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## **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)**

### **CONTINUING CONNECTED TRANSACTION — LOGISTICS SERVICES FRAMEWORK AGREEMENT**

On June 28, 2017, the Company (for itself and on behalf of its subsidiaries) entered into the Logistics Services Framework Agreement with Zhejiang Cainiao (for itself and on behalf of its affiliates), pursuant to which the Cainiao Group will provide the Logistics Services and the Group will pay the Service Fees. The term of the Logistics Services Framework Agreement commenced from April 1, 2017 to March 31, 2018.

Perfect Advance is a substantial shareholder of the Company. As Zhejiang Cainiao is an associate of Perfect Advance, each of the members of the Cainiao Group is a connected person of the Group. The transactions under the Logistics Services Framework Agreement between the Group and the Cainiao Group constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Company expects that the total Service Fees to be paid by the Group to the Cainiao Group under the Logistics Services Framework Agreement for the year ending March 31, 2018 will be not more than RMB23 million. Since one or more of the applicable percentage ratios in respect of the annual cap is less than 5%, the transactions contemplated under the Logistics Services Framework Agreement are subject to the reporting, announcement, annual review but exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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A summary of the principal terms of the Logistics Services Framework Agreement and the estimated annual cap for the transactions thereunder are set out below.

## **LOGISTICS SERVICES FRAMEWORK AGREEMENT**

### **Date**

June 28, 2017

### **Parties**

- (1) The Company (for itself and on behalf of its subsidiaries)
- (2) Zhejiang Cainiao (for itself and on behalf of its affiliates)

### **Duration**

The term of the Logistics Services Framework Agreement commenced from April 1, 2017 and shall end on March 31, 2018, unless otherwise terminated in accordance with the terms thereunder.

### **Services to be provided**

Pursuant to the Logistics Services Framework Agreement, Zhejiang Cainiao has agreed that the Cainiao Group will provide to the Group the Logistics Services including but not limited to warehouse operation and storage services, domestic and international delivery services, customs registration and clearance services, standard and special packaging services and other value-added and logistics services provided by the Cainiao Group from time to time. The Cainiao Group shall provide the Logistics Services to the Group in accordance with the standard terms and conditions as amended and published on the respective online platforms operated by the Cainiao Group from time to time.

### **Service Fees and payment terms**

The Service Fees shall be calculated in accordance with the standard terms and conditions as amended and published on the respective online platforms operated by the Cainiao Group from time to time. As at the date of this announcement, the Service Fees comprise the following:

- (i) storage fees, which are calculated based on the size of the Group's goods stored in the Cainiao Group's warehouses and which are payable monthly;
- (ii) basic service fees, including delivery fees, which are calculated based on the size or the weight (whichever results in the higher rate) of the Group's goods being delivered by the Cainiao Group, and which are payable against each delivery order;
- (iii) value-added service fees, depending on the type of value-added services provided, which are calculated based on the quantity of the goods requiring the respective value-added services and payable against each delivery order; and

(iv) disbursement and other incidental costs arising from the Logistics Services such as tax paid on behalf of the Group by the Cainiao Group, which shall be collected by the Cainiao Group against each delivery order.

The Services Fees (other than the storage fees which are settled monthly) shall be settled immediately against the completion of each delivery order.

Zhejiang Cainiao has undertaken to ensure that the terms under which the Logistics Services to be provided to the Group are no less favorable than terms available to other independent third parties in accordance with the respective standard agreements which are to be applicable to other merchants.

## **REASONS AND BENEFITS OF ENTERING INTO THE TRANSACTIONS UNDER THE LOGISTICS SERVICES FRAMEWORK AGREEMENT**

As previously disclosed by the Company, the Company's mission is to build an online community where it will connect participants in China's healthcare market. As part of its business, the Company has been marketing and selling products or services online, which requires efficient and reliable logistics services to enable its products to be safely and promptly delivered to its customers. Accordingly, the Company entered into the Logistics Services Framework Agreement with Zhejiang Cainiao, which is a well-established domestic and international logistics service provider, to provide efficient and reliable logistics solutions to deliver its products to its customers.

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

## **HISTORICAL TRANSACTION AMOUNTS**

Prior to the Logistics Services Framework Agreement, members of the Group have since 2016 entered into service agreements with the Cainiao Group for the provision of the Logistics Services. The aggregate amount of Service Fees paid by the Group for the Logistics Services under the service agreements was approximately RMB957,000 for the year ended March 31, 2017.

