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**ALIBABA HEALTH INFORMATION TECHNOLOGY LIMITED**

**阿里健康信息技術有限公司**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 0241)**

**(1) GRANT OF SHARE OPTIONS AND RESTRICTED SHARE UNITS;  
(2) NON-EXEMPT CONNECTED TRANSACTION  
– PROPOSED GRANT OF  
RESTRICTED SHARE UNITS TO CONNECTED PERSONS; AND  
(3) RESIGNATION OF DIRECTORS**

**GRANT OF SHARE OPTIONS AND RESTRICTED SHARE UNITS**

On September 7, 2015, the Company granted 33,843,000 Options to 100 Grantees and 16,541,000 RSUs to 96 Non-connected Grantees in accordance with the terms of the Share Award Scheme, subject to acceptance.

**NON-EXEMPT CONNECTED TRANSACTION – CONDITIONAL GRANT OF RESTRICTED SHARE UNITS TO CONNECTED PERSONS**

On the same date, the Board conditionally granted a total of 3,462,000 RSUs to Mr. Wang Lei (the Chief Executive Officer of the Company and an executive Director), Ms. Ma Li, Mr. Meng Changan and Mr. Wang Peiyu (each a director of a subsidiary or certain subsidiaries of the Company) in accordance with the terms of the Share Award Scheme.

The Conditional RSU Grant and the transactions contemplated thereunder (including the allotment and issue of any new Ordinary Shares thereunder) constitute non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to reporting, announcement and the Independent Shareholders' approval requirements.

#### **RESIGNATION OF DIRECTORS AND CHANGE OF MEMBER OF REMUNERATION COMMITTEE**

The Board announces that Mr. Zhang Yong, Mr. Chen Jun and Mr. Yu Feng have resigned from the positions as non-executive Directors with effect from September 7, 2015. Mr. Zhang Yong has also resigned as a member of the audit committee and the remuneration committee of the Company with effect from the same date. Mr. Wu Yongming, non-executive Director and Chairman of the Board, has been appointed as a member of the remuneration committee of the Company with effect from September 7, 2015. Each of the outgoing directors has confirmed that there are no disagreements with the Board, nor are there any matters in relation to his resignation that need to be brought to the attention of the Shareholders.

#### **SHARE OPTIONS**

On September 7, 2015, the Company granted 33,843,000 Options to 100 Grantees in accordance with the terms of the Share Award Scheme, subject to acceptance.

#### **Details of the Grant**

The details of the Options granted to the Grantees are as follows:

Date of Grant:	September 7, 2015
Number of Grantees:	100
Total number of new Ordinary Shares to be subscribed upon exercise of the Options granted:	33,843,000, of which a total of 20,907,000 were granted to Non-connected Grantees and 12,936,000 were granted to the Connected Grantees
Exercise price of the Options granted:	HK\$5.184 per Share
Validity period of the Options:	The validity period of the Options shall be ten years from the Date of Grant and the Options shall lapse at the expiry of the validity period.

Vesting period:

For each Grantee, the Options granted to him/her shall vest over a four-year period commencing from the Quarterly Reference Date closest to such Grantee's Grant Entitlement Date, of which:

- 50% of the Options granted shall vest on the 2nd anniversary of the Quarterly Reference Date closest to such Grantee's Grant Entitlement Date;
- 25% of the Options granted shall vest on the 3rd anniversary of the Quarterly Reference Date closest to such Grantee's Grant Entitlement Date; and
- 25% of the Options granted shall vest on the 4th anniversary of the Quarterly Reference Date closest to such Grantee's Grant Entitlement Date.

The Options granted shall vest in the Grantees as demonstrated by the table under the paragraph headed "Share Options – Vesting Schedule".

### **Exercise Price**

The exercise price of the Options of HK\$5.184 per Share represents the highest of (i) the closing price of the Ordinary Shares of HK\$4.96 per Share as stated in the daily quotation sheet issued by the Stock Exchange on the Date of Grant, (ii) the average closing price of the Ordinary Shares of HK\$5.184 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant, and (iii) the nominal value of each Share, which is HK\$0.01.

### **Grant to Director**

One of the Grantees, Mr. Wang Lei, the Chief Executive Officer of the Company and an executive Director, was granted 7,491,000 Options. Such grant of Options was approved by the independent non-executive Directors on September 7, 2015 in accordance with Rule 17.04(1) of the Listing Rules. Mr. Wang Lei had abstained from voting on the resolution relating to the Options granted to himself and his respective associates and had not been counted towards the quorum of the Board meeting in respect of such resolution.

