
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Alibaba Health Information Technology Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the shares in Alibaba Health Information Technology Limited.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

**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)****RENEWAL OF NON-EXEMPT
CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF SPECIAL GENERAL MEETING****Independent Financial Adviser to the
Independent Board Committee and the Independent Shareholders**

A letter from the Independent Board Committee to the Independent Shareholders is set out on pages 23 to 24 of this circular.

A letter from the Independent Financial Adviser, containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders, is set out on pages 25 to 47 of this circular.

A notice convening the special general meeting to be held via the e-Meeting System on Monday, March 28, 2022 at 11:00 a.m. by way of a virtual meeting (or any adjournment thereof) (the "SGM") is set out on pages 53 to 55 of this circular. A form of proxy for use at the SGM is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.irasia.com/listco/hk/alihealth>).

Whether or not you are able to attend the SGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting via the e-Meeting System at the SGM or any adjournment thereof should you so wish.

March 8, 2022

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2022 Advertising Services Framework Agreement”	the agreement dated February 5, 2021 entered into between the Company and Alibaba Holding in relation to the provision of the Advertising Services
“2022 Framework Technical Services Agreement”	the agreement dated February 5, 2021 entered into between Alibaba Health (Hangzhou), Alibaba Health (Hainan) and the Tmall Entities in relation to the provision of the Software Technical Services
“2023 Advertising Services Framework Agreement”	the agreement dated February 4, 2022 entered into between the Company and Alibaba Holding in relation to the provision of the Advertising Services
“2023 Framework Technical Services Agreement”	the agreement dated February 4, 2022 entered into between Alibaba Health (Hangzhou), Alibaba Health (Hainan) and the Tmall Entities in relation to the provision of the Software Technical Services
“Adult Products”	products which are sold under the primary category of “Adult Products/Sexual Health Products” (“成人用品/情趣用品”) under the Tmall business category of “Healthcare Products and Medicine” (“保健品及醫藥”) on Tmall
“Advertising Services”	the services to be provided by Alibaba Group to the Group under the 2023 Advertising Services Framework Agreement
“Alibaba Group”	the group of companies comprising Alibaba Holding and its Subsidiaries, for the purpose of this circular, excluding the Group
“Alibaba Group Platforms”	the online platforms for brands and retailers operated by Alibaba Group
“Alibaba Health (Hainan)”	Alibaba Health Technology (Hainan) Co., Ltd.* (阿里健康科技(海南)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned Subsidiary of the Company
“Alibaba Health (Hangzhou)”	Alibaba Health Technology (Hangzhou) Co., Ltd.* (阿里健康科技(杭州)有限公司) (formerly known as Hangzhou Hengping Information Technology Co., Ltd* (杭州衡平信息科技有限公司)), a company established in the PRC with limited liability and an indirect wholly-owned Subsidiary of the Company

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“Alibaba Health Software Services Fees”	the software service fees received by Alibaba Health (Hangzhou) and Alibaba Health (Hainan) from the Target Merchants for the sales of the Target Products on Tmall and utilizing services provided by the Tmall Entities
“Alibaba Holding”	Alibaba Group Holding Limited, a company incorporated in the Cayman Islands, the ultimate controlling shareholder of the Company, with its American depositary shares, each representing eight ordinary shares, listed on the New York Stock Exchange (Stock Symbol: BABA), and its ordinary shares listed on the Main Board of the Stock Exchange (Stock Code: 9988)
“Ali JK”	Ali JK Nutritional Products Holding Limited, a company incorporated in the British Virgin Islands and a direct wholly-owned Subsidiary of Alibaba Holding
“associate(s)”	has the meaning given to it under the Listing Rules
“Board”	the board of directors of the Company
“Company”	Alibaba Health Information Technology Limited (阿里健康信息技术有限公司), a company incorporated in Bermuda, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00241)
“connected person(s)”	has the meaning given to it under the Listing Rules
“Control”	the power or authority, whether exercised or not, to direct the business, management and policies of a person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, which power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty per cent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such person or power to control the composition of a majority of the board of directors (or similar governing body) of such person and the terms “Controls” and “Controlled” shall be construed accordingly
“controlling shareholder”	has the meaning given to it under the Listing Rules
“Director(s)”	member(s) of the Board

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- “Effective Date” the effective date of the respective Renewed CCT Agreements, being April 1, 2022 or the date of the approval of the Renewed CCT Agreements, the continuing connected transactions contemplated thereunder and the annual caps related thereto, by the Independent Shareholders at the SGM (whichever is later)
- “Excluded Products” included the following products and services sold on Tmall as at the Latest Practicable Date which may be updated from time to time:
- (i) products sold under the secondary category of “Health Food Alcohol” (“保健食品酒”) under the primary category of “Alcohol” (“酒類”) under the Tmall business category of “Food” (“食品”);
 - (ii) products sold under the secondary category of “Energy Drinks” (“功能飲料”) under the primary category of “Coffee/Oatmeal/Instant Drinks” (“咖啡／麥片／沖飲”) under the Tmall business category of “Food” (“食品”);
 - (iii) products sold under the secondary category of “Maternal Health Food” (“孕產婦營養品”) under the primary category of “Maternity Wear/Maternity Products/Nutrition Products” (“孕婦裝／孕產婦用品／營養品”) under the Tmall business category of “Maternal and Child” (“母嬰”);
 - (iv) products sold under the sub-category of “Infant and Toddler Health Foods” (“嬰幼兒保健食品”) under the secondary category of “Infant and Toddler Nutrition Products” (“嬰幼兒營養品”) under the primary category of “Milk Formula/Supplements/Nutrition Products/Snacks” (“奶粉／輔食／營養品／零食”) under the Tmall business category of “Maternal and Child” (“母嬰”);
 - (v) products sold under the primary category of “Tmall Makeup/Perfume/Makeup Tools” (“天貓彩妝／香水／美妝工具”) under the Tmall business category of “Cosmetics” (“化妝品(含美容工具)”);
 - (vi) products sold under the primary category of “Women’s Underwear/Men’s Underwear/Homewear” (“女士內衣／男士內衣／家居服”) under the Tmall business category of “Clothing” (“服飾”);
 - (vii) other general underwear and perfume products not under the category of “Medical Devices, Medical Services, Adult Products and Relevant Categories”; and

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	(viii) healthcare and medical services which do not require industry certification and are not under the category of “Medical Devices, Medical Services, Adult Products and Relevant Categories”
“Existing CCT Agreements”	the 2022 Advertising Services Framework Agreement and the 2022 Framework Technical Services Agreement
“Group”	the Company and its Subsidiaries from time to time
“Healthcare Food”	products which are sold under the secondary category of “Healthcare Food (Blue Cap)” (“保健食品(藍帽子)”) under the primary category of “Healthcare Food/Dietary Supplements” (“保健食品／膳食營養補充食品”) under the Tmall business category of “Healthcare Products and Medicine” (“保健品及醫藥”) on Tmall
“Healthcare Products”	products which are sold under the primary category of “Healthcare Products” (“保健用品”) under the Tmall business category “Healthcare Products and Medicine” (“保健品及醫藥”) on Tmall
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising Mr. LUO Tong, Mr. WONG King On, Samuel and Ms. HUANG Yi Fei (Vanessa), being all the independent non-executive Directors, established to advise the Independent Shareholders on the Renewed CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto
“Independent Financial Adviser”	Opus Capital Limited, a corporation licensed by the Securities and Futures Commission to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the Renewed CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto

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“Independent Shareholders”	the Shareholders, other than (i) Alibaba Holding and its associates, including Perfect Advance, Ali JK and Antfin (Hong Kong) Holding Limited; and (ii) those who are required to abstain from voting at the SGM to be convened to approve the Renewed CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto
“Latest Practicable Date”	March 1, 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Medical and Healthcare Services”	services which are sold under the primary categories of “Medical and Health Services” (“醫療及健康服務”), “Physical Examination/Medical Insurance Card” (“體檢/醫療保障卡”) and “Vaccine Services” (“疫苗服務”) under the Tmall business category of “Service Categories” (“服務大類”) on Tmall
“Medical Devices”	products which are sold under the primary categories of “Medical Devices” (“醫療器械”), “Family Planning” (“計生用品”) and “Contact Lenses/Contact Lens Solution” (“隱形眼鏡/護理液”) under the Tmall business category of “Healthcare Products and Medicine” (“保健品及醫藥”) on Tmall
“Merchant(s)”	a legal entity which conducts the sale of products or provision of services on Tmall and for the purpose of the 2023 Framework Technical Services Agreement, including Tmall Supermarket but excluding Tmall Global
“Option(s)”	option(s) to subscribe for or acquire Shares which is/are granted under the Share Award Scheme
“Perfect Advance”	Perfect Advance Holding Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned Subsidiary of Alibaba Holding
“PRC” or “China”	the People’s Republic of China
“Renewed CCT Agreements”	the 2023 Advertising Services Framework Agreement and the 2023 Framework Technical Services Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“RSU(s)”	restricted share unit(s), being a contingent right to receive Shares which is/are awarded under the Share Award Scheme

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“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“SGM”	the special general meeting of the Company to be convened for the Independent Shareholders to consider and, if thought fit, approve each of the Renewed CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto
“Share(s)”	ordinary share(s) in the issued capital of the Company with a nominal value of HK\$0.01
“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 in the Company’s circular dated October 31, 2014
“Shareholder(s)”	holder(s) of the Share(s)
“Software Technical Services”	the services to be provided by the Tmall Entities to Alibaba Health (Hangzhou) and Alibaba Health (Hainan) or the Target Merchants as requested by Alibaba Health (Hangzhou) and Alibaba Health (Hainan) under the 2023 Framework Technical Services Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary/(ies)”	includes, in relation to any person: (i) any company or business entity of which that person owns or Controls (either directly or through one or more other subsidiaries) more than 50% of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or business entity; (ii) any company or business entity of which that person owns or controls (either directly or through one or more other subsidiaries, by contract or otherwise) not more than 50% of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or business entity but effectively controls (either directly or through one or more other Subsidiaries) the management or the direction of business operations of such company or business entity; and (iii) any company or business entity which at any time has its accounts consolidated with those of that person or which, under Hong Kong law or any other applicable law, regulations or the Hong Kong Financial Reporting Standards or such other generally accepted accounting principles or standards as may be applicable to that person from time to time, should have its accounts consolidated with those of that person

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“substantial shareholder(s)”	has the meaning given to it under the Listing Rules
“Target Merchant(s)”	a Merchant who has obtained, or proposes to obtain, permission from Tmall to sell Target Products on Tmall, regardless of whether any actual sales of Target Products have been made by such merchant on Tmall
“Target Products”	<p>the following products and/or services sold on Tmall as at the Latest Practicable Date, which may be updated from time to time and for the avoidance of doubt, shall exclude the Excluded Products:</p> <ul style="list-style-type: none">(i) Medical Devices;(ii) Healthcare Products;(iii) Healthcare Food;(iv) Adult Products; and(v) Medical and Healthcare Services
“Tmall”	Tmall.com, the third-party online and mobile commerce platform for brands and retailers known as Tmall (天貓) operated by Alibaba Holding’s affiliates and for the purpose of the 2023 Framework Technical Services Agreement, including Tmall Supermarket but excluding Tmall Global
“Tmall Entities”	Tmall Technology, Tmall Network and/or their applicable affiliates (as the case may be), collectively
“Tmall Global”	the third-party import e-commerce platform known as Tmall Global (天貓國際) operated by Alibaba Holding’s affiliates which serves as the premier platform through which overseas brands and retailers reach Chinese consumers
“Tmall Network”	Zhejiang Tmall Network Co., Ltd.* (浙江天貓網絡有限公司), a company established in the PRC with limited liability and a consolidated entity of Alibaba Holding
“Tmall Software Services Fees”	the software service fees received by the Tmall Entities from Alibaba Health (Hangzhou) and Alibaba Health (Hainan) pursuant to the 2023 Framework Technical Services Agreement
“Tmall Supermarket”	chaoshi.tmall.com, the store on Tmall known as Tmall Supermarket (天貓超市) which utilizes both marketplace and retail model to offer consumers a brand range of high-quality daily necessities

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“Tmall Technology” Zhejiang Tmall Technology Co., Ltd.* (浙江天貓技術有限公司),
a company established in the PRC with limited liability and an
indirect wholly-owned Subsidiary of Alibaba Holding

“%” per cent

* *English name for identification purposes only.*

SPECIAL ARRANGEMENTS FOR THE SGM

All registered Shareholders will be able to join the SGM via the e-Meeting System. The e-Meeting System can be accessed from any location with access to the internet via smartphone, tablet device or computer.

