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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)

GRANT OF OPTIONS TO DIRECTORS AND EMPLOYEES

This announcement is made by the Company pursuant to Rules 17.06A of the Listing Rules.

The Board announces that on April 28, 2023, it has resolved to grant 3,378,646 Options to 7 Grantees with rights to subscribe for an aggregate of 3,378,646 Shares upon exercise of such Options in accordance with the terms of the Post-IPO Share Option Scheme, subject to acceptance, of which (i) 1,090,000 Options are granted to 5 employees of the Company (who are not connected persons of the Company) and (ii) 2,288,646 Options are granted to two executive Directors of the Company, namely Mr. SONG Xin and Ms. DONG Li.

GRANT OF OPTIONS TO DIRECTORS AND EMPLOYEES

The following are details of the Options Grants:

Grant date: April 28, 2023

Particulars of Grantees and Options Grants: An aggregate of 3,378,646 Options are granted to 7 Grantees (each Option shall entitle the Grantee to subscribe for one Share), details of which are as follows:

Name of Grantees	Position(s) held with the Company	Reasons for grants	Number of Options granted	Total vesting Period ⁽¹⁾
<i>Directors, chief executives and other connected persons</i>				
Mr. SONG Xin	Executive Director and the chief commercial officer	Award for long-term performance and contribution to the Company ⁽³⁾	600,000	Four years from April 30, 2023
Ms. DONG Li	Executive Director and the chief financial officer	Remuneration package for joining the Company ⁽²⁾	1,688,646	Seven years from April 3, 2023
<i>Others</i>				
5 employees of the Group	Employees who are not connected persons	Award for long-term performance and contribution to the Company ⁽³⁾	1,090,000	Four years from April 30, 2023

Notes:

- (1) *The total vesting period is calculated based on the period between the respective initial date and the last vesting date.*
- (2) *In respect of the Option Grants to Ms. Dong, as the Options granted to her form a part of her remuneration package and the grant of her Options are approved in a later date along with other grants for the convenience of administration, the period between the grant date and the first vesting date is less than 12 months to reflect the time for which the Options would have been granted. The total vesting period for her grants is far more than 12 months. Based on the foregoing, the Remuneration Committee is of the view that the shorter period for first vesting period aligns with the purpose of the Post-IPO Share Option Scheme.*

In respect of the Option Grants to Ms. Dong, as (i) the Options granted to her form a part of her remuneration package and such grants without performance targets are market competitive to attract and retain senior management, (ii) the Board is familiar with Ms. Dong and convinced of her ability and expertise in financial management; and (iii) such grants are to incentivize Ms. Dong to contribute to the long-term growth of the Group by leveraging on her expertise and extensive knowledge and to align her interests with those of the Company and the Shareholders as a whole, the Remuneration Committee is of the view that it is not necessary to set performance targets for her and this arrangement aligns with the purpose of the Post-IPO Share Option Scheme.

- (3) *In respect of the Option Grants to Mr. Song and other Grantees who are not connected persons of the Company, as (i) they have joined the Group for a relatively long period and are considered to have shown satisfactory work performance, and (ii) such grants are to incentivize them for their past performance, the Remuneration Committee is of the view that it is not necessary to set performance targets for them. This arrangement aligns with the purpose of the Post-IPO Share Option Scheme to secure and retain the services of valuable directors and senior management and provide incentive for such persons to exert their best efforts for the success of the Group's business.*

Exercise price of the Options granted:	HK\$100.06 per Share, which is the higher of (i) the average closing price of the Shares as stated in the daily quotation sheet issued by the Stock Exchange for the five business days (as defined in the Listing Rules) immediately preceding the date of grant, being HK\$100.06; and (ii) the closing price of the Shares as quoted on the Stock Exchange on the date of grant, being HK\$97.95.
Closing price of the Share on the date of grant:	HK\$97.95 per share
Exercise period of the Options (including the Options granted to executive Directors):	Three years from the date of vesting of relevant Options.

Performance target: There is no performance target attached to the Options granted. See notes to the table above set forth in “– Particulars of the Options Grants” in this announcement for details.

Clawback mechanism: The unexercised Options granted to Grantees will lapse after certain period as set forth in the relevant grant letters if the employment of the Grantee with the Group is terminated or if the Grantee is in death, incapability or retired. In addition, the Company may also retrieve and claim back from the Grantee all the Options granted to him/her if any of the following events occurs: (i) the Grantee violates any laws and regulations or confidentiality obligations which materially and adversely affect the Company; or (ii) the Grantee breaches his/her non-competitions undertakings.

Financial assistance: The Group has not provided any financial assistance to the Grantees to facilitate the purchase of Shares under the Post-IPO Share Option Scheme.

Pursuant to Rule 17.04(1) of the Listing Rules and the terms of the Post-IPO Share Option Scheme, the grant of Options to any Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors. Accordingly, the Options conditionally granted to Mr. Song and Ms. Dong have been reviewed and approved by the independent non-executive Directors.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, save as disclosed in this announcement, none of the Grantees is (i) a Director, nor a chief executive, or a substantial shareholder of the Company, or an associate of any of them; (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the total issued Shares. None of the Option Grants will be subject to approval by the Shareholders.

REASON FOR AND BENEFITS OF THE GRANTS

The Board and the Remuneration Committee consider that the purpose of the Option Grants (including the Option Grants to Mr. Song and Ms. Dong) is to (i) recognize the contributions made to the Group by the Grantees; (ii) encourage, motivate and retain the Grantees, whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (iii) closely align the interests and benefits of and risk sharing among the Shareholders, the Company and the Grantees in order to maximize the motivation of the Directors, senior management and employees. See the table above set forth in “– Particulars of the Options Grants” in this announcement for details. As the Group’s business is undergoing rapid expansion, the Company believes that the Option Grants serve as important incentives to motivate them to bring a higher return to the Company.

NUMBER OF SHARES AVAILABLE FOR FUTURE GRANT

The maximum number of Shares that may be issued under the Post-IPO Share Option Scheme shall not exceed 4,974,213 Shares. As of the date of this announcement and after the Option Grants, 1,595,567 Shares are available for future grant under the aforementioned scheme limit. No service provider sublimit has been adopted under the Post-IPO Share Option Scheme.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of directors of the Company
“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
“Director(s)”	the director(s) of the Company
“Grantee(s)”	the grantee(s) under the Option Grants, including Mr. Song and Ms. Dong
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, 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
“Mr. Song”	Mr. SONG Xin, the executive Director and the chief commercial officer of the Company
“Ms. Dong”	Ms. DONG Li, the executive Director and the chief financial officer of the Company
“Option Grants”	the grant of Options as set forth in this announcement
“Option(s)”	the option(s) that may be granted under the Post-IPO Share Option Scheme
“Post-IPO Share Option Scheme”	the Post-IPO Share Option Scheme as approved and adopted by the Board on May 20, 2021, as amended
“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
“Remuneration Committee”	the remuneration committee of the Board

“Shareholder(s)”	holder(s) of the shares of the Company
“Share(s)”	ordinary share(s) in the share capital of the Company of US\$0.0001 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules

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

Hong Kong, April 28, 2023

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