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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)

**(1) PROPOSED AMENDMENTS TO THE POST-IPO RSU SCHEME
AND THE POST-IPO SHARE OPTION SCHEME;
(2) PROPOSED EXPANSION OF THE SCHEME MANDATE LIMIT
AND
(3) PROPOSED EXTENSION OF THE EXERCISE PERIOD OF
THE EXISTING OUTSTANDING AWARDS**

PROPOSED AMENDMENTS TO THE POST-IPO RSU SCHEME AND THE POST-IPO SHARE OPTION SCHEME

Reference is made to the announcement of the Company dated March 23, 2023 and the circular of the Company dated June 2, 2023 relating to the Post-IPO RSU Scheme and the Post-IPO Share Option Scheme.

In light of the forthcoming expiry of the Post-IPO RSU Scheme and the Post-IPO Share Option Scheme, to provide further incentives to directors, management and employees of the Group, the Board is pleased to announce that it has resolved to amend the Post-IPO RSU Scheme and the Post-IPO Share Option Scheme as follows:

Proposed Amendments to the Post-IPO RSU Scheme

The Post-IPO RSU Scheme was conditionally approved and adopted by the Shareholders on May 20, 2021, and was amended on June 29, 2023, which will expire on May 19, 2024. The purpose of the Post-IPO RSU Scheme is to recognize the contributions by grantees and to give incentives thereto in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group. For further details of the Post-IPO RSU Scheme, please refer to the circular of the Company dated June 2, 2023.

The key changes entailed by the proposed amendments to the Post-IPO RSU Scheme are set out below as follows.

- (a) to extend the term of the Post-IPO RSU Scheme from three (3) years commencing from the Adoption Date to ten (10) years commencing from the Adoption Date;
- (b) to extend the award period under the Post-IPO RSU Scheme from no longer than three (3) years from the date of grant the Awards to no longer than ten (10) years from the date of grant the Awards; and
- (c) to increase the Post-IPO RSU Scheme Limit from 1,658,071 Shares to 3,381,955 Shares, representing approximately 2% of the number of Shares in issue on the Amendment Date.

Save as disclosed above, there is no other substantive change to the rules of the Post-IPO RSU Scheme. Further details of the proposed amendments to the Post-IPO RSU Scheme will be set out in a circular to be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.angelalign.com) in due course.

The Directors (including the independent non-executive Directors) consider that the proposed terms relating to the scope of eligible participants, the vesting period and performance arrangement, the purchase price determination and clawback mechanism as set forth in the terms of the Second Amended Post-IPO RSU Scheme are in line with the purpose of the Second Amended Post-IPO RSU Scheme, because it incentivizes employees of the Company who are critical for the business of the Company, to perform better and to maintain long-term relationship with the Company, aligning their interests with the success of the Company.

Proposed Amendments to the Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme was conditionally approved and adopted by the Shareholders on May 20, 2021, and was amended on June 29, 2023, which will expire on May 19, 2024. The purpose of the Post-IPO Share Option Scheme is to attract, retain and motivate employees, Directors and such other participants, and to provide a means of compensating them through the grant of options pursuant to the terms of such scheme for their contribution to the growth and profits of the Group, and to allow such employees, Directors and other persons to participate in the growth and profitability of the Group. For further details of the Post-IPO Share Option Scheme, please refer to the circular of the Company dated June 2, 2023.

The key changes entailed by the proposed amendments to the Post-IPO Share Option Scheme are set out below as follows.

- (a) to extend the term of the Post-IPO Share Option Scheme from three (3) years commencing from the Adoption Date to ten (10) years commencing from the Adoption Date;
- (b) to extend the option period under the Post-IPO Share Option Scheme from no longer than three (3) years from the date of grant the Options to no longer than ten (10) years from the date of grant the Options; and
- (c) to increase the Post-IPO Share Option Scheme Limit from 6,632,284 Shares to 10,145,867 Shares, representing approximately 6% of the number of Shares in issue on the Amendment Date.

Save as disclosed above, there is no other substantive change to the rules of the Post-IPO Share Option Scheme. Further details of the proposed amendments to the Post-IPO Share Option Scheme will be set out in a circular to be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.angelalign.com) in due course.