Through the e-Meeting System, our registered Shareholders will be able to view the live video broadcast and participate in voting and submit questions online. Login details and information will be included in our letters to registered Shareholders regarding the e-Meeting System which will be despatched later.

HOW TO ATTEND AND VOTE

Shareholders who wish to attend the SGM and exercise their voting rights can be achieved in one of the following ways:

- (1) attend the SGM via the e-Meeting System which enables live streaming and interactive platform for submitting questions and voting online; or
- (2) appoint the chairman of the SGM or other persons as your proxy by providing their email address for receiving the designated log-in username and password to attend and vote on your behalf via the e-Meeting System.

Your proxy's authority and instruction will be revoked if you attend and vote via the e-Meeting System at the SGM.

If you are a non-registered Shareholder, you should contact your banks, brokers, custodians, nominees or HKSCC Nominees Limited through which your Shares are held (as the case may be) (collectively, the “**Intermediary**”) and instruct the Intermediary to appoint you as proxy or corporate representative to attend and vote via e-Meeting System at the SGM and in doing so, you will be asked to provide your email address. Details regarding the e-Meeting System including the login details will be emailed to you by the Company's Hong Kong branch share registrar, Tricor Secretaries Limited.

Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting via the e-Meeting System at the SGM or any adjournment thereof (as the case may be) and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

The record date for determining the entitlement of the shareholders of the Company to attend and vote at the above meeting will be Tuesday, March 22, 2022. All transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, March 22, 2022.

SPECIAL ARRANGEMENTS FOR THE SGM

If you have any questions relating to the SGM, please contact Tricor Secretaries Limited with the following details:

Address: Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong

Email: emeeting@hk.tricorglobal.com

Telephone: (852) 2975 0928

Fax: (852) 2861 1465

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to adopt further changes to the SGM arrangements at a short notice. Shareholders are advised to check the websites of Hong Kong Exchanges and Clearing Limited (<https://www.hkexnews.hk>) and the Company (<https://www.irasia.com/listco/hk/alihealth>) for the latest announcement and information relating to the SGM.



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)

Executive Directors:

Mr. ZHU Shunyan

(Chairman and Chief Executive Officer)

Mr. SHEN Difan

Mr. TU Yanwu

Registered Office:

Victoria Place, 5th Floor

31 Victoria Street

Hamilton, HM 10

Bermuda

Non-executive Director:

Mr. LI Faguang

*Head Office and Principal Place
of Business in Hong Kong:*

26/F Tower One

Times Square

1 Matheson Street

Causeway Bay

Hong Kong

Independent Non-executive Directors:

Mr. LUO Tong

Mr. WONG King On, Samuel

Ms. HUANG Yi Fei (Vanessa)

March 8, 2022

To the Shareholders

Dear Sir/Madam,

**RENEWAL OF NON-EXEMPT
CONTINUING CONNECTED TRANSACTIONS**

1. INTRODUCTION

We refer to the announcement of the Company dated February 4, 2022 in relation to the renewal of the non-exempt continuing connected transactions.

The purpose of this circular is to provide you with, among other things, (i) further details of the 2023 Advertising Services Framework Agreement and the 2023 Framework Technical Services Agreement; (ii) the advice and recommendation of the Independent Board Committee; (iii) the advice and recommendation of the Independent Financial Adviser; and (iv) the notice of SGM.

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References are made to the announcement of the Company dated February 5, 2021 and the circular of the Company dated March 8, 2021 in respect of, among other things, the 2022 Advertising Services Framework Agreement and the 2022 Framework Technical Services Agreement.

Each of the Existing CCT Agreements will expire on March 31, 2022. On February 4, 2022, the Company and its relevant Subsidiaries entered into the 2023 Advertising Services Framework Agreement and the 2023 Framework Technical Services Agreement, both of which have a term commencing from the Effective Date and ending on March 31, 2023.

2. RENEWAL OF NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

2.1 PRINCIPAL TERMS OF THE RENEWED CCT AGREEMENTS

A summary of the key terms of each of the Renewed CCT Agreements is set out below.

2023 Advertising Services Framework Agreement

Date

February 4, 2022

Parties

- (1) The Company (for itself and on behalf of its Subsidiaries)
- (2) Alibaba Holding (for itself and on behalf of its Subsidiaries and affiliates)

Duration

Subject to approval by the Independent Shareholders at the SGM, the 2023 Advertising Services Framework Agreement will commence from the Effective Date and end on March 31, 2023, unless otherwise terminated in accordance with the terms thereunder.

Services to be provided

Pursuant to the 2023 Advertising Services Framework Agreement, Alibaba Group has agreed that Alibaba Group will provide to the Group the Advertising Services, including but not limited to the display of advertisements on various platforms supported by Alibaba Group, including the Alibaba Group Platforms or other third-party platforms, from time to time in accordance with the underlying agreements and the standard terms and conditions (as applicable) as amended and published on the relevant online platforms operated by Alibaba Group. The Group shall pay Alibaba Group the advertising fees.

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Service fees, pricing terms and payment terms

The service fees shall be calculated in accordance with the underlying agreements and the standard terms and conditions (as applicable) as amended and published on the respective online platforms operated by Alibaba Group from time to time. As at the Latest Practicable Date, the service fees included without limitation the following major components:

- (i) CPM (cost per impression) model advertising services. Advertisements are displayed on the various platforms operated by Alibaba Group and other third parties and Alibaba Group charges advertising fees each time the advertisement is displayed, i.e. a unit price for every 1,000 impressions served. The unit prices of certain CPM model advertisements are fixed while the unit prices of other advertisements are determined through an auction system. Where the auction system applies, the Group offers bid prices for the relevant advertisement spaces, taking into account the commercial circumstances and comparable prices offered by other independent third-party advertisers on other advertising platforms. Alibaba Group's systems automatically accept the highest bids for each advertising space where the auction process is used. The fixed prices currently charged by Alibaba Group and the bid prices currently offered by the Group which have been accepted under the CPM model range from RMB5 to RMB150 per 1,000 impressions, depending on the designated space, size, advertising format, timing and targeted users;
- (ii) CPC (cost per click) model advertising services. Advertisements are displayed on the various platforms operated by Alibaba Group and other third parties and Alibaba Group charges advertising fees each time a user clicks on the displayed advertisement. The unit prices for CPC model advertisements are determined through an auction system, under which the Group offers bid prices for the relevant advertisement spaces, taking into account the commercial circumstances and comparable prices offered by other independent third-party advertisers on other advertising platforms. Alibaba Group's systems automatically accept the highest bids for each advertising space where the auction process is used. The bid prices currently offered by the Group which have been accepted under the CPC model range from RMB0.5 to RMB10 per click, depending on the size, advertising format and timing of the advertisement; and
- (iii) project-based advertising services. Alibaba Group provides project-based advertising campaign services, whereby it offers advertisements on its advertising platforms for a certain advertising period. Alibaba Group charges advertising fees based on a cost per time (CPT) model (i.e. advertising fees are charged based on the amount of

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time displayed). The specific location, timing and frequency of the advertisements displayed on various platforms during the period will be determined by Alibaba Group.

Since the service fees charged by Alibaba Group for the Advertising Services are determined in accordance with the underlying standard agreements and the standard terms and conditions (as applicable) as amended and published on the respective online platforms operated by Alibaba Group from time to time, which equally apply to other independent third-party customers, the Company considers that the pricing terms under the 2023 Advertising Services Framework Agreement are no less favorable than the general terms available to other independent third parties.

2023 Framework Technical Services Agreement

Date

February 4, 2022

Parties

- (1) Alibaba Health (Hangzhou)
- (2) Alibaba Health (Hainan)
- (3) Tmall Entities

Duration

Subject to approval by the Independent Shareholders at the SGM, the 2023 Framework Technical Services Agreement will commence from the Effective Date and end on March 31, 2023, unless otherwise terminated in accordance with the terms thereunder.

Services to be provided

Pursuant to the 2023 Framework Technical Services Agreement, the Tmall Entities have agreed to provide the Software Technical Services, including but not limited to the following services:

- (i) Software technical services: the Tmall Entities will provide software technical support to Alibaba Health (Hangzhou) and Alibaba Health (Hainan) or the Target Merchants as requested by Alibaba Health (Hangzhou) and Alibaba Health (Hainan) for the Tmall Software Services Fees. The software technical support includes product information display services on Tmall and related software technology services;

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- (ii) Internet information services and secondary domain names: as the platform provider and operator, the Tmall Entities will provide Tmall.com and the secondary domain names to the Target Merchants as a platform for the Target Merchants' operation of business. The secondary domain name services being provided by the Tmall Entities will not be charged to Alibaba Health (Hangzhou), Alibaba Health (Hainan), the Target Merchants or consumers for the time being; and
- (iii) Other services: the Tmall Entities may provide the Target Merchants with additional services including but not limited to marketing services and Merchant customer services. The Tmall Entities will not charge Alibaba Health (Hangzhou) and Alibaba Health (Hainan) for those services unless Alibaba Health (Hangzhou) and Alibaba Health (Hainan) request such services, in which case the parties will agree on a separate service fee.

From time to time, the Tmall Entities may organize platform-wide promotional events in which they coordinate with the Merchants on Tmall, including the Target Merchants, through the Company, to offer discounts to consumers over a period of time and implement customer loyalty programs to encourage repeat purchase.

Service fees, pricing terms and payment terms

Alibaba Health (Hangzhou) and Alibaba Health (Hainan) shall pay the Tmall Software Services Fees to the Tmall Entities equal to 50% of the Alibaba Health Software Services Fees received by Alibaba Health (Hangzhou) and Alibaba Health (Hainan) from the Target Merchants for the transactions of selling the Target Products on Tmall and utilizing services provided by the Tmall Entities.