## Vesting Schedule

The following table sets out the vesting schedule of the Options granted on September 7, 2015:

Name of Grantee	Position	Vesting Dates and the Number of Options Vesting (in thousands)									
		October 10, 2015	January 31, 2016	April 30, 2016	July 31, 2016	October 10, 2016	January 31, 2017	April 30, 2017	July 31, 2017	October 10, 2017	
Wang Lei	Chief Executive Officer, executive Director and director of Alibaba Health Technology (Beijing) and CITIC 21CN (China)	-	-	-	-	-	-	3,745.50	-	-	
Meng Changan	Director of Alibaba Health Technology (Beijing) and CITIC 21CN (China)	-	-	947.00	-	-	-	473.50	-	-	
Ma Li	Director of Alibaba Health Technology (Beijing)	-	-	-	-	1,065.50	-	-	-	532.75	
Wang Peiyu	Director of CITIC 21CN (China)	-	-	-	-	710.00	-	-	-	355.00	
96 Non-connected Grantees	-	-	-	1,942.50	1,732.00	1,264.00	2,040.50	3,508.75	1,590.00	845.00	
Total		-	-	2,889.50	1,732.00	3,039.50	2,040.50	7,727.75	1,590.00	1,732.75	

Name of Grantee	Position	Vesting Dates and the Number of Options Vesting (in thousands)									
		January 31, 2018	April 30, 2018	July 31, 2018	October 10, 2018	January 31, 2019	April 30, 2019	July 31, 2019	October 10, 2019	Total	
Wang Lei	Chief Executive Officer, executive Director and director of Alibaba Health Technology (Beijing) and CITIC 21CN (China)	-	1,872.75	-	-	-	1,872.75	-	-	7,491.00	
Meng Changan	Director of Alibaba Health Technology (Beijing) and CITIC 21CN (China)	-	473.50	-	-	-	-	-	-	1,894.00	
Ma Li	Director of Alibaba Health Technology (Beijing)	-	-	-	532.75	-	-	-	-	2,131.00	
Wang Peiyu	Director of CITIC 21CN (China)	-	-	-	355.00	-	-	-	-	1,420.00	
96 Non-connected Grantees	-	1,020.25	2,240.00	1,228.00	738.50	1,020.25	1,268.75	362.00	106.50	20,907.00	
Total		1,020.25	4,586.25	1,228.00	1,626.25	1,020.25	3,141.50	362.00	106.50	33,843.00	

## **RESTRICTED SHARE UNITS**

### **Grant to Non-connected Grantees**

On September 7, 2015, the Company granted 16,541,000 RSUs to 96 Non-connected Grantees in accordance with the terms of the Share Award Scheme, subject to acceptance. In accordance with the terms of the Share Award Scheme and as approved by the Remuneration Committee and the Board, the RSUs were granted to the Non-connected Grantees under the following terms:

- the RSUs were granted for no consideration;
- each of these RSUs to be granted to the Non-connected Grantees represents the right to receive an Ordinary Share on the date it vests;
- any Ordinary Share to be issued upon vesting and settlement of the RSUs will rank *pari passu* in all respects among themselves and with all the Ordinary Shares in issue from time to time;
- the RSUs granted are not subject to performance targets and such; and
- for each Non-connected Grantee, the RSUs granted to him/her shall vest over a four-year period commencing from the Quarterly Reference Date closest to such Grantee’s Grant Entitlement Date, of which:
  - o 50% of the RSUs granted shall vest on the 2nd anniversary of the Quarterly Reference Date closest to such Grantee’s Grant Entitlement Date;
  - o 25% of the RSUs granted shall vest on the 3rd anniversary of the Quarterly Reference Date closest to such Grantee’s Grant Entitlement Date; and
  - o 25% of the RSUs granted shall vest on the 4th anniversary of the Quarterly Reference Date closest to such Grantee’s Grant Entitlement Date.

The RSUs granted shall vest in the Non-connected Grantees as demonstrated by the table under the paragraph headed “Restricted Share Units – Vesting Schedule” below.

Based on the closing price of HK\$4.96 per Ordinary Share as quoted on the Stock Exchange on September 7, 2015, the market value of the RSUs granted to the Non-connected Grantees amounts to approximately HK\$82.0 million.

