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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)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

References are made to (i) the announcement of the Company dated September 7, 2018 in respect of the Renewed Tracking Services Agreement and the 2020 Tracking Services Agreement (which is fully exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules); (ii) the announcement dated January 30, 2019 and the circular dated March 13, 2019 of the Company in respect of, among other things, the 2020 Outsourced Services Framework Agreement, the announcement dated February 6, 2020 and the circular dated March 11, 2020 of the Company in respect of, among other things, the amendment to be made on the services scope of the 2020 Outsourced Services Framework Agreement if Completion takes place before the expiry of such agreement; (iii) the announcement of the Company dated March 28, 2019 in respect of the 2020 Cloud Computing Services Agreement, the 2020 Payment Services Framework Agreement, the 2020 Supply and Purchase Framework Agreement, the 2020 Shared Services Agreement and the 2020 Agency Agreement, the announcement of the Company dated November 29, 2019 in respect of the revision of annual cap of the 2020 Shared Services Agreement and the announcement of the Company dated February 21, 2020 in respect of the revision of annual cap of the 2020 Supply and Purchase Framework Agreement (in relation to purchase of products); and (iv) the announcement dated May 19, 2017 and the circular dated June 12, 2017 of the Company in respect of, among other things, the Framework Technical Services Agreement.

Each of the Existing CCT Agreements will expire on March 31, 2020 and it is currently expected that the transactions under the Existing CCT Agreements will continue on similar terms. On March 27, 2020, the Company and its relevant Subsidiaries entered into the Renewed CCT Agreements.

Each of the 2021 Tracking Services Framework Agreement, the 2021 Outsourced Services Framework Agreement, the 2021 Cloud Computing Services Agreement, the 2021 Payment Services Framework Agreement, the 2021 Supply and Purchase Framework Agreement, the 2021 Shared Services Agreement and the 2021 Agency Agreement has a term commencing from April 1, 2020 and ending on March 31, 2021. The Company expects that the total service fees payable by or receivable by the Group (as the case may be) under each of the 2021 Tracking Services Framework Agreement, the 2021 Outsourced Services Framework Agreement, the 2021 Cloud Computing Services Agreement, the 2021 Payment Services Framework Agreement, the 2021 Supply and Purchase Framework Agreement, the 2021 Shared Services Agreement and the 2021 Agency Agreement for the year ending March 31, 2021 will not be more than RMB10 million, RMB210 million, RMB50 million, RMB120 million, RMB50 million (in relation to supply of products under the 2021 Supply and Purchase Framework Agreement) and RMB150 million (in relation to purchase of products under the 2021 Supply and Purchase Framework Agreement), RMB250 million and RMB100 million, respectively.

The 2021-2023 Framework Technical Services Agreement has a term commencing from April 1, 2020 and ending on March 31, 2023. The Company expects that the total service fees payable by the Group under the 2021-2023 Framework Technical Services Agreement for each of the years ending March 31, 2023 will not be more than RMB100 million, RMB130 million and RMB170 million, respectively.

Perfect Advance is a substantial shareholder and a connected person of the Company. Alibaba Holding is the ultimate shareholder of Perfect Advance. As Alibaba Holding directly or indirectly Controls or is the ultimate shareholder of each of Taobao China, Taobao Holding, Alibaba Cloud, Alibaba Singapore, the Advertising Parties and the Tmall Entities, each of Taobao China, Taobao Holding, Alibaba Cloud, Alibaba Singapore, the Advertising Parties and the Tmall Entities is a connected person of the Group. Since Ant Financial is indirectly held by Alibaba Holding as to 33% of its equity interest and Alipay is a wholly-owned Subsidiary of Ant Financial, each of Ant Financial and Alipay is an associate of Perfect Advance and thus a connected person of the Company. Accordingly, the transactions contemplated under each of the Renewed CCT Agreements will constitute continuing connected transactions of the Company in accordance with the Listing Rules.

As each of the applicable percentage ratios calculated with reference to the respective annual cap of each of the Renewed CCT Agreements is less than 5%, the transactions contemplated under each of the Renewed CCT Agreements are subject to reporting, annual review, and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

References are made to (i) the announcement of the Company dated September 7, 2018 in respect of the Renewed Tracking Services Agreement and the 2020 Tracking Services Agreement (which is fully exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules); (ii) the announcement dated January 30, 2019 and the circular dated March 13, 2019 of the Company in respect of, among other things, the 2020 Outsourced Services Framework Agreement, the announcement dated February 6, 2020 and the circular dated March 11, 2020 of the Company in respect of, among other things, the amendment to be made on the services scope of the 2020 Outsourced Services Framework Agreement if Completion takes place before the expiry of such agreement; (iii) the announcement of the Company dated March 28, 2019 in respect of the 2020 Cloud Computing Services Agreement, the 2020 Payment Services Framework Agreement, the 2020 Supply and Purchase Framework Agreement, the 2020 Shared Services Agreement and the 2020 Agency Agreement, the announcement of the Company dated November 29, 2019 in respect of the revision of annual cap of the 2020 Shared Services Agreement and the announcement of the Company dated February 21, 2020 in respect of the revision of annual cap of the 2020 Supply and Purchase Framework Agreement (in relation to purchase of products); and (iv) the announcement dated May 19, 2017 and the circular dated June 12, 2017 of the Company in respect of, among other things, the Framework Technical Services Agreement.

Each of the Existing CCT Agreements will expire on March 31, 2020 and it is currently expected that the transactions under the Existing CCT Agreements will continue on similar terms. On March 27, 2020, the Company and its relevant Subsidiaries entered into the Renewed CCT Agreements. Each of the 2021 Tracking Services Framework Agreement, the 2021 Outsourced Services Framework Agreement, the 2021 Cloud Computing Services Agreement, the 2021 Payment Services Framework Agreement, the 2021 Supply and Purchase Framework Agreement, the 2021 Shared Services Agreement and the 2021 Agency Agreement has a term commencing from April 1, 2020 and ending on March 31, 2021 while the 2021-2023 Framework Technical Services Agreement has a term commencing from April 1, 2020 and ending on March 31, 2023. The details of each of the Renewed CCT Agreements are set out as follows.

2021 TRACKING SERVICES FRAMEWORK AGREEMENT

Background

On March 18, 2019, Alibaba Health (China) entered into the 2020 Tracking Services Agreement with Taobao China for the provision of tracking services. At the time of entering into the 2020 Tracking Services Agreement, the Directors expected that the annual cap of the aggregate service fees for the tracking services would not exceed HK\$3,000,000 and that the applicable percentage ratios would be less than 5%. As such, the transactions contemplated under the 2020 Tracking Services Agreement constituted de minimis transactions under Rule 14A.76(1) of the Listing Rules and were fully exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Based on the Company's business plans for the year ending March 31, 2021, the Group now expects that the applicable percentage ratios calculated with reference to the proposed annual cap under the 2021 Tracking Services Framework Agreement are more than 0.1% but less than 5%. Hence, the transactions contemplated under the 2021 Tracking Services Framework Agreement are subject to reporting, annual review and announcement requirements, but exempt from independent shareholder's approval requirement, pursuant to Chapter 14A of the Listing Rules.

Date

March 27, 2020

Parties

- (1) Alibaba Health (HK) (for itself and on behalf of its Subsidiaries and affiliates)
- (2) Taobao China (for itself and on behalf of its Subsidiaries and affiliates)

Duration

The 2021 Tracking Services Framework Agreement shall be for a term of one (1) year from April 1, 2020 to March 31, 2021, unless otherwise terminated in accordance with the terms thereunder.

Services to be provided

Pursuant to the 2021 Tracking Services Framework Agreement, the Group shall provide the following services to Taobao China and its Subsidiaries which include but are not limited to the development, operation and maintenance of a tracking system with product tracking, identification and certification functions, which enables merchants on its and its affiliates' platforms and its business partners to collect and package third party authentication information, use third party authenticated settlement and to provide identity authentication software technology services, basic information management

services, tracking code supply chain safety management and system support, tracking authorisation, tracking information display services, information interface and other tracking related technical services (the “**Tracking Services**”).

Service fees, pricing terms and payment terms

The service fees for the Tracking Services shall be calculated in accordance with the underlying standard agreements entered into between the parties and the standard terms and conditions of the Group as amended from time to time. As at the date of this announcement, the Group expects to charge, among other things, a fee for the development and maintenance of, and an annual fee for the operation of, the Tracking Services.

The service fees payable under the 2021 Tracking Services Framework Agreement are expected to be determined based on arm’s length negotiations with Taobao China with reference to, among other things, the actual costs of the development, maintenance and provision of the tracking system and a margin to be agreed based on the scale of the development and the application of the tracking system. Such fees shall be billed and settled on a monthly, quarterly or yearly basis generally, as provided under the underlying standard agreements. The terms of the 2021 Tracking Services Framework Agreement are on normal commercial terms which are not more favourable to Taobao China than those offered to independent third parties.

