
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountants or other professional adviser.

If you have sold or transferred all your shares in Venus Medtech (Hangzhou) Inc., you should at once hand this circular and the accompanying proxy form(s) to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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) 2023 ANNUAL REPORT**
(2) WORK REPORT OF THE BOARD FOR 2023
(3) WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2023
(4) PROFIT DISTRIBUTION PLAN FOR 2023
(5) RE-APPOINTMENT OF AUDITORS FOR 2024
(6) WORK REPORT OF THE INDEPENDENT DIRECTORS FOR 2023
AND
(7) NOTICE OF 2023 ANNUAL GENERAL MEETING

The Company will convene the Annual General Meeting at Room 311, 3/F, Block 2, No. 88, Jiangling Road, Binjiang District, Hangzhou, the PRC at 2:00 p.m. on Friday, June 28, 2024, notice of which is set out on pages 27 to 28 of this circular. The proxy form for use at the Annual General Meeting is enclosed herein, which was also published on the website of the Stock Exchange (www.hkexnews.hk).

If you intend to attend the Annual General Meeting by proxy, you are required to duly complete the accompanying proxy form according to the instructions printed thereon and return the same not less than 24 hours before the time fixed for the holding of the Annual General Meeting or any adjournment thereof (as the case may be) (which is 2:00 p.m. on Thursday, June 27, 2024 (or other date in the event of any adjournment thereof)). Completion and return of the proxy form will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof if you so wish.

June 7, 2024

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the meanings set forth below:

“AGM” or “Annual General Meeting”	the 2023 annual general meeting of the Company will be held at Room 311, 3/F, Block 2, No. 88, Jiangling Road, Binjiang District, Hangzhou, the PRC at 2:00 p.m. on Friday, June 28, 2024
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of the Company
“Chairman”	the chairman of the Board
“China” or “PRC”	the mainland of the People’s Republic of China, for the purpose of this circular and geographical reference only, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Company”, “our Company” or “Venus Medtech”	Venus Medtech (Hangzhou) Inc. (杭州啓明醫療器械股份有限公司), a joint stock limited liability company incorporated in the PRC, whose H Shares are listed on the Stock Exchange (Stock Code: 2500)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“FDA”	U.S. Food and Drug Administration
“Forensic Investigation”	has the meaning ascribed thereto in the announcement of the Company dated February 23, 2024
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Stock Exchange and subscribed for and traded in Hong Kong Dollars
“HKD”, “Hong Kong Dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“independent Director(s)” or “independent non-executive Director(s)”	the independent non-executive Director(s)

DEFINITIONS

“Latest Practicable Date”	June 5, 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“RMB” or “Renminbi”	Renminbi Yuan, the lawful currency of China
“SFO”	the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Special Committee”	has the meaning ascribed to it under the section headed “ <i>Due Diligence of Special Committee under the Board</i> ” in Appendix I of this circular
“Share(s)”	ordinary share(s) with a par value of RMB1.00 each in the share capital of the Company, including Unlisted Foreign Shares and H Shares
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“TAVR”	transcatheter aortic heart valve replacement, a catheter-based technique to implant a new aortic valve in a minimally invasive procedure that does not involve open chest surgery to correct severe aortic stenosis
“Unlisted Foreign Share(s)”	ordinary share(s) with a par value of RMB1.00 each issued by the Company to overseas investors, which are subscribed for and paid up in currencies other than Renminbi and not listed on any stock exchange
“%”	per cent

LETTER FROM THE BOARD



杭州啓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)

Executive Directors:

Lim Hou-Sen (Lin Haosheng) (林浩昇)

Liqiao Ma (馬力喬)

Meirong Liu (柳美榮)

Non-executive Directors:

Ao Zhang (張奧)

Wei Wang (王瑋)

Independent non-executive Directors:

Ting Yuk Anthony Wu (胡定旭) (Chairman)

Chi Wai Suen (孫志偉)

Registered address:

Room 311, 3/F, Block 2

No. 88, Jiangling Road

Binjiang District

Hangzhou

PRC

Principal Place of Business in Hong Kong:

40/F, Dah Sing Financial Centre

248 Queen's Road East

Wanchai

Hong Kong

June 7, 2024

To the Shareholders

Dear Sir/Madam,

- (1) 2023 ANNUAL REPORT**
(2) WORK REPORT OF THE BOARD FOR 2023
(3) WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2023
(4) PROFIT DISTRIBUTION PLAN FOR 2023
(5) RE-APPOINTMENT OF AUDITORS FOR 2024
(6) WORK REPORT OF THE INDEPENDENT DIRECTORS FOR 2023
AND
(7) NOTICE OF 2023 ANNUAL GENERAL MEETING

I. INTRODUCTION

The AGM of the Company will be held at Room 311, 3/F, Block 2, No. 88, Jiangling Road, Binjiang District, Hangzhou, the PRC at 2:00 p.m. on Friday, June 28, 2024, the notice of which is set out on pages 27 to 28 of this circular.

The purpose of this circular is to provide you with the information of certain resolutions to be considered at the AGM, so as to enable you to make an informed decision as to whether voting in favor of or against such resolutions. Further details of the resolutions are set out in the Letter from the Board.

LETTER FROM THE BOARD

II. MATTERS TO BE RESOLVED AT THE AGM

Resolutions to be proposed at the AGM for the Shareholders' consideration and approval by way of ordinary resolutions include: (1) 2023 annual report; (2) work report of the Board for 2023; (3) work report of the Supervisory Committee for 2023; (4) profit distribution plan for 2023; and (5) re-appointment of auditors for 2024.

Proposal to be proposed at the AGM for the Shareholders' review which is not subject to resolution includes: (6) work report of the independent Directors for 2023.

Details of the matters to be resolved at the AGM are set out in the notice of AGM on pages 27 to 28 of this circular. To enable you to get a better understanding of the resolutions to be proposed at the AGM and make informed decisions with sufficient and necessary information, we have provided particulars thereon in this letter and the accompanying appendices.

ORDINARY RESOLUTIONS

(1) 2023 Annual Report

The 2023 annual report has been considered and approved by the Board on April 26, 2024, and is hereby proposed at the AGM for consideration. The annual report has been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.venusmedtech.com>) and despatched to the Shareholders on April 29, 2024.

(2) Work Report of the Board for 2023

In line with the requirements of the Articles of Association, the work report of the Board for 2023 set out in Appendix I of this circular has been considered and approved by the Board on March 28, 2024, and is hereby proposed at the AGM for consideration.

(3) Work Report of the Supervisory Committee for 2023

The work report of the Supervisory Committee for 2023 set out in Appendix II of this circular has been considered and approved by the Supervisory Committee on March 28, 2024, and is hereby proposed at the AGM for consideration.

(4) Profit Distribution Plan for 2023

Based on the operating results, financial position and future development plan of the Company, the Board recommended not to distribute final dividend for 2023.

The profit distribution plan for 2023 has been considered and approved by the Board on March 28, 2024, and is hereby proposed at the AGM for consideration.

