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ANGELALIGN TECHNOLOGY INC.

時代天使科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6699)

CONNECTED TRANSACTION CAPITAL INCREASE IN PARTNERSHIP

CAPITAL INCREASE IN PARTNERSHIP

Reference is made to the Announcement of the Company dated January 28, 2022 in respect of the Partnership Formation. The Board is pleased to announce that on October 28, 2022, the Company and CC Founder Holdings LLC have entered into the Amended Partnership Agreement to amend and replace the previous partnership agreement in its entirety, pursuant to which, among others, the Company, as the sole limited partner of the Partnership, agreed to increase its limited partnership capital contribution in the Partnership to the amount of USD equivalent of HK\$220 million, increasing by an aggregate amount of USD equivalent of HK\$120 million from its previously committed amount set forth in the Previous Partnership Agreement. Except for the capital increase by the Company and CC Founder Holdings LLC, there is no other change to the partnership arrangement of the Partnership between the Company and CC Founder Holdings LLC. CareCapital Group and its affiliates will neither charge any fund management fees nor receive performance incentives including carried interest. For more information of the Previous Partnership Agreement and related arrangement, please refer to the Announcement.

CareCapital Group is a leading investment and operating group and a renowned key opinion leader in the global dental and oral care industry. Through the network of resources established by CareCapital Group in the global dental industry, the Company has been exposed to more opportunities for investment and mergers and acquisitions in the digital orthodontic industry. The Directors believe that the Company will be able to benefit from the Capital Increase as well as this cooperation and investment, further expanding its business exposure and synergy along the whole industry value chain to better serve dental professionals and orthodontic patients.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, CC Founder Holdings LLC, a party to the Amended Partnership Agreement and the general partner of the Partnership, is ultimately controlled by CareCapital Group, the controlling shareholder of the Company. Therefore, each of the Partnership and CC Founder Holdings LLC is a connected person of the Company. Accordingly, the Capital Increase constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Amended Partnership Agreement exceed 0.1% but are less than 5%, the Capital Increase is subject to reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Except for Mr. FENG Dai, Mr. HUANG Kun and Mr. HU Jiezhong, who are the non-executive Directors of the Company and hold positions in CareCapital Group, the controlling shareholder of the Company, had abstained from voting on the resolutions in respect of the Capital Increase at the Board meeting, none of the other Directors has material interests in the Capital Increase or is required to abstain from voting on such resolutions.

GENERAL

The projects that the Partnership may invest in may be affected by various factors, including laws, regulations and policies, the macro-economy and uncertainties in the development of products by investment portfolio companies. There may be risks of unrealized expected returns and failure to exit in a timely and effective manner. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

INTRODUCTION

Reference is made to the Announcement of the Company dated January 28, 2022 in respect of the Partnership Formation.

The Board is pleased to announce that on October 28, 2022, the Company and CC Founder Holdings LLC have entered into the Amended Partnership Agreement to amend and replace the previous partnership agreement in its entirety, pursuant to which, (i) the Company, as the sole limited partner of the Partnership, agreed to increase its limited partnership capital contribution in the Partnership to the amount of USD equivalent of HK\$220 million, increasing by an aggregate amount of USD equivalent of HK\$120 million from its previously committed amount set forth in the Previous Partnership Agreement and (ii) CC Founder Holdings LLC, as the sole general partner of the Partnership, agreed to increase its capital contribution in the Partnership to the amount of USD equivalent of HK\$22 million, increasing by an aggregate amount of USD equivalent of HK\$12 million from its previously committed amount set forth in the Previous Partnership Agreement. CareCapital Group and its affiliates will neither charge any fund management fees nor receive performance incentives including carried interest. The Partnership would allow the Company to benefit from tapping into CareCapital Group's global dental network and participating in the CareCapital Group-led investments in innovative and synergistic technologies and businesses across digital orthodontics value chain.