2021 OUTSOURCED SERVICES FRAMEWORK AGREEMENT

Date

March 27, 2020

Parties

- (1) Alibaba Health (Beijing) (for itself and on behalf of its Subsidiaries)
- (2) Taobao Holding (for itself and on behalf of its Subsidiaries and its affiliates)

Duration

The 2021 Outsourced Services Framework Agreement shall be for a term of one (1) year from April 1, 2020 to March 31, 2021, unless otherwise terminated in accordance with the terms thereunder.

Services to be provided

Pursuant to the terms of the 2021 Outsourced Services Framework Agreement, Alibaba Health (Beijing) agrees to provide Taobao Group with the following outsourced and value-added services (the “**Outsourced Services**”) in relation to the Relevant Categories:

- (i) Merchants’ business development, including analyzing, gathering and tracking market trends and policy updates;
- (ii) Merchants’ customer services, including providing helpline support for Merchants in the process of admission to Tmall.com, Tmall Supermarket and Tmall Global and general operational questions; assisting Merchants in analyzing consumer behavior data, updating Merchants on any latest business information and rules, marketing activities planning, business risks, as well as collecting feedback and suggestions from Merchants to improve overall services to Merchants;
- (iii) marketing event planning for Merchants, including planning and organizing marketing events for Merchants, organizing Merchants to participate in events, designing and building event webpage interfaces, planning customer discount programs and conducting consumer data analysis;
- (iv) technical support, including providing technical support on product and store information display, transaction completion processes, use of payment tools and consumer service tools; and
- (v) assistance to Taobao Group’s business team with Merchants’ admissions, Merchants’ business operations, Merchants’ management and product quality control functions, including assisting with formulating rules that govern Merchants’ operation, reviewing documents required for Merchants’ admission and formulating and implementing quality control rules and conducting regular inspections.

Taobao Group will continue to have primary responsibility for all work and business decisions pertaining to Merchants’ admissions, Merchants’ business operations and product quality control functions, including signing and reviewing contracts with Merchants, reviewing product information and images displayed by the Merchants and providing technology infrastructure, and Alibaba Health (Beijing) agrees to assist with the execution of business decisions made by Taobao Group.

Amendment to scope of services in relation to the Proposed Acquisition

Under the 2021 Outsourced Services Framework Agreement, Alibaba Health (Beijing) shall provide Taobao Holding with the Outsourced Services in accordance with the Relevant Categories of Tmall Global Products and Services. Since the Relevant Categories of Tmall Global Products and Services will fall under the Target Business to be transferred to the Group under the Proposed Acquisition, Taobao Holding will no longer require the Outsourced Services to be provided under the 2021 Outsourced Services Framework Agreement relating to the Relevant Categories of these Tmall Global Products and Services upon Completion. It is therefore agreed between the parties that, following Completion, Alibaba Health (Beijing) shall not be required to provide the Outsourced Services under the 2021 Outsourced Services Framework Agreement to the Merchants on Tmall Global which have entered into tripartite agreements with Taobao China and Ali JK ZNS (HK) Limited for the provision of e-commerce platform maintenance related software services by Ali JK ZNS (HK) Limited (the “**Tmall Global Tripartite Agreements**”). As a transitional arrangement, it shall continue to provide the Outsourced Services to other Merchants on Tmall Global in accordance with the Relevant Categories until these Merchants enter into the Tmall Global Tripartite Agreements with the relevant parties. In addition, amendments will be made to the Relevant Categories in respect of products and services sold on Tmall.com and Tmall Supermarket after Completion, the details of which are set out in the definition of “Relevant Categories” in this announcement. For details of the Proposed Acquisition and the Tmall Global Tripartite Agreements, please refer to the announcement dated February 6, 2020 and the circular dated March 11, 2020 of the Company. Since the 2020 Outsourced Services Framework Agreement will expire on March 31, 2020, which shall be on or prior to Completion, no amendment agreement has been entered into between Alibaba Health (Beijing) and Taobao Holding to amend the scope of services therein.

Service fees and payment terms

Taobao Group shall pay the Group service fees amounting to 21.5% of the fees paid by the Merchants to Taobao Group and/or their respective affiliates in respect of the value of completed sales of products or services under the Relevant Categories on Tmall.com, Tmall Supermarket and Tmall Global. The service fee rate under the term of the 2021 Outsourced Services Framework Agreement is fixed and may not be adjusted. The service fees shall be paid in cash on a quarterly basis. The service fees were determined based on arm’s length negotiation with Taobao Holding with reference to, among other things, the operating costs expected to be incurred by the Group in providing the services including staff costs, forecast marketing and promotional activities and technical support expenses. The 2021 Outsourced Services Framework Agreement is on normal commercial terms which are not more favourable to Taobao Holding than those offered to independent third parties.

Termination events

The 2021 Outsourced Services Framework Agreement shall automatically terminate upon the occurrence of any of the following events:

- (i) if any party is ordered or judged to be bankrupt, comes under receivership or enters into any plan or settlement proposal with its creditors or makes any transfer in the interests of its creditors;
- (ii) if the assets of any party are nationalized or requisitioned by any government or government department;
- (iii) if Alibaba Holding directly or indirectly holds less than 30% of the total issued share capital of the Company or ceases to be a “controlling shareholder” (as defined in the Listing Rules) of the Company; or
- (iv) if the annual cap for the transaction amount of service fees payable to the Group by Taobao Group is exceeded during the term of the 2021 Outsourced Services Framework Agreement.

In the event of any dispute on the service fees that is not resolved within 60 days, either Taobao Holding or Alibaba Health (Beijing) may terminate the 2021 Outsourced Services Framework Agreement by giving the other party written notice of not less than 30 days. If there is a material breach of the 2021 Outsourced Services Framework Agreement that has not been remedied after 30 days from the notice of such breach, the non-defaulting party may terminate the 2021 Outsourced Services Framework Agreement with immediate effect. Each of the Tmall Entities and Alibaba Health (Beijing) shall also have the right to terminate the 2021 Outsourced Services Framework Agreement by giving the other party written notice of not less than 90 days.

2021 CLOUD COMPUTING SERVICES AGREEMENT

Date

March 27, 2020

Parties

- (1) Alibaba Health (China) (for itself and on behalf of its Subsidiaries and affiliates)
- (2) Alibaba Cloud

Duration

The 2021 Cloud Computing Services Agreement shall be for a term of one (1) year from April 1, 2020 to March 31, 2021, unless otherwise terminated in accordance with the terms thereunder.

Services to be provided

Pursuant to the 2021 Cloud Computing Services Agreement, Alibaba Cloud has agreed to provide to the Group various cloud computing services and other related services (the “**Cloud Computing Services**”), according to the needs of the Group.

Service fees, pricing terms and payment terms

The service fees for the Cloud Computing Services shall be calculated and settled in accordance with the standard terms and conditions as amended by Alibaba Cloud from time to time. For example, the fees for ECS, RDS, OSS, SLB, CDN, OCS, OTS, ODPS, Analytic DB, NAT and voice services shall be calculated based on the actual usage or bandwidth of those services and the relevant per unit Discounted Published Rates or fixed rate (as the case may be) for such services. Such fees will be deducted from Alibaba Health (China)’s account based on the actual usage on an hourly or daily basis. The fees for ECS, RDS, Analytic DB, EIP, EDAS, and NAS may be charged on a monthly or yearly basis according to the relevant per unit Discounted Published Rates for such services. The fees for ODPS shall be charged according to the relevant per unit Discounted Published Rates for such services, and if calculated with reference to amount of storage, shall be settled on an hourly basis, or if calculated with reference to computation and downloaded data, shall be settled after completion of each task. Other services include video conferencing and text messaging, and are charged based on a package price with the relevant per unit Discounted Published Rates.

The service fees were determined on arm’s length basis and Alibaba Cloud has undertaken to ensure that the pricing terms under the 2021 Cloud Computing Services Agreement are no less favourable than the general terms available to other independent third parties.

2021 PAYMENT SERVICES FRAMEWORK AGREEMENT

Date

March 27, 2020

Parties

- (1) The Company (for itself and on behalf of its Subsidiaries)
- (2) Alipay

Duration

The 2021 Payment Services Framework Agreement shall be for a term of one (1) year from April 1, 2020 to March 31, 2021, unless otherwise terminated in accordance with the terms thereunder.

Services to be provided, service fees and payment terms

Alipay shall provide payment, settlement and other related services (the “**Payment Services**”) on the Alibaba Group Platforms to the Group, and the Group shall pay to Alipay the service fees which shall be calculated in accordance with the standard terms and conditions of Alipay as amended and published from time to time on the websites of Alipay or on the Alibaba Group Platforms or otherwise agreed by the parties. Currently, the service fees are determined based on the volume and the relevant cost of the transactions completed.

