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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: 241)

**REVISION OF ANNUAL CAP OF CONTINUING
CONNECTED TRANSACTIONS — 2023 SOFTWARE SERVICES
FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated March 30, 2022 in respect of, among other things, the 2023 Software Services Framework Agreement entered into between the Company and Taobao Holding, pursuant to which the Group has agreed to provide Taobao Group the Software Services for merchants selling products and/or offering services under the Software Services Categories on the Tmall Platforms through channels and mini-programs operated by Taobao Group for a term commencing from April 1, 2022 to March 31, 2023.

Due to an increase in public healthcare awareness, the increase in sales by merchants selling products and/or offering services under the Software Services Categories on the Tmall Platforms through channels and mini-programs operated by Taobao Group and its affiliates have exceeded expectations which has led to an increase in demand for the Group's Software Services from Taobao Group and its affiliates and thereby resulting in a corresponding increase in the total amount of service fees payable by Taobao Group and its affiliates to the Group under the 2023 Software Services Framework Agreement.

As such, the aggregate amount of service fees payable by Taobao Group to the Group under the 2023 Software Services Framework Agreement are expected to be higher than the level envisaged at the time when the parties entered into the 2023 Software Services Framework Agreement. The Board expects that the Existing Annual Cap of RMB96 million for the year ending March 31, 2023 will not be sufficient and proposes the same to be revised and increased to the Revised Annual Cap of RMB130 million for the year ending March 31, 2023.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Alibaba Holding is the ultimate shareholder of Perfect Advance and Ali JK, which are the substantial shareholders and connected persons of the Company, and holds approximately 57.05% of the issued share capital of the Company via Perfect Advance, Alibaba Investment and Ali JK. As Taobao Holding is a direct wholly-owned Subsidiary of Alibaba Holding, it is an associate of Perfect Advance and Ali JK and hence a connected person of the Company. The transactions contemplated under the 2023 Software Services Framework Agreement therefore constitute continuing connected transactions of the Company in accordance with the Listing Rules.

Pursuant to Rule 14A.54(1) of the Listing Rules, the Company has to re-comply with the announcement and independent shareholders' approval requirements (as applicable) before the Existing Annual Cap is exceeded. As all of the applicable percentage ratios calculated with reference to the Revised Annual Cap are less than 5%, the revision of the Existing Annual Cap is subject to the reporting, annual review and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

REVISION OF EXISTING ANNUAL CAP

Reference is made to the announcement of the Company dated March 30, 2022 in respect of, among other things, the 2023 Software Services Framework Agreement entered into between the Company and Taobao Holding, pursuant to which the Group has agreed to provide Taobao Group with the Software Services for merchants selling products and/or offering services under the Software Services Categories on the Tmall Platforms through channels and mini-programs operated by Taobao Group for a term commencing from April 1, 2022 to March 31, 2023. For the reasons disclosed in the section headed "Reason for Revision of the Existing Annual Cap" below, the Board considers to revise and increase the Existing Annual Cap of RMB96 million to the Revised Annual Cap of RMB130 million for the year ending March 31, 2023.

The Board confirms that the Existing Annual Cap for the year ending March 31, 2023 has not yet been exceeded as at the date of this announcement. Save for the Revised Annual Cap, all the terms and conditions under the 2023 Software Services Framework Agreement remain unchanged. The Company will continue to closely monitor the implementation of the 2023 Software Services Framework Agreement and take prompt actions to make necessary disclosure and, if necessary, obtain independent shareholders' approval in the event that any further adjustment to the Revised Annual Cap becomes foreseeable.

HISTORICAL TRANSACTION AMOUNT

Based on the Group's management accounts, the historical transaction amounts for the year ended March 31, 2022 and the unaudited transaction amount for the ten months ended January 31, 2023 under the 2023 Software Services Framework Agreement was approximately RMB62.5 million and RMB87.0 million, respectively.