LETTER FROM THE BOARD

(5) Re-appointment of Auditors for 2024

In accordance with the relevant provisions of the Articles of Association and the audit requirements of the Company, the Company intends to re-appoint ZHONGHUI ANDA CPA Limited (中匯安達會計師事務所有限公司) as the Company's overseas auditor for 2024 and Zhonghui Certified Public Accountants LLP (中匯會計師事務所(特殊普通合夥)) as the Company's domestic auditor for 2024 to hold office until the conclusion of the next annual general meeting of the Company. The Company proposed that the Board be authorized to fix their remuneration for 2024.

AS REPORTING DOCUMENT

(6) Work Report of the Independent Directors for 2023

The work report of the independent Directors for 2023, as set out in Appendix III of this circular, has been reviewed by the Board on March 28, 2024, and is hereby proposed at the AGM for review by the Shareholders, which is not subject to resolution.

III. AGM

The notice convening the AGM at Room 311, 3/F, Block 2, No. 88, Jiangling Road, Binjiang District, Hangzhou, the PRC at 2:00 p.m. on Friday, June 28, 2024 is set out on pages 27 to 28 in this circular. In order to ascertain holders of H Shares who are entitled to attend the AGM, the register of members of holders of H Shares of the Company will be closed from Tuesday, June 25, 2024 to Friday, June 28, 2024 (both days inclusive). H shareholders and Unlisted Foreign Shareholders whose names appear on the register of members of the Company on June 28, 2024 are entitled to attend and vote at the AGM. Holders of H Shares who intend to attend the AGM are required to deposit the share certificates together with the transfer documents at the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Monday, June 24, 2024.

The proxy form for use at the AGM is enclosed in this circular and published on the website of the Stock Exchange (www.hkexnews.hk).

LETTER FROM THE BOARD

If you intend to attend the AGM by proxy, you are required to return the duly completed accompanying proxy form according to the instructions printed thereon. Shareholders who intend to attend the AGM by proxy are required to duly complete the proxy form and return the same to (i) Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares); or (ii) the office of the Company, at Room 311, 3/F, Block 2, No. 88, Jiangling Road, Binjiang District, Hangzhou, the PRC (for holders of Unlisted Foreign Shares) not less than 24 hours before the time fixed for the holding of the AGM (which is 2:00 p.m. on Thursday, June 27, 2024 (or other date in the event of any adjournment thereof)). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM if you so wish.

Voting at the AGM will be taken by registered ballots.

To the best knowledge of the Directors and having made all reasonable enquiries, no Shareholders have material interests in the resolutions to be proposed at the AGM and are required to abstain from voting on such resolutions.

IV. RECOMMENDATIONS

The Directors are of the opinion that, all the resolutions as set out in the notice of the AGM for Shareholders' consideration and approval are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favor of all the resolutions to be proposed at the AGM.

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

VENUS MEDTECH (HANGZHOU) INC.
WORK REPORT OF THE BOARD FOR 2023

In 2023, the board (the “**Board**”) of directors (the “**Director(s)**”) of Venus Medtech (Hangzhou) Inc. (the “**Company**”), leveraging strong support from the shareholders and concerted efforts of the management and employees of the Company at different levels and in observance of the requirements of relevant laws and regulations, with an aim to vigorously safeguarded the interests of the shareholders through diligently and performing various duties and functions authorized by the general meeting(s), strengthening internal control and standardizing corporation governance. Meanwhile, focusing on the development strategies of the Company, the Board strived to achieve operating and research and development goals and tasks to ensure the on-going and steady development of the Company. The work report of the Board for 2023 is hereby set out below:

I. DUTY PERFORMANCE OF THE BOARD IN 2023

In 2023, the Board worked diligently to abide by relevant requirements of laws, regulations and normative documents, including the Company Law of the People’s Republic of China, as well as the Articles of Association of the Company, to discharge duties in good faith and exercise various functions authorized by the Company and the shareholders’ general meeting(s) with prudence and diligence.

(I) Board Meetings and Resolutions

During the reporting period, a total of ten Board meetings were convened, at which 38 resolutions were considered and approved. The Board is of the opinion that it has legally discharged its responsibilities pursuant to the requirements of the Articles of Association of the Company and the relevant rules of procedure in good faith and diligence, considered each resolution proposed to the Board based on the sustainable development of the Company and protection of the interests of shareholders, and made important decisions regarding the issues identified in the corporate governance and operation of the Company.

Pursuant to the relevant laws and regulations, the independent Directors are of the opinion that they discharged their responsibilities independently leveraging their expertise and independent judgment to participate in the material decision-making process of the Company. During the reporting period, the independent Directors issued independent opinions of endorsement or approval for the resolutions considered at each Board meeting and other material issues.

(II) Implementation by the Board of the Resolutions Passed at General Meeting(s)

During the reporting period, a total of five general meetings of the Company had been convened. Pursuant to the powers conferred by the general meetings and the Articles of Association of the Company, the Board treated each shareholder equally and each of the general meetings of the Company was convened and held legally and orderly. The Board implemented resolutions that were passed at general meeting(s), dealt with tasks assigned at shareholders’ general meeting(s) and sought to fulfill information disclosure obligations in a timely manner, thereby seeking to safeguard the legitimate interests of the shareholders.

(III) Due Diligence of Special Committee under the Board

During the reporting period, the Special Committee (as defined below) is of the opinion that it has carried out work pursuant to the terms of reference, discharged responsibilities, and studied on relevant professional matters to provide sound professional support to the decision-making process of the Board.

On August 24, 2023, in relation to the matters relating to the provision of financial assistance by the Company to certain then directors of the Company, a special committee (the “**Special Committee**”) of the Board was established, comprising three independent Directors, one non-executive Director and Ms. Nisa Bernice Wing-Yu Leung, a former non-executive director of the Company (who joined to assist on a voluntary basis), with Mr. Chi Wai Suen, an independent Director, as the chairman. Davis Polk & Wardwell and King & Wood Mallesons acted as the legal advisors to the Special Committee in respect of its investigation to the aforesaid matter. On December 12, 2023, the Special Committee appointed Deloitte Advisory (Hong Kong) Limited as the Forensic Consultant to commence the Forensic Investigation, and on February 23, 2024, the Forensic Consultant submitted the Forensic Investigation report to the Special Committee, and on the same day, the Forensic Investigation report was submitted to the Board together with the recommendation of the Special Committee and was approved.

II. OVERALL OPERATION OF THE COMPANY IN 2023

During the reporting period, the Company achieved operating income of RMB491 million, representing an increase of 20.9% over the same period last year, including RMB418 million attributable to mainland China and RMB72.67 million attributable to overseas. The Company’s gross profit amounted to RMB389 million, representing an increase of 24% over the same period last year. Overall gross profit margin was 77.2%. Net loss for the reporting period was approximately RMB746 million.

(I) Operating Results

We have developed a product portfolio covering the interventional heart valve devices for valvular heart diseases including aortic valve, pulmonic valve, mitral valve and tricuspid valve, radio frequency ablation system for interventional treatment of hypertrophic cardiomyopathy, renal artery denervation ultrasound ablation system for interventional treatment of hypertension and other accessory consumables, allowing us to provide overall solutions for the doctors and patients. In the future, we will focus on the fields of new materials, bionics, image fusion technology and digital sensing, and leverage constant innovations to better cover the entire therapeutic process of patients, and satisfy the needs of doctors and patients population.

