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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)

PROFIT WARNING

This announcement is made by Alibaba Health Information Technology Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group expects to record a substantial loss (the “**Substantial Loss**”) for the year ended March 31, 2015 as compared to the loss for the year ended March 31, 2014.

Based on the information currently available to the Group and preliminary review of the unaudited consolidated financial information of the Group for the year ended March 31, 2015, the Substantial Loss is mainly attributable to a significant increase in staff costs and sales and marketing expenses, particularly incurred during the fourth quarter of such financial year. During the year ended March 31, 2015, in line with the Company’s mission to build an online community where it will connect participants in China’s healthcare market, and with a view to improving the Group’s long term prospects, the Group launched various projects and expanded into new business areas such as building a cloud hospital platform and promoting community circulation of medical prescriptions, as well as entered into strategic cooperation agreements with various healthcare market participants. Losses from write off of intangible assets and provisions for bad debts also contributed to the Substantial Loss. The Company expects that the Substantial Loss represents an increase in loss of around 200% compared with the loss for the year ended March 31, 2014 (the loss for the year ended March 31, 2014 was approximately HK\$34.6 million (restated)).

We refer also to the announcement of the Company dated January 12, 2015 in relation to the settlement agreement entered into by the Company, 中信21世紀(中國)科技有限公司 (CITIC 21CN (China) Technology Company Limited*), Oracle (China) Software Systems Co., Ltd. and Oracle Systems Hong Kong Limited (the “**Settlement Agreement**”). The Group had expected to recognize a before tax gain of approximately HK\$114.1 million** in respect of the Settlement Agreement and the reversal of related accruals for the year ended March 31, 2015. Based on further assessment of the Company’s management, the Group expects that it would recognize a before tax gain of approximately HK\$88.0 million*** in respect of the Settlement Agreement and the reversal of related accruals for the year ended March 31, 2015. The Substantial Loss has taken into account such difference in estimate of the before tax gain in respect of the Settlement Agreement and the reversal of related accruals.

The Company is still in the process of finalizing the Group’s annual results for the financial year ended March 31, 2015. The information contained in this announcement is only based on the preliminary assessment by the management of the Company, which has not been audited or reviewed by the Company’s auditors. Shareholders and potential investors are advised to refer to the details of the Group’s annual results for the financial year ended March 31, 2015 which are expected to be released in June 2015.

Shareholders of the Company and/or potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, May 28, 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.

* *For identification purpose only*

** *Such amount had been converted into HK\$ at an exchange rate of RMB1: HK\$1.2676 or US\$1:HK\$7.7567 for the purpose of illustration only as at the date of the announcement of the Company dated January 12, 2015. No representation is made that any amount in RMB or US\$ could have been or could be converted at the relevant dates at the above rate or at any other rates or at all.*

*** *Such amount has been converted into HK\$ at an exchange rate of RMB1: HK\$1.25 or US\$1:HK\$7.8 for the purpose of illustration only. No representation is made that any amount in RMB or US\$ could have been or could be converted at the relevant dates at the above rate or at any other rates or at all.*