in a section thereof that corresponds to the section of this Agreement to which it relates. A matter set forth in one section of the disclosure schedule need not be set forth in any other section so long as its relevance to such other section of the JD Disclosure Schedule or section of this Agreement is reasonably apparent on the face of the information disclosed therein to the Person to which such disclosure is being made. The parties acknowledge and agree that (i) the disclosure schedules to this Agreement may include certain items and information solely for informational purposes for the convenience of the other party and (ii) the disclosure by one party of any matter in the disclosure schedules shall not be deemed to constitute an acknowledgment by such party that the matter is required to be disclosed by the terms of this Agreement or that the matter is material.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

/s/ JD.COM, INC.

/s/ TENCENT HOLDINGS LIMITED

/s/ HUANG RIVER INVESTMENT LIMITED (for the purposes of Section 2 of the Agreement)

SHARE SUBSCRIPTION AGREEMENT

dated as of March 10, 2014

by and between

JD.COM, INC.

and

TENCENT HOLDINGS LIMITED

and

HUANG RIVER INVESTMENT LIMITED**TABLE OF CONTENTS**

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SHARE SUBSCRIPTION AGREEMENT

SHARE SUBSCRIPTION AGREEMENT, dated as of March 10, 2014 (this “**Agreement**”), by and between (i) JD.com, Inc., a company organized under the laws of the Cayman Islands (the “**Company**”) (ii) Tencent Holdings Limited, a company organized under the laws of Cayman Islands (the “**Purchaser**”), and (iii) for the purposes of Article II, Huang River Investment Limited, a company organized under the laws of the British Virgin Islands (“**Huang River**”).

WHEREAS, on or about the date of this Agreement, the Company has entered into a share subscription agreement with the Purchaser and Huang River (the “**Pre-IPO SSA**”) for issue and sale of the Pre-IPO Shares (as defined below).

WHEREAS, the Company intends to engage in an IPO (as defined below) and issue ADSs (as defined below) in connection therewith, and in connection with such IPO, the Company also desires to issue and sell to the Purchaser, and the Purchaser wishes to purchase from the Company, the Subscription Shares (as defined below) on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and representations, warranties, covenants and agreements set forth herein as well as other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and accepted, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.01. *Definitions.* As used in this Agreement, the following terms shall have the following meanings:

“**Additional Subscription Price**” has the meaning assigned to such term in Section 2.06(a).

“**Additional Subscription Shares**” means such number of additional Class A Ordinary Shares necessary for the Subscription Shares to constitute 5% of the Company’s issued and outstanding share capital on a Fully-Diluted basis following exercise of any Green Shoe Option.

“**ADSs**” means American Depositary Shares representing Class A Ordinary Shares of the Company.

“**Affiliate**” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person. For purposes of this definition, “**control**” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership

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of voting securities, by contract or otherwise, and the terms “**controlling**” and “**controlled**” have correlative meanings.

“**Agreement**” has the meaning assigned to such term in the preamble.

“**Applicable Laws**” means, with respect to any Person, any transnational, domestic or foreign federal, national, state, provincial, local or municipal law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, executive order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or any of such Person’s assets, rights or properties.

“**Board**” means the board of directors of the Company.

“**Business Day**” means each calendar day except Saturdays, Sundays, and any other day on which banks are generally closed for business in New York, New York, the Cayman Islands or the People’s Republic of China.

“**Circular 75**” means the Circular 75, issued by the State Administration of Foreign Exchange of the PRC on October 21, 2005, titled “Notice Regarding Certain Administrative Measures on Financing and Inbound Investments by PRC Residents Through Offshore Special Purpose Vehicles” (《关于境内居民通过特殊目的公司境外投融资及返程投资外汇管理有关问题的通知》) effective as of November 1, 2005, and any implementation rules and regulations of the foregoing.

“**Claim Notice**” has the meaning assigned to such term in Section 9.02.

“**Class A Ordinary Shares**” means the Company’s Class A ordinary shares, par value US\$0.00002 per share.

“**Closing**” has the meaning assigned to such term in Section 2.02.

“**Closing Date**” has the meaning assigned to such term in Section 2.02.

“**Commission**” means the U.S. Securities and Exchange Commission.

“**Company**” has the meaning assigned to such term in the preamble.

“**Company Securities**” has the meaning assigned to such term in Section 3.03(a).

“**Consultation Period**” has the meaning assigned to such term in Section 10.09.

“**Dispute**” has the meaning assigned to such term in Section 10.09.

“**Encumbrance**” means any mortgage, lien, pledge, charge, security interest, title defect, preemptive or similar right or other encumbrance. Following the IPO, the rights and obligations

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under the Thirteenth Amended and Restated Shareholders Agreement, as amended from time to time, shall be deemed to not be Encumbrances.

“**Enforceability Limitations**” has the meaning assigned to such term in Section 3.04.

“**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended, and any rules and regulations promulgated thereunder.

“**Founder**” means Liu Qiangdong, ID Number ***.

“**Fully-Diluted**” means all outstanding Ordinary Shares (excluding 106,850,910 Ordinary Shares held by Fortune Rising Limited), plus all Ordinary Shares issuable in respect of all outstanding securities convertible into or exercisable or exchangeable for Ordinary Shares and all Ordinary Shares issuable in respect of all outstanding options, restricted shares, restricted share units, warrants and other rights to acquire Ordinary Shares or securities convertible into or exercisable or exchangeable for Ordinary Shares. For illustration purpose, the total number of outstanding Ordinary Shares on the as-converted, Fully-Diluted basis immediately prior to the date hereof shall be 2,026,772,816, being the result of 2,012,682,683, which is the total issued and outstanding Ordinary Shares and Preferred Shares reflected in the Company’s member register, minus 106,850,910 Ordinary Shares held by Fortune Rising Limited, plus 94,752,716 Ordinary Shares underlying restricted shares and restricted share units granted to employees and held through Fortune Rising Limited, minus 534,188 forfeited restricted shares and restricted share units, plus 26,722,515 Ordinary Shares underlying outstanding options granted under the Company’s 2013 share incentive plan.

“**Fundamental Company Representations and Warranties**” means the representations and warranties by the Company contained in Sections 3.02 through and including Section 3.05, and Sections 3.12 and 3.13.

“**Governmental Entity**” means any transnational or supranational, domestic or foreign federal, national, state, provincial, local or municipal governmental, regulatory, judicial or administrative authority, department, court, arbitral body, agency or official, including any department, commission, board, agency, bureau, subdivision or instrumentality thereof.

“**Green Shoe Option**” means the “green shoe option” or the “over-allotment option” or any similar over-allotment option howsoever described in the Registration Statement, containing an option for the underwriters (as set out in the Registration Statement) to purchase additional Class A Ordinary Shares as part of the IPO in excess of the number of Class A Ordinary Shares issued at the initial closing of the IPO (which pursuant to the Registration Statement on file as of the date hereof, is exercisable within 30 days from the date of the prospectus for the IPO).

“**HKIAC**” has the meaning assigned to such term in Section 10.09.

“**Huang River**” has the meaning assigned to such term in the preamble.

“**IPO**” means an initial public offering of the Company’s Class A Ordinary Shares in the form of ADSs that (i) results in the Company’s ADSs being listed on a Recognized Stock Exchange, (ii) has a minimum offering size of 3% of the Company’s issued and outstanding

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share capital on a Fully-Diluted basis as of immediately prior to the Closing of the IPO (excluding any offering and issuance in the initial public offering to the Founder and any of its Affiliates, or to the Purchaser and any of its Affiliates), and (iii) has a minimum float requirement equivalent to those applicable to non-US issuers listing on NYSE (as described in <http://usequities.nyx.com/regulation/listed-companies-compliance/listings-standards/non-us>) or NASDAQ.

“**Indemnifying Party**” has the meaning assigned to such term in Section 9.01.

“**Indemnified Party**” has the meaning assigned to such term in Section 9.01.

“**Indemnity Notice**” has the meaning assigned to such term in Section 9.03.

“**Losses**” has the meaning assigned to such term in Section 9.01.

“**Material Adverse Effect**” means any event, occurrence, fact, condition, change or development, individually or together with other events, occurrences, facts, conditions, changes or developments, that (a) has had, has, or could reasonably be expected to have a material adverse effect on the business of the Company as presently conducted, or the condition (financial or otherwise), affairs, properties, employees, liabilities, assets or results of operation of the Company and its Subsidiaries taken as a whole or (b) prevents or materially alters the ability of the Company to perform its material obligations under this Agreement; provided, however, that in determining whether a Material Adverse Effect has occurred, there shall be excluded any effect on the business of the Company or the Company or any Subsidiary relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement or taken at the written direction of the Purchaser, (ii) economic changes affecting the industry in which the Company and its Subsidiaries operate generally or the economy of the PRC or any other market where the Company and its Subsidiaries have material operations or sales generally (provided in each case that such changes do not have a unique or materially disproportionate impact on the business of the Company and its Subsidiaries), or (iii) the announcement or consummation of the transactions contemplated by this Agreement.

“**NASDAQ**” means the NASDAQ Global Market.

“**NYSE**” means the New York Stock Exchange, Inc.

