

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the shares in Alibaba Health Information Technology Limited.



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)

GRANT OF SHARE OPTIONS AND RESTRICTED SHARE UNITS AND CONNECTED TRANSACTION

GRANT OF SHARE OPTIONS AND RESTRICTED SHARE UNITS TO NON-CONNECTED GRANTEES

On February 22, 2017, the Company granted 116,000 Options to one Grantee and 938,000 RSUs to four Non-connected Grantees in accordance with the terms of the Share Award Scheme, subject to acceptance.

NON-EXEMPT CONNECTED TRANSACTION – GRANT OF SHARE UNITS TO A CONNECTED PERSON

On February 22, 2017, the Company granted 2,029,000 RSUs to Ms. Lew in accordance with the terms of the Share Award Scheme, subject to acceptance. Ms. Lew is a director of two subsidiaries of the Company and the supervisor of a subsidiary of the Company. As such, Ms. Lew is a connected person of the Company. Based on the closing price of HK\$3.61 per Share as quoted on the Stock Exchange on the Date of Grant, the market value of the RSUs granted to Ms. Lew amounts to approximately HK\$7.3 million.

Listing Rules Implications

As Ms. Lew is a connected person of the Company, the grant of RSUs to Ms. Lew, a connected person of the Company constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. Based on the closing price of the Shares as quoted on the Stock Exchange on the Date of Grant and the number of RSUs granted to Ms. Lew, each of the applicable percentage ratios is less than 25%, and the market value of the RSUs granted is less than HK\$10,000,000. Accordingly, the aforementioned grant of RSUs to Ms. Lew is subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GRANT OF SHARE OPTIONS TO NON-CONNECTED GRANTEES

On February 22, 2017, the Company granted 116,000 Options to one Grantee 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:	February 22, 2017
Number of Grantees:	1
Total number of new Shares to be subscribed upon exercise of the Options granted:	116,000
Consideration for the grant:	Nil
Exercise price of the Options granted:	HK\$3.61 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:	The Options granted shall vest in the Grantees as follows: <ul style="list-style-type: none">– 58,000 (representing 50% of the Options granted) shall vest on January 31, 2019;– 29,000 (representing 25% of the Options granted) shall vest on January 31, 2020; and– 29,000 (representing 25% of the Options granted) shall vest on January 31, 2021.

The Options granted are not subject to performance targets.

To the best of the knowledge of the Directors, the Grantee for the Options granted on February 22, 2017 is not a Director or a connected person of the Company.

Exercise Price

The exercise price of the Options of HK\$3.61 per Share represents the highest of (i) the closing price of the Shares of HK\$3.61 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 Shares of HK\$3.606 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 OF RESTRICTED SHARE UNITS TO A NON-CONNECTED PERSON

On February 22, 2017, the Company granted 938,000 RSUs to four 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, the RSUs were granted to the Non-connected Grantees under the following terms:

- each of the RSUs was granted for nil consideration;
- each of these RSUs to be granted to the Non-connected Grantees represents the right to receive a Share on the date it vests;
- the RSUs granted shall vest in the Non-connected Grantees within four years from the Date of Grant; and
- the RSUs granted are not subject to performance targets.

Based on the closing price of HK\$3.61 per Share as quoted on the Stock Exchange on the Date of Grant, the market value of the RSUs granted to the Non-connected Grantees amounts to approximately HK\$3.4 million.

In relation to 938,000 RSUs granted to the Non-connected Grantees who are not connected persons of the Company, new Shares that rank pari passu in all respects among themselves and with all the Shares in issue from time to time shall be issued to such Non-connected Grantees upon vesting and settlement of such RSUs.

NON-EXEMPT CONNECTED TRANSACTION

Grant of Restricted Share Units to a Connected Person

On February 22, 2017, the Company granted 2,029,000 RSUs to Ms. Lew in accordance with the terms of the Share Award Scheme, subject to acceptance.

Ms. Lew is a director of each of Joy Heaven Incorporated and Alibaba Health (Hong Kong) Technology Company Limited 阿里健康(香港)科技有限公司 (formerly named CITIC 21CN Telecom Company Limited 中信21世紀電訊有限公司) and the supervisor of Shanghai Kangtao Medical Health Technology Co., Ltd* (上海康淘醫療健康科技有限公司), all of which are subsidiaries of the Company. As such, Ms. Lew is a connected person of the Company.

