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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)

(1) GRANT OF SHARE OPTIONS AND (2) NON-EXEMPT CONNECTED TRANSACTION – PROPOSED GRANT OF RESTRICTED SHARE UNITS TO A DIRECTOR OF A SUBSIDIARY

SUMMARY

On April 21, 2015, the Company granted 8,700,000 Options to Mr. Wang in accordance with the terms of the Share Award Scheme. At a meeting of the Board on April 6, 2015, the Board also resolved to conditionally grant 3,300,000 RSUs to Mr. Wang in accordance with the terms of the Share Award Scheme.

The conditional grant of the Options was approved by the independent non-executive Directors on April 6, 2015 in accordance with Rule 17.04(1) of the Listing Rules. As Mr. Wang is a director of CITIC 21CN (China), a subsidiary of the Company, and therefore a connected person of the Company, the proposed grant of 3,300,000 RSUs to Mr. Wang and the transactions contemplated thereunder (including the allotment and issue of any new Ordinary Shares thereunder) constitute non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to reporting, announcement and the Independent Shareholders' approval requirements.

GRANT OF SHARE OPTIONS

The Board announces that on April 21, 2015, 8,700,000 Options were, subject to acceptance, offered to Mr. Wang under the Share Award Scheme. Details of the Options granted are as follows:

Date of Grant:	April 21, 2015
Number of new Ordinary Shares to be subscribed upon exercise of the Options granted:	8,700,000
Exercise price of the Options granted:	HK\$12.30 per Share
Closing price of the Ordinary Shares on the Date of Grant:	HK\$12.30 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 to Mr. Wang shall vest over a four-year period, of which: <ul style="list-style-type: none">– 4,350,000 (representing 50% of the Options granted) shall vest on April 30, 2016;– 2,175,000 (representing 25% of the Options granted) shall vest on April 30, 2017; and– 2,175,000 (representing 25% of the Options granted) shall vest on April 30, 2018.

The 8,700,000 Options shall entitle Mr. Wang to subscribe for an aggregate of 8,700,000 new Ordinary Shares, representing approximately 0.11% of the issued share capital of the Company as at the date of this announcement and approximately 0.11% of the issued share capital of the Company as enlarged by the new Ordinary Shares to be issued upon full exercise of the 8,700,000 Options (but prior to the vesting of any of the 3,300,000 RSUs conditionally granted to him).

The exercise price of the Options is HK\$12.30 per Share, which represents the highest of (i) the closing price of the Ordinary Shares of HK\$12.30 per Share as stated in the daily quotation sheet issued by the Stock Exchange on the Date of Grant; (ii) the average closing price of the Ordinary Shares of HK\$11.44 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.

As Mr. Wang is a director of CITIC 21CN (China), a subsidiary of the Company, and therefore a connected person of the Company, such grant of Options was approved by the independent non-executive Directors on April 6, 2015 in accordance with Rule 17.04(1) of the Listing Rules, conditional upon the release of inside information as set out in the Company's announcement dated April 15, 2015 and resumption of trading in the Company's shares.

NON-EXEMPT CONNECTED TRANSACTION – PROPOSED GRANT OF RESTRICTED SHARE UNITS TO A DIRECTOR OF A SUBSIDIARY

The Board further announces that on April 6, 2015, the Board resolved to conditionally grant 3,300,000 RSUs to Mr. Wang under the Share Award Scheme, conditional upon the release of inside information as set out in the Company's announcement dated April 15, 2015 and resumption of trading in the Company's shares and subject to the Independent Shareholders' approval at the Special General Meeting. Each of these RSUs to be granted to Mr. Wang represents the right to receive an Ordinary Share on the date it vests. The Proposed RSU Grant is not subject to performance targets and has been approved by the Remuneration Committee and the Board. In accordance with the terms of the Share Award Scheme, the Proposed RSU Grant will be made for no consideration.

The RSUs to be granted to Mr. Wang shall vest over a four-year period, of which:

- 1,650,000 (representing 50% of the RSUs granted) shall vest on April 30, 2016;
- 825,000 (representing 25% of the RSUs granted) shall vest on April 30, 2017; and
- 825,000 (representing 25% of the RSUs granted) shall vest on April 30, 2018.

The RSUs shall be settled in Ordinary Shares. Any Ordinary Share to be issued to Mr. Wang upon vesting and settlement of the RSUs will rank *pari passu* in all respects among themselves and with all the Ordinary Shares in issue from time to time.

Based on the closing price of HK\$12.30 per Ordinary Share as quoted on the Stock Exchange on the date of this announcement, the market value of the RSUs under the Proposed RSU Grant amounts to approximately HK\$40,590,000.

Subject to the Independent Shareholders' approval of the Proposed RSU Grant at the Special General Meeting and assuming that no further Ordinary Shares will be issued or repurchased by the Company prior to the date of the Special General Meeting, the maximum number of Ordinary Shares that may be issued to Mr. Wang in accordance with and subject to the terms of the Proposed RSU Grant would be 3,300,000, representing approximately 0.04% of the total issued share capital of the Company as at the date of this announcement and 0.04% of the enlarged total issued share capital of the Company (but prior to the exercise of any of his 8,700,000 Options).