### **Non-Exempt Connected Transaction – Conditional Grant of Restricted Share Unites to Connected Grantees**

The Board further announces that on September 7, 2015, the Board resolved to conditionally grant a total of 3,462,000 RSUs to Mr. Wang Lei (the Chief Executive Officer of the Company and an executive Director), Ms. Ma Li, Mr. Meng Changan and Mr. Wang Peiyu (each a director of a subsidiary or certain subsidiaries of the Company) under the Share Award Scheme, subject to the Independent Shareholders’ approval.

The terms of the Conditional RSU Grant are the same as those set out in the paragraph headed “Restricted Share Units – Grant to Non-connected Grantees” in this announcement, except that the Conditional RSU Grant is subject to the approval by the Independent Shareholders.

The RSUs granted shall vest in the Connected Grantees as demonstrated by the table under the paragraph headed “Restricted Share Units – Vesting Schedule” below.

## Market Value

Based on the closing price of HK\$4.96 per Ordinary Share as quoted on the Stock Exchange on September 7, 2015, the market value of the RSUs under the Conditional RSU Grant amounts to approximately HK\$17.2 million.

## Vesting Schedule

The following table sets out the vesting schedule of the RSUs granted or conditionally granted on September 7, 2015:

Name of Grantee	Position	Vesting Dates and Number of RSUs Vesting								
		October 10, 2015	January 31, 2016	April 30, 2016	July 31, 2016	October 10, 2016	January 31, 2017	April 30, 2017	July 31, 2017	October 10, 2017
Wang Lei	Chief Executive Officer, executive Director and director of Alibaba Health Technology (Beijing) and CITIC 21CN (China)	-	-	-	-	-	-	642.00	-	-
Meng Changan	Director of Alibaba Health Technology (Beijing) and CITIC 21CN (China)	-	-	379.00	-	-	-	189.50	-	-
Ma Li	Director of Alibaba Health Technology (Beijing)	-	-	-	-	426.00	-	-	-	213.00
Wang Peiyu	Director of CITIC 21CN (China)	-	-	-	-	284.00	-	-	-	142.00
96 Non-connected Grantees	-	-	-	2,098.00	1,196.00	1,250.50	1,560.00	2,326.00	1,288.00	824.25
Total		-	-	2,477.00	1,196.00	1,960.50	1,560.00	3,157.50	1,288.00	1,179.25

Name of Grantee	Position	Vesting Dates and Number of RSUs Vesting								
		January 31, 2018	April 30, 2018	July 31, 2018	October 10, 2018	January 31, 2019	April 30, 2019	July 31, 2019	October 10, 2019	Total
Wang Lei	Chief Executive Officer, executive Director and director of Alibaba Health Technology (Beijing) and CITIC 21CN (China)	-	321.00	-	-	-	321.00	-	-	1,284.00
Meng Changan	Director of Alibaba Health Technology (Beijing) and CITIC 21CN (China)	-	189.50	-	-	-	-	-	-	758.00
Ma Li	Director of Alibaba Health Technology (Beijing)	-	-	-	213.00	-	-	-	-	852.00
Wang Peiyu	Director of CITIC 21CN (China)	-	-	-	142.00	-	-	-	-	568.00
96 Non-connected Grantees	-	780.00	1,687.50	943.00	724.75	780.00	638.50	345.00	99.50	16,541.00
Total		780.00	2,198.00	943.00	1,079.75	780.00	959.50	345.00	99.50	20,003.00

## The Connected Grantees

As at September 7, 2015, the interests of the Connected Grantees in the Shares are set out below:

Name of Connected Grantee	Options granted on the Date of Grant and other interests held in respect of the underlying Shares (if any)		Number of RSUs conditionally granted under Conditional RSU Grant		Total interests in underlying Shares		
	<i>Number of underlying Shares involved</i>	<i>Percentage of the Company's total issued share capital on the Date of Grant</i>	<i>Number of underlying Shares involved</i>	<i>Percentage of the Company's total issued share capital as at September 7, 2015</i>	<i>Number of underlying Shares involved</i>	<i>Percentage of the Company's total issued share capital as at September 7, 2015</i>	<i>Percentage of the Company's enlarged issued share capital</i>
Mr. Wang Lei	7,491,000	0.09%	1,284,000	0.02%	8,775,000	0.11%	0.11%
Mr. Meng Changan	1,894,000	0.02%	758,000	0.01%	2,652,000	0.03%	0.03%
Ms. Ma Li	2,131,000	0.03%	852,000	0.01%	2,983,000	0.04%	0.04%
Mr. Wang Peiyu	1,420,000	0.02%	568,000	0.01%	1,988,000	0.02%	0.02%

