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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: 00241)**

### **DISCLOSEABLE TRANSACTION**

The Board is pleased to announce that on July 6, 2016, Alibaba Health Technology (Beijing) entered into the Acquisition Agreement with the Target and the Sellers, pursuant to which Alibaba Health Technology (Beijing) shall acquire 100% equity interest in Guangzhou Wu Qian Nian Pharmaceutical Chain Co., Ltd.\* (廣州五千年醫藥連鎖有限公司) for a consideration of RMB16,800,000.

As one or more of the applicable percentage ratios in respect of the Acquisition Agreement (including the alternative size test referred to in Rule 14.20) exceed 5% but are below 25%, the Acquisition Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

**Warning: The completion of the Acquisition Agreement is subject to the satisfaction and/or waiver (where applicable) of conditions precedent. As the Acquisition Agreement may or may not proceed to completion, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

The Board is pleased to announce that on July 6, 2016, Alibaba Health Technology (Beijing) entered into the Acquisition Agreement with the Sellers. The principal terms of the Acquisition Agreement are set out as follows:

## **THE ACQUISITION AGREEMENT**

### **(1) Date**

July 6, 2016

### **(2) Parties**

- (a) Alibaba Health Technology (Beijing) as the purchaser;
- (b) the Sellers as the sellers; and
- (c) Guangzhou Wu Qian Nian Pharmaceutical Chain Co., Ltd.\* (廣州五千年醫藥連鎖有限公司) as the Target Company.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Sellers is a third party independent of the Company and its connected persons.

### **(3) Assets to be acquired**

Pursuant to the Acquisition Agreement, Alibaba Health Technology (Beijing) has conditionally agreed to purchase and the Sellers have conditionally agreed to sell the 100% equity interest in the Target Company.

The Target Company will become an indirectly wholly owned subsidiary of the Company upon completion of the Acquisition Agreement, and the financial results of the Target Company will be consolidated into the accounts of the Group.

### **(4) Consideration and payment terms**

The consideration for the Acquisition Agreement is RMB16,800,000, which was determined after arm's length negotiations among the Alibaba Health Technology (Beijing) and the Sellers with reference to the audited financial statements of the Target Company for the year ended December 31, 2015 and the business prospects of the Target Company, and the prevailing market price for comparable companies. The consideration shall be settled in the following manner:

- (i) RMB3,000,000 to be settled within ten business days after the date of the Acquisition Agreement;
- (ii) RMB10,800,000 to be settled on the date of completion of the Acquisition Agreement; and
- (iii) the remaining of the consideration to be settled within ten business days after the satisfaction or waiver of the conditions subsequent to the Acquisition Agreement.

The consideration is subject to adjustment in the event that the decrease of total assets or the increase of total liabilities of the Target Company from the reference date of determining the consideration (being May 31, 2016) to the date of completion of Acquisition Agreement is more than RMB500,000. The consideration will be financed by funds internally generated by Alibaba Health Technology (Beijing) and/or bank loans.

**(5) Completion and conditions precedent**

Completion of the Acquisition Agreement shall take place on the fifth business day following the satisfaction or waiver of certain conditions precedent including those set out below, or on such other date as the Parties may agree:

- (a) there being no relevant governmental body having made, announced, implemented or passed any law or governmental order that would render the transactions contemplated under the Acquisition Agreement unlawful or otherwise restrict or prohibit the transactions contemplated under the Acquisition Agreement;
- (b) Alibaba Health Technology (Beijing) and the Target Company having received all necessary governmental or regulatory approvals and consents required for completion of the Acquisition Agreement, and third party consents, in form and substance satisfactory to Alibaba Health Technology (Beijing);
- (c) Alibaba Health Technology (Beijing) having completed all business, financial, legal and technical due diligence in relation to the Target Company and the results of which being satisfactory to Alibaba Health Technology (Beijing); and
- (d) the Sellers having entered into a termination agreement in relation to the Trust Agreement.

