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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)**

### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE CIRCULAR OF THE COMPANY DATED SEPTEMBER 10, 2015**

Reference is made to the circular and the notice of annual general meeting, each dated September 10, 2015 (the “**Circular**” and the “**Notice of AGM**”, respectively) of Alibaba Health Information Technology Limited (the “**Company**”). Unless otherwise defined herein, terms used in this announcement shall have the same meanings as defined in the Circular.

The Board would like to supplement information relating to the Share Award Mandate contained in the Circular. Save as disclosed below, there are no other changes to the information contained in the Circular, and the supplemental information below should be read in conjunction with the information provided therein.

#### **SPECIFIC MANDATE TO GRANT SHARE AWARDS**

##### **The Share Award Scheme**

Reference is made to the circular of the Company dated October 31, 2014 in relation to, among other things, the adoption of the Share Award Scheme. The Share Award Scheme constitutes a share award scheme governed by Chapter 17 of the Listing Rules. At the special general meeting of the Company held on November 24, 2014 (the “**SGM**”), the Share Award Scheme was adopted and a specific mandate was granted to the Directors to exercise all the powers of the Company to grant Share Awards (the “**2014 Share Award Mandate**”). Such mandate will lapse at the conclusion of the Annual General Meeting.

The purpose of the Share Award Scheme is to enable the Company to grant Share Awards (which may take the form of an Option and/or a RSU) to eligible Participants (defined below) as incentives and/or rewards for their contribution to the Group, to better reward the personnel who have contributed to the development and success of the Group, to incentivize them to remain with the Group, to motivate them to strive for the future development and expansion of the Group, and to attract skilled and experienced personnel for the further development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company.

The Share Award Scheme allows the Board to determine:

- (i) the Participants to be granted Share Awards in its absolute discretion;
- (ii) the terms on which each Share Award is granted, including as to the minimum period for which it must be held and any performance targets that must be reached before it can be exercised; and
- (iii) the exercise price of the Share Awards (subject to the minimum exercise price prescribed by the rules of the Share Award Scheme).

In this announcement, the term “Participant” refers to any Director, director of the Company’s subsidiaries, employee of the Group or any other person as determined by the Board, who the Board considers, in its absolute discretion, have contributed or will contribute to the Group.

### **The 2014 Share Award Mandate**

Pursuant to the 2014 Share Award Mandate granted to the Board at the SGM, the Board was authorized to grant awards of Options and/or RSUs pursuant to the Share Award Scheme in respect of 245,179,339 Shares, representing approximately 3 per cent. of the Company’s issued share capital as at the date of the SGM, during the period from the date of adoption until the earlier of (a) conclusion of the 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 the Annual General Meeting and (c) the date on which the resolution granting such authorization is varied or revoked by ordinary resolution of the Shareholders in general meeting.

## Utilization

The utilization of the 2014 Share Award Mandate during the period from the date of adoption of the Share Award Scheme and the granting of the 2014 Share Award Mandate and up to the Latest Practicable Date (the “**2014 Share Award Mandate Applicable Period**”) is summarized as follows:

As at the Latest Practicable Date, a total of 42,543,000 Options were granted pursuant to the 2014 Share Award Mandate. The table below summarize the details of such Options granted.