Subject to the Independent Shareholders' approval of the Conditional RSU Grant and assuming that no further Ordinary Shares will be issued or repurchased by the Company prior to the date of the Special General Meeting, the maximum number of Ordinary Shares that may be issued to the Connected Grantees in accordance with and subject to the terms of the Conditional RSU Grant would be 3,462,000, representing approximately 0.04% of the total issued share capital of the Company as at September 7, 2015 and 0.04% of the enlarged total issued share capital of the Company (but prior to the exercise of any of the Options granted to the Grantees and the vesting of any RSU granted to the Non-connected Grantees on September 7, 2015), and 0.04% of the enlarged total issued share capital of the Company (assuming full exercise of the 33,843,000 Options granted to the Grantees and the vesting of the 16,541,000 RSUs granted to the Non-connected Grantees).

### Reasons for and Benefits of the Conditional RSU Grant

The purpose of the Conditional RSU Grant is to recognize the contribution to the success and development of the Group by each of the Connected Grantees and to incentivise and motivate them to remain with, and to strive for the future development and expansion of, the Group by providing them an opportunity to acquire equity interests in the Company.

The Directors (excluding Mr. Wang Lei and the independent non-executive Directors) consider that the terms of the Conditional RSU Grant are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### Specific Mandate to Issue New Ordinary Shares

The new Ordinary Shares to be issued under the Conditional RSU Grant will be issued under the specific mandate granted on November 24, 2014 under which the Board was authorized to grant awards of Options and/or RSUs pursuant to the Share Award Scheme during the Applicable Period, and to allot, issue and deal with Ordinary Shares underlying the Options

and/or RSUs granted as and when such Options are exercised and/or RSUs vest during the Applicable Period. The maximum number of new shares underlying the Options and/or the RSUs to be granted by the Board under the Share Award Scheme pursuant to such mandate shall not exceed 245,179,339, which represents 3% of the Ordinary Shares in issue as at November 24, 2014, being the date on which the Share Award Scheme was adopted.

The Listing Committee of the Stock Exchange has previously granted its approval for the listing of, and permission to deal in, Ordinary Shares to be issued pursuant to the vesting or exercise of any awards granted under the Share Award Scheme.

### **Listing Rules Implications**

As Mr. Wang Lei is the Chief Executive Officer of the Company and an executive Director, and each of Ms. Ma Li, Mr. Meng Changan and Mr. Wang Peiyu is a director of a subsidiary or certain subsidiaries of the Company, and therefore each is a connected person of the Company, the Conditional RSU Grant and any transactions contemplated thereunder (including the allotment and issue of any new Ordinary Shares thereunder) constitute non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to reporting, announcement and the Independent Shareholders' approval requirements. The Company has established the Independent Board Committee to advise the Independent Shareholders in respect of the Conditional RSU Grant and any transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Conditional RSU Grant and any transactions contemplated thereunder and an announcement will be made upon its appointment.

### **General**

An ordinary resolution will be proposed at the Special General Meeting to approve the Conditional RSU Grant and any transactions contemplated thereunder (including the allotment and issue of any new Ordinary Shares thereunder). A circular containing, among other things, details of the Conditional RSU Grant, a letter from the Independent Board Committee and a letter from the independent financial adviser together with the notice convening the Special General Meeting will be despatched to the Shareholders on or around September 30, 2015.

### **Information about the Company**

The Company is an investment holding company. The Group is a technology enabled solution provider and the principal activities of the Group comprise the operation of product identification, authentication and tracking system (“PIATS”) principally for the drug industry in the PRC and the provision of solutions for the Internet healthcare sector.

### **RESIGNATION OF DIRECTORS AND CHANGE OF MEMBER OF REMUNERATION COMMITTEE**

The Board announces that Mr. Zhang Yong, Mr. Chen Jun and Mr. Yu Feng have resigned from the positions as non-executive Directors with effect from September 7, 2015 to better focus their respective attention and efforts on other pursuits. Mr. Zhang Yong has also resigned as a member of the audit committee and the remuneration committee of the Company



with effect from the same date. Mr. Wu Yongming, non-executive Director and Chairman of the Board, has been appointed as a member of the remuneration committee of the Company with effect from September 7, 2015.

