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Beijing Airdoc Technology Co., Ltd.
北京鷹瞳科技發展股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 2251)

DISCLOSEABLE TRANSACTION
SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

INTRODUCTION

The Board announces that on January 11, 2023, the Company subscribed for the CMBWL Wealth Management Product offered by CMBWL Asset Management in the principal amount of US\$10 million.

SUBSCRIPTION OF THE CMBWL WEALTH MANAGEMENT PRODUCT

The principal terms of the CMBWL Wealth Management Product are set out as follows:

Subscription date: January 11, 2023

Parties: (a) the Company, as the subscriber;
(b) CMBWL Asset Management, as the investment manager;
(c) Wing Lung Ying Yi Fund Limited, as the issuer.

Name of product: Wing Lung Ying Yi Fund Limited (招銀永隆月添利基金)

Type of product: Non-principal guaranteed with floating return

Risk level of product Low risk
(internal risk rating
by the issuer):

Investment scope of the product: The proceeds will be fully and directly invested in time deposits or certificates of deposits.

Subscription amount: US\$10 million

The principal amount and terms of the Subscription were determined on the basis of arm's length negotiations between the Company and CMBWL Asset Management, having taken into account (i) the amount of idle fund of the Company for treasury management purpose; (ii) the expected investment return and terms of the CMBWL Wealth Management Product; and (iii) the expected annualized rate of return of similar financial or wealth management products offered by other comparable banks or institutions then available in the market.

Holding period: From January 12, 2023 to December 20, 2023

Expected annualized rate of return: 5.11% per annum

Right of early redemption: The Company does not have any right of early redemption.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Company considers that reasonable and appropriate wealth management with low risk exposure is conducive to enhancing the utilization of capital and increasing income from temporary idle funds of the Group, which is consistent with the core objectives of the Company to ensure capital safety and liquidity. The CMBWL Wealth Management Product is for short-term treasury management only and provides better return than fixed deposits generally offered by commercial banks in the relevant markets. The Subscription was funded by the Group's internal idle funds, which will not affect the Group's working capital position or operation. Accordingly, the Directors consider that the Subscription is on normal commercial terms, and the terms and conditions of the CMBWL Wealth Management Product are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE PARTIES

Information on the Company

The Company is incorporated in the PRC and is an AI-based medical device company with an advanced platform of AI-empowered retina-based deep learning algorithms, the H Shares of which are listed on the Stock Exchange.

Information on Wing Lung Ying Yi Fund Limited and CMBWL Asset Management

Wing Lung Ying Yi Fund Limited, the issuer of the CMBWL Wealth Management Product, is incorporated as an exempted company with limited liability in Cayman Islands.

CMBWL Asset Management, the investment manager of the CMBWL Wealth Management Product, is an asset management company incorporated under the laws of Hong Kong and is licensed to conduct Type 9 (asset management) regulated activities as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). CMBWL Asset Management is a wholly-owned subsidiary of CMB Wing Lung Bank Limited (招商永隆銀行), formerly known as Wing Lung Bank, which is a licensed bank registered in Hong Kong and a wholly-owned subsidiary of China Merchants Bank Co., Ltd. (招商銀行股份有限公司), a company whose shares are listed on the Stock Exchange (stock code: 3968).

CMBWL Asset Management is an offshore intermediate holding company for China Merchants Bank's overseas businesses, playing the critical role of connecting China market with the international financial centers, providing portfolio management, customized discretionary account management and professional investment advisory services to high net worth individual and corporate.

As of the date of this announcement and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Wing Lung Ying Yi Fund Limited and CMBWL Asset Management, and their respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the Subscription exceeds 5% but all applicable percentage ratios are less than 25%, the Subscription constitutes a disclosable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

ENHANCED INTERNAL CONTROL PROCEDURES

With the mistaken belief that the CMBWL Wealth Management Product was similar in nature to time deposits and had low risk exposures which did not constitute transaction(s) as defined under Chapter 14 of the Listing Rules, the Company failed to comply with the applicable reporting and announcement requirements under Chapter 14 of the Listing Rules. The Company deeply regrets this non-compliance with the Listing Rules and would like to stress that the delay in compliance with the Listing Rules was inadvertent and unintentional.

To prevent similar cases from occurring in the future, the Company conducted a comprehensive review and self-examination of its internal control procedures and will implement the following remedial measures:

- (i) with the assistance of its legal advisers, the Company has further understood the definition of a wealth management product and will remind the responsible staff and strengthen their understanding by the end of October 2023 to identify the circumstances which are expected to trigger the announcement requirement under the Listing Rules and potential problems at an early stage to avoid the recurrence of such matters;
- (ii) the Company has circulated a detailed guideline relating to notifiable and connected transactions under the Listing Rules and will offer regular internal trainings on quarter basis since October 2023 to remind the responsible staff, senior management and Directors in order to strengthen and reinforce their existing knowledge relating to notifiable transactions, as well as their ability to identify potential issues at an early stage;
- (iii) the Company will strengthen the coordination and reporting arrangements for notifiable transactions among its subsidiaries and emphasize the importance of compliance with the Listing Rules on an ongoing basis; and
- (iv) the Company will work more closely with its internal legal and compliance department on compliance issues on an ongoing basis; and shall, as and when appropriate and necessary, consult other professional advisers before entering into any potential notifiable transaction. If necessary, the Company might also consult the Stock Exchange on the proper treatment of the proposed transaction. Going forward, the Company will continue to comply with the management procedures of subscription of wealth management products and make disclosure in a timely manner to ensure compliance with the Listing Rules.

DEFINITIONS

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

“Board”	the board of directors of the Company
“CMBWL Asset Management”	CMB Wing Lung Asset Management Limited (招商永隆資產管理有限公司), an asset management company incorporated under the laws of Hong Kong
“CMBWL Wealth Management Product”	participating shares offered by Wing Lung Ying Yi Fund Limited, which is managed by CMBWL Asset Management and subscribed by the Company, the details of which are set out in this announcement

“Company”	Beijing Airdoc Technology Co., Ltd. (北京鷹瞳科技發展股份有限公司), a joint stock company incorporated in the PRC and the H Shares of which were listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the CMBWL Wealth Management Product offered by CMBWL Asset Management in the principal amount of US\$10 million on January 11, 2023
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

By order of the Board
Beijing Airdoc Technology Co., Ltd.
Mr. ZHANG Dalei
Chairman of the Board

Hong Kong, October 19, 2023

As of the date of this announcement, the Board comprises Mr. ZHANG Dalei, Dr. CHEN Yuzhong, Mr. CHEN Hailong and Ms. WANG Lin as executive Directors; Mr. CHEN Xin as a non-executive Director; and Mr. NG Kong Ping Albert, Dr. WU Yangfeng and Dr. HUANG Yanlin as independent non-executive Directors.