REASON FOR REVISION OF THE EXISTING ANNUAL CAP

Due to an increase in public healthcare awareness, the increase in sales by merchants selling products and/or offering services under the Software Services Categories on the Tmall Platforms through channels and mini-programs operated by Taobao Group and its affiliates have exceeded expectations which has led to an increase in demand for the Group's Software Services from Taobao Group and its affiliates and thereby resulting in a corresponding increase in the total amount of service fees payable by Taobao Group and its affiliates to the Group under the 2023 Software Services Framework Agreement.

As such, the total amount of service fees payable by Taobao Group and its affiliates to the Group under the 2023 Software Services Framework Agreement is expected to be higher than the level envisaged at the time when the parties entered into the 2023 Software Services Framework Agreement. The Board expects that the Existing Annual Cap of RMB96 million for the year ending March 31, 2023 will not be sufficient and proposes the same to be revised and increased to the Revised Annual Cap of RMB130 million for the year ending March 31, 2023.

The Revised Annual Cap was determined with reference to (i) the estimated sales of merchants' products and/or services under the Software Services Categories on the Tmall Platforms through channels and mini-programs operated by Taobao Group and its affiliates for the remaining period during the year ending March 31, 2023; and (ii) the unaudited transaction amount of the total service fees payable to the Group for the Software Services under the 2023 Software Services Framework Agreement for the ten months ended January 31, 2023.

The Directors (including the independent non-executive Directors) consider that the Revised Annual Cap is entered into on normal commercial terms that are fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Alibaba Holding is the ultimate shareholder of Perfect Advance and Ali JK, which are the substantial shareholders and connected persons of the Company, and holds approximately 57.05% of the issued share capital of the Company via Perfect Advance, Alibaba Investment and Ali JK. As Taobao Holding is a direct wholly-owned subsidiary of Alibaba Holding, it is an associate of Perfect Advance and Ali JK and hence a connected person of the Company. The transactions contemplated under the 2023 Software Services Framework Agreement therefore constitute continuing connected transactions of the Company in accordance with the Listing Rules.

Pursuant to Rule 14A.54(1) of the Listing Rules, the Company has to re-comply with the announcement and independent shareholders' approval requirements (as applicable) before the Existing Annual Cap is exceeded. As all of the applicable percentage ratios calculated with reference to the Revised Annual Cap are less than 5%, the revision of the Existing Annual Cap is subject to the reporting, annual review and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As Mr. Zhu Shunyan and Mr. Li Faguang hold senior positions in Alibaba Holding or its Subsidiaries, each of these Directors is deemed or may be perceived to have a material interest in the transactions under the 2023 Software Services Framework Agreement. Accordingly, they abstained from voting on the resolutions passed by the Board to approve the Revised Annual Cap. Other than the aforesaid Directors, no other Directors have a material interest in the 2023 Software Services Framework Agreement and the transactions contemplated thereunder or are required to abstain from voting on the resolutions of the Board approving the Revised Annual Cap.

INFORMATION ABOUT THE PARTIES

The Company and the Group

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 and upholds its original intention to make healthcare services accessible by providing affordable, convenient, efficient and reliable medical and healthcare services to hundreds of millions of families. The Group is primarily engaged in the pharmaceutical direct sales business, pharmaceutical e-commerce platform business and healthcare and digital services business.

Taobao Holding and Alibaba Group

Taobao Holding is a company incorporated in the Cayman Islands and a direct wholly-owned Subsidiary of Alibaba Holding. Taobao Holding is the indirect holding company of certain PRC subsidiaries of Alibaba Holding relating to Taobao Marketplace and Tmall.

Alibaba Holding is a company incorporated in the Cayman Islands with its American depositary shares, each representing eight ordinary shares, listed on the New York Stock Exchange (stock symbol: BABA), and its ordinary shares listed on the Main Board of the Stock Exchange (stock code: 9988). Alibaba's mission is to "make it easy to do business anywhere". Alibaba aims to build the future infrastructure of commerce and envisions that its customers will meet, work and live at Alibaba, and that it will be a good company that will last for 102 years. Its businesses are comprised of China commerce, International commerce, Local consumer services, Cainiao logistics services, Cloud services, Digital media and entertainment and Innovation initiatives and others.