Participants	No. of Options	Grant Date	Exercise Price	Validity and Vesting Period
Mr. Wang Lei, the Chief Executive Officer of the Company, an executive Director and a director of Alibaba Health Technology (Beijing) Co., Ltd.* 阿里健康科技(北京)有限公司 (“Alibaba Health Technology (Beijing)”) and CITIC 21CN (China) Technology Co., Ltd.* 中信二十一世紀(中國)科技有限公司 (“CITIC 21CN (China)”) <sup>(1)</sup>	7,491,000	September 7, 2015	HK\$5.184 per Share	<p><i>Validity Period:</i></p> <p>10 years from September 7, 2015</p> <p><i>Vesting Period:</i></p> <p>4 years from the Quarterly Reference Date<sup>(2)</sup> closest to the respective Participant’s Grant Entitlement Date<sup>(3)</sup>, whereby for each Participant:</p> <ul style="list-style-type: none"> <li>– 50% of the Options shall vest the second anniversary of the Quarterly Reference Date<sup>(2)</sup> closest to such Participant’s Grant Entitlement Date<sup>(3)</sup>;</li> </ul>
Mr. Meng Changan, a director of Alibaba Health Technology (Beijing) and CITIC 21CN (China) <sup>(1)</sup>	1,894,000	September 7, 2015	HK\$5.184 per Share	<ul style="list-style-type: none"> <li>– 25% of the Options shall vest on third anniversary of the Quarterly Reference Date<sup>(2)</sup> closest to such Participant’s Grant Entitlement Date<sup>(3)</sup>; and</li> </ul>
Ms. Ma Li, director of Alibaba Health Technology (Beijing) <sup>(1)</sup>	2,131,000	September 7, 2015	HK\$5.184 per Share	<ul style="list-style-type: none"> <li>– 25% of the Options shall vest on the fourth anniversary of the Quarterly Reference Date<sup>(2)</sup> closest to such Participant’s Grant Entitlement Date<sup>(3)</sup>.</li> </ul>
Mr. Wang Peiyu, a director of CITIC 21CN (China) <sup>(1)</sup>	1,420,000	September 7, 2015	HK\$5.184 per Share	
96 employees of the Group who are not connected persons of the Company	20,907,000	September 7, 2015	HK\$5.184 per Share	

<b>Participants</b>	<b>No. of Options</b>	<b>Grant Date</b>	<b>Exercise Price</b>	<b>Validity and Vesting Period</b>
Mr. Wang Yaqing, a director of CITIC 21CN (China) as at April 21, 2015 but had resigned from such directorship and remained an employee of the Group as at the Latest Practicable Date	8,700,000	April 21, 2015	HK\$12.30 per Share	<p><i>Validity Period:</i></p> <p>10 years from April 21, 2015</p> <p><i>Vesting Period:</i></p> <p>4 years from April 21, 2015, whereby:</p> <ul style="list-style-type: none"> <li>– 50% of the Options shall vest on April 30, 2016;</li> <li>– 25% of the Options shall vest on April 30, 2017; and</li> <li>– 25% of the Options shall vest on April 30, 2018.</li> </ul>

As at the Latest Practicable Date, a total of 19,841,000 RSUs were granted and 3,462,000 RSUs were conditionally granted pursuant to the 2014 Share Award Mandate for nil consideration. The table below summarize the details of such RSU granted or conditionally granted, as applicable.

<b>Participants</b>	<b>No. of RSUs</b>	<b>Grant Date</b>	<b>Vesting Period</b>
Mr. Wang Lei, the Chief Executive Officer of the Company, an executive Director and a director of Alibaba Health Technology (Beijing) and CITIC 21CN (China) <sup>(1)</sup>	1,284,000 <sup>(4)</sup>	September 7, 2015	<p>4 years from the Quarterly Reference Date<sup>(2)</sup> closest to the respective Participant's Grant Entitlement Date<sup>(3)</sup>, whereby for each Participant:</p> <ul style="list-style-type: none"> <li>– 50% of the Options shall vest the second anniversary of the Quarterly Reference Date<sup>(2)</sup> closest to such Participant's Grant Entitlement Date<sup>(3)</sup>;</li> </ul>
Mr. Meng Changan, a director of Alibaba Health Technology (Beijing) and CITIC 21CN (China) <sup>(1)</sup>	758,000 <sup>(4)</sup>	September 7, 2015	<ul style="list-style-type: none"> <li>– 25% of the Options shall vest on third anniversary of the Quarterly Reference Date<sup>(2)</sup> closest to such Participant's Grant Entitlement Date<sup>(3)</sup>; and</li> </ul>
Ms. Ma Li, director of Alibaba Health Technology (Beijing) <sup>(1)</sup>	852,000 <sup>(4)</sup>	September 7, 2015	<ul style="list-style-type: none"> <li>– 25% of the Options shall vest on the fourth anniversary of the Quarterly Reference Date<sup>(2)</sup> closest to such Participant's Grant Entitlement Date<sup>(3)</sup>; and</li> </ul>
Mr. Wang Peiyu, a director of CITIC 21CN (China) <sup>(1)</sup>	568,000 <sup>(4)</sup>	September 7, 2015	<ul style="list-style-type: none"> <li>– 25% of the Options shall vest on the fourth anniversary of the Quarterly Reference Date<sup>(2)</sup> closest to such Participant's Grant Entitlement Date<sup>(3)</sup>.</li> </ul>
96 employees of the Group who are not connected persons of the Company	16,541,000	September 7, 2015	<ul style="list-style-type: none"> <li>– 25% of the Options shall vest on the fourth anniversary of the Quarterly Reference Date<sup>(2)</sup> closest to such Participant's Grant Entitlement Date<sup>(3)</sup>.</li> </ul>

