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**杭州启明醫療器械股份有限公司**

**Venus Medtech (Hangzhou) Inc.**

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

**(Stock Code: 2500)**

## **CONNECTED TRANSACTION INVESTMENT IN THE FUND**

### **INVESTMENT IN THE FUND**

The Board is pleased to announce that, on July 15, 2020, the Company entered into the Subscription Agreement with the Fund and Ascendum Venture Partners, pursuant to which the Company agreed to (a) subscribe for a limited partnership interest in the Fund for a capital commitment in the amount of US\$8 million and (b) become a limited partner of the Fund pursuant to the terms and conditions of the Limited Partnership Agreement. On the same day, the Company also made an arrangement with the Fund, pursuant to which the Company agreed that the final total Capital Commitment of the Company and its affiliates in the Fund will not exceed 20% of all Capital Commitments of the Partners, and will not be in an amount which is more than US\$25 million.

On the same day, the Company also entered into the Limited Partnership Agreement with Ascendum Venture Partners (on behalf of the Fund and as the General Partner), Ms. Serena Ying Shao (as the initial limited partner of the Fund), QVP VII (as a limited partner of the Fund), QVSIF (as a limited partner of the Fund) and DCP Discovery Limited (as a limited partner of the Fund), to govern the relationship among the Partners and regulate the management of the Fund.

The objective of the Fund is to make worldwide, principally privately-negotiated investments in entities operating directly or indirectly in life science, healthcare and related industries.

### **LISTING RULES IMPLICATIONS**

QVP VII and QVSIF are exempted limited partnerships established in the Cayman Islands. The general partner of QVP VII and QVSIF is QGP VII, a limited liability company incorporated in the Cayman Islands. Mr. Duane Kuang, an Independent Third Party, Mr. Gary Rieschel, an Independent Third Party, and Ms. Nisa Bernice Wing-Yu Leung, our non-executive Director, each owns 33.33% of the equity interests in QGP VII. As such, QVP VII and QVSIF are each controlled by Ms. Nisa Bernice Wing-Yu Leung, and are thus associates of a connected person of the Company. Accordingly, the Transaction contemplated under the Limited Partnership Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Company's aggregate capital contribution under the Transaction exceeds 0.1% but is less than 5%, the Transaction is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **SUBSCRIPTION OF INTERESTS IN THE FUND**

On July 15, 2020, the Company entered into the Subscription Agreement with the Fund and Ascendum Venture Partners, pursuant to which the Company agreed to (a) subscribe for a limited partnership interest in the Fund for a capital commitment in the amount of US\$8 million and (b) become a limited partner of the Fund pursuant to the terms and conditions of the Limited Partnership Agreement. On the same day, the Company also made an arrangement with the Fund, pursuant to which the Company agreed that the final total Capital Commitment of the Company and its affiliates in the Fund will not exceed 20% of all Capital Commitments of the Partners, and will not be in an amount which is more than US\$25 million.

On the same day, the Company also entered into the Limited Partnership Agreement with Ascendum Venture Partners (on behalf of the Fund and as the General Partner), Ms. Serena Ying Shao (as the initial limited partner of the Fund), QVP VII (as a limited partner of the Fund), QVSIF (as a limited partner of the Fund) and DCP Discovery Limited (as a limited partner of the Fund), to govern the relationship among the Partners and regulate the management of the Fund.

## **THE LIMITED PARTNERSHIP AGREEMENT**

The principal terms of the Fund as set out in the Limited Partnership Agreement are as follows:

Date	July 15, 2020
Parties	<ol style="list-style-type: none"><li>1. Ascendum Venture Partners (on behalf of the Fund);</li><li>2. Ascendum Venture Partners (as the General Partner);</li><li>3. Ms. Serena Ying Shao (as the initial limited partner of the Fund and who will cease to be a limited partner of the Fund on the date of the Initial Closing);</li><li>4. the Company (as a limited partner of the Fund);</li><li>5. QVP VII (as a limited partner of the Fund);</li><li>6. QVSIF (as a limited partner of the Fund); and</li><li>7. DCP Discovery Limited (as a limited partner of the Fund)</li></ol>

Name of the Partnership	Ascendum Healthcare Fund I, L.P.
Term of the Fund	From March 24, 2020 until the seventh anniversary of the Initial Closing, but may be extended at the discretion of the General Partner for up to two consecutive one-year periods.
Objective of the Fund	The investment objective of the Fund is to make worldwide, principally privately-negotiated investments in entities operating directly or indirectly in life science, healthcare and related industries, through investments in principally non-public equity and equity-related securities (including (i) common stock, convertible debt and other securities relating to common equity investments, and (ii) preferred stock, debt and other securities that are expected to have equity-like returns).
Capital Commitments of the Partners	Pursuant to the Subscription Agreement, the Company agreed to provide an initial Capital Commitment (as defined below) in the amount of US\$8 million to the Fund.