“**Ordinary Shares**” means Class A Ordinary Shares and the Company’s Class B ordinary shares, par value US\$0.00002 per share.

“**Per Share IPO Price**” means the equivalent price per Class A Ordinary Share at which such Class A Ordinary Shares or ADSs are offered to the public in the IPO. If ADSs are offered to the public in the IPO, the Per Share IPO Price shall be adjusted to the extent one ADS represents more or less than one Class A Ordinary Share.

“**Person**” means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a governmental authority.

“**PRC**” means the People’s Republic of China.

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“**Pre-IPO Shares**” means the 351,678,637 Class A Ordinary Shares (or ordinary shares equivalent to Class A Ordinary Shares) issued by the Company to the Purchaser pursuant to the Pre-IPO SSA (and adjusted for any stock split, consolidation, reclassification or similar events).

“**Pre-IPO SSA**” has the meaning assigned to such term in the preamble.

“**Purchaser**” has the meaning assigned to such term in the preamble.

“**Recognized Stock Exchange**” means either of NYSE or NASDAQ, or any other stock exchange approved in writing by the Purchaser.

“**Registration Statement**” means the registration statement of the Company on Form F-1 filed with the Commission on January 30, 2014.

“**Restrictive Legend**” has the meaning assigned to such term in Section 2.04.

“**Subscription Shares**” means such number of Class A Ordinary Shares constituting 5% of the Company’s issued and outstanding share capital on a Fully-Diluted basis as of immediately following the Closing (and after taking into account any Ordinary Shares or ADSs issued in the IPO prior to exercise of any Green Shoe Option).

“**Subscription Price**” has the meaning assigned to such term in Section 2.03(a).

“**Subsequent Closing**” has the meaning assigned to such term in Section 2.05.

“**Subsequent Closing Date**” has the meaning assigned to such term in Section 2.05.

“**Sarbanes-Oxley Act**” means the U.S. Sarbanes-Oxley Act of 2002, as amended, and any rules and regulations promulgated thereunder.

“**Securities Act**” means the U.S. Securities Act of 1933, as amended, and any rules and regulations promulgated thereunder.

“**Securities Act Documents**” has the meaning assigned to such term in Section 3.01(a).

“**Subject Shares**” means the aggregate of the Pre-IPO Shares, the Subscription Shares and the Additional Subscription Shares.

“**Subsidiary**” means any entity of which a majority of the outstanding equity securities or other ownership interests representing a majority of the outstanding equity interests or otherwise having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at the time directly or indirectly owned or controlled by the Company, and includes any entity which is directly or indirectly controlled by the Company (including, for the avoidance of doubt, any variable interest entities that are consolidated into the financial statements of the Company).

“**Third Party Claim**” has the meaning assigned to such term in Section 9.02.

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“**Thirteenth Amended and Restated Shareholders Agreement**” means the amended and restated shareholders agreement dated March 10, 2014 entered into among the Company, Huang River and various other parties thereto, a form of which was annexed to the Pre-IPO SSA.

“**Total Subscription Price**” has the meaning assigned to such term in Section 2.06(a).

“**U.S.**” means the United States of America.

“**U.S. GAAP**” means U.S. generally accepted accounting principles.

Section 1.02. *Other Definitional And Interpretive Provisions.* The words “**hereof**”, “**herein**” and “**hereunder**” and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, Clauses, Exhibits and Schedules are to Articles, Sections, Clauses, Exhibits and Schedules of this Agreement unless otherwise specified. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words “**include**”, “**includes**” or “**including**” are used in this Agreement, they shall be deemed to be followed by the words “**without limitation**”, whether or not they are in fact followed by those words or words of like import. “**Writing**”, “**written**” and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to “**law**”, “**laws**” or to a particular statute or law shall be deemed also to include any and all Applicable Law. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References to “**dollars**” or “**\$**” shall refer to U.S. dollars.

ARTICLE 2

SALE AND PURCHASE OF THE SUBSCRIPTION SHARES AND ADDITIONAL SUBSCRIPTION SHARES

Section 2.01. *Agreement to Sell and Purchase.* On the basis of the representations and warranties contained in this Agreement, and subject to the terms and conditions contained in this Agreement, at the Closing (as defined below), the Company agrees to sell to Huang River, and the Purchaser agrees to cause Huang River to purchase, from the Company, the Subscription Shares, free and clear of any Encumbrance, at the Per Share IPO Price per Subscription Share.

Section 2.02. *Closing.* The closing of the purchase and sale of the Subscription Shares hereunder (the “**Closing**”) shall take place at the same offices for the closing of the IPO or at such other place as the Company and the Purchaser may mutually agree, concurrently with the consummation of the IPO, subject to the satisfaction or, to the extent permissible, waiver of the conditions set forth in Article 7 (other than conditions that by their nature are to be satisfied at

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the Closing, but subject to the satisfaction or, to the extent permissible, waiver of those conditions) (such date, the “**Closing Date**”), or at such other location and date as may be agreed upon in writing by the Company and the Purchaser.

Section 2.03. *Transactions at the Closing.* At the Closing, the following actions will take place, all of which shall be deemed to have occurred simultaneously and no transaction shall be deemed to have been completed or any document delivered until all such transactions have been completed and all required documents have been delivered:

(a) the Purchaser shall pay, or cause to be paid, to the Company by wire transfer of immediately available funds in U.S. dollars to such bank account designated in writing by the Company, an amount equal to (i) the Per Share IPO Price multiplied by (ii) the aggregate number of Subscription Shares, representing the aggregate consideration for the Subscription Shares (the “**Subscription Price**”),

(b) the Company shall issue and sell to Huang River the Subscription Shares, deliver one or more duly executed share certificates in original form representing the Subscription Shares, registered in the name of Huang River, together with a certified true copy of the register of the members of the Company, evidencing the Subscription Shares being issued and sold to Huang River; and

(c) the Company shall deliver to Huang River a certified copy of the resolutions passed by its Board in connection with entry into this Agreement and consummation of the transactions contemplated hereby.

Section 2.04 *Restrictive Legend.* Each certificate representing the Subscription Shares shall be endorsed with the following legend (the “**Restrictive Legend**”):

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (AS AMENDED, THE “**ACT**”) OR UNDER THE SECURITIES LAWS OF ANY STATE. THIS SECURITY MAY NOT BE TRANSFERRED, SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED: (A) IN THE ABSENCE OF (1) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT, (2) AN EXEMPTION OR QUALIFICATION UNDER APPLICABLE SECURITIES LAWS OR (3) DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED. ANY ATTEMPT TO TRANSFER, SELL, PLEDGE OR HYPOTHECATE THIS SECURITY IN VIOLATION OF THESE RESTRICTIONS SHALL BE VOID.

Section 2.05. *Exercise of Green Shoe Option; Subsequent Closing.* Following the Closing, if any Green Shoe Option is exercised, such that the Subscription Shares issued at Closing no longer reflect 5% of the Company’s issued and outstanding share capital on a Fully-Diluted basis, (i) the Company shall give the Purchaser written notice of such exercise promptly and in any event within one Business Day of such exercise (and including notifying the Purchaser of the Business Day for

closing of the Green Shoe Option); and (ii) the Purchaser shall have the right, but not the obligation, at the time of the closing of the Green Shoe Option, to purchase or cause Huang River to purchase, the Additional Subscription Shares. Upon the

Purchaser exercising its option pursuant to this Section 2.05, the Company shall be obliged to issue and sell, and the Purchaser shall be obliged to cause Huang River to, and Huang River shall subscribe for the Additional Subscription Shares pursuant to the terms and subject to the conditions set forth in this Agreement free and clear of any Encumbrance.

The closing of the purchase and sale of the Additional Subscription Shares hereunder (the “**Subsequent Closing**”) shall take place at the same offices for the Green Shoe Option closing or at such other place as the Company and the Purchaser may mutually agree, at the time of closing of the Green Shoe Option exercise (such date, the “**Subsequent Closing Date**”) following the Purchaser’s exercise of its option pursuant to this Section 2.05, or at such other location and date as may be agreed upon in writing by the Company and the Purchaser.

Section 2.06. *Transactions at the Subsequent Closing.* At the Subsequent Closing, the following actions will take place, all of which shall be deemed to have occurred simultaneously and no transaction shall be deemed to have been completed or any document delivered until all such transactions have been completed and all required documents have been delivered:

(a) the Purchaser shall pay, or cause to be paid, to the Company by wire transfer of immediately available funds in U.S. dollars to such bank account designated in writing by the Company, an amount equal to (i) the Per Share IPO Price multiplied by (ii) the aggregate number of Additional Subscription Shares, representing the aggregate consideration for the Additional Subscription Shares (the “**Additional Subscription Price**”, and together with the Subscription Price, the “**Total Subscription Price**”), and

(b) the Company shall issue and sell to Huang River the Additional Subscription Shares, deliver one or more duly executed share certificates in original form representing the Additional Subscription Shares, registered in the name of Huang River, together with a certified true copy of the register of the members of the Company, evidencing the Additional Subscription Shares being issued and sold to Huang River.

