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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)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS RENEWED CLOUD COMPUTING SERVICES AGREEMENT

Reference is made to the announcement of the Company dated September 30, 2014 in relation to the Original Cloud Computing Services Agreement, which expired on March 31, 2015. A renewal of such agreement has been agreed and pursuant to the Renewed Cloud Computing Services Agreement entered into by CITIC 21CN Technology, an indirectly wholly-owned Subsidiary of the Company, and Alibaba Cloud on April 21, 2015, Alibaba Cloud has agreed to provide certain cloud computing services to the Group for a term of one (1) year, being deemed to have commenced on April 1, 2015 and ending on March 31, 2016. It is expected that the total fees payable by CITIC 21CN Technology to Alibaba Cloud under the Renewed Cloud Computing Services Agreement will not exceed HK\$10,000,000.

Perfect Advance is a substantial shareholder and a connected person of the Company. Alibaba Holding is the ultimate majority shareholder of Perfect Advance and Alibaba Cloud is a member of Alibaba Group. Accordingly, Alibaba Cloud is also a connected person of the Group and the transactions contemplated under the Renewed Cloud Computing Services Agreement will constitute continuing connected transactions for the Company in accordance with the Listing Rules.

As the highest of the applicable percentage ratios calculated with reference to the annual cap in respect of the Renewed Cloud Computing Services Agreement is more than 0.1% but less than 25% and the total expected consideration is less than HK\$10,000,000, these transactions are subject to the reporting, annual review, and announcement requirements, but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

RENEWED CLOUD COMPUTING SERVICES AGREEMENT

Reference is made to the announcement of the Company dated September 30, 2014 in relation to the Original Cloud Computing Services Agreement, which expired on March 31, 2015. A renewal of such agreement has been agreed and the principal terms of the Renewed Cloud Computing Services Agreement are set out below.

Background

The Group uses cloud computing services in the ordinary and usual course of its business and Alibaba Cloud has been providing certain cloud computing services to the Group pursuant to the Original Cloud Computing Services Agreement since September 30, 2014. As the Original Cloud Computing Services Agreement expired on March 31, 2015 and the Group expects to continue to place orders from time to time for various cloud computing services with Alibaba Cloud, which will be on an arm's length basis and on normal commercial terms, to ensure that all such orders comply with Rule 14A.34 of the Listing Rules, CITIC 21CN Technology has entered into the Renewed Cloud Computing Services Agreement with Alibaba Cloud.

Date

April 21, 2015

Parties

- (1) CITIC 21CN Technology
- (2) Alibaba Cloud

Principal Terms

Duration

The Renewed Cloud Computing Services Agreement shall be for a term of one(1) year, being deemed to have commenced on April 1, 2015 and ending on March 31, 2016, unless otherwise terminated in accordance with the terms thereunder.

Services

Pursuant to the Renewed Cloud Computing Services Agreement, Alibaba Cloud has agreed to provide to the Group various cloud computing services, including ECS, RDS, CDN, OCS, OSS, SLB, OTS, ODPS and related services, according to the needs of the Group.

Service fees and payment terms

The fees for ECS, RDS, CDN, OCS, OSS, SLB and ODPS shall be calculated based on the actual usage of those services and the relevant per unit Discounted Published Rates for such services. Such fees will be deducted from the Deposit Account based on actual usage on an ongoing basis.

For OTS, the services are currently provided through independent clusters, but are expected to be migrated to shared clusters during the term of the Renewed Cloud Computing Services Agreement. The relevant fees that will be payable for such services provided through independent clusters will be calculated based on the cost of maintaining the independent clusters, and settled on a monthly basis upon the issue of the relevant invoices by Alibaba Cloud. Upon completion of the migration of the services to shared clusters, the fees shall be calculated based on the actual usage of those services and the relevant per unit Discounted Published Rates for such services, and will be deducted from the Deposit Account based on actual usage on an ongoing basis.

