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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)

GRANT OF SHARE OPTIONS AND RESTRICTED SHARE UNITS

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SHARE OPTIONS

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Details of the Grant

The details of the Options granted to the Grantees are as follows:

Date of Grant: July 29, 2016

Number of Grantees: 122

Total number of new Shares to be subscribed upon exercise of the Options granted: 21,338,600

Consideration for the grant: Nil

Exercise price of the Options granted: HK\$5.558 per Share

Validity period of the Options: The validity period of the Options shall be ten years from the Date of Grant and the Options shall lapse at the expiry of the validity period.

Vesting period: The Options granted shall vest in the Grantees on the vesting schedule set out in the table below:

Name of Grantee	Position	Vesting Dates and the Number of Options Vesting											
		October 10, 2016	January 31, 2017	April 30, 2017	July 31, 2017	October 10, 2017	January 31, 2018	April 30, 2018	July 31, 2018	April 30, 2019	July 31, 2019	April 30, 2020	July 31, 2020
Wang Lei	Chief Executive Officer, executive Director and director of Joy Heaven, Alibaba Health (HK), Alibaba Health Technology (Beijing), CITIC 21CN (China) and Shanghai Kangtao	-	-	-	285,250	-	-	-	285,250	-	285,250	-	285,250
Meng Changan	Director of Joy Heaven, Alibaba Health (HK), Alibaba Health Technology (Beijing), CITIC 21CN (China) and Shanghai Kangtao	-	-	-	79,750	-	-	-	79,750	-	79,750	-	79,750
Ma Li	Director of Alibaba Health Technology (Beijing)	-	-	-	91,250	-	-	-	91,250	-	91,250	-	91,250
Wang Peiyu	Director of CITIC 21CN (China)	-	-	-	114,000	-	-	-	114,000	-	114,000	-	114,000
Li Yipeng	Director of Shanghai Kangtao	-	-	-	57,000	-	-	-	57,000	-	57,000	-	57,000
92 Non-connected Grantees	Employees of the Group who are not connected persons of the Company	-	-	-	3,217,000	-	-	-	3,217,000	-	3,217,000	-	3,217,000
21 Non-connected Grantees		-	-	-	-	-	-	2,532,800	-	1,266,400	-	1,266,400	-
1 Non-connected Grantee		-	-	-	-	-	-	38,000	-	19,000	-	19,000	-
1 Non-connected Grantee		-	82,600	110,200	-	-	-	70,600	-	39,600	-	-	-
1 Non-connected Grantee		-	48,000	12,000	-	-	48,000	12,000	-	12,000	-	12,000	-
1 Non-connected Grantee		41,100	-	136,000	-	41,100	-	95,500	-	45,900	-	13,400	-
Total 122 Grantees		41,100	130,600	258,200	3,844,250	41,100	48,000	216,100	6,377,050	116,500	5,110,650	44,400	5,110,650

The Options granted are not subject to performance targets.

Exercise Price

The exercise price of the Options of HK\$5.558 per Share represents the highest of (i) the closing price of the Shares of HK\$5.39 per Share as stated in the daily quotation sheet issued by the Stock Exchange on the Date of Grant, (ii) the average closing price of the Shares of HK\$5.558 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.

Connected Grantees

Five (5) of the Grantees, who are connected persons of the Company, were granted 2,509,000 Options in aggregate. Such grant of Options was approved by the independent non-executive Directors on June 22, 2016 in accordance with Rule 17.04(1) of the Listing Rules. Mr. Wang Lei, one of such Connected Grantees, is also our Chief Executive Officer and an executive Director. Mr. Wang Lei had abstained from voting on the resolution relating to the Options granted to himself and had not been counted towards the quorum of the Board meeting in respect of such resolution. The other four Connected Grantees are directors of subsidiaries of the Company.

RESTRICTED SHARE UNITS

On July 29, 2016, the Company granted 15,623,700 RSUs to 127 Grantees in accordance with the terms of the Share Award Scheme, subject to acceptance. In accordance with the terms of the Share Award Scheme, the RSUs were granted to the Grantees under the following terms:

- each of the RSUs was granted for nil consideration;
- each of these RSUs to be granted to the Grantees represents the right to receive a Share on the date it vests; and
- the RSUs granted are not subject to performance targets.

In relation to 14,558,700 RSUs granted to the Non-connected Grantees who are not connected persons of the Company, new Shares that rank *pari passu* in all respects among themselves and with all the Shares in issue from time to time shall be issued to such Non-connected Grantees upon vesting and settlement of such RSUs. In relation to 1,065,000 RSUs granted to the Connected Grantees, the Company shall procure the Trustee to purchase existing Shares from the market out of cash contribution by the Company to be held on trust for the Grantees until such RSUs are vested with such Connected Grantees.

