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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)**

### **CANCELLATION AND GRANT OF OPTIONS UNDER THE POST-IPO SHARE OPTION SCHEME**

This announcement is made by the Company pursuant to Chapter 17 of the Listing Rules.

Reference is made to the announcements of the Company dated April 28, 2023 and May 4, 2023 (the “**Announcements**”) in relation to the grant of certain Options on April 28, 2023 to, among others, Mr. SONG Xin, an executive Director and the chief operating officer of the Company, and three other employees of the Company (the “**Relevant Grantees**”). As at the date of this announcement, a total of 1,320,000 Options (the “**Old Options**”) has been granted to the Relevant Grantees, all of which are outstanding, including 330,000 vested Old Options and 990,000 unvested Old Options. None of the Old Options has been exercised or cancelled as of the date of this announcement.

The Board announces that after taking into consideration of the market conditions since the grant of the Old Options, and to further incentivize and retain the Relevant Grantees to continuously contribute to the development of the Company, on April 30, 2024, the Board resolved to cancel 990,000 unvested Old Options held by the Relevant Grantees and re-grant to them 827,750 new Options (the “**New Options**”) in accordance with the terms and conditions of the Post-IPO Share Option Scheme (the “**Cancellation and Re-Grant**”), to replace the aforementioned cancelled Options, subject to the respective consent and acceptance of the Relevant Grantees. Details of the Cancellation and Re-Grant are set forth as follows:

#### **PARTICULARS OF THE CANCELLATION AND RE-GRANT**

##### **Cancellation of Old Options**

The following sets forth details of the movement in the Old Options held by the Relevant Grantees due to the cancellation of Old Options as described above:

| Name of the Relevant Grantees   | Positions(s) held with the Company                       | Number of outstanding unvested Old Options <sup>(1)</sup> held | Number of Old Options <sup>(1)</sup> cancelled | Number of outstanding unvested Old Options <sup>(1)</sup> after the cancellation | Number of outstanding vested Old Options <sup>(1)</sup> after the cancellation |
|---|--|--|--|--|--|
| <b><i>Directors, chief executives and other connected persons</i></b> |  |  |  |  |  |
| Mr. SONG Xin  | Executive Director and the chief operating officer       | 450,000  | 450,000  | -  | 150,000  |
| <b><i>Others</i></b>  |  |  |  |  |  |
| 3 other employees   | Employees who are not connected person or senior manager | 540,000  | 540,000  | -  | 180,000  |

(1) The Old Options were granted on April 28, 2023 and their exercise price is HK\$100.06 per Share. See the Announcements for details of the Old Options.

### Re-Grant of New Options

The following sets forth details of the New Options granted to the Relevant Grantees:

**Grant date:** April 30, 2024

**Particulars of the Relevant Grantees and New Options granted:** An aggregate of 827,750 New Options (each Option shall entitle the Relevant Grantee to subscribe for one Share) are granted to the Relevant Grantees, details of which are as follows:

| Name of the Relevant Grantees   | Position(s) held with the Company                        | Number of New Options granted | Vesting Schedule of the New Options granted <sup>(1)</sup>  |
|---|--|-------------------------------|---|
| <b><i>Directors, chief executives and other connected persons</i></b> |  |                               |   |
| Mr. SONG Xin  | Executive Director and the chief operating officer       | 375,375                       | <ul style="list-style-type: none"> <li>• 33.3% shall vest on April 30, 2025;</li> <li>• 33.3% shall vest on April 30, 2026; and</li> <li>• the remaining 33.4% shall vest on April 30, 2027.</li> </ul> |
| <b><i>Others</i></b>  |  |                               |   |
| 3 other employees   | Employees who are not connected person or senior manager | 452,375                       | <ul style="list-style-type: none"> <li>• 33.3% shall vest on April 30, 2025;</li> <li>• 33.3% shall vest on April 30, 2026; and</li> <li>• the remaining 33.4% shall vest on April 30, 2027.</li> </ul> |

*Note:*

- (1) Given that the grant of New Options to the Relevant Grantees are served as replacement of the cancelled Old Options, the period between the grant date and the first vesting date of the New Options is less than 12 months to reflect the time for which the cancelled Old Options would have been vested. Based on the foregoing and considering that the total vesting and holding period of the New Options granted to the Relevant Grantees is more than 12 months, 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.

