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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)

**(1) QUARTERLY UPDATE ON RESUMPTION PROGRESS; AND
(2) CONTINUED SUSPENSION OF TRADING**

This announcement is made by Venus Medtech (Hangzhou) Inc. (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.24A of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

Reference is made to the announcements of the Company dated (i) May 8, 2023 in relation to, amongst others, the Disclosed Fund Flows; (ii) August 4, 2023 in relation to the key findings of the independent internal control review; (iii) November 23, 2023 in relation to the trading halt in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on even date; (iv) November 27, 2023 in relation to, amongst others, further update on the Undisclosed Fund Flows; (v) December 27, 2023 and February 16, 2024 in relation to the Resumption Guidance; (vi) February 23, 2024 in relation to the key findings of the Forensic Investigation about the Unauthorized Transactions; (vii) February 23, 2024 in relation to the quarterly update on resumption progress; (viii) April 16, 2024 in relation to the update on the Unauthorized Transactions; and (ix) May 13, 2024 in relation to the key findings and completion of the Internal Control Review (collectively, the “**Announcements**”) and the annual report of the Company for the year ended December 31, 2023 published on April 29, 2024.

Terms used herein shall have the same meanings as defined in the Announcements unless otherwise stated.

LATEST DEVELOPMENT OF THE GROUP

Business operations of the Group

The Group is principally engaged in innovative medical devices that integrate R&D, clinical development, manufacturing and commercialization. To the best knowledge of the Directors, as at the date of this announcement, the business operations of the Group are continuing as usual in all material respects. Based on its assessment, the Board is of the view that the Unauthorized Transactions did not have any significant adverse impact on the business operations of the Group.

UPDATE ON RESUMPTION PROGRESS

As disclosed in the announcements of the Company dated December 27, 2023 and February 16, 2024, the Stock Exchange has set out the following Resumption Guidance for the Company:

- (a) conduct the special audit and an appropriate forensic investigation into (i) the provision of loans to Mr. Zi and Mr. Zeng and (ii) other fund flows of the Group to and from Mr. Zi, Mr. Zeng and/or any entity they, individually or collectively, own or control that may be uncovered by the Special Audit, announce the findings, and take appropriate remedial actions;
- (b) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to comply with the Listing Rules;
- (c) demonstrate that there is no reasonable regulatory concern about the management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which will pose a risk to investors and damage market confidence;
- (d) inform the market of all material information for the Shareholders and investors to appraise its position; and
- (e) re-comply with Rules 3.10(1), 3.10A, 3.21 and 3.27A of the Listing Rules in relation to the composition and chairmanship of the Board and its Board committees, as applicable.

The Forensic Investigation

As disclosed in the announcement of the Company dated February 23, 2024, the Company has announced the key findings to the Forensic Investigation in relation to the Unauthorized Transactions. The Special Committee, after having reviewed the report submitted by the Forensic Consultant, recommended that the Board should adopt the findings of the Forensic Investigation, and made recommendations to the Board on the appropriate actions to be taken. The Board also resolved to implement the recommendations made by the Special Committee. For further details, please refer to the announcement of the Company dated February 23, 2024.

Further, as disclosed in the announcement of the Company dated April 16, 2024 and the annual report of the Company for the year ended December 31, 2023, the total outstanding amount under the Unauthorized Transactions has been fully repaid or released, except for the RMB80,000,000 unauthorized loan to Jiangsu Wuzhong, which is expected to be fully repaid by September 30, 2024. If repayment is not made to the Company by the agreed date or if sufficient collateral to cover the loans is not provided to the Company by the agreed date, the Company reserves the right to initiate legal proceedings against the relevant part(ies) to recover the outstanding amount. For further details, please refer to the announcement of the Company dated April 16, 2024 and the annual report of the Company for the year ended December 31, 2023.

Review of internal control systems

As disclosed in the announcement of the Company dated May 13, 2024, the Company has announced the key findings and completion of the Internal Control Review. Having reviewed the Internal Control Review Report, including but not limited to, the findings of the Internal Control Review, the recommendations of the Internal Control Consultant, and the review results of the implementation status of the remedial actions in response to the recommendations made, the Board is of the view that the Company has in place adequate internal control systems to meet its obligations under the Listing Rules. For further details, please refer to the announcement of the Company dated May 13, 2024.

Regulatory concern about management integrity

As disclosed in the relevant Announcements, Mr. Zi has resigned as an executive director, the general manager and the authorized representative of the Company with effect from November 20, 2023. Mr. Zeng has resigned as an executive director and the chairman of the board of the Company effective from December 15, 2023. Mr. Ma has resigned as a joint company secretary and the chief financial officer of the Company with effect from June 2, 2023.

In replacement of Mr. Ma, Mr. Fei WANG (王飛, “**Mr. Wang**”) was appointed as the chief financial officer of the Company with effect from January 4, 2024. For further details on Mr. Wang’s biographical details, please refer to the announcement of the Company dated January 4, 2024.

The staff involved in the Unauthorized Transactions no longer hold any management position in the Group.

Inform the market of all material information

Since the suspension of trading in the shares of the Company, the Company has been updating the shareholders and potential investors on a regular basis and publishing all material information on a timely basis. The Company will continue to inform the market of all material information as and when appropriate. The Company is working closely with its professional advisers and taking appropriate steps to fulfill the Resumption Guidance and will update the shareholders and potential investors of the Company as and when appropriate.

Re-comply with Rules 3.10(1), 3.10A, 3.21 and 3.27A of the Listing Rules

The Company is in the process of identifying a suitable candidate to fill the vacancy of independent non-executive director of the Company and the vacancies of the relevant board committees in order to fulfill the requirements of the Listing Rules and the relevant Resumption Guidance as soon as practicable. Further announcement will be made by the Company as and when appropriate, in accordance with the Listing Rules.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on November 23, 2023 and will remain suspended pending the fulfillment of the Resumption Guidance as specified by the Stock Exchange.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Venus Medtech (Hangzhou) Inc.
Mr. Lim Hou-Sen (Lin Haosheng)
Executive Director

Hangzhou, May 23, 2024

As at the date of this announcement, the executive Directors are Mr. Liqiao Ma, Ms. Meirong Liu and Mr. Lim Hou-Sen (Lin Haosheng); the non-executive Directors are Mr. Ao Zhang and Mr. Wei Wang; and the independent non-executive Directors are Mr. Ting Yuk Anthony Wu and Mr. Chi Wai Suen.