THE AMENDED PARTNERSHIP AGREEMENT

On October 28, 2022, the Company and CC Founder Holdings LLC have entered into the Amended Partnership Agreement. Pursuant to this agreement, (i) the Company has agreed to increase its limited partnership capital contribution in the Partnership to the amount of USD equivalent of HK\$220 million, increasing by an aggregate amount of USD equivalent of HK\$120 million from its previously committed amount set forth in the Previous Partnership Agreement and (ii) CC Founder Holdings LLC, as the sole general partner of the Partnership, has agreed to increase its capital contribution in the Partnership to the amount of USD equivalent of HK\$22 million, increasing by an aggregate amount of USD equivalent of HK\$12 million from its previously committed amount set forth in the Previous Partnership Agreement. Except for the capital increase by the Company and CC Founder Holdings LLC, there is no other change to the partnership arrangement of the Partnership between the Company and CC Founder Holdings LLC. For more information of the Previous Partnership Agreement and related arrangement, please refer to the Announcement.

The amount of the Capital Increase was determined by arm's length negotiation between the Company and CareCapital Group with reference to the historical investment performance of the Partnership and the prospects of the overall market conditions. The Capital Increase will be paid in cash using internal resources other than the proceeds raised from the Company's initial public offering.

The principal terms of the Amended Partnership Agreement are as follows:

- Date:** October 28, 2022
- Parties:** (1) CC Founder Holdings LLC (as the sole general partner of the Partnership); and
- (2) the Company (as the sole limited partner of the Partnership).
- Amount of Capital Increase by the Company:** The Company, as the sole limited partner, agreed to increase its limited partnership capital contribution in the Partnership to the amount of USD equivalent of HK\$220 million, increasing by an aggregate amount of USD equivalent of HK\$120 million from its previously committed amount set forth in the Previous Partnership Agreement.
- Investment fund proceeds raised and respective capital commitments:** Upon completion of the Capital Increase, the total fund proceeds of the Partnership for investment will be the amount of USD equivalent of HK\$242 million, among which, the Company, as the sole limited partner, agrees to commit capital contributions of up to an aggregate amount of USD equivalent of HK\$220 million. CC Founder Holdings LLC, as the sole general partner, agrees to commit capital contributions of up to an aggregate amount of the USD equivalent of HK\$22 million.
- Others:** Except for the capital increase by the Company and CC Founder Holdings LLC, there is no other change to the partnership arrangement of the Partnership between the Company and CC Founder Holdings LLC. For more information of the Previous Partnership Agreement and related arrangement, please refer to the Announcement.

REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE

The Partnership has been established to invest in innovative digital technologies and products globally across the digital orthodontic value chain. Through the network of resources established by CareCapital Group in the global dental industry, the Company has been exposed to more opportunities for investment and mergers and acquisitions in the digital orthodontic industry. The Board believes that the Capital Increase will allow the Partnership to seek more investment opportunities in the global digital orthodontic industry and in turn benefit the Company from such investment by further expanding its business exposure and synergy along the whole industry value chain.

The terms of the Amended Partnership Agreement were agreed after arm's length negotiations among the parties thereto. The Board is of the view that the Amended Partnership Agreement is conducted in the ordinary and usual course of business of the Group and is conducted on normal commercial terms or better, which is fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP AND THE PARTIES TO THE AMENDED PARTNERSHIP AGREEMENT

Information on the Group

The Group is a leading clear aligner solution provider in China. It facilitates dental professionals throughout the entire clear aligner treatment process with Angelalign clear aligner system, which comprises a trio of interrelated components: (1) digitally-assisted case assessment support and treatment planning services, (2) customized, removable clear aligners based on specific treatment plans, and (3) iOrtho, a cloud-based service platform.