In accordance with the terms of the Share Award Scheme, the RSUs were granted to Ms. Lew under the following terms:

- each of the RSUs was granted for nil consideration;
- each of these RSUs to be granted to Ms. Lew represents the right to receive a Share on the date it vests;
- the RSUs granted are not subject to performance targets; and
- the RSUs granted shall vest in Ms. Lew as demonstrated by the table below.

Vesting Dates	Number of RSUs Vesting
Apr 30, 2017	232,900
Jul 31, 2017	306,200
Oct 10, 2017	153,200
Apr 30, 2018	232,900
Jul 31, 2018	306,200
Oct 10, 2018	153,200
Apr 30, 2019	232,900
Oct 10, 2019	153,200
Apr 30, 2020	105,300
Oct 10, 2020	153,000

Based on the closing price of HK\$3.61 per Share as quoted on the Stock Exchange on the Date of Grant, the market value of the RSUs granted to Ms. Lew to approximately HK\$7.3 million.

In relation to 2,029,000 RSUs granted to Ms. Lew, the Company shall procure the Trustee to purchase existing Shares from the market using of cash contributions by the Company which Shares are to be held on trust for Ms. Lew until such RSUs are vested in accordance with the terms of the grant. The Trustee shall hold such Shares in a trust separate from any other trust in which Shares are held for the purpose of vesting any Share Awards upon Non-connected Grantees.

No new Shares will be issued and allotted upon vesting and settlement of the RSUs granted to Ms. Lew.

* For identification purpose only

Reasons for and Benefits of the Grant

The purpose of the aforesaid grant of RSUs to Ms. Lew is to recognize Ms. Lew's contribution to the success and development of the Group and to incentivize and motivate her to remain with, and to strive for the future development and expansion of, the Group by providing her with an opportunity to acquire equity interests in the Company. The Directors (including the independent non-executive Directors) consider that the terms of such grant to be fair and reasonable and in the interests of the Company and the Shareholders as a whole. No Director is required to abstain from voting on the resolution relating to the RSUs granted to Ms. Lew or to be excluded from counting towards the quorum of the Board meeting in respect of such resolution.

Information about the Company

The Company was incorporated in Bermuda and the Shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The Company is an investment holding company and the Group is a pharmaceutical e-commerce business operator and healthcare network service provider which seeks to utilize the most advanced information technology to offer internet solutions for the healthcare industry. The principal activities of the Group comprise the operation of product tracking platforms in the PRC, pharmaceutical e-commerce and medical services network business.

Listing Rules Implications

As Ms. Lew is a connected person of the Company, the grant of RSUs to Ms. Lew constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Based on the closing price of HK\$3.61 of the Shares as quoted on the Stock Exchange on the Date of Grant and the number of RSUs granted to Ms. Lew, each of the applicable percentage ratios is less than 25%, and the market value of the RSUs granted is less than HK\$10,000,000. Accordingly, the aforementioned grant of RSUs to Ms. Lew is subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

“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 listed on the Stock Exchange (Stock Code: 00241)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Date of Grant”	February 22, 2017
“Director(s)”	director(s) of the Company
“Grantees”	the employees of the Group whom were granted Options and/or RSUs in accordance with the Share Award Scheme on the Date of Grant

“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of Hong Kong
“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
“Ms. Lew”	Ms. Lew Aishan Nicole
“Non-connected Grantees”	the four (4) Grantees who are not connected persons of the Company
“Option(s)”	option(s) to subscribe for or acquire Shares which is/are granted under the Share Award Scheme
“RSU(s)”	restricted share unit(s), being a contingent right to receive Shares which is/are awarded under the Share Award Scheme
“Share(s)”	ordinary share(s) in the issued capital of the Company with a nominal value of HK\$0.01
“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
“Share Awards”	Options and RSUs, collectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trustee”	the professional trustee of the Share Award Scheme appointed by the Company

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

Hong Kong, February 22, 2017

As at the date of this announcement, the Board comprises eight Directors, of whom (i) one is an executive Director, namely 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.