In 2023, with the continuous improvement and development of the TAVR procedure in the Chinese market, centers with independent procedure capabilities have been expanding. The number of qualified physicians has steadily increased, and patients' awareness of treatment has been continuously enhanced. Reimbursement from local government medical insurance further expanded, and patients' affordability also improved, contributing to a significant increase in the volume of procedures and the continuous expansion of the industry scale, propelling the robust development of the TAVR industry. Leveraging our first-mover advantage, we have developed products that have been thoroughly validated for their industry-leading follow-up duration, mid-to-long-term safety and efficacy. Supported by our experienced and professional sales and marketing team, we continuously strengthened the exploration of procedure techniques and new technologies in collaboration with Top 20 hospitals, and actively identified and nurtured the procedure potential of existing Top 21-50 and Top 51-100 hospitals, while also dedicating significant efforts to enter into new centers and cultivating procedure expertise. The cumulative number of our covered medical centers increased to over 550, ensuring sustained high-quality growth. The rapid advancement of our commercialization efforts laid a solid cash foundation for the Company's long-term development.

The Company has achieved constant progress in overseas business and smooth globalization with a commitment to its long-standing strategic goals. In 2023, our revenue from areas other than China amounted to RMB72.7 million, representing a year-over-year increase of 40% from 2022. VenusP-Valve, which is our first independently developed product marketed in Europe and also the first self-expanding TPVR product approved in Europe, continued to benefit from our improving overseas channels for commercialization, advancement of overseas clinical trials and registration progress to enter over 50 countries including the United Kingdom, Italy, Spain, Denmark, Greece, France, Germany, Poland, Switzerland, Canada and Australia, and has been included into medical insurance systems in countries such as Germany and France, covering over 135 overseas medical centers. Meanwhile, overseas sales of our TAVR product VenusA series have expanded to 10 countries and regions in Asia Pacific and Latin America. We will continue to expand the international market and deepen the internationalization process with our innovative product and forward-looking commercialization layout.

As commercialization advances, our efforts in international R&D and clinical trials continue to make remarkable progress with high efficiency. In July 2023, VenusP-Valve was approved by the FDA for IDE application, allowing pivotal clinical trial to be conducted, thus becoming the first Chinese-made heart valve product approved for clinical study in the United States. In November 2023, it obtained its first central ethical approval in the United States. In December 2023, the clinical trial gained approval from the Centers for Medicare & Medicaid Services (CMS) for inclusion in the medical insurance program. This means that clinical treatment expenses for patients eligible for the CMS medical insurance plan can be reimbursed through insurance claims. Clinical progress continued to advance and pivotal clinical trials will be initiated soon. Meanwhile, the international multi-centered patient enrollment in the pivotal clinical trial of Cardiovalve, our tricuspid valve replacement product, progressed smoothly. As well, Venus-Vitae and Venus-PowerX, our independently developed innovative products, are under smooth international multi-centered clinical study as planned.

(II) Product R&D

In the broad market of structural heart diseases, the Company is committed to solving clinical pain points, increases R&D investment, deeply engages in the field of structural heart diseases, makes constant innovations, and continues to accumulate technical experience, striving to bring innovative products to the market, and consolidate its leading position in the field of valves. Interventional treatment of heart valve diseases is our core therapeutic area. The Company has commercialized three TAVR products (VenusA-Valve, VenusA-Plus and VenusA-Pro), one TPVR product (VenusPValve) and two procedural accessories (catheter sheath product (G Sheath) and balloon catheter (TAV0)). Our products currently in clinical trials include next generation TAVR products (Venus-Vitae and Venus-PowerX), one innovative medical device Cardiovalve which can be used for both TMVR and TTVR, and one product currently under animal experiment for the treatment of aortic regurgitation. In addition, we have a leading position in the non-valve segment of structural heart disease. For treatment of HCM, we have developed the world's first radiofrequency ablation system, Liwen RF. We also have developed the innovative device, renal artery denervation (RDN) ultrasound ablation system for interventional treatment of hypertension.

We currently have three marketed TAVR products, namely, VenusA-Valve, VenusA-Plus and VenusA-Pro. VenusA-Valve received approval for registration from the NMPA in April 2017, which marked the first NMPA approved TAVR commercialized product in China. VenusA-Plus received approval for registration from the NMPA in November 2020, which is the first retrievable TAVR product approved in China. While maintaining the strong radial force of the first generation valve, VenusA-Plus introduces the functions of retrievability and repositioning, which may reduce the complexity of procedures and significantly shorten the learning curve of physicians. VenusA-Pro, an upgraded version of VenusA-Plus, ensures radial force while providing improved cross-aortic arch performance with its capsule head made of super-elastic material, therefore enhancing the operability in procedures. Its commissural alignment marks help to give adequate protection to the coronary artery. VenusA-Pro was approved by the NMPA in May 2022, making the Company the first domestic enterprise with three TAVR products. Our extensive product pipeline offers better treatment options to physicians and patients, and also enables us to maintain our leading market position. As the earliest commercialized product in China, VenusA series products have the longest follow-up track record among peers, and their medium to long-term safety and efficacy have been sufficiently verified. An 11-year follow-up has been completed for the first patient. The long track record of ultrasound data indicated consistently sound and stable metrics including peak valve velocity, average valve pressure difference and left ventricular ejection fraction. Furthermore, approximately 80% of the subjects had no or only minimal aortic regurgitation, fully validating the long-term safety and efficacy of VenusA-Valve.

VenusP-Valve is highly recognized among experts and doctors worldwide because of excellent long-term safety and effectiveness. In July 2023, we obtained approval from the FDA for IDE application. We will initiate clinical trial at over ten medical centers in the U.S. and Japan through the Japan-US Harmonization By Doing project, with a total of 60 patients estimated to be enrolled. In November 2023, we obtained the first central ethical approval in the United States. In December 2023, the PROTEUS clinical trial gained approval from the Centers for Medicare & Medicaid Services (CMS) for inclusion in the medical insurance program. This means that clinical treatment expenses for patients eligible for the CMS medical insurance plan can be reimbursed through insurance claims, accelerating the progress of clinical trial in various centers.

Venus-Vitae adopted Venus-Endura dry tissue technology, which leverages advanced anti-calcification technology to improve the durability of the valve, and three-dimensional force controlled dehydration technology without glutaraldehyde for preservation. While enhancing safety, Venus-Vitae also boasts convenience for clinical application, preservation and transportation. In addition, its delivery system is uniquely designed with the patented wire-lock technology, ensuring that the valve does not shift on the balloon catheter. The wire-lock technology, steerable function, balloon coaxial rotation function and axial fine adjustment function maximize the controllability for physicians, and fill in the gap in the market where similar products are not equipped with a commissures alignment delivery system. It is also equipped with the world's first adaptive, active, anti-PVL skirt Seadapt with high compression ratio, self-expansion and high resilience, which can adjust its height adaptively to fill the perivalvular space and promote the combination of vascular tissue and skirt. In October 2023, Venus-Vitae was approved for registration in Chile. We will conduct international multi-centered clinical trials in countries and regions such as Europe to expedite the approval of Venus-Vitae in global market.