Information on the Partnership

The Partnership is an exempted limited partnership in the Cayman Islands established in accordance with laws of the Cayman Islands. The Partnership is intended to invest in the innovative digital technologies and products globally across the digital orthodontic value chain. CC Founder Holdings LLC acts as the general partner of the Partnership and is responsible for the management, policies and control of the Partnership. CC Founder Holdings LLC is a company incorporated under the laws of the Cayman Islands and is established by CareCapital Group to hold its investment portfolios. CC Founder Holdings LLC is ultimately controlled by CareCapital Group.

Information on CareCapital Group

CareCapital Group, founded in 2015, is an investment and operating group committed to building the dental and oral care industry for the digital age, and is the controlling shareholder of the Company. CareCapital Group owns both majority and minority stakes in a variety of businesses that span the full dental industry value chain, from education and training at the very upstream, to aligners, implants, biologics, imaging equipment and intraoral scanner in the mid-upstream, to clinic management software and distribution in the midstream, and finally to dental hospitals and chain clinics in the downstream. The asset portfolio of CareCapital Group encompasses various leading players in the above subsegments of dental industry, and the geography of such portfolio spans across China, South Korea, United States of America and Europe.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, CC Founder Holdings LLC, a party to the Amended Partnership Agreement and the general partner of the Partnership, is ultimately controlled by CareCapital Group, the controlling shareholder of the Company. Therefore, each of the Partnership and CC Founder Holdings LLC is a connected person of the Company. Accordingly, the Capital Increase constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Amended Partnership Agreement exceed 0.1% but are less than 5%, the Capital Increase is subject to reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Except for Mr. FENG Dai, Mr. HUANG Kun and Mr. HU Jiezhong, who are the non-executive Directors of the Company and hold positions in CareCapital Group, the controlling shareholder of the Company, had abstained from voting on the resolutions in respect of the Capital Increase at the Board meeting, none of the other Directors has material interests in the Capital Increase or is required to abstain from voting on such resolutions.

GENERAL

The projects that the Partnership may invest in may be affected by various factors, including laws, regulations and policies, the macro-economy and uncertainties in the development of products by investment portfolio companies. There may be risks of unrealized expected returns and failure to exit in a timely and effective manner. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires the following expressions have the following meanings:

“Amended Partnership Agreement”	the second amended and restated exempted limited partnership agreement entered into between the Company and CC Founder Holdings LLC on October 28, 2022
“Announcement”	the announcement of the Company dated January 28, 2022 in respect of the Partnership Formation
“Board”	the board of directors of the Company
“CareCapital Group”	Mr. FENG Dai and the entities controlled by him directly or indirectly for holding interests in the Company under the trade name of CareCapital
“Capital Increase”	the increase of the limited partnership capital contribution of the Company in the Partnership pursuant to the Amended Partnership Agreement by an aggregate amount of USD equivalent of HK\$120 million
“Company”	Angelalign Technology Inc. (時代天使科技有限公司), an exempted company incorporated under the laws of Cayman Islands with limited liability on November 29, 2018
“connected person”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time

“Partnership”	CareCapital Aligner Tech L.P., an exempted limited partnership in the Cayman Islands established in accordance with laws of the Cayman Islands
“Partnership Formation”	the formation of the Partnership
“PRC” or “China”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan solely for the purpose of this announcement
“Previous Partnership Agreement”	the amended and restated exempted limited partnership agreement entered into between CC Founder Holdings LLC, CareCapital General Partners L.P. and the Company on January 28, 2022
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed thereto under the Listing Rules
“USD”	the lawful currency of the United States

By Order of the Board
Angelalign Technology Inc.
Mr. FENG Dai
Chairman

Hong Kong, October 28, 2022

As at the date of this announcement, the Board of the Company comprises Ms. LI Huamin and Mr. SONG Xin as executive Directors; Mr. FENG Dai, Mr. HUANG Kun and Mr. HU Jiezhong as non-executive Directors; Mr. HAN Xiaojing, Ms. DONG Li and Mr. SHI Zi as independent non-executive Directors.