Each of the currently applicable service fee rates is not more than 1% of the completed transaction amounts. The service fees shall be deducted from the completed transaction amounts immediately upon completion of such transactions. The Group may also be subject to an annual settlement fee, the amount of which will depend on the frequency of settlement (if applicable).

Alipay has undertaken to ensure that the service fees charged are fair, on normal commercial terms and determined on arm’s length basis and the rate of service fees may be adjusted with reference to market conditions and the co-operation between the parties.

2021 SUPPLY AND PURCHASE FRAMEWORK AGREEMENT

Date

March 27, 2020

Parties

- (1) The Company (for itself and on behalf of its Subsidiaries)
- (2) Alibaba Singapore (for itself and on behalf of its Subsidiaries and affiliates)

Duration

The 2021 Supply and Purchase Framework Agreement shall be for a term of one (1) year from April 1, 2020 to March 31, 2021, unless otherwise terminated in accordance with the terms thereunder.

Services to be provided

Pursuant to the 2021 Supply and Purchase Framework Agreement, the Company has agreed that the Group will supply and/or purchase various products to or from Alibaba Group on the platforms or stores operated by Alibaba Group from time to time. The Group will also provide other related services, including daily maintenance, inventory control, pricing, promotional activities and packaging in accordance with the standard agreements and terms and conditions as agreed by the parties from time to time.

Fees, pricing terms and payment terms

The supply or purchase price of the products shall be agreed by the parties before the placing of orders in accordance with the standard agreements entered into between the Group and Alibaba Group from time to time. Under the standard agreements and terms and conditions, the supplying party may also pay the purchasing party a deductible one-off deposit, cash rebate and costs for transportation, insurance and customs registration and clearance services provided by the supplying party based on the monthly amount of products supplied, or on other basis under the standard terms and conditions as agreed by the parties from time to time.

The price of the products supplied to or purchased from Alibaba Group will be determined with reference to the standard pricing guidelines of the respective party that are applicable to all of such party's customers (including the Group or Alibaba Group and independent third parties). Such standard pricing guidelines provide the parameters and variance for determining the supply prices, which include any applicable discounts or premiums based on the size of orders, nature of distribution channels, coverage of localities or consumer segments. Each of the parties will regularly review and update its respective standard pricing guidelines with reference to the costs of the products, the wholesale prices offered by other suppliers and the retail prices of comparable products sold in comparable localities, as well as the strategic value of enhanced marketing or promotion through specific distribution channels or to consumers of specific segments or localities. The price of the products supplied to or purchased from Alibaba Group after deducting the fees for the provision of other related services, shall be settled by the Group or Alibaba Group in accordance with the standard terms and conditions as agreed by the parties from time to time. As at the date of this announcement, it is generally settled within one to four months, depending on the stores or platforms operated by Alibaba Group.

Each of the parties has undertaken to ensure that the price of products supplied to the other party shall not be higher than that offered to other independent third parties under the same terms during the same period of time (the "**Undertaking**"). These terms include the guarantee, quality, payment, use of products and other sales conditions, etc. Notwithstanding the Undertaking, the respective standard pricing guidelines also dictate that the price of products supplied to Alibaba Group will not be lower than the prices offered to independent third parties and the price of products purchased from Alibaba Group will not be higher than the prices offered by independent third parties, under the same terms during the same time period.

Alibaba Group has launched various distribution channels and platforms that target consumers of a broader spectrum of localities and segments, some of which have higher market penetration and/or strategic business value than those currently offered to the Group by its other distribution partners. By cooperating with and leveraging on such broader spectrum of distribution channels, platforms and consumer reach, as well as the product variety of Alibaba Group, the Group sees invaluable business opportunities and growth prospects for its healthcare and pharmaceutical e-commerce businesses to enter into new and sizable markets for the distribution and/or procurement of its products. Accordingly, the Board is of the view that the terms of the 2021 Supply and Purchase Framework Agreement, including the Undertaking, represent normal commercial terms and are in the interests of the Company and its shareholders as a whole.

2021 SHARED SERVICES AGREEMENT

Date

March 27, 2020

Parties

- (1) The Company
- (2) Alibaba Holding

Duration

The 2021 Shared Services Agreement shall be for a term of one (1) year from April 1, 2020 to March 31, 2021, unless otherwise terminated in accordance with the terms thereunder.

Services to be provided, pricing terms and payment terms

Pursuant to the 2021 Shared Services Agreement, Alibaba Holding agreed that the relevant Alibaba Service Providers shall provide the Group the Shared Services. The Shared Services, together with the respective bases of fee calculations, are detailed as follows:

Description of the Shared Services	Basis for fee calculation
1. Office premises sharing and support services and dining coupon services	The fees for sharing of office premises to be calculated on a Prevailing Market Price Basis; the fees for office support services to be calculated on a Cost-plus Basis The fees for dining coupon services are the costs as shown on the invoices for providing such services
2. Customer service support services	Service fees to be calculated on a Cost-plus Basis
3. Operational support services, mid-office system support services, IT system and online platform maintenance and payment related services	Service fees to be calculated on a Cost-plus Basis (except for the transaction handling fees related to the online platform payment services, which are the costs as shown on the invoices for providing such services)
4. SMS platform services	Service fees to be calculated on a Cost-plus Basis
5. Legal corporate secretarial, finance, human resources, administrative, product safety and other personnel arrangement related support services	Service fees are the costs as shown on the invoices for providing such services
6. Business intelligence (BI) support services	Service fees to be calculated on a Cost-plus Basis
7. User experience design (UED) support services	Service fees to be calculated on a Cost-plus Basis
8. Offline open data processing services (ODPS)	Service fees to be calculated on a Cost-plus Basis

In this paragraph:

“**Prevailing Market Price Basis**” means the fees for the relevant Shared Services shall be determined by the prevailing market price for such services. It is expected that the parties will refer to prevailing rental rates for comparable premises to determine the fees for sharing of office premises.

“**Cost-plus Basis**” means the fees for the relevant Shared Services shall be calculated by multiplying the actual costs for the provision of such services by a margin, which shall be determined by one of the four largest international professional accounting firms as designated by Alibaba Holding, with reference to the applicable tax laws and regulations, comparable transactional information, and in accordance with the principles of arm’s length transactions.

The service fees payable by the Group pursuant to the 2021 Shared Services Agreement shall be billed and settled in cash on a quarterly basis. The 2021 Shared Services Agreement was negotiated on arm’s length basis and on normal commercial terms which are no less favourable than the general terms available to other independent third parties.

2021 AGENCY AGREEMENT

Date

March 27, 2020

Parties

- (1) Alibaba Health (HK) (for itself and on behalf of its Subsidiaries)
- (2) Alimama (for itself and on behalf of its Subsidiaries and affiliates)
- (3) Youku (for itself and on behalf of its affiliates)

Duration

The 2021 Agency Agreement shall be for a term of one (1) year from April 1, 2020 to March 31, 2021, unless otherwise terminated in accordance with the terms thereunder.

Services to be provided

Pursuant to the 2021 Agency Agreement, Alibaba Health (HK) (for itself and on behalf of its Subsidiaries), will refer Alibaba Health Group’s contracted clients to purchase, and the Advertising Parties, as the marketing services providers, will provide to Alibaba Health Group’s contracted clients, various marketing and advertising services on the marketing and branding platforms provided by the Advertising Parties and/or its affiliated companies. The actual marketing expenses will be settled by Alibaba Health Group’s contracted clients to the Advertising Parties directly.

Incentive fees, pricing terms and payment terms

Alibaba Health Group will be entitled to receive from the Advertising Parties certain incentive rebates in the form of cash or Marketing Resources should the aggregate amount of fees generated by the purchase of Marketing Resources by Alibaba Health Group and its contracted clients exceed certain thresholds. Such rates of incentive rebates and the respective thresholds of purchases are to be published by the Advertising Parties in the first quarter of each calendar year. Based on the rates published by the Advertising Parties to date, the current incentive rebate rates range from 4% to 25% of the purchase price of Marketing Resources. The range of total incentive fees payable under the 2021 Agency Agreement was determined with reference to the terms and conditions set out in the standard agency agreements of the Advertising Parties as amended from time to time in relation to such agency services and based on arm's length negotiations with the Advertising Parties and are on commercial terms no less favourable than those offered to independent third parties. The Company confirms that the incentive rebates to be paid to Alibaba Health Group by the Advertising Parties are no less favourable than the general terms available from other independent third parties.

Based on the 2021 Agency Agreement and the terms and conditions set out in the standard agency agreements of the Advertising Parties as amended from time to time, the amount of annual incentive rebates is to be verified by the parties within thirty days after all purchases of Marketing Resources having been settled at the end of each calendar year and settled within thirty days from the date of invoice.