Each certificate representing the Additional Subscription Shares shall be endorsed with the Restrictive Legend.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Purchaser, as of the date hereof and as of the Closing Date and the Subsequent Closing Date (except for such representations and warranties made only as of a specific date), that:

Section 3.01. *Accuracy Of Disclosure.*

(a) The Company has filed with, or furnished to, the Commission, on a timely basis, all documents, forms, statements, certifications and reports required to be filed or furnished pursuant to the Securities Act in connection with the IPO (the “**Securities Act Documents**”). The Securities Act Documents, considered as a whole, complied, when filed or furnished, or will

comply when filed or furnished, in all material respects with the Securities Act and the Sarbanes-Oxley Act and the applicable rules and regulations thereunder, and did not, and will not at the Closing Date, when so filed or furnished, considered as a whole, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(b) Prior to the Closing, the Registration Statement, as supplemented or amended, shall have been declared effective by the Commission. The Registration Statement, at the time it is declared effective, including the prospectus therein, will conform, in all material respects to the requirements of the Securities Act and the rules and regulations of the Commission thereunder and will not, as of the applicable effective date, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

There are no contracts, agreements, arrangements, transactions or documents which are required to be described or disclosed in the Securities Act Documents or to be filed as material contracts in the exhibits to the Securities Act Documents which have not been so described, disclosed or filed.

(c) The Company has established and maintained disclosure controls and procedures required by Exchange Act. Such disclosure controls and procedures are adequate and effective to ensure that material information required to be disclosed by the Company, including information relating to its consolidated Affiliates, is recorded and reported on a timely basis to its chief executive officer and chief financial officer by others within those entities.

(d) The Company is in compliance with the Sarbanes-Oxley Act (if applicable).

Section 3.02. *Existence and Qualification.* The Company has been duly organized, is validly existing and in good standing under the laws of the Cayman Islands and has the requisite power and authority to own, lease and operate its property and to conduct its business as currently conducted and as described in the Securities Act Documents. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership, leasing or operation of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not, individually or in the aggregate, reasonably be expected have a Material Adverse Effect.

Section 3.03. *Capitalization; Issuance of Subscription Shares.*

(a) The authorized share capital, option plans and issuance, warrant issuance and any other equity securities (including securities convertible into or exchangeable for Ordinary Shares) of the Company (collectively, the “**Company Securities**”) as of the date hereof is as set forth in Schedule 3.03 of this Agreement, which includes (A) the aggregate number of issued and outstanding shares of capital stock of the Company (including the Ordinary Shares and each series of convertible preferred shares) and (B) the aggregate number of ordinary shares issuable under all outstanding options, all outstanding warrants and all other outstanding securities or obligations which, by their terms, whether directly or indirectly, may be exercisable or exchangeable for, convertible into, or require the Company to issue, Ordinary Shares. There are

no outstanding obligations of the Company or any Subsidiary to issue, repurchase, redeem or otherwise acquire any Company Securities, other than the Thirteenth Amended and Restated Shareholders Agreement. Neither the Company nor any of its Subsidiaries is a party to any voting agreement with respect to the voting of any Company Securities, other than the Thirteenth Amended and Restated Shareholders Agreement.

(b) The Subscription Shares and any Additional Subscription Shares (if applicable) have been duly authorized and, when issued and delivered in accordance with the terms of this Agreement, will be validly issued, fully paid and non-assessable, will be issued, sold and delivered to the Purchaser free and clear of any Encumbrance and restrictions on transfer (other than any restrictions on transfers under applicable securities laws or under the Thirteenth Amended and Restated Shareholders Agreement), and the issuance of the Subscription Shares and/or the Additional Subscription Shares, if applicable, will not be subject to any preemptive or similar rights.

(c) The authorized capital stock of the Company conforms as to legal matters in all material respects to the description thereof contained in the Securities Act Documents.

(d) Except as set forth in the Thirteenth Amended and Restated Shareholders Agreement, there are no preemptive rights, registration rights, rights of first offer, rights of first refusal, tag-along rights, director appointment rights, governance rights or other similar rights with respect to the Company's capital stock or that have been granted to any holder of the Company's capital stock, in each such case, by the Company, to the Company's knowledge, by the Founder or the Founder's Affiliates.

(e) Immediately after the Closing, and after giving effect to the IPO, the authorized, issued and outstanding shares of capital stock of the Company will be as set forth in the Securities Act Documents.

(f) The Subscription Shares shall constitute 5% of the Company's issued and outstanding share capital on a Fully-Diluted basis immediately following the Closing, and the Subscription Shares (along with the Additional Subscription Shares) shall constitute 5% of the Company's issued and outstanding share capital on a Fully-Diluted basis immediately following the Subsequent Closing.

Section 3.04. *Capacity, Authorization and Enforceability.* The Company has the requisite power and authority to enter into and perform its obligations under this Agreement and consummate the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by the Company, and (assuming the due authorization, execution and delivery by each of the other parties thereto), this Agreement is a valid and binding agreement of the Company, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity (the "**Enforceability Limitations**").

Section 3.05. *Non-contravention; No Other Agreements.* Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any provision of the memorandum and articles of association or other constitutional

documents of the Company or its Subsidiaries or (ii) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, Governmental Entity or court to which the Company or its Subsidiaries is subject, or (iii) conflict with, result in a breach of, constitute a default under, result in the acceleration of or creation of an encumbrance under, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under, any agreement, contract, lease, license, instrument, or other arrangement to which the Company or its Subsidiaries is a party or by which the Company or its Subsidiaries is bound or to which any of the Company's or its Subsidiaries' assets are subject, except in the case of clauses (ii) or (iii) as would not have a Material Adverse Effect. There is no action, suit or proceeding, pending or, to the knowledge of the Company, threatened against the Company or its Subsidiaries that questions the validity of this Agreement or the right of the Company to enter into this Agreement or to consummate the transactions contemplated hereby or thereby.

No other stockholder of the Company has been granted more favorable terms with respect to any period following the Closing than the terms provided to the Purchaser under Section 1.8 of the Thirteenth Amended and Restated Shareholders Agreement (other than any rights granted to any stockholder under any other provision of the Thirteenth Amended and Restated Shareholders Agreement).

Section 3.06. *Consents and Approvals.* Neither the execution and delivery by the Company of this Agreement, nor the consummation by the Company of any of the transactions contemplated hereby, nor the performance by the Company of this Agreement in accordance with its terms requires the consent, approval, order or authorization of, or registration with, or the giving notice to, any governmental or public body or authority or any third party, except such as have been obtained, made or given and as will be required in connection with the IPO..

Section 3.07. *Financial Statements.* (i) The audited and unaudited financial statements, together with the notes thereto, included in the Securities Act Documents fairly present, in all material respects, the consolidated financial position, results of operations and cash flows of the Company and its consolidated Subsidiaries as at the respective dates thereof and for the respective periods indicated therein, in conformity with U.S. GAAP applied on a consistent basis throughout the periods presented (except, as to the unaudited financial statements, for the omission of notes thereto and normal year-end adjustments).

(ii) Except as and to the extent set forth in the Securities Act Documents and on the audited consolidated balance sheets of the Company and the consolidated Subsidiaries filed with the Registration Statement, neither the Company nor any Subsidiary has any liability or obligation of any nature (whether accrued, absolute, contingent or otherwise) that would be required to be disclosed in accordance with U.S. GAAP, except for liabilities and obligations, incurred in the ordinary course of business consistent with past practice since the latest date of the audited consolidated balance sheet included in the Registration Statement, which would not, individually or in the aggregate, prevent or materially delay consummation of any of the transactions or otherwise prevent or materially delay the Company from performing its obligations under this Agreement and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 3.08. *Absence Of Certain Changes.* Except as set forth in the Registration Statement, during the period from the latest date of the audited consolidated balance sheet included in the Registration Statement through the date hereof, there has been no event, occurrence, development or state of circumstances that would have a Material Adverse Effect.

Section 3.09. *Litigation.* Except as disclosed in the Securities Act Documents, there are no actions by or against the Company or its Subsidiaries or affecting the business or any of the assets of the Company or its Subsidiaries pending before any governmental authority, or, to the Company's knowledge, threatened to be brought by or before any governmental authority that would reasonably be expected to result in a Material Adverse Effect.

Section 3.10. *Compliance With Laws.* Except as disclosed in the Securities Act Documents, the business of the Company or its Subsidiaries is not being conducted in violation of any Applicable Law or government order applicable to the Company except for violations which do not and would not have a Material Adverse Effect.

Section 3.11. *Brokers' Fees.* Other than Merrill Lynch (Asia Pacific) Limited, China Renaissance Securities (Hong Kong) Limited and for the underwriters in the IPO, whose fees and expenses will be paid by the Company, there is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of the Company or any of its Subsidiaries who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

Section 3.12. *No Securities Act Registration.*

(a) None of the Company, its Subsidiaries or their respective Affiliates or any person acting on its or their behalf have engaged in any “directed selling efforts” within the meaning of Rule 903 of Regulation S under the Securities Act or any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act with respect to the Subscription Shares and/or the Additional Subscription Shares, if applicable.