Venus-PowerX is our new generation pre-loaded dry-tissue valve product. It adopts the Venus-Endura technology, which leverages advanced anti-calcification technology to improve the durability of the valve, and three-dimensional force controlled dehydration technology without glutaraldehyde for preservation. While enhancing safety, Venus-PowerX also boasts convenience for clinical application, preservation and transportation. Its pre-loaded dry tissue technology can significantly reduce operation preparation time. Venus-PowerX is the only completely releasable and retrievable dry tissue TAVR product in clinical stage currently available in the world. It adopts the wire-controlled design, which permits it to be retrieved after complete release, and therefore excels in terms of safety compared with products designed with traditional approaches for release and retrieval. It is also equipped with the world's first adaptive active anti-PVL skirt. Seadapt with high compression ratio, self-expansion and high resilience, which can adjust its height adaptively to fill the perivalvular space and promote the combination of vascular tissue and skirt. In May 2023, Venus-PowerX was approved for registration in Argentina, and was approved for registration in Chile in October. We will conduct international multi-centered clinical trials in countries and regions such as Europe, to expedite the approval of Venus-PowerX in global market.

Cardiovalve system is a transcatheter valve replacement system for patients suffering from mitral regurgitation and tricuspid regurgitation. Compared with similar products, its transfemoral approach significantly improves the safety of treatment and its 55 mm annular for about 95% patient population. Meanwhile, its unique short frame design lowers the risk of left ventricular outflow tract obstruction. The enrollment of Cardiovalve has been going smoothly. The TARGET CE pivotal clinical trial has extended to more than 20 medical centers in countries including the United Kingdom, Germany, Italy and Canada. As of the date of this report, rapid progress has been made with over 70 patients enrolled. We will carry forward the clinical trials of Cardiovalve, striving for earlier approvals for marketing in the global market.

Liwen RF ablation system, an innovative medical device for treatment of patients with HOCM, completed the enrollment of all patients to pivotal clinical trial in March 2023 and entered the follow-up stage in China. According to the 144 previously completed exploratory clinical trials of Liwen RF ablation system, the success rate with Liwen RF ablation system reached 88% with no mortality after one year, and the clinical manifestations, cardiac function and quality of life of patients are significantly improved. It is significantly better than surgical operation and alcohol septal ablation, which effectively validates its safety, effectiveness and advanced performance. In August 2022, the product was approved for special review through the special examination and approval of the NMPA for innovative medical devices.

The Company's R&D platform continued to fledge. The Company has established a global R&D innovation platform through independent R&D and external cooperation. Our three R&D centers are located in Hangzhou, China, Tel Aviv, Israel and Irvine, California, USA, and comprise of members with professional experience and innovative capacity at home and abroad. In March 2023, the project of "Development and Application of Transcatheter Self-expanding pulmonary Valve Replacement System" led by the Company passed the acceptance inspection by the China Biotechnology Development Center of the Ministry of Science and Technology with a performance rate of "excellent". This marks another occasion where our company has successfully passed project evaluation with excellent performance following the "National Science and Technology Support Program" and the "National Major Research and Development Plan" conducted by the Ministry of Science and Technology. In December 2023, the first collective standard for "Transcatheter Pulmonary Valve" in China led by us was approved for publication by the Chinese Society for Biomaterials, which is the first collective standard for transcatheter pulmonary valve in the world.

In addition to internal innovation, we also constantly expand and enrich product pipeline through external investment and cooperation, which covers innovative frontier areas such as resistant hypertension, so as to broaden business layout in structural heart diseases, enrich innovative device pipeline, improve innovative device research and clinical application, speed up research and development and transformation of innovative technologies and products, and extend presence to emerging areas leveraging international leading new technologies to achieve technological leadership. As of March 28, 2024, we had a total of 855 patents and patents under applications, including 429 authorized invention patents. Our global IP portfolio mainly covers China, the U.S., Europe and Japan, but also other countries.

(III) Production and Quality System

The Company has an approximately 3,500 square meters of production site in Hangzhou for manufacturing our heart valve products and product candidates. Our manufacturing facilities comply with the GMP requirements in the U.S., the EU and the PRC and follow rigorous manufacturing and quality control standards to ensure high product quality and safety standards. To support our rapid business growth, our Venus Medtech Life and Health Industrial Park on Binpu Road, Binjiang District, Hangzhou with a planned site area of approximately 206,400 square meters is under construction, laying the solid foundation for rapid increase in production capacity in future periods.

The Company has established an international quality management system in accordance with ISO13485, GMP of NMPA in China, QSR of FDA in the United States, MDR of EU, RDC of ANVISA in Brazil, MDSAP, ISO/IEC17025 and other regulations and standards. As of now, the Company has obtained ISO13485 system certificate, MDR system certificate of EU, MDSAP quality system certificate (covering the regulatory requirements of quality systems of the United States, Japan, Canada, Australia and Brazil), China production license, Brazil BGMPC certificate, CNAS laboratory accreditation certificate, and is also a training base unit for medical device inspectors in Hangzhou. Leveraging the establishment and maintenance of a high-standard and strict quality management system, the Company imposes quality control on products throughout the life cycle from R&D to marketing, so as to ensure the quality of products. We obtained the MDSAP system certificate in May 2023 for the first time. In addition, the Company has also established a digital and refined quality system through proactive participating in and completing the safety intelligence supervision “black box” project of Zhejiang Medical Products Administration, the management intelligence supervision platform of Hangzhou Market Supervision Administration, and the key transcatheter replacement system for the “14th Five-year” period and other intelligence regulation projects.

(IV) Market Promotion

As of December 31, 2023, we have established a sales team in China comprising nearly 260 members, covering 550 hospitals, to provide a strong foundation for sustainable sales growth. The Company has established a professional sales and marketing team as well as an in-house logistics supply chain team, to provide professional and comprehensive medical solutions for doctors and patients. We took an active part in international and domestic academic conferences to carry forward our academic education and promotion efforts. In 2023, we participated in 53 third-party conferences and hosted 35 conferences of its own, covering more than 3,900 experts and attracting 850,000 visitors. In order to improve the standardized diagnosis and treatment services for patients with aortic stenosis in China, we have established a comprehensive and multi-dimensional program to publicize knowledge about valve diseases, through channels such as co-holding of expert television interviews, webcasts, new media, free treatment events and educational sessions for patients. We carried out a series of tour seminars on TAVR to educate primary-level hospitals about disease treatment. By strengthening ultrasound diagnosis training, we improved the diagnostic ability of ultrasound physicians for valve diseases. Through these efforts, we aim to realize the whole-process management of patients from treatment to rehabilitation. Our rich product pipeline provides physicians and patients with more and better choices of treatment, enhances the brand influence of the Company and helps to consolidate our leading position in China.