As of the date of this announcement, the initial Capital Commitments to be made by each of the Partners are as follows:

Partner	Type	Capital Commitment
Ascendum Venture Partners	General Partner	US\$900,000
The Company	Limited Partner	US\$8,000,000
QVP VII	Limited Partner	US\$9,902,750
QVSIF	Limited Partner	US\$97,250
DCP Discovery Limited	Limited Partner	US\$25,000,000

Subsequent to the Initial Closing and until the Final Closing, more limited partners may be admitted to the Fund.

Pursuant to an arrangement of the Company made with the Fund, the parties agreed that the final total Capital Commitment of the Company and its affiliates will not exceed 20% of all Capital Commitments of the Partners, and will not be in an amount which is more than US\$25 million.

The respective Capital Commitments to the Fund was determined after arm's length negotiations between the Partners with reference to the proposed capital requirements of the Fund and the parties' proportionate interests therein.

The Capital Commitments of the Company will be financed by its internal resources and will not affect the fund raised from the Company's initial public offering in December 2019.

Capital Commitments to the Fund	<p>The Fund is seeking up to US\$200 million of capital commitments (the “<b>Capital Commitments</b>”) from investors qualified to be admitted as limited partners, although Ascendum Venture Partners may accept more or less than that amount.</p> <p>The minimum Capital Commitments by a limited partner will be US\$5 million, although the General Partner reserves the right to accept Capital Commitments of lesser amounts.</p>
Capital Contributions	<p>The Capital Commitments will be drawn down proportionately to Partners’ un-drawn Capital Commitment on an as-needed basis to fund investments, the advisory fee paid to the advisor of the Fund and expenses related to the operations of the Fund, with at least ten business days’ prior notice to the limited partners.</p>
Investment Committee	<p>The majority approval of members of the investment committee will be required for all investment and divestment decisions relating to any portfolio investment. The investment committee currently consists of three Independent Third Parties. The General Partner may replace one member of the investment committee, and, with consent of the advisory committee, two members.</p>
Advisor and Advisory Fee	<p>Ascendum Capital Limited, an exempted limited liabilities company in the Cayman Islands, is the advisor of the Fund. It will advise on the operation of the Fund and provide administrative services to the Fund.</p> <p>An advisory fee of 2% per annum of a limited partner’s Capital Commitment is payable to the advisor.</p>
Advisory Committee	<p>The advisory committee, which will provide advice and counsel to the Fund, will consist of no more than three voting representatives of limited partners unaffiliated with Ascendum Venture Partners. Ascendum Venture Partners will decide in its absolute discretion which limited partners will be invited to appoint a representative to be a member of the advisory committee. Pursuant to an arrangement of the Company made with the Fund, Mr. Zhenjun Zi, our executive Director, was designated by the Company to be a member of the advisory committee.</p>
Distributions of Investment Proceeds	<p>Prior to the dissolution of the Fund, the Fund may make distributions in cash or in kind as determined by the General Partner in its sole discretion, in proportion to the percentage interests of the limited partners and the General Partner with respect to the relevant investment.</p>
Restrictions on Transfer of Interests	<p>A limited partner may not sell, assign or transfer any interest without the prior written consent of the General Partner, which may grant or withhold such consent in its sole and absolute discretion.</p>

## **INFORMATION ON THE COMPANY, THE FUND AND THE PARTNERS**

The Company is principally engaged in the transcatheter heart valve market in China and globally. Its products and product candidates are designed for transcatheter implantation to replace dysfunctional heart valves mainly associated with aortic stenosis and pulmonic, mitral and tricuspid regurgitation.

The Fund is a limited partnership established under the laws of the Cayman Islands. The purpose of the Fund is to invest in, including but not limited to, life science, healthcare and related industries, and non-public equity and equity-related securities.

Ascendum Venture Partners, the General Partner of the Fund, is an exempted limited partnership established in the Cayman Islands. It is principally engaged in investments in medical and healthcare industries globally. Ascendum Venture Partners I Limited, a company incorporated in the Cayman Islands, is the general partner of Ascendum Venture Partners. The equity interests of Ascendum Venture Partners I Limited is 55% owned by Ms. Serena Ying Shao and 45% owned by Yuan Management Limited (a company of which Ms. Cathy Ling Zhang is the sole shareholder). Ascendum Venture Partners, Ascendum Venture Partners I Limited, Ms. Serena Ying Shao, Yuan Management Limited and Ms. Cathy Ling Zhang are Independent Third Parties.

Ms. Serena Ying Shao, the initial limited partner of the Fund and who will cease to be a partner of the Fund on the date of the Initial Closing, is an Independent Third Party.

QVP VII and QVSIF are exempted limited partnerships established in the Cayman Islands. The general partner of QVP VII and QVSIF is QGP VII, a limited liability company incorporated in the Cayman Islands. Mr. Duane Kuang, an Independent Third Party, Mr. Gary Rieschel, an Independent Third Party, and Ms. Nisa Bernice Wing-Yu Leung, our non-executive Director, each owns 33.33% of the interests in QGP VII. As such, QVP VII and QVSIF are each controlled by Ms. Nisa Bernice Wing-Yu Leung, and are thus associates of a connected person of the Company.