The Alibaba Health Software Services Fees are calculated as a percentage of the value of completed sales of the Target Products sold on Tmall, in accordance with the underlying agreements and the standard terms and conditions (as applicable) as amended and published on Tmall from time to time and such fee rate is currently ranging from 3% to 4%. The Alibaba Health Software Services Fees will then be deducted from the receivables of the relevant Target Merchant and paid to Alibaba Health (Hangzhou) and Alibaba Health (Hainan) after a customer confirms the receipt of the Target Products being purchased on Tmall. The finance department of the Company will cross-check the amount of the Tmall Software Services Fees being paid to the Tmall Entities on a monthly basis to ensure the accuracy of the amount. The Tmall Software Services Fees shall be settled in cash on a monthly basis. The Tmall Software Services Fees are determined by reference to, among other things, the operating costs expected to be incurred by the Tmall Entities in providing the Software Technical Services including staff costs and technical support expenses.

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The Tmall Entities will ensure that the terms in respect of the Software Technical Services provided to Alibaba Health (Hangzhou) and Alibaba Health (Hainan) are no less favorable than the general terms available to other independent third parties.

2.2 HISTORICAL AMOUNTS AND BASIS FOR DETERMINING THE ANNUAL CAPS

The historical transaction amounts for the year ended March 31, 2021, the existing annual caps for the year ending March 31, 2022, the approximate unaudited transaction amounts for the nine months ended December 31, 2021 based on the management accounts and the proposed annual caps relating to each of the Renewed CCT Agreements for the year ending March 31, 2023 are set out below:

	Approximate historical amounts for the year ended March 31, 2021 (RMB'000)	Existing annual caps for the year ending March 31, 2022 (RMB'000)	Approximate unaudited transaction amounts for the nine months ended December 31, 2021 based on unaudited management accounts (RMB'000)	Proposed annual caps for the year ending March 31, 2023 (RMB'000)
2023 Advertising Services Framework Agreement	378,573	1,150,000	684,374	1,850,000
2023 Framework Technical Services Agreement	794,555	1,250,000	630,612	1,100,000

The Company confirmed that the existing annual caps under each of the Existing CCT Agreements as stated above had not been exceeded as at the Latest Practicable Date and expects that such existing annual caps will not be exceeded as at the date of the SGM.

The proposed annual cap amount under the 2023 Advertising Services Framework Agreement was determined with reference to (i) the historical transaction amounts incurred for the year ended March 31, 2021 and the nine months ended December 31, 2021 based on unaudited management accounts under the 2022 Advertising Services Framework Agreement; (ii) the Group's marketing plans for the year ending March 31, 2023; and (iii) the expected marketing needs of the Group and its target merchants for the year ending March 31, 2023.

The proposed annual cap amount under the 2023 Framework Technical Services Agreement was determined primarily based on (i) the historical transaction amounts incurred for the year ended March 31, 2021 and the nine months ended December 31, 2021 based on unaudited management accounts under the 2022 Framework Technical Services Agreement; (ii) the historical revenue of Tmall attributable to the sale of the

LETTER FROM THE BOARD

Target Products for the recent three financial years; (iii) the projected revenue of Tmall for the sale of the Target Products for the year ending March 31, 2023; (iv) the Group's projection for the sale of the Target Products based on the expected growth of the overall healthcare market in China; and (v) the Group's marketing plans for enhancing the Software Technical Services that the Company seeks to provide to the Target Merchants.

The Directors, whereby the independent non-executive Directors' opinion will be subject to the advice of the Independent Financial Adviser, consider that the proposed annual cap(s) under each of the Renewed CCT Agreements is/are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

2.3 INTERNAL CONTROLS FOR THE GROUP'S CONTINUING CONNECTED TRANSACTIONS

As previously disclosed, the Company has adopted adequate internal control measures to comply with the Listing Rules requirements with respect to the supervision and monitoring of the annual caps of the transactions contemplated under the Renewed CCT Agreements. The finance department of the Company has been collecting and will continue to collect information on the actual transactions conducted with the relevant parties, and the corresponding service fees to be incurred under the Renewed CCT Agreements, on a monthly basis and has been updating such information to the legal department and the chief financial officer of the Company to monitor these transaction amounts.

The Company will continue to closely monitor the implementation of the Renewed CCT Agreements and, in the event that any adjustment to an annual cap becomes foreseeable, will take prompt action to make necessary disclosure and obtain the Independent Shareholders' approval.

The Company's external auditors will review the continuing connected transactions under each of the Renewed CCT Agreements annually to check and confirm (among others) whether the pricing terms have been adhered to and whether the relevant annual caps have been exceeded. The relevant counterparties to the Renewed CCT Agreements have agreed to allow the Company and its external auditors to access the information necessary to report on the non-exempt continuing connected transactions contemplated under the respective Renewed CCT Agreements.

The independent non-executive Directors will review the continuing connected transactions under the Renewed CCT Agreements annually to check and confirm whether such continuing connected transactions have been conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and whether the internal control procedures put in place by the Company are adequate and effective to ensure that such continuing connected transactions are conducted in accordance with the pricing policies set out in such relevant agreements.

2.4 REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWED CCT AGREEMENTS

The Company's mission is to provide accessible and affordable medical and healthcare services to the public. The Group has continued to leverage its strengths in the big health field to consolidate its business foundation and at the same time focusing on establishing a forward-looking plan for the future.

2023 Advertising Services Framework Agreement

The Group has identified the need for coordinated marketing and advertising services for the promotion of the Group's and its target merchants' products on various e-commerce platforms. The Group believes that the advertising services and resources provided by Alibaba Group are effective marketing tools which will enable the Group to reach out to more customers and boost the sales of the Group's and its target merchants' products, as well as enhancing the turnover of its stock in the pharmaceutical and healthcare products retail chain. Seeing the positive impact of Alibaba Group's advertising services on the Group's sales, the Group intends to allocate more resources to such advertising services provided by Alibaba Group going forward.

2023 Framework Technical Services Agreement

The Company's mission is to build an online platform where it will connect participants in China's healthcare market, so as to provide users with better medical and healthcare services. As always, Alibaba Group will continue to support the Company's development of its healthcare flagship platform and will continue to explore various cooperation models to help the Company to achieve its goal. Following the acquisition of Ali JK Medical Products Limited by the Company, the Tmall Entities have continued to incur operating costs to service the Target Merchants and provide the software technical services and platform used for the sale of the Target Products. Hence, the Company considers the 2023 Framework Technical Services Agreement to be necessary as the Software Technical Services from Tmall to the Company are crucial to the operations of the Target Merchants on Tmall.

The Directors whereby the independent non-executive Directors' opinion will be subject to the advice of the Independent Financial Adviser, consider that the transactions contemplated under the Renewed CCT Agreements will be conducted in the ordinary and usual course of business of the Group, and that the terms of the Renewed CCT Agreements are on normal commercial terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

2.5 INFORMATION ABOUT THE PARTIES

The Company, Alibaba Health (Hangzhou), Alibaba Health (Hainan) and the Group

The Company was incorporated in Bermuda and the Shares are listed on the Main Board of the Stock Exchange. The Company is an investment holding company and the Group is committed to providing Internet technology, service tools and platforms to industry partners, aiming to realize our mission of “promoting healthy living of 120 years for everyone” by providing accessible and affordable medical and healthcare services to the public. The Group is primarily engaged in pharmaceutical direct sales business, pharmaceutical e-commerce platform business and healthcare and digital services business.

Alibaba Health (Hangzhou) is a company established in the PRC with limited liability. It is an indirect wholly-owned Subsidiary of the Company that is primarily engaged in the provision of e-commerce platform services.

Alibaba Health (Hainan) is a company established in the PRC with limited liability. It is an indirect wholly-owned Subsidiary of the Company that is primarily engaged in the provision of software and technology services.

Alibaba Holding and Alibaba Group

Alibaba Holding is a company incorporated in the Cayman Islands, with its American depositary shares, each representing eight ordinary shares, listed on the New York Stock Exchange (Stock Symbol: BABA), and its ordinary shares listed on the Main Board of the Stock Exchange (Stock Code: 9988). Alibaba Group’s mission is to make it easy to do business anywhere. Alibaba Group aims to build the future infrastructure of commerce and envisions that its customers will meet, work and live at Alibaba, and that it aspires to be a good company that will last for 102 years. Alibaba Group’s businesses are comprised of China commerce, international commerce, local consumer services, Cainiao logistics services, cloud services, digital media and entertainment and innovation initiatives and others.

Tmall Entities

Tmall Network is a company established in the PRC with limited liability and a consolidated entity of Alibaba Holding, which is primarily involved in the operation of Tmall.

Tmall Technology is a company established in the PRC with limited liability and an indirect wholly-owned Subsidiary of Alibaba Holding, which is primarily involved in the operation of Tmall.

LETTER FROM THE BOARD

Tmall was launched by Alibaba Group in 2008. Tmall caters to consumers' ever-growing demand for high-quality products and a premium shopping experience. A large number of international and Chinese brands and retailers have established storefronts on Tmall. Tmall is the world's leading third-party online and mobile commerce platform for brands and retailers.

2.6 LISTING RULES IMPLICATIONS

Perfect Advance is a substantial shareholder and a connected person of the Company. Alibaba Holding is the ultimate shareholder of Perfect Advance and accordingly a connected person of the Company. As Alibaba Holding directly or indirectly Controls or is the ultimate shareholder of Alibaba Group and the Tmall Entities, each of such members is a connected person of the Company. The transactions contemplated under each of the Renewed CCT Agreements therefore constitute continuing connected transactions of the Company in accordance with the Listing Rules.

Since one or more of the applicable percentage ratios in respect of the annual cap(s) under each of the Renewed CCT Agreements is/are higher than 5%, the transactions contemplated under each of the Renewed CCT Agreements are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. ZHU Shunyan and Mr. LI Faguang hold senior positions in Alibaba Holding or its Subsidiaries, each of these Directors is deemed or may be perceived to have a material interest in the transactions under the Renewed CCT Agreements. Accordingly, they abstained from voting on the resolutions passed by the Board in connection with the Renewed CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto. Other than the aforesaid Directors, no other Directors have a material interest in the Renewed CCT Agreements and the transactions contemplated thereunder or are required to abstain from voting on the resolutions of the Board approving the same.

2.7 INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Company has established an Independent Board Committee comprising all the independent non-executive Directors to advise the Independent Shareholders on the entering into of the Renewed CCT Agreements, the transactions contemplated thereunder and the annual cap related thereto. Opus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE BOARD

The Independent Board Committee, having taken into account the advice and recommendation of the Independent Financial Adviser, considers that the entering into of the Renewed CCT Agreements and the transactions contemplated thereunder to be in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, the terms of the Renewed CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favor of the ordinary resolutions to be proposed at the SGM.

The letter from the Independent Board Committee to the Independent Shareholders is set out on pages 23 to 24 of this circular. The letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 25 to 47 of this circular.

3. SGM AND PROXY ARRANGEMENT

The notice of SGM is set out on pages 53 to 55 of this circular. At the SGM, resolutions will be proposed to approve the Renewed CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto. Any Shareholder with a material interest in the Renewed CCT Agreements and the transactions contemplated thereunder and his/her/its associates shall abstain from voting on the resolutions approving the same. To the best of knowledge, belief and information of the Directors, having made all reasonable enquiries, each of Perfect Advance, Ali JK, and Antfin (Hong Kong) Holding Limited held 4,036,154,008 Shares, 4,560,785,407 Shares and 60,576,000 Shares respectively, representing approximately 29.92%, 33.81% and 0.45% of the issued share capital of the Company as at the Latest Practicable Date. These in aggregate represented a total of 8,657,515,415 Shares and approximately 64.17% of the issued share capital of the Company as at the Latest Practicable Date. Each of Perfect Advance, Ali JK, Antfin (Hong Kong) Holding Limited and their associates, shall abstain from voting in relation to the ordinary resolutions to be put forward at the SGM for the purpose of approving the Renewed CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto. Apart from the above, none of the Shareholders has a material interest in the Renewed CCT Agreements and the transactions contemplated thereunder, and therefore no other Shareholder is required to abstain from voting on the proposed resolutions approving the same.