***Exercise price of the New Options granted:***

HK\$79.00 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\$77.45; and (ii) the closing price of the Shares as quoted on the Stock Exchange on the date of grant, being HK\$79.00.

***Closing price of the Share on the date of grant:***

HK\$79.00 per Share

***Exercise period of the New Options:***

Three years from the date of grant of the New Options. Subject to the Shareholders' approval on certain amendments to the Post-IPO Share Option Scheme at the AGM, the exercise period will be extended to ten years from the date of grant of the New Options. See the Company's AGM circular dated April 23, 2024 and announcement dated March 21, 2024 for details.

***Performance target:***

There is no performance target attached to the New Options granted. <sup>(1)</sup>

*Note:*

- (1) Given that (i) the grant of New Options to the Relevant Grantees are served as replacement of the cancelled Old Options, which were granted without performance target as explained in the Announcements, (ii) the Relevant Grantees have joined the Group for a relatively long period and are considered to have shown satisfactory work performance, and (iii) 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 for the grant of New Options. 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.

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

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

## **LISTING RULES IMPLICATIONS**

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 or any of their respective associates must be approved by the independent non-executive Directors. Accordingly, the New Options conditionally granted to Mr. SONG Xin 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 Relevant Grantees is (i) a Director, nor a chief executive, or a substantial Shareholder, 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 grants of the New Options will be subject to approval by the Shareholders.

## **REASONS FOR THE TRANSACTION**

The Board and the Remuneration Committee consider that the purpose of the Cancellation and Re-Grant (including the Cancellation and Re-Grant relating to Mr. Song) is to recognize the contributions made to the Group by the Relevant Grantees and encourage, motivate and retain the Relevant Grantees, whose contributions are beneficial to the continual operation, development and long-term growth of the Group. As the Group's business is undergoing rapid expansion, and considering the prevailing market conditions, the Company believes that the Cancellation and Re-Grant serves 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 Cancellation and Re-Grant, 987,817 Shares are available for future grant under the existing scheme limit of the Post-IPO Share Option Scheme. No service provider sublimit has been adopted under the Post-IPO Share Option Scheme.

The Company has proposed to increase the scheme limit of the Post-IPO Share Option Scheme by 5,171,654 Shares. If such proposal is approved by the Shareholders at the AGM, there will be an aggregate of 6,159,471 Shares available for future grant under the expanded scheme limit of the Post-IPO Share Option Scheme. No service provider sublimit has been adopted under the Post-IPO Share Option Scheme to be amended. See the Company's AGM circular dated April 23, 2024 for details.

## DEFINITIONS

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

|                    |  |
|--------------------|--|
| “AGM”              | the annual general meeting of the Company to be held on Thursday, May 23, 2024, or any adjournment thereof and notice of which is published by the Company on April 23, 2024   |
| “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, the shares of which are listed on the Main Board of the Stock Exchange on the Listing Date |
| “connected person” | has the meaning ascribed thereto 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   |
| “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   |
| “New Options”      | the option(s) granted to the Relevant Grantees on April 30, 2024 under the Post-IPO Share Options  |

|                                |   |
|--------------------------------|---|
| “Old Option(s)”                | the option(s) granted to the Relevant Grantees on April 28, 2023 under the Post-IPO Share Options   |
| “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 of the Company as adopted on May 20, 2021 and as amended from time to time   |
| “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 |
| “Relevant Grantee(s)”          | the grantee(s) under the grant of New Options dated April 30, 2024, including Mr. SONG Xin and three other current employees of the Company                   |
| “Remuneration Committee”       | the remuneration committee of the Board   |
| “senior manager”               | has the meaning ascribed thereto under the Listing Rules  |
| “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 30, 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.*