

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

This announcement 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.



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

GRANT OF RESTRICTED SHARE UNITS

On June 14, 2017, the Company granted 3,523,000 Options to five (5) Grantees and 33,299,000 RSUs to 160 Grantees in accordance with the terms of the Share Award Scheme, subject to acceptance.

SHARE OPTIONS

On June 14, 2017, the Company granted 3,523,000 Options to five (5) Grantees 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 Grantees are as follows:

Date of Grant:	June 14, 2017
Number of Grantees:	5
Total number of new Shares to be subscribed upon exercise of the Options granted:	3,523,000
Consideration for the grant:	Nil
Exercise price of the Options granted:	HK\$3.902 per Share

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

Vesting period: The Options granted shall vest in the Grantees as follows:

- 1,761,500 (representing 50% of the Options granted) shall vest on April 30, 2019;
- 880,750 (representing 25% of the Options granted) shall vest on April 30, 2020;
- 880,750 (representing 25% of the Options granted) shall vest on April 30, 2021.

The Options granted are not subject to performance targets.

Exercise Price

The exercise price of the Options of HK\$3.902 per Share represents the highest of (i) the closing price of the Shares of HK\$3.800 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\$3.902 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.

Grantees

To the best of the knowledge of the Directors, none of the five (5) Grantees granted with Options on June 14, 2017 is a Director or a connected person of the Company.

RESTRICTED SHARE UNITS

On June 14, 2017, the Company granted 33,299,000 RSUs to 160 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 25,020,000 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 8,279,000 RSUs granted to the Connected Grantees, the Company shall procure the Trustee to purchase existing Shares from the market out of cash contribution by the Company to be held on trust for the Grantees until such RSUs are vested with such Connected Grantees.

The RSUs granted shall vest in the Grantees within four years from the Date of Grant.

Based on the closing price of HK\$3.800 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\$126.5 million.

Connected Grantees

10 of the Grantees, who are connected persons of the Company, were granted 8,279,000 RSUs in aggregate. Mr. Wang Lei had abstained from voting on the resolution relating to the RSUs granted to himself and had not been counted towards the quorum of the Board meeting in respect of such resolution.

Based on the closing price of HK\$3.800 per Share as quoted on the Stock Exchange on June 14, 2017, the market value of the RSUs to be granted to the 10 Connected Grantees amounts to approximately HK\$31.5 million.

Listing Rules Implications

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

REASONS FOR AND BENEFITS OF THE GRANTS

The purpose of the aforesaid grants of 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 Grantees”	the 10 Grantees who are also connected persons of the Company
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Date of Grant”	June 14, 2017
“Director(s)”	director(s) of the Company

“Grantees”	the employees of the Group who were granted 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 150 Grantees who are not connected persons of the Company
“Option(s)”	option(s) to subscribe for or acquire Shares which is granted under the Share Award Scheme
“RSU(s)”	restricted share unit(s), being a contingent right to receive Shares which is awarded under the Share Award Scheme
“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
WANG Lei
Chief Executive Officer and Executive Director

Hong Kong, June 14, 2017

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