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ALIBABA HEALTH INFORMATION TECHNOLOGY LIMITED
阿里健康信息技術有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00241)

GRANT OF SHARE OPTIONS AND RESTRICTED SHARE UNITS

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SHARE OPTIONS

On June 8, the Company granted 8,190,000 Options to one Grantee in accordance with the terms of the Share Award Scheme, subject to acceptance.

Details of the Grant

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

Date of Grant: June 8, 2018

Number of Grantee: 1

Total number of new Shares to be subscribed upon exercise of the Options granted:	8,190,000
Consideration for the grant:	Nil
Exercise price of the Options granted:	HK\$7.240 per Share
Validity period of the Options:	The validity period of the Options shall be ten years from the Date of Grant and the Options shall lapse at the expiry of the validity period.
Vesting period:	The Options granted shall vest in the Grantee as follows: <ul style="list-style-type: none"> — as to 50% shall vest on April 30, 2020; — as to 25% shall vest on April 30, 2021; and — as to 25% shall vest on April 30, 2022.

The Options granted are not subject to performance targets.

Exercise Price

The exercise price of the Options of HK\$7.240 per Share represents the highest of (i) the closing price of the Shares of HK\$7.240 per Share as stated in the daily quotation sheet issued by the Stock Exchange on the Date of Grant, (ii) the average closing price of the Shares of HK\$7.130 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant, and (iii) the nominal value of each Share, which is HK\$0.01.

Connected Grantee

The Options are granted to Mr. Shen Difan, the Chief Executive Officer of the Company and an executive Director, and hence a connected person of the Company. Such grant of Options was approved by the independent non-executive Directors in accordance with Rule 17.04(1) of the Listing Rules. Mr. Shen Difan had abstained from voting on the resolution relating to the Options granted to himself and had not been counted towards the quorum of the Board meeting in respect of such resolution.

Based on the closing price of HK\$7.240 per Share as quoted on the Stock Exchange on June 8, 2018, the market value of the Options to be granted to the Connected Grantee amounts to approximately HK\$59.30 million.

RESTRICTED SHARE UNITS

On June 8, 2018, the Company granted 43,423,576 RSUs to 260 Grantees in accordance with the terms of the Share Award Scheme, subject to acceptance. In accordance with the terms of the Share Award Scheme, the RSUs were granted to the Grantees under the following terms:

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

In relation to 40,753,576 RSUs granted to the Non-connected Grantees who are not connected persons of the Company, new Shares that rank *pari passu* in all respects among themselves and with all the Shares in issue from time to time shall be issued to such Non-connected Grantees upon vesting and settlement of such RSUs. In relation to 2,670,000 RSUs granted to the Connected Grantees, the Company shall procure the Trustee to purchase existing Shares from the market out of cash contribution by the Company to be held on trust for the Connected Grantees until such RSUs are vested with such Connected Grantees.

The RSUs granted shall vest in the Grantees within four years from the Date of Grant. Based on the closing price of HK\$7.240 per Share as quoted on the Stock Exchange on the Date of Grant, the market value of the RSUs granted to the Grantees amounts to approximately HK\$314.39 million.

Connected Grantees

Five of the Grantees, who are connected persons of the Company, were granted 2,670,000 RSUs.

Based on the closing price of HK\$7.240 per Share as quoted on the Stock Exchange on the Date of Grant, the market value of the RSUs to be granted to the Connected Grantees amounts to approximately HK\$19.33 million.

LISTING RULES IMPLICATIONS

The grant of RSUs to the Connected Grantees constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. However, no new Shares will be issued and allotted upon vesting and settlement of such RSUs granted to the Connected Grantees. As the RSUs were granted to the Connected Grantees pursuant to their service contract with the Company or its subsidiary, the grant of RSUs to the Connected Grantees is exempt from reporting, announcement and independent shareholders' approval requirements under Rule 14A.73 of the Listing Rules.

REASONS FOR AND BENEFITS OF THE GRANTS

The purpose of the aforesaid grants of the Options and RSUs is to (i) attract skilled and experienced personnel for the further development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company, (ii) recognize our existing employees' contribution to the success and development of the Group, and (iii) generally incentivize and motivate our employees to remain with, and to strive for the future development and expansion of, the Group.

DEFINITIONS

“Board”	the board of directors of the Company
“Company”	Alibaba Health Information Technology Limited (阿里健康信息技術有限公司), a company incorporated in Bermuda and listed on the Stock Exchange (Stock Code: 00241)
“Connected Grantee”	a Grantee and also a connected person of the Company
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Date of Grant”	June 8, 2018
“Director(s)”	director(s) of the Company
“Grantees”	the employees of the Group who were granted Options and/or RSUs in accordance with the Share Award Scheme on the Date of Grant
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Non-connected Grantees”	the 255 Grantees who are not connected persons of the Company
“Option(s)”	option(s) to subscribe for or acquire Shares which is granted under the Share Award Scheme
“PRC”	the People’s Republic of China
“RSU(s)”	restricted share unit(s), being a contingent right to receive Shares which is awarded under the Share Award Scheme

“Share Award Scheme”	the share award scheme adopted by the Company at a special general meeting on November 24, 2014, the principal terms of which were set out on pages 10 to 20 of the Company’s circular dated October 31, 2014
“Shares”	ordinary shares in the issued capital of the Company with a nominal value of HK\$0.01
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the same meaning ascribed to it under the Listing Rules
“Trustee”	the professional trustee of the Share Award Scheme appointed by the Company

By Order of the Board
Alibaba Health Information Technology Limited
SHEN Difan
Chief Executive Officer and Executive Director

Hong Kong, June 8, 2018

As at the date of this announcement, the Board comprises eight Directors, of whom (i) one is an executive Director, namely, Mr. SHEN Difan; (ii) four are non-executive Directors, namely Mr. WU Yongming, Mr. WANG Lei, Mr. KANG Kai and Ms. ZHANG Yu; and (iii) three are independent non-executive Directors, namely Mr. YAN Xuan, Mr. LUO Tong and Mr. WONG King On, Samuel.