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the proposed resolutions will be put to vote by way of poll at the SGM.

An announcement on the poll vote results will be made by the Company after the SGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the SGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.irasia.com/listco/hk/alihealth>).

LETTER FROM THE BOARD

To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the Company's Hong Kong branch share registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the SGM if you so wish.

The record date for determining the entitlement of the Shareholders to attend and vote at the SGM will be Tuesday, March 22, 2022. All transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, March 22, 2022.

4. RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the opinion that the proposed resolutions set out in the notice of SGM are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favor of the proposed resolutions.

5. GENERAL

Your attention is drawn to the general information set out in the Appendix to this circular.

By Order of the Board
ZHU Shunyan
Chairman and Chief Executive Officer



ALIBABA HEALTH INFORMATION TECHNOLOGY LIMITED

阿里健康信息技术有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00241)

March 8, 2022

To the Independent Shareholders

Dear Sir or Madam,

**RENEWAL OF NON-EXEMPT
CONTINUING CONNECTED TRANSACTIONS**

We refer to the circular of the Company to its Shareholders dated March 8, 2022, of which this letter forms part. Terms defined in the circular shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to advise you in relation to the Renewed CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto, in particular, as to whether the transactions contemplated under the Renewed CCT Agreements will be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and whether the terms of the Renewed CCT Agreements are on normal commercial terms that are fair and reasonable so far as the Independent Shareholders are concerned; and how to vote on the resolutions regarding each of the Renewed CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto, taking into account the advice and recommendation from the Independent Financial Adviser.

Opus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

Your attention is drawn to:

- (a) the letter from the Board set out on pages 11 to 22 of this circular which contains its recommendation to the Independent Shareholders and the general information set out in the Appendix to this circular; and

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

- (b) the letter from the Independent Financial Adviser set out on pages 25 to 47 of this circular which contains its advice and recommendation to the Independent Board Committee and the Independent Shareholders, together with the principal factors and reasons taken into consideration in arriving at such advice and recommendation.

Having considered the advice and recommendation from the Independent Financial Adviser, we are of the view that the entering into of the Renewed CCT Agreements and the transactions contemplated thereunder to be in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, the terms of the Renewed CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we recommend the Independent Shareholders to vote in favor of the ordinary resolutions to be proposed at the SGM in relation to the Renewed CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto.

Yours faithfully,
For and on behalf of the
Independent Board Committee of
Alibaba Health Information Technology Limited

Mr. LUO Tong
*Independent Non-Executive
Director*

**Mr. WONG King On,
Samuel**
*Independent Non-Executive
Director*

**Ms. HUANG Yi Fei
(Vanessa)**
*Independent Non-Executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter from Opus Capital Limited to the Independent Board Committee and the Independent Shareholders in respect of the Renewed CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto, which has been prepared for the purpose of inclusion in this circular.



18th Floor, Fung House
19–20 Connaught Road Central
Central, Hong Kong

March 8, 2022

*To: the Independent Board Committee and the Independent Shareholders of
Alibaba Health Information Technology Limited*

Dear Sirs or Madams,

RENEWAL OF NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Renewed CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of Alibaba Health Information Technology Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated March 8, 2022 (the “**Circular**”), of which this letter forms part. Capitalized terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

References are made to the announcement of the Company dated February 5, 2021 and the circular of the Company dated March 8, 2021 in respect of, among other things, the 2022 Advertising Services Framework Agreement and the 2022 Framework Technical Services Agreement (i.e. the Existing CCT Agreements).

Each of the Existing CCT Agreements will expire on March 31, 2022. On February 4, 2022, the Company and its relevant Subsidiaries entered into the 2023 Advertising Services Framework Agreement and the 2023 Framework Technical Services Agreement (i.e. the Renewed CCT Agreements), both of which have a term commencing from the Effective Date and ending on March 31, 2023.

The Company expects that the total service fees payable by the Group under each of the 2023 Advertising Services Framework Agreement and the 2023 Framework Technical Services Agreement for the year ending March 31, 2023 will not be more than approximately RMB1.85 billion and RMB1.1 billion, respectively.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Perfect Advance is a substantial shareholder and a connected person of the Company. Alibaba Holding is the ultimate shareholder of Perfect Advance and accordingly a connected person of the Company. As Alibaba Holding directly or indirectly Controls or is the ultimate shareholder of Alibaba Group and the Tmall Entities, each of such members is a connected person of the Company. The transactions contemplated under each of the Renewed CCT Agreements therefore constitute continuing connected transactions of the Company in accordance with the Listing Rules.

Since one or more of the applicable percentage ratios in respect of the annual cap(s) under each of the Renewed CCT Agreements is/are higher than 5%, the transactions contemplated under each of the Renewed CCT Agreements are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. ZHU Shunyan and Mr. LI Faguang hold senior positions in Alibaba Holding or its Subsidiaries, each of these Directors is deemed or may be perceived to have a material interest in the transactions under the Renewed CCT Agreements. Accordingly, they abstained from voting on the resolutions passed by the Board in connection with the Renewed CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto. Other than the aforesaid Directors, no other Directors have a material interest in the Renewed CCT Agreements and the transactions contemplated thereunder or are required to abstain from voting on the resolutions of the Board approving the same.

To comply with the requirements under Rule 14A.36 of the Listing Rules, the Company will convene the SGM to seek the Independent Shareholders' approval for the Renewed CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto. Any Shareholder with a material interest in the Renewed CCT Agreements and the transactions contemplated thereunder and his/her/its associates shall abstain from voting on the resolutions approving the same.

To the best of knowledge, belief and information of the Directors, having made all reasonable enquiries, each of Perfect Advance, Ali JK and Antfin (Hong Kong) Holding Limited held 4,036,154,008 Shares, 4,560,785,407 Shares and 60,576,000 Shares respectively, representing approximately 29.92%, 33.81% and 0.45% of the issued share capital of the Company as at the Latest Practicable Date. These in aggregate represented a total of 8,657,515,415 Shares and approximately 64.17% of the issued share capital of the Company as at the Latest Practicable Date. Each of Perfect Advance, Ali JK, Antfin (Hong Kong) Holding Limited and their associates, shall abstain from voting in relation to the ordinary resolutions to be put forward at the SGM for the purpose of approving the Renewed CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto. Apart from the above, none of the Shareholders has a material interest in the Renewed CCT Agreements and the transactions contemplated thereunder, and therefore no other Shareholder is required to abstain from voting on the proposed resolutions approving the same.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Mr. LUO Tong, Mr. WONG King On, Samuel and Ms. HUANG Yi Fei (Vanessa), being all the independent non-executive Directors, has been established to advise the Independent Shareholders on the entering into of the Renewed CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto. We have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

OUR INDEPENDENCE

We were appointed as the independent financial adviser to advise the independent board committee and the independent shareholders of: (i) Alibaba Pictures Group Limited (stock code: 1060) (“**Alibaba Pictures**”), a listed subsidiary of Alibaba Holding, in respect of (a) the revision of certain terms for certain continuing connected transactions, details of such transaction are set out in the circular of Alibaba Pictures dated January 21, 2021; and (b) certain continuing connected transactions, details of such transactions are set out in the circular of Alibaba Pictures dated March 7, 2022; (ii) the Company in respect of (a) the revision of an existing annual cap, details of such transaction are set out in the circular of the Company dated February 8, 2021; and (b) the renewal of certain continuing connected transactions, details of such transaction are set out in the circular of the Company dated March 8, 2021; and (iii) AGTech Holdings Limited (stock code: 8279) (“**AGTech**”), a listed subsidiary of Alibaba Holding, in respect of certain continuing connected transactions, details of such transactions are set out in the circular of AGTech dated October 29, 2021 (collectively, the “**Past Appointments**”). The Past Appointments are independent of this current appointment.

As at the Latest Practicable Date, save for the aforementioned, we did not have any relationship with, or interest in, the Company, the Group, Alibaba Holding, Alibaba Health (Hangzhou), Alibaba Health (Hainan), the Tmall Entities or other parties that could reasonably be regarded as relevant to our independence. During the two years immediately prior to this letter, save for item (ii) mentioned above, we have not acted as a financial adviser or as an independent financial adviser to the Company. Apart from the normal professional fees paid or payable to us in connection with the Past Appointments and the current appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company, the Group, Alibaba Holding, Alibaba Health (Hangzhou), Alibaba Health (Hainan), the Tmall Entities or other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have reviewed, amongst other things:

- (i) the Renewed CCT Agreements;
- (ii) the interim report of the Company for the six months ended September 30, 2021 (the “**Interim Report**”);
- (iii) the annual report of the Company for the year ended March 31, 2021 (the “**Annual Report**”);
- (iv) the circular of the Company dated March 8, 2021 in respect of, among other things, the Existing CCT Agreements (the “**2021 Circular**”);
- (v) the Circular; and
- (vi) other information as set out in the Circular.

We have relied on the truth, accuracy and completeness of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations made to us by the Company, the Directors and/or the management of the Group (collectively, the “**Management**”). We have assumed that all information and representations contained or referred to in the Circular and provided to us by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the Latest Practicable Date. The Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the SGM.

We have also assumed that all statements of belief, opinion, expectation and intention made by the Management in the Circular were reasonably made after due enquiries and careful consideration and there are no other facts not contained in the Circular, the omission of which make any such statement contained in the Circular misleading. We have no reason to suspect that any relevant information has been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Management, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not carried out any independent verification of the information provided by the Management, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group or its future prospects.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Directors jointly and severally accept full responsibility for the accuracy of the information disclosed and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts not contained in this letter, the omission of which would make any statement herein misleading.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely for their consideration of the Renewed CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders, we have taken into consideration, *inter alia*, the following principal factors and reasons:

1. Background of the Renewed CCT Agreements

References are made to the announcement of the Company dated February 5, 2021 and the circular of the Company dated March 8, 2021 in respect of, among other things, the 2022 Advertising Services Framework Agreement and the 2022 Framework Technical Services Agreement.

Each of the Existing CCT Agreements will expire on March 31, 2022. On February 4, 2022, the Company and its relevant Subsidiaries entered into the 2023 Advertising Services Framework Agreement and the 2023 Framework Technical Services Agreement, both of which have a term commencing from the Effective Date and ending on March 31, 2023.

2. Information about the parties

The Company, Alibaba Health (Hangzhou), Alibaba Health (Hainan) and the Group

The Company was incorporated in Bermuda and the Shares are listed on the Main Board of the Stock Exchange. The Company is an investment holding company and the Group is committed to providing Internet technology, service tools and platforms to industry partners, aiming to realize the Company's mission of "promoting healthy living of 120 years for everyone" by providing accessible and affordable medical and healthcare services to the public. The Group is primarily engaged in the pharmaceutical direct sales business, pharmaceutical e-commerce platform business and healthcare and digital services business.