(b) Assuming the accuracy of the representations of the Purchaser contained in Section 4.04, it is not necessary in connection with the issuance and sale to the Purchaser of the Subscription Shares and/or the Additional Subscription Shares, if applicable, to register the Subscription Shares and/or the Additional Subscription Shares, if applicable, under the Securities Act or to qualify or register the Subscription Shares and/or the Additional Subscription Shares, if applicable, under applicable U.S. state securities laws.

Section 3.13. *Investment Company.* The Company is not, and after giving effect to the issuance and sale of the Subscription Shares and/or the Additional Subscription Shares, if applicable, and the application of the proceeds therefrom will not be, required to register as, an “investment company” as such term is defined in the U.S. Investment Company Act of 1940, as amended.

Section 3.14. *Listing Matters.* At the Closing, the Company will be in compliance with the applicable listing and corporate governance rules and regulations of the Recognized Stock Exchange where its ADSs will be listed. Upon consummation of the IPO, the ADSs will be validly listed on such Recognized Stock Exchange, and the Company and its Subsidiaries will

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have taken no action designed to, or reasonably likely to have the effect of, delisting the ADSs from the relevant Recognized Stock Exchange where its ADSs will be listed. The Company has not received any notification that the Commission or the relevant Recognized Stock Exchange is contemplating suspending or terminating such listing (or the applicable registration under the Exchange Act related thereto).

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Company, as of the date hereof and as of the Closing Date, that:

Section 4.01. *Existence.* The Purchaser has been duly organized, is validly existing and is in good standing under the laws of its jurisdiction of organization.

Section 4.02. *Requisite Power.* The Purchaser has the requisite power and authority to enter into and perform its obligations under this Agreement and consummate the transactions contemplated hereby.

Section 4.03. *Authorization And Enforceability.* This Agreement has been duly authorized, executed and delivered by the Purchaser, and this Agreement is a valid and binding agreement of the Purchaser, enforceable in accordance with its terms, subject to the Enforceability Limitations.

Section 4.04. *Securities Law Matters.*

(a) The Subscription Shares and/or the Additional Subscription Shares, if applicable, are being acquired for the Purchaser’s own account, not as nominee or agent, and not with a view to, or intention of, or for sale in connection with, any distribution thereof in violation of applicable securities laws.

(b) The Purchaser acknowledges that the Subscription Shares and/or the Additional Subscription Shares, if applicable, are “restricted securities” within the meaning of Rule 144 under the Securities Act, and have not been registered under the Securities Act or any applicable state securities law, and any certificate representing the Subscription Shares shall be endorsed with a restrictive legend in accordance with this Agreement. The Purchaser further acknowledges that, absent an effective registration under the Securities Act, the Subscription Shares and/or the Additional Subscription Shares, if applicable, may only be offered, sold or otherwise transferred in compliance with Applicable Laws.

Section 4.05. *Investment Experience.* The Purchaser is a sophisticated purchaser with knowledge and experience in financial and business matters such that the Purchaser is capable of evaluating the merits and risks of the investment in the Subscription Shares. The Purchaser is able to bear the economic risks of an investment in the Subscription Shares. The Purchaser is acquiring the Subscription Shares outside the United States in compliance with Regulation S under the Securities Act, and in accordance with any applicable securities laws of any state of the

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United States or any other jurisdiction, and has not been subject to any “directed selling efforts” within the meaning of Rule 903 of Regulation S under the Securities Act in connection with its execution of this Agreement.

ARTICLE 5 COVENANTS

Section 5.01. *Most Favored Nation.* From and after the date hereof, no other stockholder shall be granted more favorable terms with respect to any period following the Closing than the terms provided to the Purchaser under the Thirteenth Amended and Restated Shareholders Agreement unless the same terms are also offered to the Purchaser, except for (x) any rights that have been granted to any stockholder under the Thirteenth Amended and Restated Shareholders Agreement, and (y) any rights granted to any stockholder having an economic interest following the Closing greater than that of the Purchaser (after taking into account the Subject Shares held by the Purchaser). If the Company enters into any agreement, undertaking or understanding with, or grants any right or benefit to, any Person in connection

with such Person's investment in the Company or acquisition or purchase of any Company Securities or otherwise that has the effect of establishing any investor or shareholder right or benefit to such Person that is more favorable than the rights and benefits of the Purchaser under the Thirteenth Amended and Restated Shareholders Agreement (and that is not covered by (x) or (y) above), the Company shall also, with no further action required by the Purchaser offer such identical rights, *mutatis mutandis*, to the Purchaser.

ARTICLE 6 ADDITIONAL AGREEMENTS

Section 6.01. *Reasonable Best Efforts; Further Assurances.* Subject to the terms and conditions of this Agreement, the Company and the Purchaser will use their reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under Applicable Laws to consummate the transactions contemplated by this Agreement. From time to time following the date hereof, the parties hereto shall execute and deliver such other instruments of assignment, transfer and delivery and shall take such other actions as any other party hereto reasonably may request in order to consummate, complete and carry out the transactions contemplated by this Agreement.

Section 6.02. *Public Announcements.* Other than any public statement or disclosure in connection with the IPO, each party hereto agrees to consult with the other party hereto before issuing any press release or making any public statement or disclosure with respect to this Agreement or the transactions contemplated hereby and agrees not to issue any such press release or make any such public statement or disclosure without the prior written consent of the other party; *provided* that a party may without the prior written consent of the other party issue any such press release or public statement of disclosure if such party has used reasonable efforts to consult with the other party and to obtain the consent of the other party but has been unable to do so prior to the time such press release or public statement or disclosure is required to be released pursuant to Applicable Law or any listing agreement with any national securities

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exchange, *provided* that such party has also notified the other party in writing of the details and content of the press release or public statement or disclosure to be released reasonably in advance of such release.

Section 6.03. *Interim Conduct.* From the date hereof until the Closing Date, the Company shall, and shall cause each of its Subsidiaries to, (a) other than in connection with the IPO, carry on its business in the ordinary course consistent with past practice, and (b) not make any distribution (whether in cash, stock, property or assets) or declare, pay or set aside any dividend with respect to, or other than in connection with the IPO, split, combine, redeem, reclassify, purchase or otherwise acquire, directly or indirectly, any of its capital stock.

Section 6.04. *SAFE Compliance.* As soon as practicable, but in any event within 30 Business Days after the Closing, the Company shall procure that each direct and indirect holder of any securities of the Company who is a "PRC resident" as defined under Circular 75 and is subject to any of the registration or reporting requirements of Circular 75 shall take all necessary actions to comply with such reporting and/or registration requirements, including without limitation updating his or her Circular 75 registration with respect to the changes in his or her direct or indirect shareholding in the Company resulting from the transaction contemplated under this Agreement.

Section 6.05. *Survival.*

(a) The Fundamental Company Representations and Warranties and the representations and warranties of the Purchaser contained in this Agreement shall survive indefinitely or until the latest date permitted by law.

(b) All representations and warranties of the Company contained in this Agreement, other than the Fundamental Company Representations and Warranties shall survive the Closing until the expiry of eighteen (18) months from the Closing Date.

(c) Notwithstanding the foregoing sub-clauses (a) and (b), any breach of any representation, warranty, covenant or agreement in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the sub-clause (a) and (b) above, if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time.

(d) Nothing contained in this Agreement shall limit or exclude any liability for fraud or willful misrepresentation.

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Section 6.06. *Facilitation of Sale by Purchaser.* The Company agrees that as and when requested by the Purchaser in compliance with the Thirteenth Amended and Restated Shareholders Agreement and applicable U.S. securities laws, the Company shall promptly take all steps reasonably necessary to facilitate the conversion of any Subject Shares into ADSs and removing any legends on such Subject Shares, through the customary processes to be established with the depository for the ADSs.

ARTICLE 7 CLOSING CONDITIONS

Section 7.01. *Conditions to Obligations of the Company and the Purchaser.* The obligations of the Company and the Purchaser to consummate the Closing are subject to the satisfaction of the following conditions:

(a) no provision of any Applicable Law shall prohibit the consummation of the Closing; and

(b) no proceeding challenging this Agreement or the transactions contemplated hereby, or seeking to prohibit, alter, prevent or materially delay the Closing, shall have been instituted before any Governmental Entity and shall be pending.

Section 7.02. *Conditions to Obligations of the Company.* The obligations of the Company to consummate the Closing are subject to the satisfaction of the following conditions: (a) the representations and warranties of the Purchaser in this Agreement shall be true and correct in all material respects on and as of the Closing Date as though made on and as of the Closing Date; (b) the Purchaser shall have performed all obligations and conditions herein required to be performed or observed by the Purchaser on or prior to the Closing Date, and (c) the Company shall have received a certificate signed by an executive officer of the Purchaser to the foregoing effect.