2021-2023 FRAMEWORK TECHNICAL SERVICES AGREEMENT

Date

March 27, 2020

Parties

- (1) Alibaba Health (Hangzhou)
- (2) Tmall Entities

Duration

The 2021-2023 Framework Technical Services Agreement shall be for a term of three (3) years from April 1, 2020 to March 31, 2023, unless otherwise terminated in accordance with the terms thereunder.

Services to be provided

Pursuant to the terms of the 2021-2023 Framework Technical Services Agreement, the Tmall Entities will continue to provide infrastructure technical support for the operation of Tmall.com, including the following services (the “**Technical Services**”):

- (a) Technical support: The Tmall Entities will provide infrastructure technical support to Alibaba Health (Hangzhou) or the Blue Cap Merchants as requested by Alibaba Health (Hangzhou) for the Tmall Software Service Fees. The infrastructure technical support includes product information display services on Tmall.com and related software technology services;
- (b) Internet information services and secondary domain names: As the platform provider and operator, the Tmall Entities will provide Tmall.com and the secondary domain names to the Blue Cap Merchants for free as a platform for the Blue Cap Merchants’ operation of business; and
- (c) Other services: The Tmall Entities may provide the Blue Cap Merchants with additional services including but not limited to marketing services and Merchants’ customer services. The Tmall Entities will not charge Alibaba Health (Hangzhou) for those services unless Alibaba Health (Hangzhou) requests such services where the parties will agree on a separate service fee.

From time to time, the Tmall Entities may organize platform-wide promotional events in which they coordinate with the Merchants on Tmall.com, including the Blue Cap Merchants through the Company, to offer discounts to consumers over a period of time and implement a number of customer loyalty programs to encourage repeat shopping.

Service fees, pricing terms and payment terms

Alibaba Health (Hangzhou) shall pay the Tmall Software Service Fees to the Tmall Entities which equal to 50% of the Software Service Fees received by Alibaba Health (Hangzhou) from the Blue Cap Merchants for transactions of selling the Blue Cap Products on Tmall.com and utilizing services provided by the Tmall Entities. The Software Service Fees are up to 3% of the value of completed sales of the Blue Cap Products sold on Tmall.com and will be deducted from the receivables of the relevant Blue Cap Merchant and paid to Alibaba Health (Hangzhou) after a customer confirms the receipt of the Blue Cap Products purchased. The vice president of the finance department of the Company will cross-check the amount of the Tmall Software Service Fees being paid to the Tmall Entities on a monthly basis to ensure the accuracy of the amount.

The Tmall Software Service Fees shall be settled in cash on a monthly basis. The Tmall Software Service Fees were determined based on arm's length negotiations with the Tmall Entities with reference to, among other things, the operating costs expected to be incurred by the Tmall Entities in providing the services including staff costs and technical support expenses. The 2021-2023 Framework Technical Services Agreement is on normal commercial terms which are not more favourable to Taobao China than those offered to independent third parties.

HISTORICAL AMOUNTS AND BASIS FOR DETERMINING THE ANNUAL CAP AMOUNTS

The historical transaction amounts for the year ended March 31, 2019, the approximate unaudited transaction amounts for the eleven months ended February 29, 2020 based on the management accounts, and the annual caps relating to each of the 2021 Tracking Services Framework Agreement, the 2021 Outsourced Services Framework Agreement, the 2021 Cloud Computing Services Agreement, the 2021 Payment Services Framework Agreement, the 2021 Supply and Purchase Framework Agreement, the 2021 Shared Services Agreement and the 2021 Agency Agreement are set out below:

	Approximate historical amounts for the year ended March 31, 2019 (RMB) ('000)	Approximate unaudited transaction amounts for the eleven months ended February 29, 2020 based on management accounts (RMB) ('000)	Annual caps for the year ending March 31, 2021 (RMB) ('000)
2021 Tracking Services Framework Agreement	7,535	1,955	10,000
2021 Outsourced Services Framework Agreement	138,419	110,292	210,000
2021 Cloud Computing Services Agreement	5,078	4,645	50,000
2021 Payment Services Framework Agreement	18,873	34,669	120,000
2021 Supply and Purchase Framework Agreement (in relation to supply of products)	341	0	50,000
2021 Supply and Purchase Framework Agreement (in relation to purchase of products)	N/A	24,519	150,000
2021 Shared Services Agreement	31,422	90,315	250,000
2021 Agency Agreement	3,126	6,000	100,000

The historical transaction amounts for the two years ended March 31, 2019, the approximate unaudited transaction amount for the eleven months ended February 29, 2020 based on the management accounts, and the annual caps relating to the 2021–2023 Framework Technical Services Agreement is set out below:

	Approximate historical amount for the year ended March 31, 2018 (RMB) (000')	Approximate historical amount for the year ended March 31, 2019 (RMB) (000')	Approximate unaudited transaction amount for the eleven months ended February 29, 2020 based on management accounts (RMB) (000')	Annual cap for the year ending March 31, 2021 (RMB) (000')	Annual cap for the year ending March 31, 2022 (RMB) (000')	Annual cap for the year ending March 31, 2023 (RMB) (000')
2021-2023 Framework Technical Services Agreement	27,093	48,368	53,345	100,000	130,000	170,000

The Tracking Services Annual Cap was determined with reference to (i) the historical transaction amount of service fees received by the Group for the tracking services under the 2020 Tracking Services Agreement; (ii) the estimated future demand for tracking services from Taobao China; and (iii) the Group’s marketing plans for enhancing the tracking services that it seeks to provide to Taobao China.

The Outsourced Services Annual Cap was determined with reference to (i) the historical transaction amount of service fees received by the Group for the outsourced and value-added services under the 2020 Outsourced Services Framework Agreement; (ii) the Company’s projections for the Relevant Categories for the year ending March 31, 2021 based on the expected growth of the corresponding business and the overall healthcare market in the PRC; and (iii) the Company’s marketing plans in relation to enhancing the services that the Company seeks to provide continuously for the pharmaceutical and healthcare products and services e-commerce business of Tmall.com.

The Cloud Annual Cap was estimated primarily based on (i) the historical transaction amount of the service fees paid by the Group for the cloud computing and other related services under the 2020 Cloud Computing Services Agreement; (ii) the expected business growth of the Group; (iii) the estimated future demand for the cloud computing and other related services; (iv) the fees and discounts agreed by the parties under the 2021 Cloud Computing Services Agreement; and (v) the applicable rates of services currently published by Alibaba Cloud on its official website.

The Payment Annual Cap was estimated primarily based on (i) the historical transaction amount of the service fees paid by the Group for the payment, settlement and other related services under the 2020 Payment Services Framework Agreement; (ii) the amounts and types of products and services that the Group intends to sell online in the future; (iii) the expected growth of the Group's online sales, taking into account the potential for future development of the online healthcare products and services and the healthcare industry related services businesses; and (iv) the expected resulting increase in demand for the payment, settlement and other related services from the Group.

The Supply Annual Cap was determined with reference to (i) the historical transaction amount for the sales of products to Alibaba Group; (ii) the expected sales of products to Alibaba Group; (iii) the products that the Group intends to feature on the stores and platforms operated by Alibaba Group; and (iv) the potential for future development of the online and offline healthcare products business in China. Since the products supplied by the Group to Alibaba Group generally involve ancillary products for marketing, business development and collaboration purposes, the demand of these products may vary, depending on the marketing plans and specific needs of the Group and Alibaba Group from time to time. Whilst no transaction amount has been recorded by the Group for the eleven months ended February 29, 2020 under the 2020 Supply and Purchase Framework Agreement, certain marketing and business development and collaboration projects are expected to be launched and the Group anticipates that there will be demand for these products from Alibaba Group for the year ending March 31, 2021.

The Purchase Annual Cap was determined with reference to (i) the historical transaction amount for the purchase of products under the 2020 Supply and Purchase Framework Agreement; (ii) the expected volume of purchases of products from Alibaba Group; (iii) the products that the Group intends to feature on the stores and platforms operated by Alibaba Group; and (iv) the potential for future development of online and offline healthcare products business in China.

The Shared Services Annual Cap was determined primarily based on (i) the expected growth of the Group's businesses and the resulting increase in demand for the shared services; (ii) the historical transaction amount of service fees paid by the Group for the shared services under the 2020 Shared Services Agreement; (iii) the prevailing market rates for comparable services offered by other service providers or the estimated costs that would be incurred by the Company in hiring personnel to provide the shared services internally (as applicable); and (iv) where the fees are calculated based on prevailing rates charged by the relevant Alibaba Service Providers to independent third party users, the current prevailing rates for such shared services charged by the relevant Alibaba Service Providers.

