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ALIBABA HEALTH INFORMATION TECHNOLOGY LIMITED

阿里健康信息技术有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00241)

CONNECTED TRANSACTION RELATING TO THE FORMATION OF A JOINT VENTURE

FORMATION OF A JOINT VENTURE

The Board is pleased to announce that on April 21, 2016 (after trading hours), Alibaba Health Technology (Beijing), China Taiping, TPL, Alibaba (China) Technology, Shanghai Yunfeng, Yuwell Technology and Shenzhen Baiyeyuan, each as a Promoter, entered into the Promoters Agreement to establish a joint venture enterprise, the JV Company, to engage in, among other things, internet health insurance related operations in the PRC. Pursuant to the Promoters Agreement, the registered capital of the JV Company shall be RMB1 billion, and the total capital contribution to be made by Alibaba Health Technology (Beijing), Alibaba (China) Technology, China Taiping, TPL, Shanghai Yunfeng, Yuwell Technology and Shenzhen Baiyeyuan to the JV Company shall be RMB50 million, RMB150 million, RMB210 million, RMB40 million, RMB200 million, RMB200 million and RMB150 million, respectively, which represents a pro rata equity interest of 5%, 15%, 21%, 4%, 20%, 20% and 15%, respectively, in the JV Company. Alibaba Health Technology (Beijing) will finance its capital contribution through internal resources.

LISTING RULE IMPLICATIONS

Perfect Advance is a substantial shareholder of the Company and Alibaba Holding is the ultimate majority shareholder and holding company of Perfect Advance. As Alibaba (China) Technology is an indirect wholly-owned subsidiary of Alibaba Holding, Alibaba (China) Technology is a connected person of the Company under Chapter 14A of the Listing Rules.

Based on the above, the Promoters Agreement constitutes a connected transaction of the Company under the Listing Rules. Taking into account the total capital commitment of Alibaba Health Technology (Beijing) under the Promoters Agreement, all applicable percentage ratios (other than the profits ratio) as defined in Rule 14.06 of the Listing Rules in respect of the Promoters Agreement are below 5%. Accordingly, the formation of the JV Company under the Promoters Agreement constitutes a non-exempt connected transaction subject to reporting and announcement requirements, but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Warning: Shareholders and potential investors should note that the formation of the JV Company is subject to regulatory approval from the China Insurance Regulatory Commission, which may or may not be obtained. As the formation of the JV Company may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

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THE PROMOTERS AGREEMENT

Date

April 21, 2016

Parties and their respective contributions of registered capital, and rights to nominate directors to the JV Company

Parties	Capital contribution*	Percentage of total registered capital	Number of directors to be nominated to the JV Company
(i) Alibaba Health Technology (Beijing)	RMB50 million	5%	One (1) independent director
(ii) Alibaba (China) Technology	RMB150 million	15%	One (1) director
(iii) China Taiping	RMB210 million	21%	Two (2) directors (including one (1) independent director)
(iv) TPL	RMB40 million	4%	Nil
(v) Shanghai Yunfeng	RMB200 million	20%	Two (2) directors (including one (1) independent director)
(vi) Yuwell Technology	RMB200 million	20%	One (1) director
(vii) Shenzhen Baiyeyuan	RMB150 million	15%	Nil
Total	RMB1,000 million	100%	Seven (7) directors (including three (3) independent directors)

* The respective capital contributions of the Promoters were determined upon arm's length negotiations.

Basic information of the JV Company to be established

Name of the company to be established (subject to change):	Alibaba Health Insurance Co., Ltd.* (阿里健康保险股份有限公司)
Place of registration:	PRC
Legal form:	Joint stock limited company with an indefinite term of operation
Approvals required:	The formation of the JV Company is subject to regulatory approval from the China Insurance Regulatory Commission
Registered capital:	RMB1 billion, to be paid up by the respective Promoters as described above in cash within 30 days upon obtaining approval from the China Insurance Regulatory Commission