The RSUs granted shall vest in the Grantees on the vesting schedule set out in the table below:

Name of Grantee	Position	Vesting Dates and the Number of RSUs Vesting													
		October 10, 2016	January 31, 2017	April 30, 2017	July 31, 2017	October 10, 2017	January 31, 2018	April 30, 2018	July 31, 2018	October 10, 2018	April 30, 2019	July 31, 2019	April 30, 2020	July 31, 2020	
Wang Lei	Chief Executive Officer, executive Director and director of Joy Heaven, Alibaba Health (HK), Alibaba Health Technology (Beijing), CITIC 21CN (China) and Shanghai Kangtao	-	-	-	95,000	-	-	-	95,000	-	-	95,000	-	95,000	
Meng Changan	Director of Joy Heaven, Alibaba Health (HK), Alibaba Health Technology (Beijing), CITIC 21CN (China) and Shanghai Kangtao	-	-	-	40,000	-	-	-	40,000	-	-	40,000	-	40,000	
Ma Li	Director of Alibaba Health Technology (Beijing)	-	-	-	45,750	-	-	-	45,750	-	-	45,750	-	45,750	
Wang Peiyu	Director of CITIC 21CN (China)	-	-	-	57,000	-	-	-	57,000	-	-	57,000	-	57,000	
Li Yipeng	Director of Shanghai Kangtao	-	-	-	28,500	-	-	-	28,500	-	-	28,500	-	28,500	
89 Non-connected Grantees	Employees of the Group who are not connected persons of the Company	-	-	-	1,942,000	-	-	-	1,942,000	-	-	1,942,000	-	1,942,000	
21 Non-connected Grantees		-	-	-	-	-	-	-	1,280,350	-	-	640,175	-	640,175	
2 Non-connected Grantees		98,700	-	266,000	-	98,700	-	173,200	-	-	78,900	-	27,500	-	
1 Non-connected Grantee		3,000	-	47,000	13,250	3,000	-	47,000	13,250	-	24,000	13,250	-	13,250	
1 Non-connected Grantee		105,400	-	34,100	13,250	105,400	-	34,100	13,250	-	-	13,250	-	13,250	
1 Non-connected Grantee		110,000	-	191,300	34,250	25,000	-	140,400	34,250	-	80,900	34,250	40,400	34,250	
1 Non-connected Grantee		-	-	-	-	-	-	35,500	-	-	17,750	-	17,750	-	
1 Non-connected Grantee		3,100	-	121,200	-	3,100	-	51,900	-	-	27,700	-	-	-	
1 Non-connected Grantee		162,300	-	88,000	-	81,100	-	88,000	-	81,100	88,000	-	47,500	-	
1 Non-connected Grantee		-	64,400	85,800	-	-	-	55,000	-	-	30,800	-	-	-	
1 Non-connected Grantee		-	-	65,500	-	-	-	65,500	-	-	-	-	-	-	
1 Non-connected Grantee		-	37,400	9,300	-	-	37,400	9,300	-	-	9,300	-	9,300	-	
1 Non-connected Grantee		-	-	256,000	-	-	-	256,000	-	-	185,500	-	162,500	-	
Total 127 Grantees		482,500	101,800	1,164,200	2,269,000	316,300	37,400	955,900	3,549,350	81,100	542,850	2,909,175	304,950	2,909,175	

Based on the closing price of HK\$5.39 per Share as quoted on the Stock Exchange on the Date of Grant, the market value of the RSUs granted to the Grantees amounts to approximately HK\$84.2 million.

Connected Grantees

Five (5) of the Grantees, who are connected persons of the Company, were granted 1,065,000 RSUs in aggregate. Mr. Wang Lei had abstained from voting on the resolution relating to the RSUs granted to himself and had not been counted towards the quorum of the Board meeting in respect of such resolution.

Based on the closing price of HK\$5.39 per Share as quoted on the Stock Exchange on July 29, 2016, the market value of the RSUs to be granted to the five Connected Grantees amounts to approximately HK\$5.7 million.

Listing Rules Implications

The grant of RSUs to each of the Connected Grantees constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. However, no new Shares will be issued and allotted upon vesting and settlement of such RSUs granted to the Connected Grantees. Based on the closing price of HK\$5.39 of the Shares as quoted on the Stock Exchange on the Date of Grant and the number of RSUs granted to each Connected Grantee, the applicable percentage ratios are less than 5%, and the market value of the RSUs granted to each Connected Grantee is less than HK\$3,000,000. As such, the grant of RSUs to each of the Connected Grantees is exempt from reporting, announcement and independent shareholders' approval requirements under Rule 14A.73 of the Listing Rules.

DEFINITIONS

“Alibaba Health (HK)”	Alibaba Health (Hong Kong) Technology Company Limited (阿里健康(香港)科技有限公司), a subsidiary of the Company
“Alibaba Health Technology (Beijing)”	Alibaba Health Technology (Beijing) Company Limited* (阿里健康科技(北京)有限公司), a subsidiary of the Company
“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), a subsidiary of the Company
“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 Grantees”	the five (5) Grantees who are also connected persons of the Company

“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Date of Grant”	July 29, 2016
“Director(s)”	director(s) of the Company
“Grantees”	the employees of the Group whom were granted Options and/or RSUs in accordance with the Share Award Scheme on the Date of Grant
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Joy Heaven”	Joy Heaven Incorporated, a subsidiary of the Company
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Non-connected Grantees”	the 122 Grantees who are not connected persons of the Company
“Option(s)”	option(s) to subscribe for or acquire Shares which is granted under the Share Award Scheme
“RSU(s)”	restricted share unit(s), being a contingent right to receive Shares which is awarded under the Share Award Scheme
“Shanghai Kangtao”	Shanghai Kangtao Medical Health Technology Company Limited* (上海康淘醫療健康科技有限公司), a subsidiary of the Company
“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”	ordinary shares in the issued capital of the Company with a nominal value of HK\$0.01
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trustee”	the professional trustee of the Share Award Scheme appointed by the Company

* *For identification purposes only*

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

Hong Kong, July 29, 2016

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.