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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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On October 11, 2016, the Company granted 1,921,000 Options to 9 Grantees and 2,489,800 RSUs to 14 Grantees in accordance with the terms of the Share Award Scheme, subject to acceptance.

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:	October 11, 2016
Number of Grantees:	9
Total number of new Shares to be subscribed upon exercise of the Options granted:	1,921,000

Consideration for the grant:	Nil
Exercise price of the Options granted:	HK\$4.416 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:

	Vesting Dates and the Number of Options Vesting					
	January 31, 2018	October 10, 2018	January 31, 2019	October 10, 2019	January 31, 2020	October 10, 2020
1 Grantee	96,500	-	48,250	-	48,250	-
8 Grantees	-	864,000	-	432,000	-	432,000
Total 9 Grantees	<u>96,500</u>	<u>864,000</u>	<u>48,250</u>	<u>432,000</u>	<u>48,250</u>	<u>432,000</u>

The Options granted are not subject to performance targets.

Exercise Price

The exercise price of the Options of HK\$4.416 per Share represents the highest of (i) the closing price of the Shares of HK\$4.31 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\$4.416 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.

RESTRICTED SHARE UNITS

On October 11, 2016, the Company granted 2,489,800 RSUs to 14 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 2,489,800 RSUs granted to the Grantees, 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 Grantees upon vesting and settlement of such RSUs.

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

	Vesting Dates and the Number of RSUs Vesting														
	October 11, 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	January 31, 2019	April 30, 2019	October 10, 2019	January 31, 2020	April 30, 2020	October 10, 2020
1 Grantee	23,400		285,400	-	23,400	-	217,500	-	-	-	133,200	-	-	27,100	-
1 Grantee	-		-	-	-	75,000	-	-	-	37,500	-	-	37,500	-	-
1 Grantee	-		63,400	295,700	-	-	63,400	62,500	-	-	63,400	-	-	28,600	-
7 Grantees	-		-	-	-	-	-	-	345,000	-	-	172,500	-	-	172,500
1 Grantee	89,800		-	-	-	-	-	-	-	-	-	-	-	-	-
1 Grantee	-	27,600	36,700	-	-	-	23,500	-	-	-	13,200	-	-	-	-
1 Grantee	-	16,000	4,000	-	-	16,000	4,000	-	-	-	4,000	-	-	4,000	-
1 Grantee	13,700	-	45,300	-	13,700	-	31,700	-	-	-	15,200	-	-	4,400	-
Total 14 Grantees	126,900	43,600	434,800	295,700	37,100	91,000	340,100	62,500	345,000	37,500	229,000	172,500	37,500	64,100	172,500

Based on the closing price of HK\$4.31 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\$10.73 million.

GRANTEES

To the best of the knowledge of the Directors, none of the Grantees is a Director or a connected person of the Company.

DEFINITIONS

“Board”	the board of directors 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 person(s)”	has the meaning ascribed to it is under the Listing Rules
“Date of Grant”	October 11, 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
“Group”	the Company and its subsidiaries

“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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
“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
“Share(s)”	ordinary share(s) in the issued capital of the Company with a nominal value of HK\$0.01
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, October 11, 2016

As at the date of this announcement, the Board comprises eight directors, of which (i) one is an executive director, namely 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.