Section 7.03. *Conditions to Obligations of the Purchaser.* The obligation of the Purchaser to consummate the Closing is subject to the satisfaction of the following conditions:

(a) (i) The representations and warranties of the Company that are qualified by materiality or Material Adverse Effect shall be true and correct on and as of the Closing Date as though made on and as of the Closing Date (except that those representations and warranties which address matters only as of a particular date shall have been true and correct only on such date), (ii) the representations and warranties of the Company that are not qualified by materiality or Material Adverse Effect shall be true and correct in all material respects on and as of the Closing Date as though made on and as of the Closing Date (except that those representations and warranties which address matters only as of a particular date shall have been true and correct only on such date), (iii) the Fundamental Company Representations and Warranties shall be true and correct on and as of the Closing Date as though made on and as of the Closing Date (except that those representations and warranties which address matters only as of a particular date shall have been true and correct only on such date), (iv) the Company shall have performed or complied in all material respects with all obligations and conditions in this Agreement required

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to be performed or complied with by the Company on or prior to the Closing Date; (v) there shall have been no event, occurrence, development or state of circumstances or facts that could have a Material Adverse Effect; and (vi) the Purchaser shall have received a certificate signed by an executive officer of the Company to the foregoing effect.

(b) The Purchaser shall have received an opinion, dated the Closing Date, of Maples & Calder, Cayman Islands counsel for the Company, regarding certain corporate law matters in the form set forth in Exhibit A hereto.

(c) The Purchaser shall have received a duly certified true and complete copy of the register of directors of the Company confirming that Mr. Martin Lau (or any other designee of the Purchaser pursuant to the Thirteenth Amended and Restated Shareholders Agreement) continues to be a director on the Board.

(d) The IPO shall have been contemporaneously consummated.

(e) The underwriting agreement in connection with the IPO shall have been entered into and become effective.

(f) The amended and restated memorandum and articles of association of the Company substantially in the form attached hereto as Exhibit B shall have been adopted and become effective as of the Closing Date.

ARTICLE 8 TERMINATION

Section 8.01. *Termination.* This Agreement may be terminated at any time prior to the Closing:

(a) by the Purchaser or the Company if the Closing shall not have occurred on or prior to June 30, 2015; provided that a party in material breach of this Agreement shall not be entitled to terminate this Agreement under Section 8.01(a);

(b) by either the Purchaser or the Company in the event that any Governmental Entity shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such order, decree, ruling or other action shall have become final and non-appealable, or any Applicable Law shall prohibit the Closing;

(c) by the Company if a material breach of any representation or warranty or material failure to perform any covenant or agreement on the part of the Purchaser set forth in this Agreement shall have occurred that (i) would cause any of the conditions set forth in Section 7.02 not to be satisfied and (ii) is incapable of being cured by the Purchaser or, if capable of being cured by the Purchaser, the Purchaser does not cure such breach or failure within seven days after its receipt of written notice thereof from the Company;

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(d) by the Purchaser if a material breach of any representation or warranty or material failure to perform any covenant or agreement on the part of the Company set forth in this Agreement shall have occurred that (i) would cause any of the conditions set forth in Section 7.03 not to be satisfied and (ii) is incapable of being cured by the Company or, if capable of being cured by the Company, the Company does not cure such breach or failure within seven days after its receipt of written notice thereof from the Purchaser; or

(e) by the mutual written consent of the Purchaser and the Company.

The party desiring to terminate this Agreement pursuant to Sections 8.01(a) through (d) shall give written notice of such termination to the other party specifying the provision hereof pursuant to which such termination is made.

Section 8.02. *Effect Of Termination.* In the event of termination of this Agreement as provided in Section 8.01, this Agreement shall forthwith become void and of no further force or effect (except for Section 6.02, this Section 8.02 and Article 9, which shall survive such termination) and there shall be no liability on the part of any party hereto (or any stockholder, director, officer, employee, agent, consultant or representative of such party) except that nothing herein shall relieve any party from liability for any breach of this Agreement at or prior to termination.

ARTICLE 9 INDEMNIFICATION

Section 9.01. *Indemnification.*

(a) Subject to the other provisions of this Article IX, each of the Company and the Purchaser (each, an “**Indemnifying Party**”) shall indemnify and hold each other and their affiliates, directors, officers, employees, advisors and agents (collectively, the “**Indemnified Party**”) harmless from and against any against any losses, liabilities, damages, liens, penalties, diminution in value, costs and expenses, including reasonable advisor’s fees and other reasonable expenses of investigation and defense of any of the foregoing (collectively, “**Losses**”) resulting from or arising out of: (i) any breach or violation of, or inaccuracy in, any representation or warranty made by the Indemnifying Party under this Agreement or any claim by any third party alleging, constituting or involving such a breach, violation or inaccuracy; or (ii) any breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, the Indemnifying Party under this Agreement, or any claim by any third party alleging, constituting or involving any such breach or violation or default or failure to perform.

(b) Notwithstanding the foregoing, the Indemnifying Party shall have no liability (for indemnification or otherwise) with respect to any Losses in excess of the Total Subscription Price paid for the Subscription Shares and the Additional Subscription Shares.

(a) If any third party shall notify an Indemnified Party in writing with respect to any matter involving a claim by such third party (a “**Third Party Claim**”) which such Indemnified Party believes would give rise to a claim for indemnification against the Indemnifying Party

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under this Article IX, then the Indemnified Party shall promptly (i) notify the Indemnifying Party thereof in writing and (ii) transmit to the Indemnifying Party a written notice (“**Claim Notice**”) describing in reasonable detail, to the extent reasonably practicable, the nature of the Third Party Claim, a copy of all papers served with respect to such claim (if any), and the basis of the Indemnified Party’s request for indemnification under this Agreement. The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder except to the extent any Losses are increased by an amount in excess of US\$50,000 by the failure of the Indemnified Party to promptly notify the Indemnifying Party.

(b) Upon receipt of a Claim Notice with respect to a Third Party Claim, the Indemnifying Party shall have the right to assume the defense of any Third Party Claim by, within (30) days of receipt of the Claim Notice, notifying the Indemnified Party in writing that the Indemnifying Party elects to assume the defense of such Third Party Claim, and upon delivery of such notice by the Indemnifying Party, the Indemnifying Party shall have the right to control and settle the proceeding, provided, that, (i) any such settlement or compromise shall be permitted hereunder only with the written consent of the Indemnified Party which consent shall not be unreasonably withheld or delayed; and (ii) and the Indemnifying Party shall keep the Indemnified Party reasonably informed of the progress of such defense on a regular basis.

(c) If requested by the Indemnifying Party, the Indemnified Party shall, at the sole cost and expense of the Indemnifying Party, cooperate with the Indemnifying Party and its counsel in contesting any Third Party Claim which the Indemnifying Party elects to contest, including the making of any related counterclaim against the person asserting the Third Party Claim or any cross complaint against any person. The Indemnified Party shall have the right to receive copies of all pleadings, notices and communications with respect to any Third Party Claim for which indemnity is sought under this Agreement, other than any privileged communications between the Indemnifying Party and its counsel, and shall be entitled, at its sole cost and expense, to retain separate co-counsel and participate in, but not control, any defense or settlement (except for its consent required under Section 9.02(b) above) of any Third Party Claim assumed by the Indemnifying Party pursuant to Section 9.02(b).

(d) In the event of a Third Party Claim for which the Indemnifying Party elects not to assume the defense or fails to make such an election within thirty (30) days of the Claim Notice, the Indemnified Party may, at its option, defend, settle, compromise or pay such action or claim at the expense of the Indemnifying Party; provided, that, any such settlement or compromise shall be permitted hereunder only with the written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.

ARTICLE 10 MISCELLANEOUS

Section 10.01. *Notices.* The notice provisions set forth in Section 7.04 of the Pre-IPO SSA are incorporated herein by reference *mutatis mutandis*.

Section 10.02. *Severability.* If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental Entity to be

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invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

Section 10.03. *Entire Agreement.* This Agreement, together with the Pre-IPO SSA, the Thirteenth Amended and Restated Shareholders Agreement and the other agreements and instruments being executed by the Purchaser or any of its Subsidiaries and Affiliates on the one hand, and Diamond Parent or any of its Subsidiaries and Affiliates on the other hand, on or about the date hereof, constitute the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede any prior understandings, agreements or representations by or between the parties, written or oral, which may have related to the subject matter hereof in any way.

Section 10.04. *Counterparts.* This Agreement may be executed in separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. Signatures in the form of facsimile or electronically imaged “PDF” shall be deemed to be original signatures for all purposes hereunder.

Section 10.05. *Assignments.* This Agreement is personal to each of the parties hereto. Neither party may assign or delegate any rights or obligations hereunder without first obtaining the written consent of the other party; *provided* that prior to Closing, the Purchaser may assign any rights or obligations hereunder to any of its wholly-owned Subsidiaries without obtaining the prior written consent of the Company, *provided further* that the Purchaser shall remain liable for its obligations contained herein.

Section 10.06. *Descriptive Headings; Construction.* The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. The parties hereto agree that this Agreement is the product of negotiation between sophisticated parties and individuals, all of whom were represented by counsel, and each of whom had an opportunity to participate in and did participate in the drafting of each provision hereof. Accordingly, ambiguities in this Agreement, if any, shall not be construed strictly or in favor of or against any party but rather shall be given a fair and reasonable construction without regard to the rule of *contra proferentem*.

