

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 FINANCIAL ASSISTANCE TO CONNECTED PERSON

PROVISION OF FINANCIAL ASSISTANCE

In recognition of the continuous contribution from key management to the Group, the Board is pleased to announce that on June 12, 2023 (after trading hours), Wuxi EA (an indirect wholly-owned subsidiary of the Company) and Mr. Song (an executive Director) entered into the Loan Agreement, pursuant to which Wuxi EA agrees to withhold the respective tax and service fee for Mr. Song in respect of the restricted share units granted to him pursuant to the Pre-IPO Share Award Schemes, and provide to Mr. Song in this regard the Loan in an aggregate principal amount of approximately RMB17.13 million at an interest rate of 4.30% per annum for a term of five years provided by Wuxi EA to Mr. Song. The Loan is secured by the Charged Shares and related proceeds and dividends.

LISTING RULES IMPLICATION

As Mr. Song, an executive Director, is a connected person of the Company, the transaction contemplated under the Loan Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined in the Listing Rules) for the Loan exceed 0.1% but less than 5%, the Loan Agreement and the transaction contemplated thereunder are subject to reporting and announcement requirements but are exempt from the circular and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE LOAN AND THE LOAN AGREEMENT

In recognition of the continuous contribution from key management to the Group, the Board is pleased to announce that on June 12, 2023 (after trading hours), Wuxi EA (an indirect wholly-owned subsidiary of the Company) and Mr. Song (an executive Director) entered into the Loan Agreement, pursuant to which Wuxi EA agrees to withhold the respective tax and service fee for Mr. Song in respect of the restricted share units granted to him pursuant to the Pre-IPO Share Award Schemes, and provide to Mr. Song in this regard the Loan.

The principal terms of the Loan under the Loan Agreement are as follows:

Date: June 12, 2023

Lender: Wuxi EA

Borrower: Mr. Song

The Borrower is an executive Director, therefore is a connected person of the Company under Chapter 14A of the Listing Rules

Loan: In an aggregate principal amount of approximately RMB17.13 million, and will entirely be funded by the Group's internal resources and not by any net proceeds of the IPO

Loan term: Five years commencing from June 15, 2023

Interest rate and payment: 4.30% per annum and payable by Mr. Song to the Company on or before the Maturity Date. The interest shall be calculated based on the principal amount of the Loan outstanding as of the date on which such interests are calculated and basis of the actual number of days elapsed from the Interest Accrual Date and a year of 365 days.

If, on June 14, 2028, the Borrower remains employed by the Lender or its affiliates, the Lender agrees to waive the interest on the Loan. If the Borrower could repay the loan, in full or in part, before July 31, 2023, then the Lender agrees to waive interest on the amount repaid.

Repayment: The principal amount of the Loan shall be repaid in full by the Maturity Date.

If the Borrower disposes or sells any of the Charged Shares, the proceeds from disposing and sale of the Charged Shares held by the Borrower and the dividends of the related Shares during the Repayment Period shall be first used in repaying the principal amount of the Loan. The Lender and its affiliate shall have the right to directly deduct such amount from the aforementioned proceeds and dividends.

Security The Loan is secured by a total of 1,392,954 Shares as the Charged Shares as well as by the related proceeds and dividends of the Charged Shares.

The Charged Shares represent approximately 0.82% of the total number of issued share capital of the Company as at the date hereof. Based on the closing price per Share on June 9, 2023, being the trading day immediately prior to the date hereof, the Charged Shares had a market value of HK\$109.76 million. See "Repayment" and "Default payment" for details of repayment arrangement and restrictions.

- Early repayment:** Mr. Song may repay the principal amount of the Loan, in whole or in part, without any premium or penalty, before the Maturity Date
- Default payment:** If any of the following events occurs, the Lender shall have the right to deduct the Shares held by the Borrower at the then market price with the value equivalent to the total amount of the outstanding Loan and interest payable from the account in which the Borrower holds the Shares at any time without notice to offset the Borrower's liability under the Loan Agreement: (i) the Borrower fails to repay the Loan on time, and such failure is not caused by force majeure or the Loan is not repaid within three business days from the original repayment date; (ii) the account in which the Borrower holds the Shares is taken over by a creditor or is subject to any enforcement which is not withdrawn within 14 business days; (iii) the Borrower expressly ceases or suspends repayment of the Loan, or the Lender reasonably considers that the Borrower is incapable of repaying the Loan; or (iv) any event occurs which the Lender considers has substantively an adverse effect on the repayment of the Loan by the Borrower.

