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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) THE FIFTH 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 13.09(2)(a) and Rule 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

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 updates 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 first quarterly update on resumption progress; (viii) April 16, 2024 in relation to an update on the Unauthorized Transactions; (ix) May 13, 2024 in relation to the key findings and completion of the Internal Control Review; (x) May 23, 2024 in relation to the second quarterly update on resumption progress; (xi) June 6, 2024 in relation to further information on the second quarterly update announcement; (xii) August 23, 2024 in relation to the third quarterly update on resumption progress; (xiii) September 2, 2024 in relation to key findings of the use of proceeds review; (xiv) September 11, 2024 in relation to certain consulting agreements entered into between Venus HK and independent non-executive Directors; (xv) November 22, 2024 in relation to the fourth quarterly update on resumption progress; (xvi) January 13, 2025 in relation to, amongst others, an update on historical use of proceeds disclosure (the above-mentioned announcements collectively, the “**Announcements**”); and (xvii) the interim report of the Company for the six months ended June 30, 2024 (the “**2024 Interim Report**”) published on September 27, 2024. Terms used herein shall have the same meanings as defined in the Announcements and/or the 2024 Interim Report unless otherwise stated.

(A) 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 daily business operations of the Group.

(B) 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.

Unauthorized Transactions

The Company has announced the key findings of the Forensic Investigation in relation to the Unauthorized Transactions in the announcement of the Company dated February 23, 2024.

As disclosed in the announcements of the Company dated April 16, 2024, August 23, 2024 and January 13, 2025, as well as in the 2024 Interim Report, the total outstanding amount under the Unauthorized Transactions has been fully repaid or released, except for the Unauthorized Loan to Jiangsu Wuzhong amounting to RMB80,000,000, in respect of which an application for arbitration has been submitted to and acknowledged by the Hangzhou Arbitration Commission in July and August 2024, respectively.

Internal controls

A steering committee, being a sub-committee of the Board comprising three Directors, had been established and authorized by the Board with effect from October 30, 2024 to monitor and support the internal control functions of the Group. The steering committee has comprised only non-executive Directors since January 7, 2025.

In January 2025, the Company commissioned a bring-down review by the Internal Control Consultant of the enhancement measures which had been implemented after the Internal Control Review up to December 31, 2024. The Internal Control Consultant adopted the same scope of work as the Internal Control Review in the bring-down review, and conducted testing to assess the adequacy of the Company's responses to the Internal Control Review. The Internal Control Consultant issued its report on January 24, 2025, noting that the remedial measures previously recommended by the Internal Control Consultant had been implemented with no material deficiency identified.

Management integrity

As disclosed in the relevant Announcements, the Company confirms that the staff involved in the Unauthorized Transactions no longer hold any position in the Group.

Inform the market of all material information

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 continuing to work 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

Reference is made to the poll results announcement of the Company dated December 5, 2024.

Upon the conclusion of the second extraordinary general meeting of the Company in 2024, the appointments of Mr. John Junhua Gu (formerly Junhua Gu) as an independent non-executive Director, the chairman of the nomination committee and a member of each of the remuneration and assessment committee and audit committee of the Board took effect on December 5, 2024. As such, the Board has satisfied (i) the minimum number of independent non-executive directors required under Rule 3.10(1) of the Listing Rules; (ii) the requirement under Rule 3.10A of the Listing Rules which stipulates that independent non-executive directors must represent at least one-third of the Board; (iii) the minimum number of members in the audit committee required under Rule 3.21 of the Listing Rules; and (iv) the requirement under Rule 3.27A of the Listing Rules which stipulates that the nomination committee must be chaired by the chairman of the board or an independent non-executive director. Accordingly, the Company has fully complied with Rules 3.10(1), 3.10A, 3.21 and 3.27A of the Listing Rules.

Stock Exchange Observations and Queries

The Company has responded to observations and queries from the Stock Exchange in respect of the resumption conditions received to date. The Company will publish further announcement(s) to keep the Shareholders and potential investors of the Company informed and appraised of the status and any developments, as and when appropriate.

(C) USE OF PROCEEDS REVIEW

Following the Use of Proceeds Review, the Company's current management conducted a supplementary use of proceeds review for the purposes of providing accurate disclosure of the Company's historical use of proceeds to all stakeholders. For further details, please refer to the announcement of the Company dated January 13, 2025.

(D) 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 fulfilment 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, February 21, 2025

As at the date of this announcement, 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, Mr. Chi Wai Suen and Mr. John Junhua Gu.