## **ANNUAL CAP AMOUNT AND BASIS FOR DETERMINING THE ANNUAL CAP AMOUNT**

The annual cap for the Service Fees payable under the Logistics Services Framework Agreement for the year ending March 31, 2018 will not be more than RMB23 million.

Such annual cap has been estimated primarily based on (i) historical transaction amounts as hereinabove mentioned; (ii) the amounts and types of products that the Group intends to sell in future; (iii) the expected growth of the sales and the resulting increase in demand of logistics services of the Group; and (iv) the potential of the future development of online healthcare products business in China.

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

## **LISTING RULES IMPLICATIONS**

Perfect Advance is a substantial shareholder of the Company. As Zhejiang Cainiao is an associate of Perfect Advance, each of the members of the Cainiao Group is a connected person of the Company. The transactions contemplated under the Logistics Services Framework Agreement between the Group and the Cainiao Group thus constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios in respect of the annual cap is less than 5%, the transactions contemplated under the Logistics Services Framework Agreement are subject to the reporting, announcement, annual review, but exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. WU Yongming, Mr. TSAI Chung, Joseph, Ms. HUANG Aizhu and Mr. KANG Kai are employees of Alibaba Holding or its subsidiaries, each of these Directors is deemed or may be perceived to have a material interest in the transaction. Accordingly, they abstained from voting on the resolutions in connection with the continuing connected transactions under the Logistics Services Framework Agreement. Other than the aforesaid Directors, no other Directors have a material interest in the transactions contemplated under the Logistics Services Framework Agreement and are not requested to abstain from voting on the Board resolutions approving the same.

## **INFORMATION ABOUT THE COMPANY**

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, with the aim of providing accessible and affordable medical and healthcare services to the public so as to make good health achievable at the fingertips. The principal activities of the Group comprise pharmaceutical e-commerce, intelligent medicine business and the operation of product tracking platforms in the PRC.

## **INFORMATION ABOUT ZHEJIANG CAINIAO**

Zhejiang Cainiao is incorporated in the PRC with limited liability and is an associate of Perfect Advance, a substantial shareholder of the Company. It is primarily engaged in provision of data-driven logistics solutions and a supply chain platform in the PRC to merchants, buyers and other logistics companies. Zhejiang Cainiao is committed to provide merchants and buyers timely and comprehensive logistics services and real-time logistics information.

## DEFINITIONS

“Alibaba Group”	the group of companies comprising Alibaba Holding and its subsidiaries, for the purpose of this announcement, excluding the Group
“Alibaba Holding”	Alibaba Group Holding Limited, a company incorporated in the Cayman Islands, the ultimate controlling shareholder of the Company, and the American depository shares of which are listed on the New York Stock Exchange
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Cainiao Group”	Cainiao Smart Logistics and its subsidiaries
“Cainiao Smart Logistics”	Cainiao Smart Logistics Network Limited, a company incorporated in the Cayman Islands, the ultimate controlling shareholder of Zhejiang Cainiao
“Company”	Alibaba Health Information Technology Limited (阿里健康信息技術有限公司), a company incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00241)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Logistics Services”	the services to be provided by the Cainiao Group to the Group under the Logistics Services Framework Agreement
“Logistics Services Framework Agreement”	the framework agreement dated June 28, 2017 entered into between the Company and Zhejiang Cainiao
“Perfect Advance”	Perfect Advance Holding Limited, a company incorporated in the British Virgin Islands and an indirect non-wholly owned subsidiary of Alibaba Holding
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Service Fees”	the service fees to be paid by the Group to the Cainiao Group under the Logistics Services Framework Agreement
“Shareholders”	holders of the Shares
“Shares”	ordinary shares in the issued capital of the Company with a nominal value of HK\$0.01 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning given to it under the Listing Rules
“Zhejiang Cainiao”	浙江菜鳥供應鏈管理有限公司 (Zhejiang Cainiao Supply Chain Management Co., Ltd.*), a company incorporated in the PRC with limited liability and an associate of Perfect Advance
“%”	per cent

\* For identification purposes only

For and on behalf of the Board  
**Alibaba Health Information Technology Limited**  
**WANG Lei**  
*Chief Executive Officer and Executive Director*

Hong Kong, June 28, 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.*