The Agency Annual Cap was determined primarily based on (i) the historical transaction amount of the incentive fees received by Alibaba Health Group under the 2020 Agency Agreement; (ii) the expected increase in marketing efforts for the year ending March 31, 2021 by Alibaba Health Group and its contracted clients; and (iii) the expected increase in the number of contracted clients for the year ending March 31, 2021, and their estimated future demand for marketing services.

The Technical Services Annual Cap was determined primarily based on (i) the historical transaction amounts of service fee paid by the Group for the technical services under the Framework Technical Services Agreement; (ii) the historical revenue of Tmall.com attributable to the sale of the Blue Cap Products for the recent three financial years; (iii) the projected revenue of Tmall.com for the sale of the Blue Cap Products; (iv) the Company's own projections for the sale of the Blue Cap Products based on projections for the growth of the overall healthcare market in China; and (v) the Company's marketing plans for enhancing the technical services that the Company seeks to provide to the Blue Cap Merchants.

The Directors (including the independent non-executive Directors) consider that each annual cap under the respective Renewed CCT Agreements is fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

INTERNAL CONTROLS FOR THE GROUP'S CONTINUING CONNECTED TRANSACTIONS

As previously disclosed, the Company has adopted adequate internal control measures to comply with the Listing Rules requirements with respect to the supervision and monitoring of the annual caps of the transactions contemplated under the Renewed CCT Agreements. The finance department of the Company has been collecting and will continue to collect information on the actual transactions conducted with the relevant parties, and the corresponding fees incurred under the 2021 Tracking Services Framework Agreement, the 2021 Outsourced Services Framework Agreement, the 2021 Cloud Computing Services Agreement, the 2021 Payment Services Framework Agreement, the 2021 Supply and Purchase Framework Agreement, the 2021 Shared Services Agreement, the 2021 Agency Agreement and the 2021–2023 Framework Technical Services Agreement, on a monthly basis (other than the 2021 Agency Agreement which is on a quarterly basis), and has been updating such information to the legal department and the chief financial officer of the Company, to monitor these transaction amounts.

In respect of the 2021 Supply and Purchase Framework Agreement, the Company's operating and finance teams will monitor the price and terms of the supply and/or purchase of products to or from Alibaba Group and independent third parties on the Group's order system at the time the relevant purchase order is placed to ensure adherence to the respective standard pricing guideline, including to ensure compliance with the Undertaking. The Company will continue to closely monitor the implementation of the Renewed CCT Agreements and take prompt actions to make necessary disclosure in the event that any adjustment to an annual cap becomes foreseeable.

The Company's external auditors will review the continuing connected transactions under each of the Renewed CCT Agreements annually to check and confirm (among others) whether the pricing terms have been adhered to and whether the relevant caps have been exceeded.

The relevant counterparties to the Renewed CCT Agreements have agreed to allow the Company and its external auditors to access the information necessary to report on the continuing connected transactions contemplated under the respective Renewed CCT Agreements.

REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWED CCT AGREEMENTS

2021 Tracking Services Framework Agreement

The principal activities of the Group comprise, among other things, the operation of product tracking platforms in the PRC. In particular, the Group's *Ma Shang Fang Xin* (碼上放心) tracking platform offers product tracking and related value-added services to help manufacturers establish product tracking systems and realize quality assurance and marketing control, and to provide consumers with a terminal tool for scanning codes to trace product origin for non-drug industries such as food, agricultural products and nutritional supplements. The provision of Tracking Services to Taobao China pursuant to the 2021 Tracking Services Framework Agreement thus enables the Group to further leverage on its prior accumulated technical and operational experience in the development of product tracking platforms and thereby increase its sources of revenue and enhance its operational efficiency.

2021 Outsourced Services Framework Agreement

In respect of the 2021 Outsourced Services Framework Agreement, the Outsourced Services remain within the existing skill set of the Group as it has been developing its own pharmaceutical e-commerce, internet healthcare and intelligent medicine businesses. The service fees received under the 2021 Outsourced Services Framework Agreement will continue to be one of the steady growing sources of revenue for the Company. Together with the rapid growth of the Company's self-operated B2C online pharmacy business, and given the potential of such innovative new businesses of intelligent healthcare and

health management services, the Outsourced Services provided under the 2021 Outsourced Services Framework Agreement serve as another revenue source of the Group.

2021 Cloud Computing Services Agreement

As a company whose vision is to “facilitate medicine through big data and using the Internet to change the face of healthcare to provide fair, affordable and accessible medical and healthcare services to 1 billion people”, the Group’s businesses, in particular its product tracking platforms and its intelligent medicine and personal health management services, as well as medical and healthcare big data and artificial intelligence initiatives, leverage on strong calculation and data processing capability by using cloud computing technologies to process ever increasing quantities of big data that can concurrently support hundreds of thousands of users, with sound compatibility, accessibility and security. The Company believes that these businesses will continue to generate a significant amount of traffic and data and will require the maintenance of stable and sophisticated systems that can cater for real-time access to the Group’s customers. Accordingly, the Group needs technology input on cloud computing and other data processing solutions for processing such big data and for maintaining its systems. Alibaba Cloud was the world’s third largest, and Asia Pacific’s largest, IaaS and Infrastructure Utility Services provider by revenue in 2018. Alibaba Cloud was also China’s largest provider of public cloud services by revenue in 2018, including PaaS and IaaS services. Factors such as security and reliability in the handling of healthcare data are also highly valued by the Group, and Alibaba Cloud has demonstrated excellence in such areas in its operating history. By entering into the 2021 Cloud Computing Services Agreement, the Group believes that it will be able to utilize the Cloud Computing Services provided by Alibaba Cloud to ensure smooth operation of its systems and the stability of its various internet healthcare solutions.

2021 Payment Services Framework Agreement

The Company’s mission is to build an online community where it will connect participants in the PRC healthcare market. As part of its business, the Company has been marketing and selling products or services online as an online merchant, including on its own websites and on other platforms including those of Alibaba Group and Ant Financial Group. As part of such online business, the Group requires efficient and reliable payment services. Alipay is one of the leading third party digital payment solution providers in China and across the world, with large user base and strong technology capabilities. Factors such as security and reliability in online transaction are highly valued by the Group, and Alipay has demonstrated excellence in such areas in its operating history. By entering into the 2021 Payment Services Framework Agreement, the Group will be able to utilize the Payment Services to enable safe and prompt real-time payment for its online transactions.

2021 Supply and Purchase Framework Agreement

The Group has been marketing and selling products on various platforms and through various distribution channels, as well as sourcing products from a wide range of suppliers. The Company believes that by entering into the 2021 Supply and Purchase Framework Agreement, the Group will be able to procure products from, and market and sell products on or through platforms, stores and distribution channels operated by Alibaba Group, which will enable it to expand its product portfolio, broaden its customer base and source of procurement and generate a higher sales volume.

2021 Shared Services Agreement

Since Alibaba Group's businesses are comprised of core commerce, cloud computing, digital media and entertainment, innovation initiatives and others, some of which are complementary to the Group's pharmaceutical e-commerce, intelligent medicine and product tracking platforms businesses, the 2021 Shared Services Agreement can help enhance utilization and economies of scale of Alibaba Group's operational support resources and, on the other hand, reduce the management and administrative costs of the Group in procuring similar services from a wide range of other providers. The Company believes that the 2021 Shared Services Agreement will allow the Company to better leverage on the mature infrastructure and coverage already built by Alibaba Group and promote better cooperation between Alibaba Group and the Company. In addition, the fees payable for each type of the Shared Services are determined based on prevailing market prices or on a cost-plus basis, in which any margin shall be decided annually by internationally recognized professional parties based on applicable tax laws and comparable transactional information. Furthermore, the Company will from time to time review the terms of the services contemplated under the 2021 Shared Services Agreement against the terms and services offered by third party providers and re-assess the commercial desirability of such arrangements.

2021 Agency Agreement

The Group works with various healthcare brands in its pharmaceutical e-commerce business and has identified a clear demand from healthcare brands for coordinated marketing and promotional consultancy services. Accordingly, the Group believes that by packaging its own marketing and promotional resources together with external resources, including but not limited to Alibaba Group's marketing and promotional resources, it will be able to better serve its customers. Accordingly, Alibaba Health (HK) has entered into the 2021 Agency Agreement with the Advertising Parties, which operate well-established marketing platforms, to provide more diversified options to its customers together with the Group's marketing resources. At the same time, collecting incentive fees from Alibaba Group and other marketing and promotion services providers will provide additional income for the Group and will be beneficial to the long term development of the Group.