The Renewed Cloud Computing Services Agreement also provided that the fees for ECS and RDS may also be charged on a fixed yearly or monthly fee according to the relevant per unit Discounted Published Rates for such services. The fees for ECS and RDS, when charged on a fixed yearly or monthly basis, shall be pre-paid.

The fees for any related services shall be charged on a fixed monthly basis as pre-determined in the Renewed Cloud Computing Services Agreement and settled at the end of every month.

REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWED CLOUD COMPUTING SERVICES AGREEMENT

As previously disclosed by the Company, the Group plans to expand the application of its PIATS to provide integrated product tracking and data processing and management solutions, including pioneering cloud-based information management and sharing platform for healthcare enterprises, for an expanded customer base in the entire healthcare sector, including hospitals, community health centers and pharmacies (the “**PIATS Value-Added Services**”). In doing so, the Group has continued to enhance its PIATS infrastructure, developing a data standard for pharmaceutical and healthcare products and providing value-added services to integrate data processing and management systems of customers into the enhanced PIATS infrastructure. The Company has been exploring ways to further monetize its considerable customer base by utilizing the PIATS Value-Added Services. The Company believes that the provision of the PIATS Value-Added Services will continue to generate significant increases in traffic and data size of the PIATS in the near future. To continue maintaining a stable and sophisticated system to cater for real-time access to the PIATS by the customers, the Group needs substantial technology input on cloud computing or other data processing solutions for processing big data.

The transactions under the Renewed Cloud Computing Services Agreement will increase the application of the Group’s PIATS Value-Added Services by its customers and enhance the quality of the Group’s services and operation management standards.

In light of the above, the Directors (including the independent non-executive Directors) consider that the transactions under the Renewed Cloud Computing Services Agreement will be conducted in the ordinary and usual course of business of the Group, and that the terms of the Renewed Cloud Computing Services Agreement have been negotiated on an arm's length basis, on normal commercial terms, and are fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

HISTORICAL TRANSACTION AMOUNTS

Based on the management accounts of the Company as of March 31, 2015 (the date to which the latest management accounts of the Company are available as of the date of this announcement), the aggregate value of service fees paid to Alibaba Cloud under the Original Cloud Computing Services Agreement was approximately RMB2.2 million for the six months ended March 31, 2015.

ANNUAL CAP AMOUNT AND BASIS FOR DETERMINING THE ANNUAL CAP AMOUNT

It is expected that the maximum aggregate fees payable by CITIC 21CN Technology to Alibaba Cloud under the Renewed Cloud Computing Services Agreement for the year ending March 31, 2016 will not exceed HK\$10,000,000.

The annual cap has been estimated primarily based on the aggregate amount of service fees paid by the Group to Alibaba Cloud under the Original Cloud Computing Services Agreement (which amounted to approximately RMB2.2 million for the six months ended March 31, 2015), the expected business growth of the Group, the estimated future demand for cloud computing services, the fees and discounts agreed by the parties under the Renewed Cloud Computing Services Agreement and the applicable rates of services currently published by Alibaba Cloud on its official website.

The Directors (including the independent non-executive Directors) consider that the annual cap is fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

Perfect Advance is a substantial shareholder and a connected person of the Company. Alibaba Holding is the ultimate majority shareholder of Perfect Advance and Alibaba Cloud is a member of the Alibaba Group. Accordingly, Alibaba Cloud is also a connected person of the Group and the transactions contemplated under the Renewed Cloud Computing Services Agreement will constitute continuing connected transactions for the Company in accordance with the Listing Rules.