Alibaba Health (Hangzhou) is a company established in the PRC with limited liability. It is an indirect wholly-owned Subsidiary of the Company that is primarily engaged in the provision of e-commerce platform services.

Alibaba Health (Hainan) is a company established in the PRC with limited liability. It is an indirect wholly-owned Subsidiary of the Company that is primarily engaged in the provision of software and technology services.

Alibaba Holding and Alibaba Group

Alibaba Holding is a company incorporated in the Cayman Islands, with its American depository shares, each representing eight ordinary shares, listed on the New York Stock Exchange (Stock Symbol: BABA), and its ordinary shares listed on the Main Board of the Stock Exchange (Stock Code: 9988). Alibaba Group's mission is to make it easy to do business anywhere. Alibaba Group aims to build the future infrastructure of commerce and envisions that its customers will meet, work and live at Alibaba, and that it aspires to be a good company that will last for 102 years. Alibaba Group's businesses are comprised of China commerce, international commerce, local consumer services, Cainiao logistics services, cloud services, digital media and entertainment and innovation initiatives and others.

Tmall Entities

Tmall Network is a company established in the PRC with limited liability and a consolidated entity of Alibaba Holding, which is primarily involved in the operation of Tmall.

Tmall Technology is a company established in the PRC with limited liability and an indirect wholly-owned Subsidiary of Alibaba Holding, which is primarily involved in the operation of Tmall.

Tmall was launched by Alibaba Group in 2008. Tmall caters to consumers' ever-growing demand for high-quality products and a premium shopping experience. A large number of international and Chinese brands and retailers have established storefronts on Tmall. Tmall is the world's leading third-party online and mobile commerce platform for brands and retailers.

3. Reasons for and benefits of entering into the Renewed CCT Agreements

As stated in the Letter from the Board, the Company's mission is to provide accessible and affordable medical and healthcare services to the public. The Group has continued to leverage its strengths in the big health field to consolidate its business foundation and at the same time focusing on establishing a forward-looking plan for the future.

2023 Advertising Services Framework Agreement

The Group has identified the need for coordinated marketing and advertising services for the promotion of the Group's and its target merchants' products on various e-commerce platforms. The Group believes that the advertising services and resources provided by Alibaba Group are effective marketing tools which will enable the Group to reach out to more customers and boost the sales of the Group's and its target merchants' products, as well as enhancing the turnover of its stock in the pharmaceutical and healthcare products retail chain. Seeing the positive impact of Alibaba Group's advertising services on the Group's sales, the Group intends to allocate more resources to such advertising services provided by Alibaba Group going forward.

2023 Framework Technical Services Agreement

The Company's mission is to build an online platform where it will connect participants in China's healthcare market, so as to provide users with better medical and healthcare services. As always, Alibaba Group will continue to support the Company's development of its healthcare flagship platform and will continue to explore various cooperation models to help the Company to achieve its goal. Following the acquisition of Ali JK Medical Products Limited by the Company, the Tmall Entities have continued to incur operating costs to service the Target Merchants and provide the software technical services and platform used for the sale of the Target Products. Hence, the Company considers the 2023 Framework Technical Services Agreement to be necessary as the Software Technical Services from Tmall to the Company are crucial to the operations of the Target Merchants on Tmall.

As set out in the Interim Report, as at September 30, 2021, the number of annual active users of the Group's direct online stores has reached 90 million, representing an increase of 9 million as compared to half a year ago. Further, as at September 30, 2021, the Company served over 25,000 merchants, an increase of 3,000 compared to half a year ago. The number of stock keeping units also increased significantly by 7 million to the level exceeding 40 million as at September 30, 2021.

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As disclosed in the Interim Report, the revenue of the Group was approximately RMB9,357.7 million for the six months ended September 30, 2021, representing an increase of approximately 30.7% as compared to that for the six months ended September 30, 2020. The segment revenue for each of the Group's segments for the six months ended September 30, 2020 and 2021 are as follows:

Table 1: Segment revenue of the Group for the six months ended September 30, 2020 and 2021

	For the six months ended September 30,	
	2020 RMB'000	2021 RMB'000
Pharmaceutical direct sales business	6,036,024	8,118,994
Pharmaceutical e-commerce platform business	925,383	1,010,257
Healthcare and digital services business	<u>200,624</u>	<u>228,464</u>
Total	<u><u>7,162,031</u></u>	<u><u>9,357,715</u></u>

Source: the Interim Report

As shown above, all the three business segments of the Group recorded a growth for the six months ended September 30, 2021 compared with the six months ended September 30, 2020. In respect of the summarized financial performance of the Group's two main business segments (i.e. pharmaceutical direct sales business and pharmaceutical e-commerce platform business), the revenue of the Group's pharmaceutical direct sales business increased from approximately RMB6,036.0 million for the six months ended September 30, 2020 to approximately RMB8,119.0 million for the six months ended September 30, 2021, representing a year-on-year growth of approximately 34.5%, and maintained strong growth momentum, while the revenue of the Group's pharmaceutical e-commerce platform business increased from approximately RMB925.4 million for the six months ended September 30, 2020 to approximately RMB1,010.3 million for the six months ended September 30, 2021, representing a year-on-year growth of approximately 9.2%.

We have also analysed the growth and the prospects of the Chinese online retail sales industry in the PRC. According to the press release published by the National Bureau of Statistics of China dated January 18, 2022, from January 2021 to December 2021, the national online retail sales in China reached approximately RMB13,088.4 billion, representing a year-on-year increase of approximately 14.1% (year-on-year increase for January 2020 to December 2020: 11.5%). The above growth in product sales indicates for another good year of the Chinese online retail sales industry during the year ending March 31, 2023. The 11.11 Global Shopping Festival began in 2009 as an event for merchants and consumers

to raise awareness about the value of online shopping and is a major online retail sales event in the PRC. According to the news published on the company website of Alibaba Holding on November 11, 2021, the 11.11 Global Shopping Festival generated approximately RMB540.3 billion in gross merchandise value (GMV), during the 11-day campaign from November 1, 2021 to November 11, 2021, representing a year-on-year increase of approximately 8.5% compared to that of the corresponding period last year (year-on-year increase for November 1, 2020 to November 11, 2020: 26%).

In view of the above, in particular, the aforesaid steady growth trends of the Group's main business segments and the Chinese online retail sales industry, we agree with the Board the need for the Group to seek continuous co-operation and assistance from the relevant counterparties of the Renewed CCT Agreements on aspects covering advertising services and software technical services.

4. Principal terms of the Renewed CCT Agreements

Summaries of the principal terms of each of the Renewed CCT Agreements are set out in the sub-sections below.

4.1. 2023 Advertising Services Framework Agreement

- Date : February 4, 2022
- Parties : (1) the Company (for itself and on behalf of its Subsidiaries); and
(2) Alibaba Holding (for itself and on behalf of its Subsidiaries and affiliates)
- Duration : Subject to approval by the Independent Shareholders at the SGM, the 2023 Advertising Services Framework Agreement will commence from the Effective Date and end on March 31, 2023, unless otherwise terminated in accordance with the terms thereunder.

Services to be provided

Pursuant to the 2023 Advertising Services Framework Agreement, Alibaba Group has agreed that Alibaba Group will provide to the Group the Advertising Services, including but not limited to the display of advertisements on various platforms supported by Alibaba Group, including the Alibaba Group Platforms or other third-party platforms, from time to time in accordance with the underlying agreements and the standard terms and conditions (as applicable) as amended and published on the relevant online platforms operated by Alibaba Group. The Group shall pay Alibaba Group the advertising fees.

Service fees, pricing terms and payment terms

The service fees shall be calculated in accordance with the underlying agreements and the standard terms and conditions (as applicable) as amended and published on the respective online platforms operated by Alibaba Group from time to time. As at the Latest Practicable Date, the service fees included without limitation the following major components:

- (i) CPM (cost per impression) model advertising services. Advertisements are displayed on the various platforms operated by Alibaba Group and other third parties and Alibaba Group charges advertising fees each time the advertisement is displayed, i.e. a unit price for every 1,000 impressions served. The unit prices of certain CPM model advertisements are fixed while the unit prices of other advertisements are determined through an auction system. Where the auction system applies, the Group offers bid prices for the relevant advertisement spaces, taking into account the commercial circumstances and comparable prices offered by other independent third-party advertisers on other advertising platforms. Alibaba Group's systems automatically accept the highest bids for each advertising space where the auction process is used. The fixed prices currently charged by Alibaba Group and the bid prices currently offered by the Group which have been accepted under the CPM model range from RMB5 to RMB150 per 1,000 impressions, depending on the designated space, size, advertising format, timing and targeted users;

- (ii) CPC (cost per click) model advertising services. Advertisements are displayed on the various platforms operated by Alibaba Group and other third parties and Alibaba Group charges advertising fees each time a user clicks on the displayed advertisement. The unit prices for CPC model advertisements are determined through an auction system, under which the Group offers bid prices for the relevant advertisement spaces, taking into account the commercial circumstances and comparable prices offered by other independent third-party advertisers on other advertising platforms. Alibaba Group's systems automatically accept the highest bids for each advertising space where the auction process is used. The bid prices currently offered by the Group which have been accepted under the CPC model range from RMB0.5 to RMB10 per click, depending on the size, advertising format and timing of the advertisement; and

- (iii) project-based advertising services. Alibaba Group provides project-based advertising campaign services, whereby it offers advertisements on its advertising platforms for a certain advertising period. Alibaba Group charges advertising fees based on a cost per time (CPT) model (i.e. advertising fees are charged based on the amount of time displayed). The specific location, timing and frequency of the advertisements displayed on various platforms during the period will be determined by Alibaba Group.

Since the service fees charged by Alibaba Group for the Advertising Services are determined in accordance with the underlying standard agreements and the standard terms and conditions (as applicable) as amended and published on the respective online platforms operated by Alibaba Group from time to time, which equally apply to other independent third-party customers, the Company considers that the pricing terms under the 2023 Advertising Services Framework Agreement are no less favourable than the general terms available to other independent third parties.

Based on our research, according to the market data regarding the social media advertising costs in 2022 disclosed on the website of WebFX entitled, a leading global tech-enabled digital marketing solutions provider and social media agency, we note that the CPM charged by Facebook, Instagram, YouTube, LinkedIn, Twitter and Pinterest (collectively, the “**Leading Global Social Media Platforms**”) currently range from approximately US\$6.46 (equivalent to approximately RMB40.8 based on an approximate exchange rate of US\$1 to RMB6.32 published by the State Administration of Foreign Exchange on January 26, 2022, and the same exchange rate is applied consistently below) to US\$30 (equivalent to approximately RMB189.6) per 1,000 impressions with an average of approximately US\$11.31 (equivalent to approximately RMB71.5) per 1,000 impressions. The fixed prices currently charged by Alibaba Group and the bid prices currently offered by the Group which have been accepted under the CPM model range from RMB5 to RMB150 per 1,000 impressions which compare favourably against those charged by the Leading Global Social Media Platforms. We also note that the CPC charged by the Leading Global Social Media Platforms range from approximately US\$0.38 (equivalent to approximately RMB2.4) to US\$5.26 (equivalent to approximately RMB33.2) per click with an average of approximately US\$2.48 (equivalent to approximately RMB15.7) per click. The bid prices currently offered by the Group which have been accepted under the CPC model range from RMB0.5 to RMB10 per click which also compare favourably against those charged by the Leading Global Social Media Platforms. Based on the aforementioned comparisons, we consider the CPM and the CPC currently charged by Alibaba Group to be in line with the market and are generally favourable when compared to those charged by the Leading Global Social Media Platforms.