Participants	No. of RSUs	Grant Date	Vesting Period
Mr. Wang Yaqing, a director of CITIC 21CN (China) as at April 21, 2015 but had resigned from such directorship and remained an employee of the Group as at the Latest Practicable Date	3,300,000	April 21, 2015	4 years from April 21, 2015, whereby: <ul style="list-style-type: none"> <li>– 50% of the Options shall vest on April 30, 2016;</li> <li>– 25% of the Options shall vest on April 30, 2017; and</li> <li>– 25% of the Options shall vest on April 30, 2018.</li> </ul>

*Notes:*

\* *For identification purpose only*

- (1) Each of Mr. Wang Lei, Mr. Meng Changan, Ms. Ma Li, Mr. Wang Peiyu and Mr. Wang Yaqing was a connected person of the Company as at the Latest Practicable Date.
- (2) In this announcement, the term “**Quarterly Reference Date**” refers to January 31, April 30, July 31, October 10 of every calendar year.
- (3) In this announcement, the term “**Grant Entitlement Date**” refers to the date on which the respective Participant’s employment commenced with the Group or on which the Participant became an eligible Participant of the Share Award Scheme, whichever is later.
- (4) Such number of RSUs (3,462,000 RSUs in aggregate) were conditionally granted to the respective Participants, subject to the approval of the independent Shareholders who are not required under the Listing Rules to abstain from voting at the special general meeting to be convened to approve the non-exempt connected transaction relating to such conditional grants of RSUs. For details, please refer to the Company’s announcement dated September 7, 2015 (the “**Conditional RSU Grants**”).

Subject to the approval by the independent Shareholders who are not required under the Listing Rules to abstain from voting at the special general meeting to be convened to approve the non-exempt connected transactions relating to the aforementioned Conditional RSU Grants, the number of Shares that underlie the Share Awards granted during the 2014 Share Award Mandate Applicable Period is 65,846,000, representing approximately 0.81% of the total issued capital of the Company as at the date of the SGM and approximately 26.86% of the maximum number of Shares that underlie the Share Awards of which Board is authorized to grant under the 2014 Share Award Mandate.

#### *Lapse and cancellation*

As at the Latest Practicable Date, none of the Share Awards granted during the 2014 Share Award Mandate Applicable Period had lapsed, vested, exercised (in the case of Options) or had otherwise been canceled.

### *Unused 2014 Share Award Mandate*

The number of Shares that underlie the Share Awards that may still be granted pursuant to the 2014 Share Award Scheme between the Latest Practicable Date and the conclusion of the Annual General Meeting is 179,333,339 Shares.

The Directors confirmed that as at the Latest Practicable Date, the Company has no intention to grant further Share Awards pursuant to the 2014 Share Award Mandate.

Apart from the Share Award Scheme and the above Share Awards, the Company has no other share award or option scheme currently in force or has any other share options or restricted share units outstanding as of the Latest Practicable Date.

### **The Share Award Mandate to be Sought at the Annual General Meeting**

#### *The Share Award Mandate*

As set out on page 5 of the Circular and in Resolution 7 on the Notice of AGM, a resolution has been proposed at the Annual General Meeting to grant to the Directors the Share Award Mandate, being a mandate to grant Share Awards in respect of a maximum number of the underlying new Shares that is equivalent to 3 per cent. of the Shares in issue as at the date of passing such mandate during the Applicable Period, and to allot, issue and deal with the Shares underlying the Options and/or RSUs granted pursuant to such mandate during the Applicable Period as and when such Options and/or RSUs vest.

Subject to the passing of the relevant resolution to approve the Share Award Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the Annual General Meeting, the Directors would be authorized to exercise the powers of the Company to grant Share Awards in respect of a maximum number of 245,179,339 underlying new Shares.

For the avoidance of doubt, any Shares issued pursuant to the Share Award Mandate will not be counted towards the Shares to be issued (if any) pursuant to the general mandate proposed under Resolution 4 in the Notice of AGM.

As at the Latest Practicable Date, no Participant has been proposed or identified by the Board to be granted any Share Award under the Share Award Mandate.