DCP Discovery Limited is a company incorporated in the Cayman Islands which is ultimately owned by DCP Capital Partners L.P., a limited partnership organised in Cayman Islands. DCP General Partner, Ltd., a company incorporated in the Cayman Islands, is the general partner of DCP Capital Partners, L.P.. DCP General Partner, Ltd. is managed by DCP Capital, an international private equity firm that manages private equity funds which invest in portfolio companies with a focus on opportunities in Asia. DCP Capital manages shares representing 7.50% of the total issued share capital of the Company as of the date of this announcement.

## REASONS FOR AND BENEFITS OF THE TRANSACTION

The Company has been seeking investment opportunities in other medical and healthcare companies, and the investment in the Fund represents a valuable investment of the Company. Furthermore, through the investment in the Fund, the Company will be able to cooperate with other professional life science, healthcare and related companies, in order to introduce external funds, participate in and support the Group's mergers and acquisitions as well as financing of life science, healthcare and related enterprises. The Directors believe that such strategic development complements the Company's strategic layout in relation to investment in life science, healthcare and related industries.

The Directors (including the independent non-executive Directors) consider that the Transaction is on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole. Our non-executive Director, Ms. Nisa Bernice Wing-Yu Leung, abstained from voting on the board resolution approving the Transaction in view of her conflict of interests or potential interests in the Transaction. Save as disclosed above, none of the Directors has any material interest in the Transaction.

## LISTING RULES IMPLICATIONS

QVP VII and QVSIF are exempted limited partnerships established in the Cayman Islands. The general partner of QVP VII and QVSIF is QGP VII, a limited liability company incorporated in the Cayman Islands. Mr. Duane Kuang, an Independent Third Party, Mr. Gary Rieschel, an Independent Third Party, and Ms. Nisa Bernice Wing-Yu Leung, our non-executive Director, each owns 33.33% of the equity interests in QGP VII. As such, QVP VII and QVSIF are each controlled by Ms. Nisa Bernice Wing-Yu Leung, and are thus associates of a connected person of the Company. Accordingly, the Transaction contemplated under the Limited Partnership Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

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## DEFINITIONS

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

“Ascendum Venture Partners” or “General Partner”	Ascendum Venture Partners GP I, L.P., a limited partnership established in the Cayman Islands and the general partner of the Fund
“Board”	the board of directors of the Company
“Company”	Venus Medtech (Hangzhou) Inc., a joint stock company incorporated in the PRC with limited liability, whose shares are listed on the Main Board of the Stock Exchange

“Director(s)”	directors of the Company
“Final Closing”	date of admitting the final additional limited partner to the Fund, which will take place no later than one year after the Initial Closing but in the General Partner’s discretion acting in good faith, may occur up to 18 months from the Initial Closing
“Fund”	Ascendum Healthcare Fund I, L.P., an exempted limited partnership established under the laws of the Cayman Islands
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Listing Rules
“Initial Closing”	the initial closing to admit the initial limited partners to be held as of July 17, 2020
“Limited Partnership Agreement”	the limited partnership agreement dated July 15, 2020 and entered into among Ascendum Venture Partners (on behalf of the Fund and as the General Partner), Ms. Serena Ying Shao (as the initial limited partner of the Fund); the Company, QVP VII (as a limited partner of the Fund), QVSIF (as a limited partner of the Fund) and DCP Discovery Limited (as a limited partner of the Fund) in relation to the Transaction and the rights and obligations of the Partners
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Partner(s)”	the partner(s) of the Fund, including the General Partner and the limited partner(s)
“PRC”	the People’s Republic of China (for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“QGP VII”	Qiming GP VII, LLC, a limited liability company incorporated in the Cayman Islands
“QVP VII”	Qiming Venture Partners VII, L.P., an exempted limited partnership established in the Cayman Islands
“QVSIF”	Qiming VII Strategic Investors Fund, L.P., an exempted limited partnership established in the Cayman Islands

“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated July 15, 2020 and entered into among the Fund, Ascendum Venture Partners and the Company
“Transaction”	the transaction contemplated under the Limited Partnership Agreement
“US\$”	the US dollars the lawful currency of USA
“%”	per cent.

By order of the Board  
**Venus Medtech (Hangzhou) Inc.**  
**Min Frank Zeng**  
*Chairman*

Hangzhou, July 15, 2020

*As at the date of this announcement, the executive Directors are Mr. Min Frank Zeng, Mr. Zhenjun Zi and Mr. Lim Hou-Sen (Lin Haosheng); the non-executive Director is Ms. Nisa Bernice Wing-Yu Leung; and the independent non-executive Directors are Mr. Ting Yuk Anthony Wu, Mr. Wan Yee Joseph Lau and Mr. Chi Wai Suen.*