We have discussed with the Management and understand that Alibaba Group currently provides advertising services to other independent third-party customers. Therefore, the service fees to be charged by Alibaba Group to the Group for the Advertising Services would be comparable to those charged to other independent third customers. Lastly, we note that the pricing terms of the 2023 Advertising Services Framework Agreement continue to follow those of the 2022 Advertising Services Framework Agreement. Based on the above, we are of the view that the pricing terms for the service fees to be received by Alibaba Group from the Group under the 2023 Advertising Services Framework Agreement are on normal commercial terms which are no less favourable to the Group than those available to other independent third parties.

4.2. 2023 Framework Technical Services Agreement

Date : February 4, 2022

Parties : (1) Alibaba Health (Hangzhou);
(2) Alibaba Health (Hainan); and
(3) the Tmall Entities

Duration : Subject to approval by the Independent Shareholders at the SGM, the 2023 Framework Technical Services Agreement will commence from the Effective Date and end on March 31, 2023, unless otherwise terminated in accordance with the terms thereunder.

Services to be provided

Pursuant to the 2023 Framework Technical Services Agreement, the Tmall Entities have agreed to provide the Software Technical Services, including but not limited to the following services:

- (i) Software technical services: the Tmall Entities will provide software technical support to Alibaba Health (Hangzhou) and Alibaba Health (Hainan) or the Target Merchants as requested by Alibaba Health (Hangzhou) and Alibaba Health (Hainan) for the Tmall Software Services Fees. The software technical support includes product information display services on Tmall and related software technology services;

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- (ii) Internet information services and secondary domain names: as the platform provider and operator, the Tmall Entities will provide Tmall.com and the secondary domain names to the Target Merchants as a platform for the Target Merchants' operation of business. The secondary domain name services being provided by the Tmall Entities will not be charged to Alibaba Health (Hangzhou), Alibaba Health (Hainan), the Target Merchants or consumers for the time being; and
- (iii) Other services: the Tmall Entities may provide the Target Merchants with additional services including but not limited to marketing services and Merchant customer services. The Tmall Entities will not charge Alibaba Health (Hangzhou) and Alibaba Health (Hainan) for those services unless Alibaba Health (Hangzhou) and Alibaba Health (Hainan) request such services, in which case the parties will agree on a separate service fee.

From time to time, the Tmall Entities may organize platform-wide promotional events in which they coordinate with the Merchants on Tmall, including the Target Merchants, through the Company, to offer discounts to consumers over a period of time and implement customer loyalty programs to encourage repeat purchase.

Service fees, pricing terms and payment terms

Alibaba Health (Hangzhou) and Alibaba Health (Hainan) shall pay the Tmall Software Services Fees to the Tmall Entities equal to 50% of the Alibaba Health Software Services Fees received by Alibaba Health (Hangzhou) and Alibaba Health (Hainan) from the Target Merchants for the transactions of selling the Target Products on Tmall and utilizing services provided by the Tmall Entities.

The Alibaba Health Software Services Fees are calculated as a percentage of the value of completed sales of the Target Products sold on Tmall, in accordance with the underlying agreements and the standard terms and conditions (as applicable) as amended and published on Tmall from time to time and such fee rate is currently ranging from 3% to 4%. The Alibaba Health Software Services Fees will then be deducted from the receivables of the relevant Target Merchant and paid to Alibaba Health (Hangzhou) and Alibaba Health (Hainan) after a customer confirms the receipt of the Target Products being purchased on Tmall. The finance department of the Company will cross-check the amount of the Tmall Software Services Fees being paid to the Tmall Entities on a monthly basis to ensure the accuracy of the amount. The Tmall Software Services Fees shall be settled in cash on a monthly basis. The Tmall Software Services Fees are determined by reference

to, among other things, the operating costs expected to be incurred by the Tmall Entities in providing the Software Technical Services including staff costs and technical support expenses.

The Tmall Entities will ensure that the terms in respect of the Software Technical Services provided to Alibaba Health (Hangzhou) and Alibaba Health (Hainan) are no less favourable than the general terms available to other independent third parties.

We note that Alibaba Health (Hangzhou) and Alibaba Health (Hainan) shall pay the Tmall Software Services Fees to the Tmall Entities equal to 50% of the Alibaba Health Software Services Fees received by Alibaba Health (Hangzhou) and Alibaba Health (Hainan) from the Target Merchants for transactions of selling the Target Products on Tmall and utilizing services provided by the Tmall Entities. The Alibaba Health Software Services Fees are calculated as a percentage of the value of completed sales of the Target Products sold on Tmall, in accordance with the underlying agreements and the standard terms and conditions (as applicable) as amended and published on Tmall from time to time and such fee rate is currently ranging from 3% to 4% of the value of completed sales of the Target Products sold on Tmall and will be deducted from the receivables of the relevant Target Merchant and paid to Alibaba Health (Hangzhou) and Alibaba Health (Hainan) after a customer confirms the receipt of the Target products he or she purchases on Tmall.

We understand from the discussion with the Management that in determining the Tmall Software Services Fees payable to the Tmall Entities they have taken into consideration factors such as the amount of work needed, efficiency and expertise of the services provided by the Tmall Entities and effectiveness of communication of the service providers in relation to the operating costs expected to be incurred by the Tmall Entities in providing the services including staff costs and technical support expenses before deciding on the revenue sharing arrangement. During our independent research, we found one comparable transaction from the annual report for the year ended December 31, 2020 of JD Health International Inc. (stock code: 6618) (“**JD Health**”, together with subsidiaries, “**JD Health Group**”) that JD Health entered into a technology and traffic support services framework agreement with JD.com on November 23, 2020 (the “**JDH Technology and Traffic Support Services Framework Agreement**”), pursuant to which JD.com and its subsidiaries and consolidated affiliated entities (“**JD Group**”), excluding JD Health Group, would provide JD Health Group technology and traffic support services through its online platforms (e.g. JD.com). The technology and traffic support services under the JDH Technology and Traffic Support Services Framework Agreement primarily include user traffic support, branding activities, operational support and advertisement access for JD Health Group’s merchants and suppliers. JD Group will charge commissions by applying a fixed rate of up 3% (the “**JDH Technology and Traffic Support**

Services Fees”) on the value of the fulfilled orders of healthcare products and services generated through JD Group’s online platforms. In our view, the JDH Technology and Traffic Support Services Framework Agreement is the closest market comparable to the 2023 Framework Technical Services Agreement in terms of the nature of the technology and support services they provide. We note the Tmall Software Services Fees (i.e. 50% of 3% to 4% of the value of completed sales of the Target Products sold on Tmall) is generally in line with the JDH Technology and Traffic Support Services Fees (up to 3% on the value of the fulfilled orders of healthcare products and services generated through JD Group’s online platforms) although it only has to bear 50% of the Alibaba Health Software Services Fees chargeable on completed sales of the Target Products.

Lastly, we note that the pricing terms of the 2023 Framework Technical Services Agreement continue to follow those of the 2022 Framework Technical Services Agreement. Based on the above, we are of the view that the pricing terms for the service fees to be received by the Tmall Entities from the Group under the 2023 Framework Technical Services Agreement are on normal commercial terms which are no less favourable to the Group than those available to other independent third parties.

5. Internal controls for the Group’s continuing connected transactions

As set out in the Letter from the Board, with regard to the internal controls of the Company and as previously disclosed in the 2021 Circular, the Company has adopted adequate internal control measures to comply with the Listing Rules requirements with respect to the supervision and monitoring of the annual caps of the transactions contemplated under the Renewed CCT Agreements. The finance department of the Company has been collecting and will continue to collect information on the actual transactions conducted with the relevant parties, and the corresponding service fees to be incurred under the Renewed CCT Agreements, on a monthly basis and has been updating such information to the legal department and the chief financial officer of the Company to monitor these transaction amounts.

The Company will continue to closely monitor the implementation of the Renewed CCT Agreements and, in the event that any adjustment to an annual cap becomes foreseeable, will take prompt action to make necessary disclosure and obtain the Independent Shareholders’ approval.

The Company’s external auditors will review the continuing connected transactions under each of the Renewed CCT Agreements annually to check and confirm (among other things) whether the pricing terms have been adhered to and whether the relevant annual caps have been exceeded. The relevant counterparties to the Renewed CCT Agreements have agreed to allow the Company and its external auditors to access the information necessary to report on the non-exempt continuing connected transactions contemplated under the respective Renewed CCT Agreements.

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The independent non-executive Directors will review the continuing connected transactions under the Renewed CCT Agreements annually to check and confirm whether such continuing connected transactions have been conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and whether the internal control procedures put in place by the Company are adequate and effective to ensure that such continuing connected transactions are conducted in accordance with the pricing policies set out in such relevant agreements.

Supervision and monitoring of the annual caps

For the supervision and monitoring of the annual caps of the transactions contemplated under the Existing CCT Agreements, we have obtained and reviewed three individual monthly update samples (the “**Monthly Update Samples**”) for each of the Existing CCT Agreements, selected by us randomly, in relation to the actual transactions conducted with the relevant parties under each of the Existing CCT Agreements which were collected by the finance department of the Company and updated such information to the legal department and the chief financial officer of the Company. As each of the Existing CCT Agreements had a term commencing from April 1, 2021 and ending on March 31, 2022, so there were only 11 monthly updates samples available up to the Latest Practicable Date, we consider the three Monthly Update Samples selected randomly from 11 monthly update samples to be generally sufficient and representative. We have also obtained the internal approval guideline for continuing connected transactions of the Group (the “**CCT Guideline**”). As noted from the CCT Guideline, it sets out the work flow of renewing the existing continuing connected transactions of the Group with details of timeline and approval required. From the review of the Monthly Update Samples, we note that: (i) the respective year-to-date transaction amount in the financial year and the relevant annual cap utilization rate were clearly stated in the respective Monthly Update Samples by the finance department of the Company; and (ii) the respective Monthly Update Samples were reported shortly after the relevant months ends to the legal department and the chief financial officer of the Company. Based on the above, we consider that the Company has adopted adequate internal control measures to be able to comply with the Listing Rules requirements with respect to the supervision and monitoring of the annual caps of the transactions contemplated under the Existing CCT Agreements.

Pricing policies

We understand that the service fees under: (i) the 2023 Advertising Services Framework Agreement shall be calculated in accordance with the underlying agreements and the standard terms and conditions (as applicable) as amended and published on the respective online platforms operated by Alibaba Group from time to time which equally apply to other independent third party customers; and (ii) the 2023 Framework Technical Service Agreement shall equal to 50% of the Alibaba Health Software Services Fees received by Alibaba Health (Hangzhou) and Alibaba Health (Hainan) from the Target Merchants for the transactions of selling the Target Products on Tmall and utilizing services provided by the Tmall Entities where the Alibaba Health Software Services Fees are calculated as a percentage (currently ranging from 3% to 4%) of the value of completed sales of the Target Products sold on Tmall, in accordance with the underlying agreements and the standard terms and conditions (as applicable) as amended and published on Tmall from time to time. These pricing policies are similar to those under the Existing CCT Agreements.