2021–2023 Framework Technical Services Agreement

The Company's mission is to build an online community where it will connect participants in China's healthcare market, so as to provide users with better medical and healthcare services. As always, Alibaba Group will continue to support the Company's development of its healthcare flagship platform and will continue to explore various cooperation models to help the Company to achieve its goals. Following the acquisition of Ali JK Nutritional Products Limited by the Company, the Tmall Entities have continued to incur operating costs to service the Blue Cap Merchants and provide the technical services and platform used for the sale of the Blue Cap Products. Hence, the Company considers the 2021-2023 Framework Technical Services Agreement as necessary due to the Merchant relationships in respect of the Blue Cap Products being assigned to the Company from Alibaba Group and that the technical support and services from Tmall.com to the Company are crucial to allow the Blue Cap Merchants to operate on Tmall.com.

In light of the above, the Directors (including the independent non-executive Directors) consider that the transactions under each of the Renewed CCT Agreements will be conducted in the ordinary and usual course of business of the Group, and that the terms of each of the Renewed CCT Agreements have been negotiated on arm's length basis, on normal commercial terms, and are fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

Perfect Advance is a substantial shareholder and a connected person of the Company. Alibaba Holding is the ultimate shareholder of Perfect Advance. As Alibaba Holding directly or indirectly Controls or is the ultimate shareholder of each of Taobao China, Taobao Holding, Alibaba Cloud, Alibaba Singapore, the Advertising Parties and the Tmall Entities, each of Taobao China, Taobao Holding, Alibaba Cloud, Alibaba Singapore, the Advertising Parties and the Tmall Entities is a connected person of the Group. Since Ant Financial is indirectly held by Alibaba Holding as to 33% of its equity interest and Alipay is a wholly-owned Subsidiary of Ant Financial, each of Ant Financial and Alipay is an associate of Perfect Advance and thus a connected person of the Company. Accordingly, the transactions contemplated under each of the Renewed CCT Agreements will constitute continuing connected transactions of the Company in accordance with the Listing Rules.

As each of the applicable percentage ratios calculated with reference to the respective annual cap of each of the Renewed CCT Agreements is less than 5%, the transactions contemplated under each of the Renewed CCT Agreements are subject to reporting, annual review, and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Renewed CCT Agreements were approved by the Board. As Mr. ZHU Shunyan, Mr. WU Yongming, Mr. WANG Lei and Mr. XU Hong are employees of Alibaba Holding or its Subsidiaries, each of these Directors is deemed or may be perceived to have a material interest in the transactions. Accordingly, they abstained from voting on the resolutions passed by the Board to approve the Renewed CCT Agreements. Other than the aforesaid Directors, no other Directors have a material interest in the Renewed CCT Agreements or are required to abstain from voting on the resolutions of the Board approving the same.

INFORMATION OF THE GROUP AND THE OTHER PARTIES

The Group

The Company was incorporated in Bermuda and the Shares are listed on the Main Board of the Stock Exchange. The Company is an investment holding company and the Group is committed to providing Internet technology, service tools and platforms to industry partners, with the aim of providing accessible and affordable medical and healthcare services to the public so as to make good health achievable at the fingertips. The principal activities of the Group comprise the sale of pharmaceutical and healthcare products and services and the provision of Internet-based medical services, consumer healthcare services and intelligent medicine services, provision of tracking services and other innovative services.

Alibaba Cloud

Alibaba Cloud offers a complete suite of cloud services to customers worldwide, including elastic computing, database, storage, network virtualization services, large scale computing, security, management and application services, big data analytics, a machine learning platform and IoT services. Alibaba cloud also operates data centers in a number of countries.

Alibaba Health (Beijing)

Alibaba Health (Beijing) is a limited liability company established in the PRC. It is an indirect-wholly-owned Subsidiary of the Company that primarily engages in the provision of technical services.

Alibaba Health (China)

Alibaba Health (China) is a limited liability company incorporated in the PRC. It is an indirect-wholly-owned Subsidiary of the Company that engages primarily in computing technology development, technology consultancy and services, and marketing and business development for the Group's business operations.

Alibaba Health (Hangzhou)

Alibaba Health (Hangzhou) (formerly known as Hangzhou Hengping Information Technology Co., Ltd* (杭州衡平信息科技有限公司)) is a company incorporated under the laws of the PRC. It is an indirect-wholly-owned Subsidiary of the Company that engages primarily in the provision of e-commerce platform services.

Alibaba Health (HK)

Alibaba Health (HK) is a limited liability company incorporated in Hong Kong. It is an indirect-wholly-owned Subsidiary of the Company that engages primarily in computing technology development, technology consultancy and services, and marketing and business development for the Group's business operations.

Alibaba Holding and Alibaba Group

Alibaba Holding is a company incorporated in the Cayman Islands, with its American depositary shares, each representing eight ordinary shares, listed on the New York Stock Exchange (Stock Symbol: BABA), and its ordinary shares listed on the Main Board of the Stock Exchange (Stock Code: 9988). Alibaba Group's mission is to make it easy to do business anywhere. Alibaba Group aims to build the future infrastructure of commerce and envisions that its customers will meet, work and live at Alibaba, and it aspires to be a company that will last for 102 years. Alibaba Group's businesses are comprised of core commerce, cloud computing, digital media and entertainment, and innovation initiatives.

Ant Financial Group and Alipay

Ant Financial, being a company incorporated in the PRC, is a technology company focused on providing inclusive financial services to consumers and small and micro businesses, in China and across the world. It primarily operates digital payment services and financial technology platform services through sustained technological innovation and cooperation with financial institutions, and is also pursuing a globalization strategy. As at the date of this announcement, the shares of Ant Financial are held by Hangzhou Alibaba, Hangzhou Junao and Hangzhou Junhan as to 33%, 20.88% and 29.10%, respectively, and the voting rights of Hangzhou Junao and Hangzhou Junhan in Ant Financial are Controlled by Hangzhou Yunbo, the general partner, which in turn is entirely owned by Mr. Yun Ma.

Alipay, a limited liability company established in the PRC and a wholly-owned Subsidiary of Ant Financial, is principally engaged in providing payment processing services. Alipay is one of the leading players in the online and offline payment markets in China.

Alibaba Singapore

Alibaba Singapore is a limited company incorporated in Singapore and an indirect-wholly-owned Subsidiary of Alibaba Holding. Alibaba Singapore is a holding company principally engaged in the overseas e-commerce business of Alibaba Holding.

Alimama and Youku

Alimama operates Alibaba Group's marketing technology platform by using data technology. Alimama's platform matches the marketing demands of merchants, brands and retailers with the media resources on Alibaba Group's own platforms and third party properties.

Youku is the third largest online video platform in China based on MAUs in March 2019. It enables users to search, view and share high-quality video content quickly and easily across multiple devices. The Youku brand is among one of the most recognized online video brands in China.

Taobao China

Taobao China is a limited liability company incorporated in Hong Kong and an indirect-wholly-owned Subsidiary of Alibaba Holding. Taobao China is the direct holding company of certain PRC Subsidiaries of Alibaba Holding relating to Taobao Marketplace, China's largest mobile commerce destination with a large and growing social community, and Tmall.com, the world's largest third party online and mobile commerce platform for brands and retailers, in each case in terms of GMV in the twelve months ended March 31, 2019.

Taobao Holding

Taobao Holding is a limited liability company incorporated in the Cayman Islands and a wholly-owned Subsidiary of Alibaba Holding. Taobao Holding is the indirect holding company of certain PRC Subsidiaries of Alibaba Holding relating to Taobao Marketplace and Tmall.com.

Tmall Entities

Tmall Network is a company incorporated under the laws of the PRC and ultimately Controlled by Alibaba Holding, which is principally engaged in the operation of Tmall.com.

Tmall Technology is a company incorporated under the laws of the PRC and an indirect-wholly-owned Subsidiary of Alibaba Holding, which is principally engaged in the operation of Tmall.com.

Tmall.com caters to consumers looking for branded products and a premium shopping experience. A large number of international and Chinese brands and retailers have established storefronts on Tmall.com. It is positioned as a trusted platform for consumers to buy both homegrown and international-branded products, as well as products not available in traditional retail outlets.