Meanwhile, we have established a professional sales team and supply chain system in the overseas market, selling our products to over 50 countries and regions in Europe, Middle East, Asia-Pacific, North America and Latin America. In August 2023, we appointed Shakeel Osman as the head of international congenital heart disease business for steering our pulmonary valve operations in the world (except mainland China), as a part of our efforts to improve our overseas marketing system and expedite overseas commercialization. In 2023, the Company participated in 9 overseas conferences in the cardiovascular interventional medicine industry, such as CRT, CSI and PCR London Valve, and organized 18 online surgical broadcasts and 9 seminars, which attracted cardiovascular experts from different countries around the world, enhanced the recognition of our products among overseas doctors, and continuously strengthened the Company's international brand awareness and influence. We also gradually established contact with physicians and hospitals through distributors to continuously expand sales and our brand influence, thus providing more options for unmet clinical needs worldwide and benefiting more patients.

(V) Internal Governance

During the reporting period, by adhering to the philosophy of high quality development with a constant focus on protecting the rights and interests of investors and the mission of creating value for shareholders and the society, the Company actively pursued high-quality development through regulated operation, striving to create value for investors and capital markets. In accordance with laws and regulations recommendations of the Special Committee and professional advisers and actual operation conditions, the Company continued to improve its corporate governance structure, established and improved the internal control system and constantly carried out corporate governance activities in an in-depth manner, promoting the Company's regulated operation and enhancing its corporate governance level.

(VI) Investor Relations

During the reporting period, the Company further strengthened the management of investor relations. The Company communicated with investors in a timely and effective manner through responding to investors' common concerns including the Company's development strategies, market development and production and operations in various forms, such as online performance briefings, investor group reception days and reception of investors' survey.

III. FUTURE DEVELOPMENT AND PROSPECTS

Committed to the vision of becoming a global leader in structural heart diseases, we will continue to uphold the long-term strategies of “pursuing global localization and generating profitability through local expansion”, expedite the promotion and clinical application of our innovative technologies in the global markets, establish globally competitive business operation teams leveraging the marketing of our innovative products such as VenusP-Valve, and secure strong sales performance. In the domestic market, we will focus on seeking profitability to drive our quality development, and facilitate our innovative products to achieve breakthroughs in clinical trials, registration and market access, in a bid to lay the foundation for our sustainable and steady growth.

(I) Accelerate Globalization Pace

Following the approved marketing and sales of VenusP-Valve in the EU, we will constantly establish and improve the international manufacture capabilities and quality system, aiming to lay a solid foundation for launching domestically-produced devices in the global market. Cardiovalve, our innovative device, has witnessed increasing penetration in global clinical applications, and attracted a number of experienced professionals to join clinical trials. Venus-PowerX and Venus-Vitae, a new generation of aortic valve products, have achieved smooth progress in global clinical trials, and are highly recognized among doctors. The Company has been pressing ahead with its globalization strategy. Meanwhile, we will launch the pivotal clinical study of VenusP-Valve in the USA, and enhance our overseas clinical development and innovative device registration capabilities, endeavoring to establish presence in more countries and markets. In terms of commercialization, we will make unremitting efforts to promote the global sales of VenusP-Valve, and expect to enter in more than 50 countries and regions during the year, and strive for strong and sustainable sales increase. In terms of market access, we will comply with local laws and regulations, learn about access policies of different countries and regions, endeavor to make breakthroughs in medical insurance, bidding and hospital access procedures, and continue to venture into the international market. We will also proactively participate in international medical conferences and industry exhibitions in the field of cardiology, facilitate doctors to obtain an understanding of and get familiar with our products, so as to enhance our global brand influence.

(II) Maintain Quality Marketing Growth

We will continue to tap into our first-mover advantages, strengthen the construction and integration of our own marketing system, provide comprehensive intraoperative solutions for clinical hospitals with our rich professional knowledge, clinical resources and perfect product portfolio, reduce the difficulty of surgery with constantly optimized products, serve physicians and a wider range of patients, and improve the commercial profit of TAVR business through scale effect and optimization of business processes. Meanwhile, we will continue to launch post-marketing clinical trials, and accumulate more clinical data to provide sufficient support for inclusion of our products in medical insurance and other access. We will also proactively cultivate ties and communicate with medical insurance departments to explore innovative payment methods such as payment by medical insurance and commercial insurance.

Looking into 2024, we will remain committed to the unmet medical needs, uphold our globalization strategy with a focus on the field of structural heart diseases, leverage our first-mover advantages, expedite sales and marketing in the global market, facilitate the progress of international multi-center clinical study, deepen our presence in the domestic market and expand the TAVR market, in an endeavor to improve our profitability.

In 2024, the Board will continue to focus on the interests of the shareholders of the Company, bring into play its role in corporate governance, make scientific and efficient decisions, dedicate itself to the operation and management of the Company, implement its operating plans, press ahead with the future development strategies of the Company, facilitate the steady improvement of the operation and management standards and contribute to the compliance operation of the Company, with an aim to establish a sound image in the capital market and strive to reward the shareholders with desirable results!

Board of Directors
Venus Medtech (Hangzhou) Inc.

March 28, 2024

**VENUS MEDTECH (HANGZHOU) INC.
WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2023**

In 2023, the supervisory committee (the “**Supervisory Committee**”) of Venus Medtech (Hangzhou) Inc. (the “**Company**”), in accordance with the requirements of the Listing Rules, the Company Law of the People’s Republic of China (the “**Company Law**”), the Articles of Association of the Company, the rules of procedure of the Supervisory Committee and other relevant laws, regulations and rules, fulfilled its supervision responsibilities in accordance with the relevant laws and regulations, and carried out work to play its supervision, monitoring and inspection role over the compliance operation of the Company, duty performance of the directors and senior management and finance supervision of the Company, so as to promote the standardized operation of the Company. The work report of the Supervisory Committee for 2023 is hereby set out below:

I. MEETINGS OF THE SUPERVISORY COMMITTEE

During the reporting period, the Supervisory Committee convened a total of three meetings, at which eight proposals were considered and approved. Members of the Supervisory Committee were present at or attended material board meetings and/or shareholders’ general meeting(s). Details of the meetings of the Supervisory Committee during the reporting period are set out below:

Date of meeting	Session	Proposal	Approved status
March 31, 2023	3rd meeting of the second session of the Supervisory Committee	Proposal in relation to the 2022 Annual Report of the Company Proposal in relation to the 2022 Annual Results Announcement of the Company Proposal in relation to the Work Report of the Supervisory Committee of the Company for 2022 Proposal in relation to the Profit Distribution Plan of the Company for 2022 Proposal in relation to Review of the Financial Statements of the Company for 2022	Approved

Date of meeting	Session	Proposal	Approved status
August 31, 2023	4th meeting of the second session of the Supervisory Committee	Proposal in relation to the 2023 Interim Report of the Company Proposal in relation to the 2023 Interim Results Announcement of the Company	Approved
November 2, 2023	5th meeting of the second session of the Supervisory Committee	Proposal in relation to the Appointment of Wei Chen as a Shareholders' representative Supervisor	Approved

II. SUPERVISION OPINION OF THE SUPERVISORY COMMITTEE ON THE WORK PERFORMED BY THE COMPANY IN 2023

During the reporting period, the Supervisory Committee, in accordance with the Listing Rules, the stipulations of the Company Law, the Articles of Association of the Company and the rules of procedure of the Supervisory Committee and other relevant laws, regulations and rules, carried out supervision and inspection over the operation, finance and connected transactions of the Company. The supervision opinions are hereby set forth as follows:

(I) Compliance Operation of the Company

During the reporting period, the Supervisory Committee performed supervision over the convening procedures and decision-making process of the general meeting(s) and Board meetings, implementation of the resolutions passed at general meeting(s) by the Board and duty performance of the senior management of the Company. The Supervisory Committee is of the opinion that, the convening, holding and decision-making procedures of the Board meetings and the general meeting(s) of the Company during the reporting period were legal and valid; and the operating decision-making process basically complied with the applicable laws and regulations.