Business scope (subject to relevant authority's approval and business registration authority's verification):	Renminbi and foreign currencies denominated health and accident insurance business, government contracted health insurance business that relates to state policies on medical insurance, consultancy and agency business relating to health insurance, reinsurance business relating to health and accident insurance, utilization of insurance premiums as permissible under applicable laws and regulations, insurance information related business, and any other business as may be approved by the China Insurance Regulatory Commission
Board of directors and supervisory board:	The board of directors of the JV Company shall comprise seven (7) members, including three (3) independent directors, to be nominated by the respective Promoters as described above. Resolutions of the board of directors of the JV Company shall be passed by majority of all directors, except for specific matters including but not limited to distribution of profits and appointment and removal of general manager or senior executives, which shall be passed by two-thirds of all the directors. The JV Company shall have a supervisory board of three (3) members, one (1) of which shall represent the JV Company's employees, one (1) of which shall be nominated by Alibaba Health Technology (Beijing) and (1) one of which shall be nominated by China Taiping

REASONS FOR THE JOINT VENTURE

As public health awareness has increased and medical needs have become more diversified , the industry has gradually recognized the specialized nature of health insurance.

According to Certain Opinions on Accelerating the Development of Commercial Health Insurance (Guobanfa [2014] No. 50) (《關於加快發展商業健康保險的若干意見》(國辦發[2014] 50號)) of the General Office of the State Council, the PRC government expects that by 2020, commercial health insurance claims should take up a greater proportion of total health expenditure.

Health insurance business in the PRC is currently in the early stages of development, and internet insurance business makes up a very small proportion of the whole insurance market. As there is a significant disparity in the development of these two businesses compared with in developed countries in Europe and America, these businesses have promising development prospects.

As previously disclosed by the Company, the Company's mission is to build an online community where it will connect participants in the healthcare market of the PRC. The Company believes that through the joint venture, it will be able to participate in internet health insurance which is a new and promising business area that will also help to align the interests of the participants in the PRC healthcare market.

The Directors (including the independent non-executive Directors) consider that the terms of the Promoters Agreement are fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Alibaba Health Technology (Beijing) will finance its capital contribution through internal resources.

LISTING RULE IMPLICATIONS

Perfect Advance is a substantial shareholder of the Company and Alibaba Holding is the ultimate majority shareholder and holding company of Perfect Advance. As Alibaba (China) Technology is an indirect wholly-owned subsidiary of Alibaba Holding, Alibaba (China) Technology is a connected person of the Company under Chapter 14A of the Listing Rules.

Based on the above, the Promoters Agreement constitutes a connected transaction of the Company under the Listing Rules. Taking into account the total capital commitment of Alibaba Health Technology (Beijing) under the Promoters Agreement, all of the applicable percentage ratios (other than the profits ratio) as defined in Rule 14.06 of the Listing Rules in respect of the Promoters Agreement are below 5%. Accordingly, the formation of the JV Company under the Promoters Agreement constitutes a non-exempt connected transaction subject to reporting and announcement requirements, but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INFORMATION ON THE OTHER JOINT VENTURE PARTIES

Alibaba (China) Technology is a limited liability company established in the PRC with a registered capital of USD542.9 million. It is an indirect wholly-owned subsidiary of Alibaba Holding. Accordingly, Alibaba (China) Technology is a connected person of the Company. Alibaba (China) Technology engages primarily in the development and sales of computer network application software, design, manufacturing and processing of computer network products, and provision of related technical and consulting services.

China Taiping is a company incorporated in Hong Kong with limited liability. The principal activity of China Taiping is investment holding, while the principal activities of its subsidiaries are underwriting of direct life insurance business in the PRC and Hong Kong, direct property and casualty insurance business in the PRC, Hong Kong and overseas, pension and group life insurance and all types of global reinsurance business. China Taiping's subsidiaries also engage in asset management, insurance intermediary, e-commerce for insurance, financial leasing, property investment, securities dealing and brokerage businesses. The controlling shareholder of China Taiping is China Taiping Insurance Group Ltd., which owns 59.64% of the issued share capital of China Taiping.

TPL is a limited liability company established in the PRC with a registered capital of RMB10,030 million and which has a nationwide license allowing it to operate domestic life insurance business in the PRC. TPL is mainly engaged in underwriting direct life insurance policies in the PRC.

Yuwell Technology is a limited liability company established in the PRC with a registered capital of RMB125 million. Yuwell Technology primarily engages in the development and sales of new electronic products and materials.

Shanghai Yunfeng is a limited liability company established in the PRC with a registered capital of RMB290 million. Shanghai Yunfeng is held as to 60% by Mr. Huang Xin, a senior management member of Shanghai Yunfeng, and 40% by Mr. Ma Yun. Historically, Shanghai Yunfeng was previously held as to 60% by Mr. Yu Feng and 40% by Mr. Ma Yun. Mr. Yu Feng is a former non-executive Director of the Company who had resigned from such directorship with effect from September 7, 2015, and is Shanghai Yunfeng's sole director and legal representative. Shanghai Yunfeng primarily engages in investment management and consulting in the PRC.