Shareholders who were also Participants under the Share Award Scheme would be required to abstain from voting on the Share Award Mandate at the Annual General Meeting. As at the date of this announcement, to the extent that the Directors are aware having made all reasonable enquiries, none of the Directors and directors of the Company's subsidiaries, who are also Participants under the Share Award Scheme who have been granted any Share Awards, holds any Share. All Participants under the Share Award Scheme who are employees of the Group and who hold Shares will be required to abstain from voting on Resolution 7 in relation to the Share Award Mandate.

### *Cost of Granting Share Awards*

The cost attributable to the grant of any RSUs under the Share Award Scheme will be accounted for by reference to the market value of the Shares at the time of grant, adjusted to take into account the terms and conditions upon which Shares were granted.

The Directors consider that it is not appropriate or helpful to the Shareholders to state the value of all Share Awards that can be granted under the Share Award Scheme or the Share Award Mandate being sought as if they had been granted on the Latest Practicable Date. The Directors believe that any statement regarding the value of all Share Awards as at the Latest Practicable Date will not be meaningful to the Shareholders, since the Share Awards to be granted shall not be assignable, and no holder of the Share Awards shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any third party over or in relation to any Share Award.

In addition, the calculation of the value of the Share Awards is based on a number of variables such as exercise price, exercise period, interest rate, expected volatility and other relevant variables. The Directors believe that any calculation of the value of the Share Awards as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

Details of the Share Award Scheme, including particulars and movements of the Share Awards granted, vested, lapsed and available for grant in the future, and the employee costs arising from the grant of the Share Awards during each financial year of the Company will be disclosed in the Company's annual report and interim report.

The Company will give due consideration to any financial impact arising from the grant of the Share Awards under the Share Award Scheme before exercising the Share Award Mandate.

### *Dilution Effect*

The table below is for illustration only and sets out the shareholding structure of the Company:

- (i) as at the Latest Practicable Date;
- (ii) immediately after the allotment and issue of all the new Shares underlying the Share Awards outstanding as at the Latest Practicable Date upon vesting and exercising (if applicable) of such Share Awards in full, and assuming no other Shares will be issued between the Latest Practicable Date and the date until all such new Shares are issued (the “**Full Vesting of Outstanding Share Awards Scenario**”); and

- (iii) immediately after (a) the allotment and issue of all the new Shares underlying the Share Awards outstanding as at the Latest Practicable Date upon vesting and exercising (if applicable) of such Share Awards in full, and (b) allotment and issue of all new Shares underlying all the Share Awards that the Board may be authorized to grant under the Share Award Mandate upon vesting and exercising (if applicable) of such Share Awards in full, and assuming no other Shares will be issued between the Latest Practicable Date and the date until all such new Shares are issued (the “**Full Vesting of Share Awards to be Granted Scenario**”).

	As at the Latest Practicable Date		Full Vesting of Outstanding Share Awards Scenario		Full Vesting of Share Awards to be Granted Scenario	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Perfect Advance Holding Limited	4,420,628,008	54.09%	4,420,628,008	53.66%	4,420,628,008	52.11%
Uni-Tech International Group Limited	777,484,030	9.51%	777,484,030	9.44%	777,484,030	9.16%
Participants granted or conditionally granted with outstanding Share Awards	–	0.00%	65,846,000	0.80%	65,846,000	0.78%
Participants that may be granted with Share Awards pursuant to the Share Award Mandate	–	0.00%	–	0.00%	245,179,339	2.89%
Other public Shareholders	2,974,532,601	36.40%	2,974,532,601	36.11%	2,974,532,601	35.06%
<b>Total</b>	<b>8,172,644,639</b>	<b>100.00%</b>	<b>8,238,490,639</b>	<b>100.00%</b>	<b>8,483,669,978</b>	<b>100.00%</b>

## Listing Approval

An application will be made by the Company as soon as practicable to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the new Shares which may be allotted and issued to satisfy the Share Awards which may be granted under the Share Award Scheme pursuant to the Share Award Mandate.

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

Hong Kong, September 17, 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. TSAI Chung, Joseph, Ms. HUANG Aizhu, and Mr. KANG Kai; and (iii) three are independent non-executive Directors, namely Mr. YAN Xuan, Mr. LUO Tong and Mr. WONG King On, Samuel.*