Section 10.07. *Amendment.* The provisions of this Agreement may be amended, waived or modified only upon the prior written consent of all parties hereto. The failure of any party to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

Section 10.08. *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of Hong Kong, without regard to its principles of conflicts of laws.

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Section 10.09. *Consultation; Escalation.* (a) Any dispute, controversy, claim or difference of any kind whatsoever arising out of, relating to or in connection with this Agreement, or the breach, termination or invalidity hereof (including the validity, scope and enforceability of this arbitration provision) (the “**Dispute**”) shall first be attempted to be resolved through consultation between the parties in good faith for a period of thirty (30) days after written notice has been given in accordance with the provisions of Section 10.01 (the “**Consultation Period**”). Such resolution may include agreeing upon a proposed plan specifying the steps to be taken, and the time period for taking such steps. At any time during such consultation, any relevant party may escalate the matter to the Chief Executive Officers of the Company and the parent entity of the Purchaser who will attempt in good faith and use their best efforts to resolve the matter. The parties agree that all discussions contemplated under this Section 10.09 will be conducted in good faith and that such executives and officers will use their best efforts to resolve the Dispute and preserve the arrangements contemplated under this Agreement. Notwithstanding any other provision contained herein, any party shall have the right in its sole discretion to seek emergency and/or interim measures at any time after the posting of a request for consultation.

(b) If the Dispute remains unresolved upon expiration of the Consultation Period, any Party may in its sole discretion elect to submit the Dispute to be finally settled by arbitration with notice to any other Party or Parties. The arbitration shall be conducted in Hong Kong and shall be administered by the Hong Kong International Arbitration Centre (“**HKIAC**”) in accordance with the HKIAC Administered Arbitration Rules in force at the time of the commencement of the arbitration. The arbitration tribunal shall consist of three arbitrators. The language of the arbitration shall be English, and the seat of the arbitration shall be Hong Kong. The decision of the arbitrators (by rule of majority) shall be final and binding on the parties.

Section 10.10. *Expenses.* Except as otherwise expressly provided herein, all costs and expenses incurred in connection with this Agreement, or any amendment or waiver hereof, and the transactions contemplated hereby shall be paid by the party incurring such costs or expenses.

Section 10.11. *Third Party Beneficiaries.* Except as otherwise expressly set forth in this Agreement, there are no third party beneficiaries of this Agreement and nothing in this Agreement, express or implied, is intended to confer on any Person any rights, remedies or obligations.

Section 10.12. *Specific Performance.* The parties hereto agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof in any court of competent jurisdiction, in addition to any other remedy to which they are entitled at law or in equity.

Section 10.13. *No Waiver; Cumulative Remedies.* Except as specifically set forth herein, the rights and remedies of the parties to this Agreement are cumulative and not alternative. No failure or delay on the part of any party in exercising any right, power or remedy under this Agreement will operate as a waiver of such right, power or remedy, and no single or partial exercise of any such right, power or remedy will preclude any other or further exercise of such

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right, power or remedy or the exercise of any other right, power or remedy. To the maximum extent permitted by Applicable Law, (a) no claim or right arising out of this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of that party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement.

[Signature Pages Follow]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

/s/ **JD.COM, INC.**

/s/ **TENCENT HOLDINGS LIMITED**

/s/ **HUANG RIVER INVESTMENT LIMITED** (for the purposes of Article II)

[Signature Page to Share Subscription Agreement]

Strategic Cooperation Agreement

Between

Tencent Holdings Limited

and

JD.com, Inc.

Dated as of March 10, 2014

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This Strategic Cooperation Agreement (this "**Agreement**") is entered into on March 10, 2014 by and between:

Party A: Tencent Holdings Limited, an exempted company registered under the laws of the Cayman Islands (together with its Affiliates, collectively, "**Tencent**"), with the registered address at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands;

Party B: JD.com, Inc., an exempted company registered under the laws of the Cayman Islands (together with its Affiliates, collectively, "**JD**"), with the registered address at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

Each of the parties above is hereinafter referred to as a "**Party**" and collectively as the "**Parties**".

WHEREAS:

1. Tencent is one of the well-known integrated internet service providers in China and provides users with comprehensive online services through QQ, Weixin, and QQ.com etc.;
2. JD is one of the well-known internet e-commerce service companies in China and is mainly engaged in the direct sales e-commerce business and e-commerce platform business through its official website <http://www.jd.com> and its mobile APPs;
3. the Parties have entered into a Share Subscription Agreement and other related agreements on March 10, 2014, pursuant to which Party A transfers its e-commerce platform business, the logistics assets and other related assets, as well as a 9.9% equity interest in Shanghai Icsen E-Commerce Development Company Limited controlled by Party A and entering into this Agreement and other cooperation agreements as the consideration for certain shares of Party B that would result in Party A becoming one of Party B's shareholders and entering into the Thirteenth Amended and Restated Shareholders Agreement (together with all the aforesaid documents, the "**Transaction Documents**") with other related parties.

4. the Parties desire to cooperate with each other in the Physical Goods e-commerce business to integrate relevant resources and take advantage of the Parties' respective strengths, in accordance with the terms and conditions set forth in this Agreement. The Parties understand that this Agreement is a business cooperation framework agreement and the details of such cooperation shall be subject to further negotiation and implementation by the staff of the Parties after the execution of this Agreement.

THEREFORE, the Parties hereby agree as follows:

1. Definitions

In this Agreement, the following terms shall have the following meaning:

- (1) an **"Affiliates"** or **"Affiliates"** means, with respect to any company (or any other entity), any other companies that controls, is controlled by the subject company or together with the subject company jointed controlled by any third party. **"Control"** means the company owns more than 50% of the equity interests or voting rights of such subject company (or any other entity), or has an actual discretion or controlling power over the operation of such subject company by entry into contractual arrangements or by other means. With respect to any Party, its Affiliates mean the subsidiaries, whether directly or indirectly owned, that are controlled by it (including the subsidiaries controlled through VIE structure). However, the Affiliates of Party A do not include China Business Infinite Co., Ltd. and its Affiliates (collectively, **"Maimaibao"**).
- (2) **"E-Commerce Platform Business"** means any business of a company to provide e-commerce online services for any other transaction parties by virtue of its own e-commerce platform.
- (3) **"Self-operated Business"** means any business of a company to directly engage in B2C sales of commodities by virtue of its own online platform.
- (4) **"Physical Goods"** means physical goods in contrary to virtual commodities, for the avoidance of doubt, excluding the document of title or service certificate such as lottery, movie ticket, Q-coin card etc.
- (5) **"Weixin"**, for the purpose of this Agreement, means Weixin (微信) in all languages excluding WeChat.
- (6) **"Mobile QQ"**, for the purpose of this Agreement, means the Mobile QQ in all languages.
- (7) **"Icson"** means Shanghai Icson E-Commerce Development Company Limited and any of its subsidiaries, as well as its businesses conducted through the website of "http://www.yixun.com".
- (8) **"Force Majeure"** means the events that is unforeseeable by either Party by the time of the execution of this Agreement and cannot be controlled, avoided, overcome or solved by either Party, which takes place after this Agreement comes into effect and interferes with the performance or partial performance by any Party to this Agreement, including but not limited to earthquake, typhoon, flood, war, overseas or domestic traffic interruption, acts of governmental authorities, etc. In avoidance of doubt, only an event that is uncontrollable, unavoidable, insurmountable and unsolvable for both Parties constitutes Force Majeure, otherwise it cannot be so regarded.
- (9) **"China"** or **"PRC"** means the People's Republic of China excluding, only for the purposes of this Agreement, the Hong Kong Special Administrative Region, the

Macao Special Administrative Region and Taiwan.

2. Territory of Business Cooperation

Unless otherwise provided in the specific sections of this Agreement, the territory of cooperation and/or restriction under this Agreement shall be limited to the mainland of PRC, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan.

3. Content of Business Cooperation

The Parties agree, during the Cooperation Term as provided herein, to procure their respective Affiliates to cooperate with each other, based on the following principles and in the following business areas in relation to the Physical Goods e-commerce business as follows:

3.1 Principle of Preferred Cooperation

Unless otherwise provided herein, Tencent shall ensure that in the fields of material cooperation in the Physical Goods e-commerce business, JD shall be the preferred partner to Tencent and shall rank higher than any third party company.

3.2 Cooperation between JD and Weixin and Mobile QQ

- (a) **Traffic Entrance of Weixin.** JD will be entitled to a traffic entrance for its own Physical Goods e-commerce business on the interfaces of Weixin as mutually agreed. Specifically, such traffic entrance on the level one entrance interface of Weixin shall be the only traffic entrance of Weixin's level one entrance provided to third party companies in Physical Goods e-commerce.
- (b) **Traffic Entrance of Mobile QQ.** JD will be entitled to a traffic entrance for its own Physical Goods e-commerce business on the interfaces of Mobile QQ as mutually agreed.
- (c) Each cooperation term under paragraphs (a) and (b) above shall be five years commencing from the date when any JD product is officially launched on Weixin.
- (d) **Weixin Public Accounts.** With respect to the utilization of Weixin's public accounts granted to JD, Tencent shall give preferential treatment to JD, including but not limited to, sending consumer service information, order status and promotion information to users. Furthermore, either Party shall cooperate with each other in making further developments and optimizing users' experience.
- (e) **Physical Goods e-commerce business on Weixin.** JD will cooperate and develop mutually beneficial business relationships with the online merchants who are operating such Physical Goods e-commerce business on Weixin.