Reference is made to the announcement of the Company dated February 23, 2024 in relation to, among others, key findings of the Forensic Investigation. Unless otherwise stated, capitalized terms used in this report shall bear the same meanings as those defined in the above-mentioned announcement.

During the reporting period, after the discovery of the matters relating to the provision of financial assistance to former directors of the Company, Zhenjun Zi and Min Frank Zeng and their respective related entities, the Company actively cooperated in the relevant investigation. On August 24, 2023, with the approval of the Board, the Special Committee of the Board was established, comprising three independent Directors, one non-executive Director and Ms. Nisa Bernice Wing-Yu Leung, a former non-executive director of the Company (who joined to assist on a voluntary basis), with Mr. Chi Wai Suen, an independent Director, as the chairman. Davis Polk & Wardwell and King & Wood Mallesons acted as the legal advisors to the Special Committee in respect of its investigation to the aforesaid matter. On December 12, 2023, the Special Committee appointed Deloitte Advisory (Hong Kong) Limited as the Forensic Consultant to commence the Forensic Investigation, and on February 23, 2024, the Forensic Consultant submitted the Forensic Investigation report to the Special Committee, and on the same day, the Forensic Investigation report was submitted to the Board together with the recommendation of the Special Committee and was approved. Throughout the process of the Forensic Investigation, the Supervisory Committee has cooperated with the Board and the Special Committee in handling the Forensic Investigation and rectification matters related to the provision of financial assistance.

(II) Implementation of Resolutions of the General Meeting(s) by the Board of Directors

During the reporting period, the Supervisory Committee carried out effective supervision over the implementation of resolutions of general meeting(s) by the Board and is of the opinion that: the Board implemented the resolutions of the general meeting(s) and carried out various tasks assigned at the respective general meetings in observance of the powers conferred by the shareholders at general meeting(s) and the Articles of Association of the Company, and fulfilled the information disclosure obligations required for resolutions passed at the general meeting(s) in a timely manner.

(III) Inspection over the Finance of the Company

During the reporting period, the Supervisory Committee conducted inspections and supervision of the implementation of the Company's financial system and operating activities and cooperated with the Special Committee of the Board in the inspection of the Company's finances, and considered that: during the reporting period, although the Company had established a standard financial management system and control measures, the following issues were identified: during the reporting period, (1) financial assistance was provided to former directors Zhenjun Zi and Min Frank Zeng and their respective related entities, including the provision of loans and pledge guarantees without due authorization, and (2) unauthorized loans were made to Jiangsu Wuzhong Real Estate Group Co., Ltd.. For details of the above unauthorized transactions identified during the reporting period, please refer to the announcement of the Company dated February 23, 2024. As at the date of this report, the then-directors and former chief financial officer involved in the above unauthorized transactions have resigned from their respective management positions in the Group. As at the date of this report, the Company has engaged an internal control consultant to further review and propose rectification recommendations on the issues identified in terms of corporate governance, capital management and related party management, and the Supervisory Committee of the Company will actively urge the rectification of the financial management system and control measures.

(IV) Internal Control of the Company

The Supervisory Committee has reminded the Company and relevant departments to pay close attention to the identified unauthorized related party transaction(s) during the reporting period, and the Company has engaged an internal control consultant to review and inspect the existing procedures of related party transaction(s) of the Group. The internal consultant has put forward suggestions and remedial measures for any deficiencies in the design and implementation of the internal control policies to reduce the risk of similar occurrence.

(V) Change of Member of the Supervisory Committee

On November 30, 2023, Mr. Wei Wang, the former non-employee representative supervisor, resigned as a supervisor, and Mr. Wei Chen was elected by vote at the relevant shareholders' general meeting to serve as a non-employee representative supervisor.

III. WORK PLAN OF THE SUPERVISORY COMMITTEE FOR 2024

In 2024, the Supervisory Committee will continue to perform its responsibilities in accordance with the Listing Rules, the Company Law, the Articles of Association of the Company the procedure of the Supervisory Committee and other relevant laws, regulations and rules, further strengthen its supervision mechanism, improve its working system, proactively adapt to the development needs of the Company, intensify its supervision role, supervise over the standardized operation of the Company and keep abreast of the material issues and the decision-making process of the Company, so as to practically safeguard the overall interests of the Company and the legitimate rights and interests of the shareholders.

Supervisory Committee
Venus Medtech (Hangzhou) Inc.

March 28, 2024

VENUS MEDTECH (HANGZHOU) INC.
WORK REPORT OF THE INDEPENDENT DIRECTORS FOR 2023

We are the independent Directors of Venus Medtech (Hangzhou) Inc. (the “Company”). We have followed the requirements of relevant laws and regulations and the Articles of Association of the Company during our tenure, discharged our duties in diligence and good faith, proactively attended relevant meetings, expressed prior approval opinions on the relevant matters of the Company and actively brought into play our role as independent Directors, so as to safeguard the interests of the Company as a whole and the legitimate rights and interests of the shareholders, especially minority Shareholders. Our duty performance for 2023 is hereby set out below:

I. BASIC INFORMATION OF INDEPENDENT DIRECTORS

(1) Basic information of the incumbent independent Directors

1. Mr. Ting Yuk Anthony Wu (胡定旭)

Mr. Ting Yuk Anthony Wu, aged 70, was appointed as a Director in November 2018, redesignated as an independent non-executive Director in July 2019, and re-elected as an independent non-executive Director in May 2022. He was elected as the chairman of the Company on December 15, 2023. Mr. Wu is primarily responsible for participating in the decision-making for the Company’s significant events and advising on issues relating to corporate governance, audit and the remuneration and assessment of our Directors, supervisors and senior management.

Mr. Wu is a leader in the healthcare industry and has extensive management experience in the medical system. He joined the Hong Kong Hospital Authority in 1999 and was its chairman from 2004 to 2013. He is the longest-serving chairman of the Hospital Authority. Mr. Wu is currently an advisor to the Public Policy Advisory Committee of the National Health Commission of, and the principal advisor for international cooperation to the State Administration of Traditional Chinese Medicine of the People’s Republic of China, as well as a member of the Chinese Medicine Reform and Development Advisory Committee. He was a member of the State Council’s Medical Reform Leadership Advisory Committee.