Shenzhen Baiyeyuan is a limited liability company established in the PRC with a registered capital of RMB80 million. Shenzhen Baiyeyuan primarily engages in enterprise investments in the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, except for Alibaba (China) Technology, each of the above Promoters is an independent third party of the Company and its connected persons.

INFORMATION ON ALIBABA HEALTH TECHNOLOGY (BEIJING), THE COMPANY AND THE GROUP

The Company is an investment holding company. The Group is an integrated healthcare information and content service provider and the principal activities of the Group comprise the operation of PIATS principally for the drug industry in the PRC, the construction of a medical services network and pharmaceutical e-commerce business.

Alibaba Health Technology (Beijing) is a limited liability company incorporated in the PRC with a registered capital of RMB220 million. It is an indirect wholly owned subsidiary of the Company. Alibaba Health Technology (Beijing) Company Limited is developing pharmaceutical sales network, cloud hospital, health management platform and other businesses, which will provide diversified and comprehensive internet solutions for participants in the healthcare industry.

WARNING

Shareholders and potential investors should note that the formation of the JV Company is subject to regulatory approval from the China Insurance Regulatory Commission, which may or may not be obtained. As the formation of the JV Company may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

“Alibaba (China) Technology”	Alibaba (China) Technology Co., Ltd.* (阿里巴巴(中國) 網絡技術有限公司), a limited liability company incorporated in the PRC
“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
“Alibaba Holding”	Alibaba Group Holding Limited, a company incorporated in the Cayman Islands, and the shares of which are listed on the New York Stock Exchange
“Board”	the board of directors of the Company
“China Insurance Regulatory Commission”	China Insurance Regulatory Commission (中國保險監督管理委員會)
“China Taiping”	China Taiping Insurance Holdings Company Limited (中國太平保險控股有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00966)
“Company”	Alibaba Health Information Technology Limited (阿里健康信息技術有限公司), a company incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00241)
“connected persons”	has the meaning ascribed to it is under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“JV Company”	Alibaba Health Insurance Co., Ltd.* (阿里健康保險股份有限公司), being the joint stock limited company proposed to be established by the Promoters in the PRC
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Perfect Advance”	Perfect Advance Holding Limited, an indirect non-wholly-owned subsidiary of Alibaba Holding

“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
“Promoters”	Alibaba Health Technology (Beijing), China Taiping, TPL, Alibaba (China) Technology, Shanghai Yunfeng, Yuwell Technology and Shenzhen Baiyeyuan (each a “Promoter”)
“Promoters Agreement”	the promoters agreement dated April 21, 2016 entered into among the Promoters in relation to the proposed establishment of the JV Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Yunfeng”	Shanghai Yunfeng Investment Management Company Limited* (上海雲鋒投資管理有限公司), a limited liability company established in the PRC
“Shareholders”	holders of the Shares
“Shares”	ordinary shares in the issued capital of the Company with a nominal value of HK\$0.01
“Shenzhen Baiyeyuan”	Shenzhen Baiyeyuan Investment Co., Ltd.* (深圳市百業源投資有限公司), a limited liability company established in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it in the Listing Rules
“TPL”	Taiping Life Insurance Company Limited (太平人壽保險有限公司), a limited liability company established in the PRC and 75.1% owned by China Taiping

“USD”	United States dollars, the lawful currency of the United States
“Yuwell Technology”	Jiangsu Yuwell Technology Development Co., Ltd.* (江蘇魚躍科技發展有限公司), a limited liability company established in the PRC
“%”	per cent.

* For identification purposes only

For and on behalf of the Board
Alibaba Health Information Technology Limited
WANG Lei
Chief Executive Officer and Executive Director

Hong Kong, April 21, 2016

As at the date of this announcement, the Board comprises nine Directors, of which (i) two are executive Directors, namely Ms. CHEN Xiao Ying and Mr. WANG Lei; (ii) four are non-executive Directors, namely Mr. WU Yongming, Mr. TSAI Chung, Joseph, Ms. HUANG Aizhu and Mr. KANG Kai; and (iii) three are independent non-executive Directors, namely Mr. YAN Xuan, Mr. LUO Tong and Mr. WONG King On, Samuel.