DEFINITIONS

“2020 Agency Agreement”	the agreement dated March 28, 2019 entered into among Alibaba Health (HK), Alimama and Youku
“2020 Cloud Computing Services Agreement”	the agreement dated March 28, 2019 entered into between Alibaba Health (China) and Alibaba Cloud
“2020 Outsourced Services Framework Agreement”	the agreement dated January 30, 2019 entered into between Alibaba Health (Beijing) and Taobao Holding
“2020 Payment Services Framework Agreement”	the agreement dated March 28, 2019 entered into between the Company and Alipay
“2020 Shared Services Agreement”	the agreement dated March 28, 2019 entered into between the Company and Alibaba Holding
“2020 Supply and Purchase Framework Agreement”	the agreement dated March 28, 2019 entered into between the Company and Alibaba Singapore
“2020 Tracking Services Agreement”	the agreement dated March 18, 2019 entered into between Alibaba Health (China) and Taobao China
“2021 Agency Agreement”	the agreement dated March 27, 2020 entered into between Alibaba Health (HK), Alimama and Youku
“2021 Cloud Computing Services Agreement”	the agreement dated March 27, 2020 entered into between Alibaba Health (China) and Alibaba Cloud
“2021 Outsourced Services Framework Agreement”	the agreement dated March 27, 2020 entered into between Alibaba Health (Beijing) and Taobao Holding

“2021 Payment Services Framework Agreement”	the agreement dated March 27, 2020 entered into between the Company and Alipay
“2021 Shared Services Agreement”	the agreement dated March 27, 2020 entered into between the Company and Alibaba Holding
“2021 Supply and Purchase Framework Agreement”	the agreement dated March 27, 2020 entered into between the Company and Alibaba Singapore
“2021 Tracking Services Framework Agreement”	the agreement dated March 27, 2020 entered into between Alibaba Health (HK) and Taobao China
“2021-2023 Framework Technical Services Agreement”	the agreement dated March 27, 2020 entered into between Alibaba Health (Hangzhou) and the Tmall Entities
“Advertising Parties”	Alimama, Youku and their affiliates
“Agency Annual Cap”	the annual cap amount under the 2021 Agency Agreement
“Alibaba Cloud”	Alibaba Cloud Computing Ltd.* (阿里雲計算有限公司), a company established in the PRC and a consolidated entity of Alibaba Holding
“Alibaba Group”	the group of companies comprising Alibaba Holding and its Subsidiaries
“Alibaba Group Platforms”	third party online platforms for brands and retailers operated by Alibaba Group under the domain names including but not limited to taobao.com, alitrip.com, etao.com, Tmall.com, Tmall.hk, etc.
“Alibaba Health (Beijing)”	Alibaba Health Information Technology (Beijing) Co., Ltd.* (阿里健康信息技術(北京)有限公司), a company established in the PRC and an indirect-wholly-owned Subsidiary of the Company

“Alibaba Health (China)”	Alibaba Health Technology (China) Co., Ltd.* (阿里健康科技(中國)有限公司), formerly known as Alibaba Health Technology (Beijing) Co., Ltd.* (阿里健康科技(北京)有限公司), a limited liability company established under the laws of the PRC and an indirect-wholly-owned Subsidiary of the Company
“Alibaba Health (Hangzhou)”	Alibaba Health Technology (Hangzhou) Co., Ltd.* (阿里健康科技(杭州)有限公司) (formerly known as Hangzhou Hengping Information Technology Co., Ltd.* (杭州衡平信息科技有限公司)), a limited liability company established under the laws of the PRC and an indirect-wholly-owned Subsidiary of the Company
“Alibaba Health (HK)”	Alibaba Health (Hong Kong) Technology Company Limited (阿里健康(香港)科技有限公司), an indirect-wholly-owned Subsidiary of the Company
“Alibaba Health Group”	Alibaba Health (HK) and its Subsidiaries
“Alibaba Holding”	Alibaba Group Holding Limited, a company incorporated in the Cayman Islands, the ultimate controlling shareholder of the Company, with its American depositary shares, each representing eight ordinary shares, listed on the New York Stock Exchange (Stock Symbol: BABA), and its ordinary shares listed on the Main Board of the Stock Exchange (Stock Code: 9988)
“Alibaba Service Providers”	the parties to provide the Shared Services under the 2021 Shared Services Agreement, which include Alibaba Holding, persons Controlled by it and persons under the common Control of Alibaba Holding, and any other persons designated by Alibaba Holding
“Alibaba Singapore”	Alibaba.com Singapore E-Commerce Private Limited, a company incorporated in Singapore and an indirect-wholly-owned Subsidiary of Alibaba Holding
“Alimama”	Hangzhou Alimama Software Services Co., Ltd.* (杭州阿里媽媽軟件服務有限公司), a company established in the PRC with limited liability and an indirect-wholly-owned Subsidiary of Alibaba Holding
“Alipay”	Alipay.com Co., Ltd.* (支付寶(中國)網絡技術有限公司), a company established in the PRC with limited liability and a wholly-owned Subsidiary of Ant Financial

“Analytic DB”	massive data real time online analytical processing service
“Ant Financial”	Ant Small and Micro Financial Services Group Co., Ltd.* (浙江螞蟻小微金融服務集團股份有限公司), a company established in the PRC with limited liability and is indirectly held as to 33% by Alibaba Holding as at the date of this announcement
“Ant Financial Group”	the group of companies comprising Ant Financial and its Subsidiaries
“associate”	has the meaning given to it under the Listing Rules
“Blue Cap Health Food”	food products that are registered or filed, from time to time, with China Food and Drug Administration (CFDA) as “health food” (“保健食品”) in accordance with the Health Food Registration and Filing Administrative Rules (《保健食品註冊與備案管理辦法》) and the Food Safety Law of the PRC (《中華人民共和國食品安全法》) (as such laws and regulations may be amended from time to time) and have obtained a health food (“Blue Cap”) (“藍帽子”) label with a unique registration or filing tracking number from the CFDA
“Blue Cap Merchant”	a merchant who has obtained, or proposes to obtain, permission from Tmall.com to sell Blue Cap Products on Tmall.com, regardless of whether any actual sales of Blue Cap Products have been made by such merchant on Tmall.com
“Blue Cap Products”	the Blue Cap Health Food products sold on Tmall.com, excluding any Excluded Products
“Board”	the board of directors of the Company
“CDN”	content delivery network
“Cloud Annual Cap”	the annual cap amount under the 2021 Cloud Computing Services Agreement
“Cloud Computing Services”	the services to be provided under the 2021 Cloud Computing Services Agreement
“Company”	Alibaba Health Information Technology Limited (阿里健康信息技術有限公司), a company incorporated in Bermuda, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00241)

“Completion”	the completion of the sale and purchase of the entire issued share capital of Ali JK ZNS Limited under the Share Purchase Agreement
“connected person”	has the meaning given to it under the Listing Rules
“Control”	the power or authority, whether exercised or not, to direct the business, management and policies of a person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, which power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty per cent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such person or power to control the composition of a majority of the board of directors (or similar governing body) of such person and the term “Controlled” shall be construed accordingly
“controlling shareholder”	has the meaning given to it under the Listing Rules
“Director(s)”	member(s) of the Board
“Discounted Published Rates”	with respect to each of the services provided by Alibaba Cloud, the fees for such services calculated by applying a discount ranging from 0%–70% (as the case may be) to the relevant service rate published by Alibaba Cloud on its official website from time to time
“ECS”	elastic computing service
“EDAS”	enterprise distributed application service
“EIP”	elastic internet protocol address

“Excluded Products”	(i) any medicated liquor sold under the primary category “alcohol” (“酒類”) and the secondary category “health food alcohol” (“保健食品酒”) on Tmall.com; (ii) any energy drinks sold under the primary category “coffee/oatmeal/instant drinks” (“咖啡/麥片/沖飲”) and the secondary category “drinks” (“飲料”) on Tmall.com; (iii) any maternity health food sold under the primary category “maternity wear/maternity products/nutritional products” (“孕婦裝/孕產婦用品/營養品”) and the secondary category “maternity nutritional products” (“孕產婦營養品”) on Tmall.com; and (iv) any infant and toddler health food sold under the primary category “milk powder/supplemental food/nutritional products/snacks” (“奶粉/輔食/營養品/零食”) and the secondary category “infant and toddler nutritional products” (“嬰幼兒營養品”) on Tmall.com
“Existing CCT Agreements”	the Framework Technical Services Agreement, the 2020 Tracking Services Agreement, the 2020 Outsourced Services Framework Agreement, the 2020 Cloud Computing Services Agreement, the 2020 Payment Services Framework Agreement, the 2020 Supply and Purchase Framework Agreement, the 2020 Shared Services Agreement and the 2020 Agency Agreement
“Framework Technical Services Agreement”	the agreement dated May 18, 2017 entered into between Hangzhou Hengping Information Technology Co., Ltd* (杭州衡平信息科技有限公司) (currently known as Alibaba Health (Hangzhou)) and the Tmall Entities
“Group”	the Company and each of its Subsidiaries from time to time
“Hangzhou Alibaba”	Hangzhou Alibaba Network Technology Co., Ltd.* (杭州阿里巴巴網絡科技有限公司), a company established under the laws of the PRC and an indirect-wholly-owned Subsidiary of Alibaba Holding
“Hangzhou Junao”	Hangzhou Junao Equity Investment Partnership (Limited Partnership)* (杭州君澳股權投資合夥企業(有限合夥)), a limited liability partnership established under the laws of the PRC
“Hangzhou Junhan”	Hangzhou Junhan Equity Investment Partnership (Limited Partnership)* (杭州君瀚股權投資合夥企業(有限合夥)), a limited liability partnership established under the laws of the PRC

