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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)

PROFIT WARNING

This announcement is made by Angelalign Technology Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that based on the preliminary assessment of the Group’s currently available unaudited management accounts and the latest information available to the Company, it is expected that: (1) the Group’s total revenue for the six months ended June 30, 2022 is ranging from approximately RMB542.4 million to RMB570.9 million, representing a change of approximately -5.0% to 0% as compared to approximately RMB571.0 million for the six months ended June 30, 2021 (“**2021 H1**”); (2) the Group’s gross profit for the six months ended June 30, 2022 is ranging from approximately RMB314.8 million to RMB331.4 million, representing a decrease of approximately 12.2% to 16.6% as compared to approximately RMB377.6 million for 2021 H1; and (3) the Group’s net profit for the six months ended June 30, 2022 is ranging from approximately RMB66.1 million to RMB69.6 million, representing a decrease of approximately 27.3% to 30.9% as compared to approximately RMB95.7 million for 2021 H1. The Board believes that the above changes are primarily due to the following reasons:

1. In the first half of 2022, due to the resurgence of the COVID-19 pandemic in mainland China and the government’s related control and restrictive measures, the operations of clinics and hospitals in certain related areas and cities were temporarily suspended or restricted, and the market demand for clear aligner treatment services was also negatively affected. The number of the Group’s case shipments¹ in the six months ended June 30, 2022, declined to approximately 77,200 (2021 H1: approximately 79,500); and
2. An increase in our operating expenses in the six months ended June 30, 2022 as compared to that in 2021 H1, mainly as a result of the Group’s implementation of its business strategy to penetrate and expand into emerging markets and overseas markets, as well as its continuous investment in marketing activities. The Company believes that such upfront investment and expenses will benefit and drive its business performance and growth in the future.

¹ Case shipments refer to the number of newly submitted clear aligner treatment cases for which the Company has shipped the first batch of clear aligners during a given period; while the treatment process may last for more than one year and the clear aligners may be shipped in multiple batches across the treatment process, all cases will not be double counted in any subsequent periods for the delivery of the remaining clear aligners.

With the government's effective control over the pandemic and the resumption of the dental services business, it is noted that the market demand for clear aligner treatment services has been gradually recovering. The Company remains confident in the future development of China's clear aligner markets with low penetration rate and high growth potential. The Company will continue to firmly implement its business strategy, including continuously expanding and penetrating into emerging markets and overseas markets, to further strengthen the Company's leading position in the industry.

As of the date of this announcement, the Company is in the process of finalising the interim results of the Group for the six months ended June 30, 2022. The information contained in this announcement is only based on a preliminary assessment by the management of the Company with reference to the information currently available including the unaudited management accounts of the Group which have not been audited or reviewed by the Company's auditors or the audit committee of the Company, and the actual results of the Group for the six months ended June 30, 2022, may be different from what is disclosed herein. Investors are advised to read carefully the Group's interim results for the six months ended June 30, 2022, which is expected to be published before the end of August 2022 pursuant to the requirements of the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, July 25, 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.