DEFINITIONS

“2023 Software Services Framework Agreement”	the agreement dated March 30, 2022 entered into between the Company and Taobao Holding
“Alibaba Group”	a group of companies comprising Alibaba Holding and its Subsidiaries, but, 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, with its American depositary shares, each representing eight ordinary shares, listed on the New York Stock Exchange (stock symbol: BABA) and its ordinary shares listed on the Main Board of the Stock Exchange (stock code: 9988)
“Alibaba Investment”	Alibaba Investment Limited, a company incorporated in the British Virgin Islands and a direct wholly-owned Subsidiary of Alibaba Holding
“Ali JK”	Ali JK Nutritional Products Holding Limited, a company incorporated in the British Virgin Islands and a direct wholly-owned Subsidiary of Alibaba Holding
“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, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 241)
“connected person(s)”	has the meaning given to it under the Listing Rules
“Control”	the power or authority, whether exercised or not, to direct the business, management and policies of a person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, which power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty per cent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such person or power to control the composition of a majority of the board of directors (or similar governing body) of such person and the terms “Controls” and “Controlled” shall be construed accordingly
“controlling shareholder”	has the meaning given to it under the Listing Rules
“Director(s)”	member(s) of the Board
“Existing Annual Cap”	the existing annual cap of RMB96 million under the 2023 Software Services Framework Agreement
“Group”	the Company and each of its Subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “China”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Revised Annual Cap”	the revised annual cap of RMB130 million under the 2023 Software Services Framework Agreement
“RMB”	Renminbi, the lawful currency of the PRC

“Share(s)”	ordinary share(s) in the issued share capital of the Company with a nominal value of HK\$0.01 each
“Software Services”	the services to be provided by the Group to Taobao Group under the 2023 Software Services Framework Agreement, further details of which are set out in the paragraph headed “2023 Software Services Framework Agreement — Services to be provided” in the announcement of the Company dated March 30, 2022
“Software Services Categories”	the categories of products and services acquired and operated by the Group on the Tmall Platforms, which, as at the date of this announcement, include pharmaceutical products, medical devices, medical services, adult products, health food and food for special medical purpose and other related products and services sold by merchants on the Tmall Platforms
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary/(ies)”	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
“substantial shareholder(s)”	has the meaning given to it under the Listing Rules
“Taobao Group”	Taobao Holding and its Subsidiaries

“Taobao Holding”	Taobao Holding Limited, a company incorporated in the Cayman Islands and a direct wholly-owned Subsidiary of Alibaba Holding
“Taobao Marketplace”	China’s leading mobile commerce destination known as Taobao (淘寶) operated by Alibaba Holding’s affiliates with a large and growing social community
“Tmall”	Tmall.com, the third-party online and mobile commerce platform for brands and retailers known as Tmall (天貓) operated by Alibaba Holding’s affiliates
“Tmall Global”	the third-party import e-commerce platform known as Tmall Global (天貓國際) operated by Alibaba Holding’s affiliates which serves as the premier platform through which overseas brands and retailers reach Chinese consumers
“Tmall Platforms”	Tmall and Tmall Global
“%”	per cent

For and on behalf of the Board
Alibaba Health Information Technology Limited
Zhu Shunyan
Chairman and Chief Executive Officer

Hong Kong, February 24, 2023

As at the date of this announcement, the Board comprises Mr. Zhu Shunyan, Mr. Shen Difan and Mr. Tu Yanwu as the executive Directors; Mr. Li Faguang as the non-executive Director; and Mr. Luo Tong, Mr. Wong King On, Samuel and Ms. Huang Yi Fei (Vanessa) as the independent non-executive Directors.