We have collected and reviewed the review results issued by the Company's external auditors and the independent non-executive Directors for the year ended March 31, 2021 and noted no exception which have shown the relevant continuing connected transactions had been conducted in accordance with the pricing policies set out in the relevant agreements.

Given the above, we concur with the Company that it has adopted adequate internal control measures to comply with the Listing Rules Requirements with respect to (i) the supervision and monitoring of the annual caps of the transactions contemplated under the Renewed CCT Agreements; and (ii) ensuring that the relevant continuing connected transactions will be conducted in accordance with the pricing policies set out in the Renewed CCT Agreements.

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6. Historical amounts and basis for determining the annual caps

The historical transaction amounts for the year ended March 31, 2021, the existing annual caps for the year ending March 31, 2022, the approximate unaudited transaction amounts for the nine months ended December 31, 2021 based on the management accounts and the proposed annual caps relating to each of the Renewed CCT Agreements for the year ending March 31, 2023 are set out below:

Table 2: Historical amounts of the annual caps, existing annual caps and proposed annual caps

	Approximate historical amounts for the year ended March 31, 2021 <i>(RMB'000)</i>	Existing annual caps for the year ending March 31, 2022 <i>(RMB'000)</i>	Approximate unaudited transaction amounts for the nine months ended December 31, 2021 based on unaudited management accounts <i>(RMB'000)</i>	Proposed annual caps for the year ending March 31, 2023 <i>(RMB'000)</i>
2023 Advertising Services Framework Agreement	378,573	1,150,000	684,374	1,850,000
2023 Framework Technical Services Agreement	794,555	1,250,000	630,612	1,100,000

Source: the Letter from the Board

The proposed annual cap amount under the 2023 Advertising Services Framework Agreement was determined with reference to (i) the historical transaction amounts incurred for the year ended March 31, 2021 and the nine months ended December 31, 2021 based on unaudited management accounts under the 2022 Advertising Services Framework Agreement; (ii) the Group's marketing plans for the year ending March 31, 2023; and (iii) the expected marketing needs of the Group and its target merchants for the year ending March 31, 2023.

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The proposed annual cap amount under the 2023 Framework Technical Services Agreement was determined primarily based on (i) the historical transaction amounts incurred for the year ended March 31, 2021 and the nine months ended December 31, 2021 based on unaudited management accounts under the 2022 Framework Technical Services Agreement; (ii) the historical revenue of Tmall attributable to the sale of the Target Products for the recent three financial years; (iii) the projected revenue of Tmall for the sale of the Target Products for the year ending March 31, 2023; (iv) the Group's projection for the sale of the Target Products based on the expected growth of the overall healthcare market in China; and (v) the Group's marketing plans for enhancing the Software Technical Services that the Company seeks to provide to the Target Merchants.

7. Our analysis on the proposed annual cap under each of the Renewed CCT Agreements

From Table 2 above, we note that the proposed annual cap for the year ending March 31, 2023 under the 2023 Advertising Services Framework Agreement of RMB1.85 billion represents an increase of approximately 60.9% while when comparing to the existing annual cap for the year ending March 31, 2022 of RMB1.15 billion while the proposed annual cap for the year ending March 31, 2023 under the 2023 Framework Technical Services Agreement of RMB1.10 billion represents a moderate decrease of approximately 12.0% when comparing to the existing annual cap for the year ending March 31, 2022 of RMB1.25 billion.

Table 3: Utilization of existing annual caps

	Approximate unaudited transaction amounts for the nine months ended December 31, 2021 based on unaudited management accounts (RMB'000)	Utilization rate based on the unaudited transaction amounts for the nine months ended December 31, 2021 %	Approximate annualized transaction amounts for the year ending March 31, 2022 (RMB'000)	Utilization rate based on the annualized transaction amounts for the year ending March 31, 2022 %
2022 Advertising Services Framework Agreement	684,374	59.5	912,499	79.3
2022 Framework Technical Services Agreement	630,612	50.4	840,816	67.3

Sources: the Letter from the Board and our computation

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As shown in Table 3 above, we note that the utilization rates of the relevant existing annual caps based on the unaudited transaction amount for the nine months ended December 31, 2021 under the 2022 Advertising Services Framework Agreement and the 2022 Framework Technical Services Agreement were approximately 59.5% and 50.4%, respectively. Should the relevant unaudited transaction amounts for the nine months ended December 31, 2021 be annualized for the year ending March 31, 2022 under each of the 2022 Advertising Services Framework Agreement and the 2022 Framework Technical Services Agreement, the relevant utilization rate under each agreement would be approximately 79.3% and 67.3%, respectively.

In assessing the fairness and reasonableness of the proposed annual caps under the Renewed CCT Agreements, we have considered each proposed annual cap in the following section.

2023 Advertising Services Framework Agreement

With respect to the proposed annual cap amount under the 2023 Advertising Services Framework Agreement for the year ending March 31, 2023, we understand that the proposed annual cap amount under the 2023 Advertising Services Framework Agreement was determined with reference to (i) the historical transaction amounts incurred for the year ended March 31, 2021 and the nine months ended December 31, 2021 based on unaudited management accounts under the 2022 Advertising Services Framework Agreement; (ii) the Group's marketing plans for the year ending March 31, 2023; and (iii) the expected marketing needs of the Group and its target merchants for the year ending March 31, 2023.

For the historical transaction amount incurred under the 2022 Advertising Services Framework Agreement, the transaction amount for the nine months ended December 31, 2021 represented a utilization rate of almost 60.0% while the annualized transaction amount for the year ending March 31, 2022 would yield a relatively high utilization rate of almost 80.0% of the existing annual cap for the year ending March 31, 2022. This shows that the Management's estimate for the existing annual cap for the year ending March 31, 2022 has been moderately accurate.

We have obtained and reviewed the calculation worksheet, which included the Group's marketing plan for the year ending March 31, 2023, of the proposed annual cap under the 2023 Advertising Services Framework Agreement for the year ending March 31, 2023. We note that the proposed annual cap under the 2023 Advertising Services Framework Agreement for the year ending March 31, 2023 of RMB1.85 billion would increase by approximately 60.9% or RMB700 million when compared to the existing annual cap for the year ending March 31, 2022 of RMB1.15 billion, which is mainly driven by (i) the Group's marketing plan for the year ending March 31, 2023; (ii) the expected marketing needs of the Group's clients for the year ending March 31, 2023; and (iii) a buffer of approximately 20% to cater for any unexpected increase in the actual transaction amount.

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After reviewing the calculation worksheet with details of the historical transaction amounts for the year ending March 31, 2022 and the estimated transaction amounts for the year ending March 31, 2023 of the advertising services for each of the platforms (more than ten in total) supported by Alibaba Group, including the Alibaba Group Platforms or other third-party platforms (collectively, the “**Advertising Platforms**”), we have discussed with the Management regarding the Group’s marketing plans and the marketing needs for the year ending March 31, 2023. We understand that: (i) the estimated transaction amount for an Advertising Platform (“**Platform A**”) is expected to increase by more than RMB400 million for the year ending March 31, 2023; and (ii) the estimated transaction amounts for the various other Advertising Platforms are expected to experience growth ranging from nil to approximately 20% for the year ending March 31, 2023.

We have made further enquiry to the Management and we are given to understand that: (i) the Group has been utilizing the Advertising Services from Platform A, being an independent third party to the Group, for the year ending March 31, 2022; (ii) the relevant Advertising Services from Platform A are projected to continue into the year ending March 31, 2023; and (iii) one of the Advertising Platforms, a part of Alibaba Group, will collect the advertising fees from the Group on behalf of Platform A starting from the year ending March 31, 2023. As such, the entire estimated transaction amount of Platform A amounted to slightly more than RMB400 million for the year ending March 31, 2023 accounts for the majority of the increase of the aforementioned RMB700 million in the proposed annual cap under the 2023 Advertising Services Framework Agreement for the year ending March 31, 2023.

In respect of the estimated transaction amounts for the other Advertising Platforms with the expected growth rates ranging from nil to approximately 20% for the year ending March 31, 2023, we note that the relevant growth expectation is somewhat lower than with the revenue growth rates of the Group for the six months ended September 30, 2021. As disclosed in the Interim Report, the revenue of the Group was approximately RMB9,357.7 million for the six months ended September 30, 2021, representing an increase of approximately 30.7% as compared to that for the six months ended September 30, 2020. Further, we understand from the discussion with the Management that the Advertising Services to be provided under the 2023 Advertising Services Framework Agreement will mainly facilitate the pharmaceutical direct sales business of the Group. As mentioned under the section headed “3. Reasons for and benefits of entering into the Renewed CCT Agreements”, the revenue of the Group’s pharmaceutical direct sales business increased from approximately RMB6,036.0 million for the six months ended September 30, 2020 to approximately RMB8,119.0 million for the six months ended September 30, 2021, representing a strong year-on-year growth of approximately 34.5%. We note the buffer of approximately 20% would cater for any unexpected increase in the actual transaction amount, which in our view is fair and reasonable given the strong revenue growth rates of the Group for the six months ended September 30, 2021.

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Based on the above, we consider that the proposed annual cap under the 2023 Advertising Services Framework Agreement for the year ending March 31, 2023 to be fair and reasonable.

2023 Framework Technical Services Agreement

With respect to the proposed annual cap amount under the 2023 Framework Technical Services Agreement for the year ending March 31, 2023, we understand that it was determined primarily based on (i) the historical transaction amounts incurred for the year ended March 31, 2021 and the nine months ended December 31, 2021 based on unaudited management accounts under the 2022 Framework Technical Services Agreement; (ii) the historical revenue of Tmall attributable to the sale of the Target Products for the recent three financial years; (iii) the projected revenue of Tmall for the sale of the Target Products for the year ending March 31, 2023; (iv) the Group's projection for the sale of the Target Products based on the expected growth of the overall healthcare market in China; and (v) the Group's marketing plans for enhancing the Software Technical Services that the Company seeks to provide to the Target Merchants.

For the historical transaction amount incurred under the 2022 Framework Technical Services Agreement, the transaction amount for the nine months ended December 31, 2021 represented a utilization rate of approximately 50.4% while the annualized transaction amount for the year ending March 31, 2022 represented an utilization rate of approximately 67.3% of the existing annual cap for the year ending March 31, 2022. The relatively low utilization rates have prompted the Management to reduce the proposed annual cap amount under the 2023 Framework Technical Services Agreement for the year ending March 31, 2023 to a level which is lower than that of the year ending March 31, 2022.