3.3 Cooperation between JD and Tencent on mobile-related products

- (a) Mobile QQ Browser. Tencent shall give JD a fixed traffic entrance for its Physical Goods e-commerce business on the navigation page of the Mobile QQ Browser (including “ ”). If product upgrades thereafter incurred any changes in the browser’s interface, Tencent shall provide a similar entrance to JD.
- (b) Mobile “QQ.com”. Tencent shall give JD a traffic entrance for its Physical Goods e-commerce business on Mobile “QQ.com” (WAP).

3.4 Cooperation between JD and Tencent on Social Networking Services (“SNS”)-related products

- (a) SNS Products: Qzone, Tencent Weibo, etc. The Parties will jointly explore in-depth cooperation in relation to Tencent’s SNS products.
- (b) Portal Websites: QQ.com. Both Parties will jointly explore in-depth cooperation in relation to Tencent’s portal websites
- (c) Search Business. The Parties understand that Tencent’s current search business is not directly operated by Tencent but each Party agree to cooperate with each other in the Physical Goods e-commerce business in relation to Tencent’s search business to the extent practicable.

3.5 Cooperation in Member Systems between JD and Tencent

- (a) Preferred Cooperation in User Accounts. Based on the purpose of optimizing user experience, Tencent shall be the preferred partner in the usage of Weixin/QQ user accounts in JD’s own user accounts system and social networking system.
- (b) Mutual Convertibility of Point Reward and Leveling-up Value. JD shall provide QQ users the functionality on its platform to exchange QQ-points or Q-coins to Jingdong point rewards (such as, “Jing-beans”), as well as leveling-up value of JD members into a certain proportion leveling-up value of QQ members.
- (c) Cooperation in QQ Mail. Under the condition of ensuring user experience and compliance with Tencent’s relevant policy on protecting users’ personal information, Tencent shall satisfy the requirements from JD regarding order fulfillment/customer service e-mails, and agrees to provide preferential treatment to JD in terms of the volume and format of promotional e-mails.

3.6 Cooperation in Payment

Both Parties agree to conduct in-depth cooperation in the field of payment, and maximally optimize and integrate the current resources possessed by each Party. Both Parties shall specify the details of such cooperation through further negotiations.

3.7 Cooperation in Virtual Goods E-Commerce Platform

- (a) Both Parties shall continue to operate their respective virtual goods E-Commerce

Platform Business separately.

- (b) The game cards and Q-coins operated by Tencent are entitled to be sold on JD’s platform.

3.8 Internet Traffic Support

To continue to support the Physical Goods e-commerce businesses of both Parties, during the Cooperation Term specified hereof, Tencent agrees to provide JD strategic support with traffic in the following aspects:

- (a) QQ PC Client and AIO (mini version of home page). Tencent shall reassign positions on the respective interfaces to Ison, Paipai, , and JD from where Tencent assigns to Ison, Paipai and currently.
- (b) QQ PC Client Popup (Tips). Tencent agrees to provide JD with promotional and support services through popup messages in relation to JD and its products and services.
- (c) QQ.com Advertisement. Tencent agrees to provide JD with advertisement spots through QQ.com every year.
- (d) “ ” Advertising Resources. Tencent agrees to provide JD with advertising resources related to “ ”. The allocation quota of such advertising resources between PC and mobile client will be negotiated by both Parties in the future.
- (e) In respect of other Tencent products and services than those set forth in the above Section 2.8(a) to Section 2.8(d), both Parties shall endeavor to cooperate and maintain the support provided to the existing Physical Goods e-commerce business of Tencent
- (f) JD APP. During the Cooperation Term specified hereof, Tencent shall provide the JD APP with activation support.
- (g) Advertising Sales Agent. Both Parties agree that considering that JD will become the advertising sales agent for the merchants on its E-mall platform with respect to place advertisements through “ ”, Party A agrees to pay sales commission to JD with respect to such advertising sales.
- (h) JD has the right to allocate the above traffic support provided by Tencent across all of its business sectors in accordance with its specific business requirements.

4. Non-Compete Obligation of Tencent

Subject to the scope, territory and exceptions as mutually agreed by both Parties and

during the Cooperation Term specified hereof and within three year upon the expiry of the Cooperation Term (“**Non-Compete Period**”), in consideration of the cooperative relationship with JD, Party A and its Affiliates (excluding Ison) agree to disengage in direct sales or proactively-managed platforms operation models in the Physical Goods e-commerce business (meaning the three products and operation models similar to JD, Paipai and QQ□□ on both of Internet and mobile platforms).

5. Support from JD for Tencent

Both Parties agree to conduct business cooperation during the Cooperation Term specified hereof. Party B shall, and shall procure any of its Affiliates to provide according support for Tencent in the fields of information sharing.

6. Term and Termination

- 6.1 This Agreement shall be effective upon the execution by the authorized representatives of the Parties and shall be automatically terminated upon the expiration of the Cooperation Term as provided in Section 6.2 hereof.
- 6.2 The business cooperation term set forth in this Agreement shall commence from April 1, 2014 and end on March 31, 2019 (the “**Cooperation Term**”), and may be extended upon the mutual agreement of the Parties after expiration. Notwithstanding the foregoing, if there is any other specific provision(s) on the Cooperation Term with respect to any specific item in this Agreement, such specific provision shall prevail.
- 6.3 This Agreement may be terminated upon any of the following conditions:
- (1) Consensus by both Parties through negotiations; or
 - (2) The Parties failing to enter into the Transaction Documents or complete the closing of the transaction as contemplated thereunder for any reasons whatsoever, and thus Party A notifies Party B in writing to require the termination of this Agreement;
- 6.4 If this Agreement expires or is terminated pursuant to Section 6.3, the Parties shall cease to perform this Agreement, provided that, Sections 9, 13 and 14 hereof shall survive the termination of this Agreement. In addition, Party A shall continue to perform its non-compete obligation as set forth in Section 4 herein within the Non-Compete Period after the expiration of this Agreement. If any Party is in breach of any provision(s) as set forth herein prior to the expiration or termination of this Agreement, such Party shall bear the liability for breach pursuant to Section 13 hereof. Other post-termination arrangements and matters shall be arranged and resolved through friendly negotiation between the Parties.
- 6.5 The Parties agree, if any product or business of Tencent involved in this Agreement is entirely or partly sold to a third party (excluding the inter-group transfer within the group of Tencent), the rights and obligations of each Party

as provided herein in connection with the sold product or business shall be assumed by such third party. If such third party declines to assume the responsibility and liability as described herein which affects the selling of such product or business as well as Tencent’s obligations hereunder, both Parties shall negotiate to reach a resolution.

7. Intellectual Property

- 7.1 The title to and ownership of any material, information and the intellectual properties contained therein or attached thereto, as respectively provided for the purpose of this Agreement by each Party and its Affiliates to the other Party, shall not be changed due to the cooperation as contemplated hereunder, unless the concerned Party or Parties enter into any other specific agreement on transfer of intellectual properties.
- 7.2 Unless otherwise specifically stipulated in this Agreement or the concerned Party or Parties has/have entered into any specific agreement on authorization or licensing of intellectual properties, without the prior written consent by the Party who holds the right to such intellectual properties, any Party (and its Affiliates) shall not, without authorization, use or duplicate the other Party’s (and its Affiliates’) patents, trademarks, names, logos, business information, technologies and other data information, domain names, copyrights or other intellectual properties, or apply for registration of any intellectual properties that are similar to the foregoing intellectual properties.
- 7.3 The title to and ownership of any new intellectual properties that are generated in the course of the business cooperation between both Parties (and their Affiliates) under this Agreement shall be otherwise determined by both Parties specifically.
- 7.4 During the course of the business cooperation under this Agreement, in the event that any Party (including its Affiliates) infringes upon the intellectual properties or other legitimate rights of the other Party (including its Affiliates); or the products, services, materials provided by such Party infringe upon the intellectual properties or other legitimate rights of any third party, any of which consequently results in any losses or damage to the other Party (including its Affiliates), such infringing Party shall indemnify the damaged Party for any such loss.

8. Force Majeure

In case of any Force Majeure that results in any delay of the performance by any Party of any contractual obligations hereunder, such delayed Party shall not be deemed as breaching this Agreement and consequently shall not be held liable for indemnify any losses and damage thus incurred, provided that such Party shall make its efforts to eliminate the cause of such delay and make its best endeavors (including but not limited to seeking for or utilizing alternative tools or methods) to remove the damages caused by such Force Majeure, and then inform the other Party of the fact of such Force Majeure and any possible damages the other Party may incur, within fifteen (15)

Business Days after the day when such cause of Force Majeure has been eliminated. During the period of such delay of performance, the Party confronting the Force Majeure shall take reasonable substitutes or adopt other alternatives that are commercially reasonable so as to perform its obligations hereunder until the removal of such delay.