Each of the outgoing directors has confirmed that there are no disagreements with the Board, nor are there any matters in relation to his resignation that need to be brought to the attention of the Shareholders.

## DEFINITIONS

“Alibaba Health Technology (Beijing)”	Alibaba Health Technology (Beijing) Company Limited* (阿里健康科技(北京)有限公司), a subsidiary of the Company
“Applicable Period”	the period from the date of adoption of the Share Award Scheme, being November 24, 2014, to the earlier of (a) conclusion of the Company’s next annual general meeting, (b) the end of the period within which the Company is required by any applicable law or its bye-laws to hold its next annual general meeting and (c) the date on which the resolution granting the special mandate to the Board to allot and issue Ordinary Shares upon the exercise and/or vesting of the Options and/or RSUs granted under the Share Award Scheme is varied or revoked by ordinary resolution of the Shareholders in general meeting
“Board”	the board of directors of the Company
“CITIC 21CN (China)”	CITIC 21CN (China) Technology Company Limited* (中信21世紀(中國)科技有限公司), a subsidiary of the Company
“Company”	Alibaba Health Information Technology Limited 阿里健康信息技術有限公司, a company incorporated in Bermuda and listed on the Stock Exchange (Stock Code: 00241)
“Conditional RSU Grant”	the conditional grant of 3,462,000 RSUs to the Connected Grantees as approved by the Board on September 7, 2015
“Connected Grantees”	Mr. Wang Lei, the Chief Executive Officer of the Company, an executive Director, and a director of Alibaba Health Technology (Beijing) and CITIC 21CN (China), Mr. Meng Changan, a director of Alibaba Health Technology (Beijing) and CITIC 21CN (China), Ms. Ma Li, a director of Alibaba Health Technology (Beijing), and Mr. Wang Peiyu, a director of CITIC 21CN (China), all of whom are connected persons under Chapter 14A of the Listing Rules
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Date of Grant”	September 7, 2015

“Director”	director of the Company
“Grantees”	the 100 employees of the Group whom were granted Options and RSUs in accordance with the Share Award Scheme on September 7, 2015
“Grant Entitlement Date”	the date on which the Grantee’s employment commenced with the Group or on which the Grantee became eligible as a participant of the Share Award Scheme, whichever is later
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	the lawful currency of Hong Kong
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, established to advise the Independent Shareholders in respect of the non-exempt connected transaction relating to the Conditional RSU Grant
“Independent Shareholders”	the Shareholders who are not required under the Listing Rules to abstain from voting at the SGM to approve the non-exempt connected transaction relating to the Conditional RSU Grant
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange Of Hong Kong Limited
“Non-connected Grantees”	the 96 employees of the Company having been granted with Options and RSUs on September 7, 2015 and who are independent of the Company and its connected persons
“Option”	an option to subscribe for or acquire Shares which is granted under the Share Award Scheme
“Ordinary Shares”	ordinary shares in the issued capital of the Company with a nominal value of HK\$0.01
“PIATS”	product identification, authentication and tracking system
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Quarterly Reference Date”	January 31, April 30, July 31, October 10 of every calendar year
“RSU(s)”	restricted share unit(s), being a contingent right to receive Shares which is awarded under the Share Award Scheme
“Share Award Scheme”	the share award scheme adopted by the Company at a special general meeting on November 24, 2014, the principal terms of which were set out on pages 10 to 20 of the Company’s circular dated October 31, 2014
“Shares”	fully paid ordinary shares with a nominal value of HK\$0.01 each in the share capital of the Company or, if there has been a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares forming part of the ordinary share capital of the Company of such nominal amount as shall result from any such sub-division, reduction, consolidation, reclassification or reconstruction
“Shareholders”	holders of the Shares
“Special General Meeting”	a special general meeting of the Company to be held to approve the Conditional RSU Grant and any transactions contemplated thereunder
“subsidiary”	has the meaning ascribed to it in the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

\* *For identification purpose only.*

By Order of the Board  
**Alibaba Health Information Technology Limited**  
**WANG Lei**  
*Chief Executive Officer and Executive Director*

Hong Kong, September 8, 2015

*As at the date of this announcement, the Board comprises six directors, of which (i) two are executive Directors, namely Ms. CHEN Xiao Ying and Mr. WANG Lei; (ii) one is a non-executive Director, namely Mr. WU Yongming; and (iii) three are independent non-executive Directors, namely Mr. YAN Xuan, Mr. LUO Tong and Mr. WONG King On, Samuel.*