The Directors (including the independent non-executive Directors) consider that the proposed terms relating to the scope of eligible participants, the vesting period and performance arrangement, the purchase price determination and clawback mechanism as set forth in the terms of the Second Amended Post-IPO Share Option Scheme are in line with the purpose of the Second Amended Post-IPO Share Option Scheme, because it incentivizes employees of the Company who are critical for the business of the Company, to perform better and to maintain long-term relationship with the Company, aligning their interests with the success of the Company.

General

The effectiveness of the Second Amended Post-IPO RSU Scheme and the Second Amended Post-IPO Share Option Scheme is conditional upon the fulfillment of the followings:

- (a) the passing of ordinary resolutions by the Shareholders at the AGM approving (i) the proposed amendments to the Post-IPO RSU Scheme and (ii) the proposed amendments to the Post-IPO Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting or confirming the approval for the listing of, and permission to deal in, all the new Shares which may be allotted and issued under the Scheme Mandate Limit.

PROPOSED EXPANSION OF THE SCHEME MANDATE LIMIT AND APPLICATION FOR LISTING

In light of the aforesaid amendments to the Post-IPO RSU Scheme and the Post-IPO Share Option Scheme, the Board has resolved to propose the expansion of the Scheme Mandate Limit to 13,527,822 Shares (representing approximately 8.0% of the total issued share capital as of the date of this announcement), comprising the Post-IPO RSU Scheme Limit of 3,381,955 Shares (representing approximately 2.0 % of the total issued share capital as of the date hereof) and the Post-IPO Share Option Scheme Limit of 10,145,867 Shares (representing approximately 6.0 % of the total issued share capital as of the date hereof), subject to the approval by the Shareholders at the AGM. None of the Awards over new Shares granted or to be granted under all share schemes of the Company (excluding any options or awards lapsed in accordance with the terms of the respective share schemes) shall exceed the aforementioned scheme limit and the sublimit of the respective awards and options.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, all the new Shares which may be allotted and issued under the expanded Scheme Mandate Limit.

PROPOSED EXTENSION OF THE EXERCISE PERIOD OF THE EXISTING OUTSTANDING AWARDS

In light of the proposed amendments to the Post-IPO RSU Scheme and the Post-IPO Share Option Scheme which will extend the Exercise Period, to align with the Second Amended Post-IPO RSU Scheme and the Second Amended Post-IPO Share Option Scheme, the Board is pleased to announce that, subject to the approval of the proposed amendments to the Post-IPO RSU Scheme and the Post-IPO Share Option Scheme at the AGM, it has resolved to extend the Exercise Period of all the outstanding Awards under the Share Award Schemes that have been granted to the Grantees and not exercised by the relevant Grantees as of the date of the AGM from three (3) years from the date of grant of such Awards to ten (10) years from the date of grant of such Awards.

The following table sets forth the details of the Existing Outstanding Awards as of the date of this announcement:

<u>Category/Name of Grantee</u>	<u>Date of Grant</u>	<u>Number of Shares underlying outstanding Awards</u>	<u>Exercise Price/ Purchase Price</u>
<i>RSUs</i>			
<i>Directors, chief executive or substantial Shareholders, or their respective associates</i>			
Ms. DONG Li (Executive Director and the chief financial officer)	July 19, 2023	760	Nil
<i>Other employees</i>			
108 employees	March 25, 2022	124,208	Nil
174 employees	June 12, 2023	630,540	Nil
13 employees	July 19, 2023	38,360	Nil
3 employees	September 13, 2023	17,979	Nil
15 employees	March 20, 2024	142,580	Nil
Total		954,427	
<i>Options</i>			
<i>Directors, chief executive or substantial Shareholders, or their respective associates</i>			
Mr. SONG Xin (Executive Director and the chief operating officer)	April 28, 2023	600,000	HK\$100.06
Ms. DONG Li (Executive Director and the chief financial officer)	April 28, 2023	1,688,646	per Share HK\$100.06
<i>Other employees</i>			
4 employees	April 28, 2023	870,000	per Share HK\$100.06
Total		3,158,646	

For further details, please refer to the announcements of the Company dated March 25, 2022, April 28, 2023, June 12, 2023, July 19, 2023, September 13, 2023 and March 20, 2024.