9. Confidentiality

The Parties hereby acknowledge and agree that any and all materials, whether in an oral form or in writing, as provided and exchanged for the purpose of this Agreement, this Agreement and the terms hereof, shall be deemed as confidential information. Either Party shall maintain the confidentiality of such confidential information, and without the prior written consent of the other Party, shall not disclose any confidential information to any third party, except for the following circumstances: (1) such confidential information is or has become generally available to the public (other than as a result of any unauthorized disclosure by a Party

receiving such materials or any of its Affiliates or employees; (2) disclosure of such confidential information is statutorily required by any applicable laws, any competent governmental authority, any regulatory agency of security or stock exchange, or any rules and regulations of the relevant stock exchange (provided however that, under such scenario, to the extent as permitted by the applicable laws, the Party disclosing such materials shall give a prior notice to the other Party and then both Parties shall reach consensus through consultations as to the scope and content to be disclosed); or (3) disclosure of any confidential information made by a Party to its attorneys or financial advisors for the business cooperation as contemplated hereunder, provided that the foregoing persons shall abide by the similar confidentiality obligation as provided in this Section. Furthermore, each Party hereby undertakes that it shall use the foregoing confidential information as provided by the other Party only for the purpose as set forth in this Agreement, and shall destroy or surrender such confidential information at the request of the other Party upon the termination of this Agreement. Any violation of this Section 9 by any Party, any of its Affiliates, any of its employees or its engaged intermediary agency of any Party or its Affiliates, shall be deemed as a violation by such Party, and such breaching Party shall assume any liability arising from such violation. This Section shall survive the voidness, rescindment or termination of this Agreement for any reason whatsoever.

10. Tax

The Tax incurred arising from the execution and performance of this Agreement shall be assumed by each Party respectively.

11. Representations and Warranties

11.1 Each Party represents and warrants to the other Party as follows:

- (1) it is a duly established and validly existing company;
- (2) it has the right to enter into this Agreement and its authorized representative has been fully authorized to execute this Agreement;
- (3) its execution, delivery and performance of this Agreement is/will not be required to be filed with or notified to any governmental authority, and

is/will also not be subject to any license, permit, consent or other approval of any governmental authority or any other parties; and

- (4) it has the capacity to perform its obligations set forth herein and such performance of its obligations does not violate its Articles of Associations or other constitutional documents.

11.2 Where any legal document executed by any Party prior to the execution of this Agreement conflicts with any provision herein, such Party shall give immediate written notice to the other Party based on the principle of bona fide, good faith and friendship and both Parties shall resolve the problem through consultation. If the conflicts between the former legal document of any Party and this Agreement results in any loss of the other Party, such Party shall be held liable for any responsibility arising from the breach of this Agreement.

11.3 If any Party, during the performance of its obligations hereunder, finds that such performance is subject to the license, consent or approval of any third party, such Party shall notify the other Party within thirty (30) days from its knowledge of such matter, and shall make its best endeavors to obtain such license, consent or approval from such third party. If such Party fails to obtain such license, consent or approval within a reasonable time period, the relevant party shall provide a solution on such matter which is acceptable to the other party.

12. Notice and Delivery

12.1 All notices and other communications required or given hereunder shall be delivered to the following addresses by hand, registered mail, prepaid post or business courier or facsimile. Each notice shall be delivered by e-mail once again. The date of the notice that can be deemed as validly delivered shall be determined as follows:

- (1) if the notice is sent by hand, business courier, registered mail, or prepaid post, the notice shall be deemed as valid delivery on the date when it is received or rejected by the address as set forth below;
- (2) if the notice is sent by facsimile, the notice shall be deemed as valid delivery on the date when it is transmitted successfully (shall be proved by the automatically generated information of such successful transmission).

12.2 For the purpose of notice, the address of the Parties are set forth as follows:

Party A:
Level 29, Three Pacific Place
1 Queen's Road East
Wanchai, Hong Kong
Attention: Corporate Counsel
Telephone: +852 3148 5100 Ext: 68805
Facsimile: +852 2520 1148

with a copy to:
Tencent Building
Kejizhongyi Avenue, Hi-tech Park
Nanshan District, Shenzhen
518057, People's Republic of China
Attention: General Counsel
Telephone: +86 755 8601 3388 (Ext: 82238)
Fax No.: +86 755 8601 3090 (Ext: 82238)
Attention: General Manager, M&A
Telephone: +86 755 8601 3388 (Ext: 88978)
Fax No.: +86 755 8601 3078

Party B:
Address: 10th Floor, Building A, North Star Century Center, No. 8 Beichen West Road, Chaoyang District, Beijing, the People's Republic of China
Attention: General Legal Counsel
Telephone: +8610 58955500

12.3 Either Party may change the address for receiving notice at any time by giving a writing notice of such change to the other Party.

13. Liability for Breach

13.1 If any Party is in breach of any provision of this Agreement and causes losses to the other Party, such Party shall bear the liability for breach in accordance with the applicable laws and the Transaction Documents.

13.2 The Parties understand and agree that they enter into this Agreement for and on behalf of themselves and their Affiliates, and have the obligation to procure and ensure their Affiliates to comply with and perform this Agreement.

14. Governing Law and Dispute Resolution

14.1 The execution, validity, interpretation, performance, amendment and termination, and dispute resolution of this Agreement shall be governed by the laws of Hong Kong.

14.2 Any dispute arising from the interpretation and performance of this Agreement shall be settled by friendly negotiation between the Parties. If the dispute has not been resolved within 30 days after one Party gives a written notice to the other Party requesting negotiation, the dispute shall be submitted by any Party to the Hong Kong International Arbitration Centre to be settled by arbitration under its arbitration rules in force. The arbitration proceedings shall be conducted in Hong Kong. The language used shall be English. The arbitration award is final and binding on each Party.

14.3 In the event that any dispute arising out of the interpretation and performance

of this Agreement or any dispute is under arbitration, the Parties shall continue to exercise their respective rights and perform their respective obligations under this Agreement except for the matters in dispute.

15. Miscellaneous

15.1 Any amendment or supplementary to this Agreement shall be made in writing. Any amendment agreement or supplementary agreement duly executed by the Parties shall be an integral part of this Agreement and have equal legal effect with this Agreement.

15.2 No Party may assign this Agreement and its rights and obligations hereunder to a third party without the prior written consent of the other Party. However, it may designate its eligible Affiliates to perform certain cooperation matters as the case may be.

15.3 During the term of this Agreement, no Party shall publish negative comments on the other Party on any public occasion, including but not limited to company image, company brands, the design, development and application of products, operation strategy, and all other information relating to the company and products.

15.4 Upon the effectiveness of this Agreement, it shall constitute an entire agreement of the Parties on the subject matter hereof and supersede all the prior oral or written agreements or promises of the Parties on the subject matter hereof.

15.5 In the event of any provision contained herein is held invalid, illegal or unenforceable, the validity, legality and enforceability of the other provision shall not be affected. As to the provisions held as invalid, illegal or unenforceable, the Parties shall manage it through friendly consultation based on the principle that they shall realize the original commercial intent as close as possible.

15.6 The Parties agree to jointly set up a cooperation committee upon the execution of this Agreement, which shall be responsible for the coordination work regarding the relevant cooperation matters set forth herein during the Cooperation Term. The respective representative of the Parties in the cooperation committee shall be Richard Liu and Martin Lau. The cooperation Committee will establish product and technology cooperation group which intend to invite Xiaolong Zhang from Party A and other person in charge of cooperation departments and hold meetings regularly (monthly or bimonthly) to discuss how to improve the working results of cooperation by the Parties.

15.7 This Agreement is executed in 4 originals and each party shall hold 2 originals, each of which has equal legal effect.

-The remainder of this page is intentionally left blank-

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above written.

TENCENT HOLDINGS LIMITED

By: /s/ Zhidong Zhang

Name: Zhidong Zhang

Signature Page to Strategic Cooperation Agreement

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above written.

JD.com, Inc.

By: /s/ Qiangdong Zhang

Name: Qiangdong Zhang

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form F-1 of JD.com, Inc. of our report dated March 19, 2014 relating to the consolidated financial statements of JD.com, Inc., which appears in such Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers Zhong Tian LLP

Beijing, the People's Republic of China

March 19, 2014

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form F-1 of JD.com, Inc. of our report dated March 19, 2014 relating to the combined financial statements of two e-Commerce platforms, www.paipai.com website and www.wanggou.com website of Tencent Holdings Limited, which appears in such Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers

Hong Kong

March 19, 2014

March 19, 2014

JD.com, Inc.
10th Floor, Building A, North Star Century Center
No. 8 Beichen West Street
Chaoyang District, Beijing 100101
The People's Republic of China

Ladies and Gentlemen:

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, I hereby consent to the references of my name in the Registration Statement on Form F-1 (the "Registration Statement") of JD.com, Inc. (the "Company"), and any amendments thereto, which indicate that I have accepted the nomination to become a director of the Company. I further agree that immediately upon the Securities and Exchange Commission's declaration of effectiveness of the Registration Statement, I will serve as a member of the board of directors of the Company.

Sincerely yours,

/s/ Louis T. Hsieh

Name: Louis T. Hsieh