Other important public positions that Mr. Wu has served include being a member of the 9th, 10th and 11th of, and a standing committee member of the 12th and 13th of the National Committee of the Chinese People’s Political Consultative Conference, and a member of the Chief Executive’s Council of Advisers on Innovation and Strategic Development and the Task Force on Land Supply of the Hong Kong SAR, and has been awarded Gold Bauhinia Star and Justice of the Peace by the government of Hong Kong SAR. Mr. Wu was a member of the General Committee of the Hong Kong General Chamber of Commerce from 2000 to 2017, served as its chairman from 2010 to 2012, and is currently a member of its Council. Mr. Wu was a director of the Fidelity Funds from 2011 to 2014 and was the chairman of Bauhinia Foundation Research Centre in Hong Kong from 2007 to 2012. Mr. Wu was a partner of Ernst & Young from 1985 to 2005, and served as chairman of the EY’s Far East Region from 2000 to 2005. He was also the chief advisor to MUFG Bank, Ltd., the chairman of The Board of Trustees of China Oxford Scholarship Fund, an honorary professor of the Faculty of Medicine of the Chinese University of Hong Kong and the Peking Union Medical College Hospital, and an honorary fellow of the Hong Kong College of Community Medicine.

Mr. Wu holds directorships in certain Hong Kong listed companies. He has been the chairman and a non-executive director of Clarity Medical Group Holding Limited (Stock Code: 1406) since March 2019. He is an independent non-executive director of Power Assets Holdings Limited (Stock Code: 6) and China Taiping Insurance Holdings Company Limited (Stock Code: 966), the chairman and an independent non-executive director of China Resources Medical Holdings Company Limited (Stock Code: 1515), and an independent non-executive director of CStone Pharmaceuticals (Stock Code: 2616), an independent non-executive director of Ocumension Therapeutics (Stock Code: 1477), an independent non-executive director of Sing Tao News Corporation Limited (Stock Code: 1105) and an independent non-executive director of Hui Xian Real Estate Investment Trust (Stock Code: 87001). He was an independent non-executive director of Agricultural Bank of China Limited (Stock Code: 1288) from January 2009 to June 2015. He was an executive director of Sincere Watch (Hong Kong) Limited (Stock Code: 444) from March 2015 to August 2018.

Mr. Wu completed a foundation course in accountancy at the then Teesside Polytechnic in the United Kingdom in July 1975. Mr. Wu is a fellow of Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales, and the honorary chairman of the Institute of Certified Management Accountants (Australia) Hong Kong Branch.

2. Mr. Chi Wai Suen (孫志偉)

Mr. Chi Wai Suen, aged 60, was appointed as an independent non-executive Director in July 2019, with effect from July 2019, and was re-elected as an independent non-executive Director in May 2022. Mr. Suen is primarily responsible for participating in the decision-making for our Company's significant events and advising on issues relating to corporate governance, audit and the remuneration and assessment of our Directors, Supervisors and senior management.

Mr. Suen is a practicing solicitor in Hong Kong. Mr. Suen was a partner of Withers from February 2018 until his retirement in March 2023 and currently, he is a consultant of Withers. He has over 20 years of experience in corporate finance and with area of practice principally in initial public offerings on the Hong Kong Stock Exchange, mergers and acquisitions, corporate reorganizations and Listing Rules compliance, and he has advised clients from various industries such as clean energy, pharmaceutical, medical, retails, manufacturing, entertainment and biological. Prior to joining Withers, Mr. Suen was an associate and later a partner of DLA Piper Hong Kong from June 2007 to May 2012 and May 2012 to February 2018, respectively, and served as a manager in the investment products department of the Securities and Futures Commission of Hong Kong from October 2005 to July 2006, responsible for reviewing applications of collective investment schemes and monitoring continuing compliance of authorized schemes. Mr. Suen was an assistant solicitor at Woo Kwan Lee & Lo from September 2000 to March 2005.

Mr. Suen has directorships in certain Hong Kong listed companies. He has served as an independent non-executive director of Xin Yuan Enterprises Group Limited (Stock Code: 1748) since September 2018, and Da Yu Financial Holdings Limited (Stock Code: 1073) since July 2019 and BoardWare Intelligence Technology Limited (Stock Code: 1204) since June 2022.

Mr. Suen received a bachelor of science degree from the University of East Anglia in the United Kingdom in July 1987 and a postgraduate certificate in laws from the University of Hong Kong in June 1998. Mr. Suen was admitted as a solicitor in Hong Kong in October 2000 and in England and Wales in December 2003. Mr. Suen has also been a fellow member of the Association of Chartered Certified Accountants since May 1998 and a certified public accountant of the HKICPA since April 1993.

(2) Description of independence

As the independent Directors of the Company, all of us possess the professionalism and independence as required by laws and regulations. We did not hold other positions in the Company other than as independent Directors, nor did we hold positions in the shareholder entities of the Company. We maintained objective and independent professional judgment in duty performance and our independence was not jeopardized.

II. DUTY PERFORMANCE OF INDEPENDENT DIRECTORS IN 2023

(1) Attendance of board meetings and general meetings

In 2023, a total of five general meetings and ten Board meetings were convened. As independent Directors, we actively participated in such meetings. Set out below is our attendance at the meetings:

Name of independent Directors	Required attendance at Board meetings during the year	Participation in Board meetings				Participation in general meetings	
		Attendance at on-site meetings	Attendance via correspondence	Attendance by proxy	Absence	Absence for two consecutive meetings in person	Attendance at general meetings
Ting Yuk Anthony Wu	10	0	10	0	0	No	4
Wan Yee Joseph Lau	10	0	10	0	0	No	2
Chi Wai Suen	10	0	10	0	0	No	4

During the reporting period, we actively attended meetings and discharged our responsibilities as independent Directors in accordance with the laws. We prudently reviewed information regarding the resolutions and enquired the Company for background information in a timely manner when necessary, played our professional competence, proactively participated in the consideration of resolutions, expressed independent opinions independently, objectively and comprehensively, and exercised our voting rights with prudence. We tapped into our expertise to provide reasonable advice for each proposal of the Board and played an active role in the scientific decision-making process of the Board.

(2) Inspection and cooperation of the Company

The management of the Company attaches great importance to communications with us, regularly reports on the Company's production and operation as well as the progress of major issues, and provides us with support in performing our duties. We maintain regular contact with the Company in a timely manner through Board meetings, general meetings, e-mails and phone calls. We leverage our professional knowledge and business management experience to put forward constructive opinions and suggestions on the resolutions of the Board meeting of the Company and give full play to the role of guidance and supervision, in a bid to promote the steady improvement of the Company's management and healthy and sustainable development.

III. MAJOR CONCERNS OF THE INDEPENDENT DIRECTORS DURING DUTY PERFORMANCE

(1) Engagement of auditors

During the reporting period, the Company appointed Zhonghui Certified Public Accountants LLP to be the auditors of the Company for 2023. Upon inspection, we are of the opinion that, Zhonghui Certified Public Accountants LLP possesses qualifications for securities business and extensive experience and professional competence required for the auditing of listed companies, carried out independent auditing in the principle of impartiality and objectivity and issued auditing opinions that gave an objective, fair and true view of the financial condition and operating results of the Company.

(2) Profit distribution

As the Company was in a loss-making position in 2023, the Company will not distribute profits for 2023. We are of the opinion that, the aforementioned plan is in line with the actual condition of the Company and complies with relevant laws, regulations and the Articles of Association of the Company.