As the highest of the applicable percentage ratios calculated with reference to the annual cap in respect of the Renewed Cloud Computing Services Agreement is more than 0.1% but less than 25% and the total expected consideration is less than HK\$10,000,000, these transactions are subject to the reporting, annual review, and announcement requirements, but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Renewed Cloud Computing Service Agreement was approved by the board on April 6, 2015, prior to the resignation of Dr. WANG Jian and Mr. CHIA Pun Kok as executive Director and non-executive Director, respectively, which became effective on April 17, 2015, and the execution of the agreement by the parties on April 21, 2015. As Dr. WANG Jian, Mr. ZHANG Yong, Mr. CHEN Jun and Mr. CHIA Pun Kok are employees of Alibaba Holding or its Subsidiaries, while Mr. YU Feng owns 60% of Yunfeng Investment GP II, Ltd., which indirectly controls Innovare Tech Limited, and Innovare Tech Limited holds the remaining shares of Perfect Advance not held by Alibaba Holding, each of these Directors and former Directors are deemed or may be perceived to have a material interest in the transaction. Accordingly, they abstained from voting on the resolutions passed by the Board on April 6, 2015 to approve the Renewed Cloud Computing Services Agreement.

PRINCIPAL ACTIVITIES OF THE GROUP AND ALIBABA CLOUD

The Company is an investment holding company. The Group is an integrated information and content service provider and the principal activities of the Group comprise the provision of PIATS principally for the drug industry in the PRC and system integration and software development.

The principal activities of Alibaba Cloud include the provision of cloud computing services, including elastic computing, database services and storage and large scale computing services, for the platforms of companies integral to the Alibaba Group's ecosystem including the Company's platform and to sellers on the marketplaces and other third-party customers of the Alibaba Group, and the provision of Internet infrastructure services, such as web hosting and domain name registration.

DEFINITIONS

“Alibaba Cloud”	Alibaba Cloud Computing Ltd.* (阿里雲計算有限公司), a company incorporated in the PRC and a member of the Alibaba Group
“Alibaba Group”	the group of companies comprising Alibaba Holding and its Subsidiaries
“Alibaba Holding”	Alibaba Group Holding Limited, a company incorporated in the Cayman Islands
“Board”	the board of directors of the Company
“CDN”	content delivery network
“CITIC 21CN Technology”	CITIC 21CN (China) Technology Company Limited* (中信二十一世紀(中國)科技有限公司), a company in the PRC and an indirectly wholly-owned Subsidiary of the Company

“Company”	Alibaba Health Information Technology Limited, a company incorporated in Bermuda, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited
“Deposit Account”	the deposit account maintained by CITIC 21CN Technology with Alibaba Cloud for payment of service fees under the Renewed Cloud Computing Services Agreement
“Director(s)”	member(s) of the Board
“Discounted Published Rates”	with respect to each of the services provided by Alibaba Cloud, the fees for such services calculated by applying a 15% discount to the relevant service rate published by Alibaba Cloud on its official website from time to time
“ECS”	elastic computing service
“Group”	the Company and each of its Subsidiaries from time to time
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“OCS”	open cache service
“ODPS”	open data processing service
“Original Cloud Computing Services Agreement”	the services agreement dated September 30, 2014 entered into between CITIC 21CN Technology and Alibaba Cloud
“OSS”	open storage service
“OTS”	open table service
“Perfect Advance”	Perfect Advance Holding Limited, a company incorporated in the British Virgin Islands and an indirectly wholly-owned Subsidiary of Alibaba Holding
“PIATS”	product identification, authentication and tracking system
“PRC”	the People’s Republic of China
“RDS”	relational database service
“Renewed Cloud Computing Services Agreement”	the services agreement dated April 21, 2015 entered into between CITIC 21CN Technology and Alibaba Cloud

“SLB”	server load balancer
“Subsidiary”	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
%	per cent
*	<i>For identification purpose only</i>

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

Hong Kong, April 21, 2015

As at the date of this announcement, the Board comprises nine directors, of which (i) two are executive Directors, namely Ms. CHEN Xiao Ying and Mr. WANG Lei; (ii) four are non-executive Directors, namely Mr. WU Yongming, Mr. ZHANG Yong, Mr. CHEN Jun and Mr. YU Feng; and (iii) three are independent non-executive Directors, namely Mr. YAN Xuan, Mr. LUO Tong and Mr. Samuel King On WONG.