**(6) Conditions subsequent**

Following the completion of the Acquisition Agreement, the Sellers and the Target Company shall fulfil certain conditions subsequent to the satisfaction of or waiver by Alibaba Health Technology (Beijing), including but not limited to the entering into of lease agreements and other agreements in relation to the business operation of the Target Company within one month after the completion.

**REASONS FOR THE ACQUISITION**

As previously disclosed by the Company, the Company's mission is to build an online community where it will connect participants in China's healthcare market. The Company believes that its acquisition of the Target Company will enable it to engage in the online retail pharmaceutical business to provide more products and services to end consumers.

The Directors consider that the terms of the Acquisition Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition Agreement (including the alternative size test referred to in Rule 14.20) exceed 5% but are below 25%, the Acquisition Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

## INFORMATION ON THE TARGET COMPANY

The Target Company is a company established in the PRC, with an existing registered capital of RMB5,000,000. The Target Company is mainly engaged in the retailing of pharmaceutical products and traditional Chinese medicine beverages in the PRC and operates a retail pharmacy chain and holds an Internet Drug Transaction Service Qualification Certificate (互聯網藥品交易服務資格證書), which entitles it to sell over-the-counter drugs and certain other regulated products online, as listed in the relevant regulations.

Set out below is the summary of the key financial information extracted from the unaudited financial statements of the Target Company for the years ended December 31, 2014 and December 31, 2015, respectively.

	For the year ended December 31,	
	2014 (RMB)	2015 (RMB)
Net profit/(loss) before taxation	1,077,834.42	(355,114.30)
Net profit/(loss) after taxation	1,075,322.06	(355,927.58)

## INFORMATION ON THE SELLERS

As at the date of the Acquisition Agreement, to the best of the Directors' knowledge, Mr. Liu Ji Hui and Ms. Liao Qi Juan are the beneficial owners of 94% and 6% of the equity interest of the Target Company, respectively. Pursuant to the Trust Agreement, Mr. Cheng Qi Zhi held the equity interest in the Target Company for and on behalf of Mr. Liu Ji Hui and Ms. Liao Qi Juan and is the legal owner of the 100% equity interest in the Target Company. As one of the conditions precedent of the Acquisition Agreement, the Trust Agreement will be terminated on or before the completion of the Acquisition Agreement.

Each of Mr. Cheng Qi Zhi, Mr. Liu Ji Hui and Ms. Liao Qi Juan is a PRC national and to the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Sellers are a third party independent 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 product identification, authentication and tracking systems 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) 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

**The completion of the Acquisition Agreement is subject to the satisfaction and/or waiver (where applicable) of conditions precedent. As the Acquisition Agreement may or may not proceed to completion, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

## DEFINITIONS

“Acquisition Agreement”	the acquisition agreement dated July 6, 2016 entered into by the Parties
“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
“Board”	the board of directors of the Company
“Company”	Alibaba Health Information Technology Limited (阿里健康信息技术有限公司), 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 under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Parties”	Alibaba Health Technology (Beijing), the Target Company and the Sellers
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Sellers”	Mr. Cheng Qi Zhi, Mr. Liu Ji Hui and Ms. Liao Qi Juan
“Shareholders”	holders of the Shares
“Shares”	ordinary shares in the issued capital of the Company with a nominal value of HK\$0.01
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Target Company”	Guangzhou Wu Qian Nian Pharmaceutical Chain Co., Ltd.* (廣州五十年醫藥連鎖有限公司), a company incorporated in the PRC with limited liability
“Trust Agreement”	the Trust Agreement dated December 24, 2015 entered into among the Sellers, pursuant to which Mr. Cheng Qi Zhi agreed to hold the 94% and 6% equity interest in the Target Company for Mr. Liu Ji Hui and Ms. Liao Qi Juan, respectively, both being the beneficial owners of the Target Company
“%”	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, July 6, 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.*