We have obtained and reviewed the calculation worksheet, which included the Group's marketing plan for the year ending March 31, 2023, of the proposed annual cap under the 2023 Framework Technical Services Agreement for the year ending March 31, 2023. We note that the proposed annual cap under the 2023 Framework Technical Services Agreement for the year ending March 31, 2023 of RMB1,100 million represents a moderate decrease of 12.0% when compared to the existing annual cap for the year ending March 31, 2022. We understand from the discussion with the Management that the services to be provided under the 2023 Framework Technical Services Agreement will mainly facilitate the pharmaceutical e-commerce platform business of the Group. As mentioned under the section headed "3. Reasons for and benefits of entering into the Renewed CCT Agreements", the revenue of the Group's pharmaceutical e-commerce platform business increased from approximately RMB925.4 million for the six months ended September 30, 2020 to approximately RMB1,010.3 million for the six months ended September 30, 2021, representing a year-on-year growth of approximately 9.2%. We note in previous year, the relevant year-on-year growth between the six months ended September 30, 2020 and 2019 was approximately 71.4%.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Further, we note that: (i) the annualized transaction amounts under the 2022 Framework Technical Services Agreement for the year ending March 31, 2022 would amount to approximately RMB840.8 million which will account for approximately 76.4% of the proposed annual cap under the 2023 Framework Technical Services Agreement; and (ii) the buffer adopted in the proposed annual cap under the 2023 Framework Technical Services Agreement has been reduced from 24% under the 2022 Framework Technical Services Agreement to 20%.

Based on the above, we consider that the proposed annual cap under the 2023 Framework Technical Services Agreement for the year ending March 31, 2023 to be fair and reasonable.

OPINION AND RECOMMENDATION

In view of the above principal factors and reasons, we consider that the entering into of the Renewed CCT Agreements and the transactions contemplated thereunder to be in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, the terms of the Renewed CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favor of the ordinary resolutions to be proposed at the SGM in relation to the Renewed CCT Agreements, the transactions contemplated thereunder and the annual caps related thereto.

Yours faithfully,
For and on behalf of
Opus Capital Limited
Cheung On Kit Andrew
Executive Director

Mr. Cheung On Kit Andrew is an Executive Director of Opus Capital Limited and is licensed under the SFO as a Responsible Officer to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Mr. Cheung has over 14 years of corporate finance experience in Asia Pacific and has participated in and completed various financial advisory and independent financial advisory transactions.

* *English name for identification purposes only.*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN EQUITY SECURITIES AND UNDERLYING SHARES

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Long Position in Shares

Name of Director	Nature of interest	Total interest in Shares	Approximate percentage of the total issued Shares
Mr. ZHU Shunyan	Beneficial owner and equity derivative interests ⁽¹⁾	4,889,750	0.04%
Mr. SHEN Difan	Beneficial owner and equity derivative interests ⁽²⁾	1,567,245	0.01%
Mr. TU Yanwu	Beneficial owner and equity derivative interests ⁽³⁾	1,208,650	0.01%

Notes:

- (1) Mr. ZHU Shunyan beneficially held 900,000 ordinary shares of the Company and, subject to vesting, is interested in 3,989,750 shares underlying the 3,321,250 Options and 668,500 RSUs granted to him in accordance with the Share Award Scheme.
- (2) Mr. SHEN Difan beneficially held 845,795 ordinary shares of the Company and, subject to vesting, is interested in 721,450 shares underlying the 336,750 Options and 384,700 RSUs granted to him in accordance with the Share Award Scheme.

- (3) Mr. TU Yanwu beneficially held 464,000 ordinary shares of the Company and, subject to vesting, is interested in 744,650 shares underlying the 212,250 Options and 532,400 RSUs granted to him in accordance with the Share Award Scheme.

Long Position in shares of and underlying shares of Alibaba Holding, an associated corporation of the Company within the meaning of Part XV of the SFO

Name of Director	Nature of interest	Number of shares/ underlying shares held*	Approximate percentage of the total issued shares of associated corporation
Mr. ZHU Shunyan	Beneficial owner, equity derivative interests and interests of spouse ⁽¹⁾	2,435,168	0.01%
Mr. SHEN Difan	Beneficial owner, equity derivative interests and interests of spouse ⁽²⁾	167,392	0.00%
Mr. LI Faguang	Beneficial owner and equity derivative interests ⁽³⁾	87,848	0.00%
Mr. TU Yanwu	Equity derivative interests ⁽⁴⁾	8,000	0.00%

Notes:

- (1) These interests represented 2,079,168 ordinary shares or underlying ordinary shares and 24,500 restricted share units (representing 196,000 ordinary shares or underlying ordinary shares) beneficially held by Mr. ZHU Shunyan and 160,000 ordinary shares or underlying shares held by his spouse.
- (2) These interests represented 85,656 ordinary shares or underlying ordinary shares and 2,125 restricted share units (representing 17,000 ordinary shares or underlying ordinary shares) beneficially held by Mr. SHEN Difan and 64,736 ordinary shares or underlying shares held by his spouse.
- (3) These interests represented 4,848 ordinary shares or underlying ordinary shares and 10,375 restricted share units (representing 83,000 ordinary shares or underlying ordinary shares) beneficially held by Mr. LI Faguang.
- (4) These interests represented 1,000 restricted share units (representing 8,000 ordinary shares or underlying ordinary shares) beneficially held by Mr. TU Yanwu.
- * Alibaba Holding approved to effect a one-to-eight share subdivision of its ordinary shares (the “**Share Subdivision**”) at the annual general meeting held on July 15, 2019. The Share Subdivision became effective on July 30, 2019. Accordingly, Alibaba Holding has changed its ratio of American depositary shares to ordinary shares from 1:1 to 1:8. The ratio of restricted share units to ordinary shares of Alibaba Holding has also changed from 1:1 to 1:8.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they would be taken or deemed to have under such provisions of the SFO); (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

Interests of Directors as Director or employee of a substantial shareholder or any Subsidiaries of a substantial shareholder

As at the Latest Practicable Date, save for the fact that:

- Mr. ZHU Shunyan was a partner of the Alibaba Partnership;
- Mr. SHEN Difan has been a special assistant to the chairman of the board of directors of Alibaba Holding since March 2020. He also acted as a consultant to Alibaba Group; and
- Mr. Li Faguang was a senior financial controller of Alibaba Holding,

none of the Directors was a director or employee of a company which had an interest or short position in the Shares or underlying Shares in the Company which would fall to be disclosed to the Company and the Stock Exchange under provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF THE GROUP

As at the Latest Practicable Date, none of the Directors had, or had had, any direct or indirect interest in any assets acquired or disposed of by or leased to or proposed to be acquired or disposed of by or leased to any member of the Group since March 31, 2021, the date to which the latest published audited financial statements of the Group were made up; and, except for any perceived material interest in transactions between members of Alibaba Group and the Company due to their role as employees of Alibaba Holding or its Subsidiaries, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group, excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTERESTS IN A COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective associate(s) was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. CONSENT OF EXPERT

The following is the qualifications of the professional adviser who has given opinion or advice contained in this circular:

Name	Qualifications
Opus Capital Limited	A corporation licensed by the Securities and Futures Commission to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the Independent Financial Adviser

The letter from the Independent Financial Adviser is given as of the date of this circular for incorporation herein. Opus Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear. As at the Latest Practicable Date, Opus Capital Limited did not have: (a) any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and (b) any direct or indirect interest in any assets acquired or disposed of by or leased to or proposed to be acquired or disposed of by or leased to any member of the Group since March 31, 2021, the date to which the latest published audited financial statements of the Group were made up.

7. MATERIAL ADVERSE CHANGE

The Directors confirm that there was no material adverse change in the financial or trading position of the Group since March 31, 2021, the date to which the latest published audited consolidated financial statements of the Group were made up.

8. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.irasia.com/listco/hk/alihealth/>) from the date of this circular up to and including March 22, 2022.

- (i) each of the Renewed CCT Agreements;
- (ii) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 23 to 24 of this circular;

- (iii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 25 to 47 of this circular;
- (iv) the written consent referred to in the section headed “Consent of Expert” of this Appendix; and
- (v) this circular.

9. LANGUAGE

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.



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)

NOTICE OF SPECIAL GENERAL MEETING

Notice is hereby given that a special general meeting (the “SGM”) of Alibaba Health Information Technology Limited (the “Company”) will be held via the e-Meeting System on Monday, March 28, 2022 at 11:00 a.m. by way of a virtual meeting for the purposes of considering and, if thought fit, passing (with or without amendments) the following ordinary resolutions:

ORDINARY RESOLUTIONS

“THAT

1. the 2023 advertising services framework agreement entered into between the Company and Alibaba Holding on February 4, 2022, the continuing connected transactions contemplated thereunder and the proposed annual cap for the year ending March 31, 2023, be and hereby are confirmed, approved and ratified;
2. the 2023 framework technical services agreement entered into between Alibaba Health Technology (Hangzhou) Co., Ltd.* (阿里健康科技(杭州)有限公司), Alibaba Health Technology (Hainan) Co., Ltd.* (阿里健康科技(海南)有限公司) and the Tmall Entities (namely, Zhejiang Tmall Technology Co., Ltd.* (浙江天貓技術有限公司), Zhejiang Tmall Network Co., Ltd.* (浙江天貓網絡有限公司) and/or their applicable affiliates (as the case may be), collectively) on February 4, 2022, the continuing connected transactions contemplated thereunder and the proposed annual cap for the year ending March 31, 2023, be and hereby are confirmed, approved and ratified; and

NOTICE OF SPECIAL GENERAL MEETING

- any one or more of the directors of the Company (the “**Directors**”) or the company secretary of the Company for and on behalf of the Company be and hereby are authorized to sign, seal, execute and deliver all such documents and deeds, and do all such acts, matters and things as they may in their discretion consider necessary, desirable or expedient to give effect to and/or to implement the transactions contemplated in the Resolutions 1 and 2.”

By Order of the Board

ALIBABA HEALTH INFORMATION TECHNOLOGY LIMITED

ZHU Shunyan

Chairman and Chief Executive Officer

Hong Kong, March 8, 2022

Notes:

- All resolutions at the SGM will be taken by poll pursuant to the bye-laws of the Company and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
- Any shareholder of the Company entitled to attend and vote at the SGM is entitled to appoint a proxy to attend and vote via the e-Meeting System instead of him/her. A proxy needs not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- Any shareholder of the Company whose ownership is either recorded through the Central Clearing and Settlement System (CCASS) or maintained with a licensed securities dealer (i.e., not directly recorded in his/her own name in the Register of Members of the Company) shall only be entitled to vote by providing his/her instructions to vote to HKSCC Nominees Limited either directly as a CCASS Participant or through his/her licensed securities dealer and the relevant financial intermediaries. In order to attend and vote via the e-Meeting System at the SGM, any such shareholder shall be appointed by HKSCC Nominees Limited as its proxy to attend and vote instead of him/her.
- In order to be valid, the form of proxy must be deposited at the Company’s Hong Kong branch share registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, or via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting via the e-Meeting System at the SGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

NOTICE OF SPECIAL GENERAL MEETING

In the case of joint holders of any share(s), only ONE PAIR of log-in username and password for the e-Meeting System will be provided to the joint holders. Any one of such joint holders may attend or vote in respect of such share(s) as if he/she/it was solely entitled thereto.

5. The record date for determining the entitlement of the shareholders of the Company to attend and vote at the above meeting will be Tuesday, March 22, 2022. All transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, March 22, 2022.
6. In the event of inconsistency, the English text of this notice shall prevail over the Chinese text.
7. As at the date of this notice, the Board comprises seven Directors, of whom (i) three are executive Directors, namely Mr. ZHU Shunyan, Mr. SHEN Difan and Mr. TU Yanwu; (ii) one is a non-executive Director, namely Mr. LI Faguang; and (iii) three are independent non-executive Directors, namely Mr. LUO Tong, Mr. WONG King On, Samuel and Ms. HUANG Yi Fei (Vanessa).

* *English name for identification purposes only.*