(3) Performance of the undertakings of the Company and the shareholders

During the reporting period, we had been paying close attention to the performance of undertakings of the Company and the Shareholders. After inspection over relevant conditions and based on information available to us, we are of the opinion that, the Company and the Shareholders satisfactorily performed their undertakings and there did not exist any default of undertakings or failure to perform undertakings.

(4) Implementation of information disclosure

During the reporting period, we supervised over the implementation of the information disclosure of the Company for 2023 and did not find any false representation, misleading statement or material omission based on the information available to us, effectively safeguarding the legitimate rights and interests of the Shareholders.

(5) Implementation of internal control

During the reporting period, we reviewed and supervised the implementation of the Company's internal controls in respect of matters relating to the provision of financial assistance by the Company to its Directors and engaged Deloitte Enterprise Consulting (Shanghai) Co., Ltd., Beijing Branch as the internal control consultant to conduct an independent review of the Company's internal control system.

(6) Operation of the Board and Board committees

Based on information available to us, we are of the opinion that, during the reporting period, the Board and three board committees, being the audit committee, the nomination committee and the remuneration and assessment committee, carried out their work in accordance with corresponding working principles, discharged their responsibilities and studied relevant matters, thereby providing professional support to the decision-making process of the Board. During the year, a total of six meetings of the Board committees were convened, including two meetings of the audit committee, two meetings of the nomination committee and two meetings of the remuneration and assessment committee. During the reporting period, the board-level committees reviewed matters of their respective responsibilities and functions. The convening, holding, consideration and voting procedures of the meetings of each of the board-level committees complied with the requirements of the Articles of Association, the rules of procedure of the Board and the terms of reference of each committee of the Company.

On August 24, 2023, in relation to the matters relating to the provision of financial assistance by the Company to the Directors, with the approval of the Board, the Special Committee was established, comprising three independent Directors, one non-executive Director and Ms. Nisa Bernice Wing-Yu Leung, a former non-executive director of the Company (who joined to assist on a voluntary basis), with Mr. Chi Wai Suen, an independent Director, as the chairman. Davis Polk & Wardwell and King & Wood Mallesons acted as the legal advisors to the Special Committee in respect of its investigation to the aforesaid matter. On December 12, 2023, the Special Committee appointed Deloitte Advisory (Hong Kong) Limited as the Forensic Consultant to commence the Forensic Investigation, and on February 23, 2024, the Forensic Consultant submitted the Forensic Investigation report to the Special Committee, and on the same day, the Forensic Investigation report was submitted to the Board together with the recommendation of the Special Committee and was approved.

IV. OVERALL EVALUATION AND SUGGESTIONS

During the reporting period, pursuant to stipulations and requirements of various laws and regulations and in the principle of objectivity, impartiality and independence, we worked in diligence and reviewed resolutions of the Board, expressed fair and independent opinions and brought into full play our role as independent Directors to safeguard the interests of the Company as a whole and the legitimate rights and interests of the Shareholders.

In 2024, we will continue to exercise our powers as independent Directors with good faith, diligence, prudence and pragmatism, so as to practically perform the responsibilities of independent Directors, enhance communication with the Board, the Supervisory Committee and the management of the Company in the principle of impartiality and independence and in the spirit of accountability for the interest of the Company as a whole and the Shareholders, especially minority Shareholders, to get a better understanding of the operation of the Company, tap into our expertise to provide reasonable advice and effective support for the decision-making process of the Board, strengthen the decision-making level of the Board, improve the results of the Company, give play to the role of independent Directors and safeguard the legitimate rights and interests of the Company and the Shareholders, in a bid to contribute to the steady operation and standard functioning of the Company.

Venus Medtech (Hangzhou) Inc.
Ting Yuk Anthony Wu, Chi Wai Suen
Independent Directors

March 28, 2024

NOTICE OF 2023 ANNUAL GENERAL MEETING



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)

NOTICE OF 2023 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2023 annual general meeting (the “AGM”) of Venus Medtech (Hangzhou) Inc. (the “Company”) will be held at Room 311, 3/F, Block 2, No. 88, Jiangling Road, Binjiang District, Hangzhou, the PRC at 2:00 p.m. on Friday, June 28, 2024, for the purpose of considering, and if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the resolution on the 2023 annual report.
2. To consider and approve the resolution on the work report of the Board for 2023.
3. To consider and approve the resolution on the work report of the Supervisory Committee for 2023.
4. To consider and approve the resolution on the profit distribution plan for 2023.
5. To consider and approve the resolution on the re-appointment of auditors for 2024.

AS REPORTING DOCUMENT

6. To review the work report of the independent Directors for 2023.

Details of the above resolutions are set out in the circular of the Company to be published on June 7, 2024. Unless otherwise indicated, capitalized terms used in this notice shall have the same meanings as those defined in the circular.

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

June 7, 2024

NOTICE OF 2023 ANNUAL GENERAL MEETING

Notes:

1. The register of members of H Shares will be closed from Tuesday, June 25, 2024 to Friday, June 28, 2024 (both days inclusive). Holders of H Shares and Unlisted Foreign Shares whose names appear on the register of members of the Company on Friday, June 28, 2024 are entitled to attend and vote at the AGM. Holders of H Shares who intend to attend and vote at the AGM are required to deposit all Share transfer documents together with relevant Share certificates at the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, June 24, 2024 for registration.
2. Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a Shareholder but must attend the AGM in person to represent the relevant Shareholder.
3. The instrument appointing a proxy must be in writing and signed by holders of Shares or his/her attorney who was duly authorized in writing. If the Shareholder is a corporation, that instrument must be executed either under its common seal or under the hand of its director(s) or duly authorized attorney. If that instrument is signed by an attorney of the Shareholder, the power of attorney authorizing that attorney to sign or other authorization document must be notarized.
4. In order to be valid, the proxy form together with the notarized power of attorney or other authorization document (if any) must be deposited at (i) the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares); or (ii) the office of the Company, at Room 311, 3/F, Block 2, No. 88, Jiangling Road, Binjiang District, Hangzhou, the PRC (for holders of Unlisted Foreign Shares) not less than 24 hours before the time fixed for the holding of the AGM or any adjournment thereof (as the case may be) (which is 2:00 p.m. on Thursday, June 27, 2024 (or other date in the event of any adjournment thereof)). Completion and return of the proxy form will not preclude a Shareholder from attending and voting in person at the AGM or any adjournment thereof if he/she so wishes.
5. Shareholders and Shareholder proxies are required to produce identity proof when attending the AGM (and any adjournment thereof).
6. Pursuant to the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll. As such, the resolutions set out in the notice of the AGM will be voted on by poll.
7. The AGM is expected to last for half a day. Shareholders (in person or by proxy) attending the AGM are responsible for their own transportation and accommodation expenses.
8. In the case of joint Shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholder(s), and for this purpose seniority will be determined by the order in which the names stand on the register of members in respect of the relevant joint holding.

As at the date of this notice, the executive Directors are Mr. Lim Hou-Sen (Lin Haosheng), Mr. Liqiao Ma and Ms. Meirong Liu; 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.