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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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On August 3, 2017, the Company granted 14,797,000 Options to 41 Grantees and 8,475,200 RSUs to 50 Grantees in accordance with the terms of the Share Award Scheme, subject to acceptance.

SHARE OPTIONS

On August 3, 2017, the Company granted 14,797,000 Options to 41 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:	August 3, 2017
Number of Grantees:	41
Total number of new Shares to be subscribed upon exercise of the Options granted:	14,797,000
Consideration for the grant:	Nil
Exercise price of the Options granted:	HK\$3.686 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:

- 1,932,000 (representing approximately 13.06% of the Options granted) shall vest on July 31, 2018;
- 5,466,500 (representing approximately 36.94% of the Options granted) shall vest on July 31, 2019;
- 3,699,250 (representing 25% of the Options granted) shall vest on July 31, 2020; and
- 3,699,250 (representing 25% of the Options granted) shall vest on July 31, 2021.

The Options granted are not subject to performance targets.

Exercise Price

The exercise price of the Options of HK\$3.686 per Share represents the highest of (i) the closing price of the Shares of HK\$3.570 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\$3.686 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.

RESTRICTED SHARE UNITS

On August 3, 2017, the Company granted 8,475,200 RSUs to 50 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 8,475,200 RSUs granted to the Grantees, 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 Grantees upon vesting and settlement of such RSUs.

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

Based on the closing price of HK\$3.570 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\$30.3 million.

GRANTEES

To the best of the knowledge of the Directors, none of the Grantees is a Director or a connected person of the Company.

Listing Approval

A specific and unconditional mandate was granted by the shareholders of the Company to the Directors on July 26, 2017 to exercise all powers of the Company to grant awards of Options and/or RSUs pursuant to the Share Award Scheme in respect of a maximum number of the underlying new Shares that is equivalent to 3 per cent. of the Shares in issue as at July 26, 2017 during the period from July 26, 2017 to the earlier of (a) conclusion of the Company's next annual general meeting, (b) the end of the period within which the Company is required by any applicable law or the bye-laws of the Company to hold its next annual general meeting, and (c) the date on which the resolution granting such mandate is varied or revoked by an ordinary resolution of the shareholders of the Company in general meeting. An application will as soon as practicable be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the new Shares which may be allotted and issued to satisfy the Options and the RSUs granted on the Date of Grant. None of the Options and the RSUs granted on the Date of Grant shall vest prior to the granting of such approval.

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 person(s)”	has the meaning ascribed to it under the Listing Rules
“Date of Grant”	August 3, 2017
“Director(s)”	director(s) of the Company
“Grantees”	the employees of the Group whom 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
“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
“Share(s)”	ordinary share(s) in the issued capital of the Company with a nominal value of HK\$0.01
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, August 3, 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.