As at the date of this announcement, Mr. Wang also holds 8,700,000 Options, representing approximately 0.11% of the total issued share capital of the Company. Mr. Wang's total interests in the underlying Ordinary Shares of the Company under the Share Award Scheme, which include those underlying the 8,700,000 Options and those underlying the 3,300,000 RSUs, would represent approximately 0.15% of the total issued share capital of the Company as at the date of this announcement and 0.15% of the enlarged total issued share capital of the Company.

As at the date of this announcement, Mr. Wang also holds 3,000,000 Ordinary Shares in the issued capital of the Company, representing 0.04% of the total issued capital of the Company. Mr. Wang's total interests in the Shares, which include the 3,000,000 Ordinary Shares he holds and the Shares underlying the 8,700,000 Options and the 3,300,000 RSUs upon exercise and vesting in full, would represent approximately 0.18% of the total issued share capital of the Company as at the date of this announcement and 0.18% of the enlarged total issued share capital of the Company.

Reasons for and Benefits of the Proposed RSU Grant

The purpose of the Proposed RSU Grant is to recognize Mr. Wang's contribution to the success and development of the Group and to incentivise and motivate him to remain with, and to strive for the future development and expansion of, the Group by providing him an opportunity to acquire equity interests in the Company.

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

Specific Mandate to Issue New Ordinary Shares

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

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

Listing Rules Implications

As Mr. Wang is a director of CITIC 21CN (China), a subsidiary of the Company, and therefore a connected person of the Company, the Proposed RSU Grant and any transactions contemplated thereunder (including the allotment and issue of any new Ordinary Shares thereunder) constitute non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to reporting, announcement and the Independent Shareholders' approval requirements. The Company has established the Independent Board Committee to advise the Independent Shareholders in respect of the Proposed RSU Grant and any transactions contemplated thereunder. The Company has appointed Somerley Capital Limited as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed RSU Grant and any transactions contemplated thereunder.

General

An ordinary resolution will be proposed at the Special General Meeting to approve the Proposed RSU Grant and any transactions contemplated thereunder (including the allotment and issue of any new Ordinary Shares thereunder). A circular containing, among other things, details of the Proposed RSU Grant, a letter from the Independent Board Committee and a letter from the Independent Financial Adviser together with the notice convening the Special General Meeting will be despatched to the Shareholders on or around May 13, 2015.

Information about the Company

The Company is an investment holding company. The Group is an integrated information and content service provider and the principal activities of the Group comprise the provision of PIATS principally for the drug industry in the PRC and system integration and software development.

DEFINITIONS

“Applicable Period”	the period from the date of adoption of the Share Award Scheme, being November 24, 2014, to the earlier of (a) conclusion of the Company’s next annual general meeting, (b) the end of the period within which the Company is required by any applicable law or its bye-laws to hold its next annual general meeting and (c) the date on which the resolution granting the special mandate to the Board to allot and issue Ordinary Shares upon the exercise and/or vesting of the Options and/or RSUs granted under the Share Award Scheme is varied or revoked by ordinary resolution of the Shareholders in general meeting
“Board”	the board of directors of the Company
“CITIC 21CN (China)”	CITIC 21CN (China) Technology Company Limited* (中信21世紀(中國)科技有限公司)
“Company”	Alibaba Health Information Technology Limited 阿里健康信息技術有限公司, a company incorporated in Bermuda and listed on the Stock Exchange (Stock Code: 00241)
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Date of Grant”	April 21, 2015, being the date on which the 8,700,000 Options were granted to Mr. Wang
“Director”	director of the Company

“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	the lawful currency of Hong Kong
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, established to advise the Independent Shareholders in respect of the non-exempt connected transaction relating to the Proposed RSU Grant
“Independent Financial Adviser”	Somerley Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the non-exempt connected transaction relating to the Proposed RSU Grant
“Independent Shareholders”	the Shareholders who are not required under the Listing Rules to abstain from voting at the AGM to approve the non-exempt connected transaction relating to the Proposed RSU Grant
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange Of Hong Kong Limited
“Mr. Wang”	Mr. Wang Yaqing, the Company’s president and a director of CITIC 21CN (China)
“Options”	an option to subscribe for or acquire Shares which is granted under the Share Award Scheme
“Ordinary Shares”	ordinary shares in the issued capital of the Company with a nominal value of HK\$0.01
“PIATS”	product identification, authentication and tracking system
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed RSU Grant”	the conditional grant of 3,300,000 RSUs to Mr. Wang as approved by the Board on April 6, 2015
“RSU(s)”	restricted share unit(s), being a contingent right to receive Shares which is awarded under the Share Award Scheme

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

* For identification purpose only.

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

Hong Kong, April 21, 2015

As at the date of this announcement, the Board comprises nine directors, of which (i) two are executive Directors, namely Ms. CHEN Xiao Ying and Mr. WANG Lei; (ii) four are non-executive Directors, namely Mr. WU Yongming, Mr. ZHANG Yong, Mr. CHEN Jun and Mr. YU Feng; and (iii) three are independent non-executive Directors, namely Mr. YAN Xuan, Mr. LUO Tong and Mr. WONG King On, Samuel.