The proposed extension of the Exercise Period of the Existing Outstanding Awards are conditional upon the approval by the Shareholders on the Second Amended Post-IPO RSU Scheme and Second Amended Post-IPO Share Option Scheme. However, the extension of the Exercise Period of the Existing Outstanding Awards itself will not be subject to approval by the Shareholders at the AGM pursuant to applicable Listing Rules.

AGM

An AGM will be convened for the Shareholders to consider, and if thought fit, approve, inter alia, (i) the proposed amendments to the Post-IPO RSU Scheme; (ii) the proposed amendments to the Post-IPO Share Option Scheme; and (iii) the expansion of the Scheme Mandate Limit. Further details of the aforementioned proposals, together with a notice of the AGM, will be published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.angelalign.com) in accordance with the requirements of the Listing Rules in due course.

As of the date of this announcement, the Second Amended Post-IPO RSU Scheme and the Second Amended Post-IPO Share Option Scheme remain subject to the approval of the Shareholders. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

“Adoption Date”	May 20, 2021, the date on which this Scheme is duly conditionally approved and adopted by the Company
“AGM”	the annual general meeting of the Company forthcoming, or any adjournment thereof and notice of which will be further notified by the Company in relevant circular
“Award(s)”	collectively, the RSUs and Options
“Amendment Date”	the date on which the proposed amendment to the Post-IPO RSU Scheme and Post-IPO Share Option Scheme is duly conditionally approved and adopted by the Company
“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
“Director(s)”	the director(s) of the Company
“Exercise Period”	the exercise period of the Awards under the Post-IPO RSU Scheme/ Post-IPO Share Option Scheme, which will be notified by the Board to each Grantee at the time of making an offer of any Award
“Existing Outstanding Awards”	all the outstanding Awards that have been granted and not exercised as of the date of the AGM

“Grantee(s)”	any person who has been granted and accepted the grant of Awards and/or Options pursuant to the Post-IPO RSU Scheme and Post-IPO Share Option Scheme
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Group”	the Company and its subsidiaries
“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
“Option(s)”	the option(s) to subscribe for Shares granted pursuant to the Post-IPO Share Option Scheme
“Post-IPO RSU Scheme”	the post-IPO RSU scheme of the Company as adopted on May 20, 2021 and as amended from time to time
“Post-IPO Share Option Scheme”	the post-IPO share option scheme of the Company as adopted on May 20, 2021 and as amended from time to time
“Post-IPO RSU Scheme Limit”	the limit on grants of share awards over new Shares of the Company under the Second Amended Post-IPO RSU Scheme, subject to the Shareholders’ approval, which must not exceed 2% of the issued shares of the Company on the Amendment Date
“Post-IPO Share Option Scheme Limit”	the limit on grants of options over new Shares of the Company under the Second Amended Post-IPO Share Option Scheme, subject to the Shareholders’ approval, which must not exceed 6% of the issued shares of the Company on the Amendment Date
“Prospectus”	the prospectus of the Company dated June 3, 2021 in connection with its initial public offering and listing on the main board of the Stock Exchange
“RSU(s)”	the restricted share unit(s) that may be granted under the Post-IPO RSU Scheme
“Scheme Mandate Limit”	collectively, the Post-IPO RSU Scheme Limit and the Post-IPO Share Option Scheme Limit, as amended from time to time

“Second Amended Post-IPO RSU Scheme”	The second amended and restated Post-IPO RSU Scheme proposed by the Board to seek approval from the Shareholders at the AGM
“Second Amended Post-IPO Share Option Scheme”	the second amended and restated Post-IPO Share Option Scheme proposed by the Board to seek approval from the Shareholders at the AGM
“Share(s)”	ordinary share(s) in the share capital of the Company of US\$0.0001 each
“Shareholder(s)”	holder(s) of the Shares
“Share Award Schemes”	collectively, the Post-IPO Share Option Scheme and the Post-IPO RSU Scheme
“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, March 21, 2024

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