“Hangzhou Yunbo”	Hangzhou Yunbo Investment Consulting Co., Ltd.* (杭州雲鉞投資諮詢有限公司), a company established under the laws of the PRC with limited liability
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Marketing Resources”	the marketing resources provided by the Advertising Parties on various platforms in accordance with their standard terms and conditions as amended from time to time
“Merchants”	the legal entities conducting sale of products or provision of services on Tmall.com and for the purpose of the 2021-2023 Framework Technical Services Agreement, it excludes Merchants on Tmall Global and Taobao Marketplace
“NAS”	network attached storage documentation services
“NAT”	network address translation gateway
“OCS”	open cache service
“ODPS”	open data processing service
“OSS”	open storage service
“OTS”	open table service
“Outsourced Services”	the services to be provided under the 2021 Outsourced Services Framework Agreement
“Outsourced Services Annual Cap”	the annual cap amount under the 2021 Outsourced Services Framework Agreement
“Payment Annual Cap”	the annual cap amount under the 2021 Payment Services Framework Agreement
“Payment Services”	the services to be provided under the 2021 Payment Services Framework Agreement
“Perfect Advance”	Perfect Advance Holding Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned Subsidiary of Alibaba Holding
“PRC”	the People’s Republic of China

“Proposed Acquisition”	the sale and purchase of the entire issued share capital of Ali JK ZNS Limited as contemplated under the Share Purchase Agreement
“Purchase Annual Cap”	the annual cap amount in relation to purchase of products under the 2021 Supply and Purchase Framework Agreement
“RDS”	relational database service
“Relevant Categories”	before Completion: (a) in respect of Tmall Supermarket, certain product categories or services offered on Tmall Supermarket, namely pharmaceutical products, medical devices, family planning products, Internet medical and healthcare supplies, adult products, contact lenses and solutions, refined Chinese medicines, medical and health services, traditional nutritional products, food supplements and dietary nutritional supplements, (b) in respect of Tmall.com, certain product categories or services offered on Tmall.com, namely pharmaceutical products, refined Chinese medicines, traditional nutritional products, food supplements and dietary nutritional supplements; in each case of (a) and (b), for the avoidance of doubt, excludes all categories of products or services sold on or through Tmall Global, (c) in respect of Tmall Global, certain products categories or services offered on Tmall Global, namely pharmaceutical products, medical devices, family planning products, Internet medical and healthcare supplies, contact lenses and solutions, medical and health services, which for the avoidance of doubt, excludes all categories of products or services sold on or through Tmall Supermarket; and after Completion: (d) in respect of Tmall Supermarket and Tmall.com, certain product categories or services offered on Tmall Supermarket and Tmall.com, namely refined Chinese medicines, traditional nutritional products, common dietary nutritional food and specific purpose beverage under food supplements and dietary nutritional supplements; and (e) in respect of Tmall Global, no outsourced and value-added services will be provided to the Merchants on Tmall Global which have entered into the Tmall Global Tripartite Agreements with the relevant parties and the same product categories or services offered on Tmall Global will continue to apply to other Merchants on Tmall Global until they enter into the Tmall Global Tripartite Agreements with the relevant parties

“Renewed CCT Agreements”	the 2021 Tracking Services Framework Agreement, the 2021 Outsourced Services Framework Agreement, the 2021 Cloud Computing Services Agreement, the 2021 Payment Services Framework Agreement, the 2021 Supply and Purchase Framework Agreement, the 2021 Shared Services Agreement, the 2021 Agency Agreement and the 2021-2023 Framework Technical Services Agreement
“Renewed Tracking Services Agreement”	the agreement dated September 7, 2018 and entered into between Alibaba Health (China) and Taobao China
“RMB”	Renminbi, the lawful currency of the PRC
“Share Purchase Agreement”	the share purchase agreement dated February 6, 2020 entered into between the Company and Ali JK Nutritional Products Holding Limited in respect of the Proposed Acquisition
“Shared Services”	the services to be provided under the 2021 Shared Services Agreement
“Shared Services Annual Cap”	the annual cap amount under the 2021 Shared Services Agreement
“shareholders”	holders of the Shares
“Shares”	ordinary shares in the issued capital of the Company with a nominal value of HK\$0.01
“SLB”	server load balancer
“Software Service Fees”	the software service fees received by Alibaba Health (Hangzhou) from the Blue Cap Merchants for the transactions of selling Blue Cap Products on Tmall.com and utilizing services provided by the Tmall Entities
“Special Offer Platform”	a special marketing channel of the Tmall Entities which provides the Merchants with Internet information services and related software and technical support
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subsidiary(ies)”	includes, in relation to any person: (i) any company or business entity of which that person owns or Controls (either directly or through one or more other subsidiaries) more than 50% of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or business entity; (ii) any company or business entity of which that person owns or Controls (either directly or through one or more other subsidiaries, by contract or otherwise) not more than 50% of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or business entity but effectively Controls (either directly or through one or more other Subsidiaries) the management or the direction of business operations of such company or business entity; and (iii) any company or business entity which at any time has its accounts consolidated with those of that person or which, under Hong Kong law or any other applicable law, regulations or the Hong Kong Financial Reporting Standards or such other generally accepted accounting principles or standards as may be applicable to that person from time to time, should have its accounts consolidated with those of that person
“Supply Annual Cap”	the annual cap amount in relation to supply of products under the 2021 Supply and Purchase Framework Agreement
“Taobao China”	Taobao China Holding Limited (淘寶中國控股有限公司), a limited liability company incorporated in Hong Kong and an indirect-wholly-owned Subsidiary of Alibaba Holding
“Taobao Group”	Taobao Holding and its Subsidiaries
“Taobao Holding”	Taobao Holding Limited, a limited liability company incorporated in the Cayman Islands and a wholly-owned Subsidiary of Alibaba Holding
“Taobao Marketplace”	China’s largest mobile commerce destination with a large and growing social community operated by Alibaba Holding’s affiliates
“Target Business”	the business to be directly or indirectly injected into the Company pursuant to the terms of the Share Purchase Agreement
“Technical Services”	the services to be provided under the 2021-2023 Framework Technical Services Agreement

“Technical Services Annual Cap”	the annual cap amount under the 2021-2023 Framework Technical Services Agreement
“Tmall.com”	the world’s largest third party online and mobile commerce platform for brands and retailers operated by Alibaba Holding’s affiliates. For the purpose of the 2021–2023 Framework Technical Services Agreement and in relation to the arrangement after Completion under the 2021 Outsourced Services Framework Agreement, Tmall.com includes Tmall Supermarket and Special Offer Platform but excludes Tmall Global, subject to the transitional arrangement as described in the paragraph headed “Amendment to scope of services in relation to the Proposed Acquisition” in this announcement
“Tmall Entities”	Tmall Technology and Tmall Network, collectively
“Tmall Global”	the largest import e-commerce platform in China operated by Alibaba Holding’s affiliates
“Tmall Global Products and Services”	the products and/or services sold on Tmall Global referred in the announcement dated February 6, 2020 and the circular dated March 11, 2020 of the Company in relation to the Proposed Acquisition
“Tmall Network”	Zhejiang Tmall Network Co., Ltd* (浙江天貓網絡有限公司), a company incorporated under the laws of the PRC and ultimately Controlled by Alibaba Holding
“Tmall Software Service Fees”	the software service fees received by the Tmall Entities from Alibaba Health (Hangzhou) pursuant to the 2021-2023 Framework Technical Services Agreement
“Tmall Supermarket”	chaoshi.tmall.com, the independent channel on Tmall.com known as Tmall Supermarket (天貓超市)
“Tmall Technology”	Zhejiang Tmall Technology Co., Ltd* (浙江天貓技術有限公司), a company incorporated under the laws of the PRC and an indirect wholly-owned Subsidiary of Alibaba Holding
“Tracking Services”	the services to be provided under the 2021 Tracking Services Framework Agreement
“Tracking Services Annual Cap”	the annual cap amount under the 2021 Tracking Services Framework Agreement

“Youku” Shanghai Quan Tudou Cultural Communications Company Limited (上海全土豆文化傳播有限公司), a company established in the PRC with limited liability and ultimately controlled by Alibaba Holding

“%” per cent

* *For identification purpose only*

For and on behalf of the Board
Alibaba Health Information Technology Limited
ZHU Shunyan
Chairman and Chief Executive Officer

Hong Kong, March 27, 2020

As at the date of this announcement, the Board comprises eight Directors, of whom (i) two are executive Directors, namely Mr. ZHU Shunyan and Mr. WANG Qiang; (ii) three are non-executive Directors, namely Mr. WU Yongming, Mr. WANG Lei and Mr. XU Hong; and (iii) three are independent non-executive Directors, namely Mr. LUO Tong, Mr. WONG King On, Samuel and Ms. HUANG Yi Fei, Vanessa.