INFORMATION OF THE PARTIES TO THE LOAN AGREEMENT

The Group

The Group is a leading global clear aligner solution provider. The Group 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.

Mr. Song

Mr. Song is an executive Director and the chief commercial officer of the Company and is primarily responsible for the overall strategy planning, corporate governance, business direction, and sales management of the Group.

REASONS FOR AND BENEFIT OF THE LOAN

Mr. Song has served the Group for over ten years. As the Company's executive Director and the chief commercial officer, Mr. Song has played a pivotal and irreplaceable role in the Group since the initial development stage of the Group up to the present. Adhering to the Company's spirit in caring for its employees and in light of Mr. Song's continuous contribution to the Group's overall business development, the Company decided to provide the Loan to Mr. Song to facilitate him fulfilling his tax payment obligations as the result of restricted share units vesting according to the PRC tax law.

The terms of the Loan, including the interest rate and security for the Loan, are determined after arm's length negotiation between the Group and Mr. Song with reference to the current costs of fund of the Group, the prevailing market interest rate of commercial banks in the PRC and terms for loans in similar nature and tenure provided by the Company to independent third parties and the liquidity and prevailing market price of the Charged Shares.

Having considered that (i) the terms of the Loan are comparable to the current market rate and the terms granted by the Company to other employees of the Company who are independent third parties under the same circumstances; (ii) the provision of the Loan is to assist and provide support to Mr. Song to meet his potential PRC income tax obligations arising from the restricted share units granted to him by the Company pursuant to the Pre-IPO Share Award Schemes; (iii) Mr. Song has not sold any Shares held by him since listing of the Company; (iv) the interest rate of the Loan is higher than the interest rate received by the Group by placing cash deposits with commercial banks in the PRC; (v) the repayment obligations of Mr. Song arising from the Loan are secured by the Charged Shares and related proceeds and dividends; (vi) the historical track record of good creditworthiness and sufficient repayment ability of Mr. Song; (vii) the positive prospects and development potential of the Group with the contribution of Mr. Song; and (viii) the liquidity of the Charged Shares, the Directors (including all the independent non-executive Directors) consider that the Loan Agreement, including the Loan, the interest rate and the security to the Loan, has been entered into on normal commercial terms and the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board is of the view that, taking into account of the Group's cash balance, current operational needs and the tenure of the Loan, the Group has sufficient resources to provide for the Loan, and the provision of the Loan shall not have a material impact on the Group's future development and operations.

LISTING RULES IMPLICATION

As Mr. Song, an executive Director, is a connected person of the Company, the transaction contemplated under the Loan Agreement, i.e. the Loan, constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined in the Listing Rules) for the Loan exceed 0.1% but less than 5%, the Loan Agreement and the transaction contemplated thereunder are subject to reporting and announcement requirements but are exempt from the circular and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Song, an executive Director and the borrower of the Loan, is materially interested in the transaction contemplated under the Loan Agreement, i.e. the Loan, and has abstained from voting on the relevant resolutions of the Board for approving the Loan Agreement and the transaction contemplated thereunder.

DEFINITIONS

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

“Board”	the board of Directors
“Charged Shares”	a total of 1,392,954 Shares owned by Mr. Song, which shall be charged as security in favor of the Loan
“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(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“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
“Interest Accrual Date”	June 15, 2023
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Loan”	the loan in an aggregate principal amount of approximately RMB17.13 million granted by Wuxi EA to Mr. Song pursuant to the Loan Agreement
“Maturity Date”	June 14, 2028, or the date on which the Borrower ceases to be employed by the Company
“Mr. Song” or the “Borrower”	Mr. SONG Xin (宋鑫), an executive Director and the chief commercial officer of the Company
“PRC”	the People’s Republic of China

“Pre-IPO Share Award Schemes”	collectively, the share award scheme I, the share award scheme II and the share award scheme III as adopted by the Company in December 2020, as amended
“Repayment Period”	the period from June 15, 2023 to the Maturity Date
“RMB”	Renminbi, the lawful currency of PRC
“Share(s)”	ordinary share(s) of US\$0.0001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Loan Agreement”	the agreement entered into between Mr. Song and Wuxi EA on June 12, 2023 in relation to the Loan
“Wuxi EA” or the “Lender”	Wuxi EA Medical Instruments Technologies Limited (無錫時代天使醫療器械科技有限公司), a company incorporated under the laws of the PRC with limited liability on February 10, 2010 and a wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, June 12, 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.