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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)

**PROPOSED ISSUE OF CONVERTIBLE BONDS
UNDER GENERAL MANDATE**

On March 20, 2025 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the Convertible Bonds up to an aggregate principal amount not exceeding RMB200,000,000 at the initial Conversion Price of HK\$4.50 per Conversion Share.

Assuming all the Conversion Shares are converted in full at the initial Conversion Price of HK\$4.50 per Conversion Share, an aggregate of 48,124,527 Conversion Shares will be issued, which represent (i) approximately 10.91% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.84% of the total issued share capital of the Company as enlarged by the issue of the Conversion Shares.

The Conversion Shares will be allotted and issued pursuant to the general mandate granted to the Board by the Shareholders at the 2024 second extraordinary general meeting convened by the Company on December 5, 2024. The issue and subscription of the Bonds and the issue of the Shares by the Company are not subject to further Shareholders' approval.

The net proceeds from the Bonds (after the deduction of related expenses and professional fees) are estimated to be approximately RMB198.9 million, representing a net issue price of approximately HK\$4.48 per Conversion Share based on the initial Conversion Price. The Group intends to apply the net proceeds from the issue of the Bonds primarily to (i) accelerate the advancement of its core product pipeline development, (ii) optimize the Group's capital structure, and (iii) supplement general corporate working capital requirements.

Completion of the issue and subscription of the Bonds is subject to the satisfaction and/or waiver of the conditions precedent set out in the Subscription Agreement.

As the issue and subscription of the Bonds under the Subscription Agreement may or may not proceed to completion, Shareholders and potential investors are advised to exercise caution when dealing in the Shares of the Company.

THE SUBSCRIPTION AGREEMENT

On March 20, 2025 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the Convertible Bonds up to an aggregate principal amount not exceeding RMB200,000,000 at the initial Conversion Price of HK\$4.50 per Conversion Share (subject to adjustments).

The principal terms of the Subscription Agreement are summarized below:

Date

March 20, 2025 (after trading hours)

Parties

- (1) The Company (as issuer); and
- (2) Hangzhou Yingzhiqin No. 2 Venture Capital Partnership (Limited Partnership)* (杭州盈智勤貳號創業投資合夥企業(有限合夥)) (as Subscriber).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner(s) are Independent Third Parties.

Subject Matter

Pursuant to the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the Bonds up to an aggregate principal amount not exceeding RMB200,000,000 at the initial Conversion Price of HK\$4.50 per Conversion Share (subject to adjustments).

Conditions Precedent

The Completion is conditional upon:

- (1) **Listing:** the Listing Committee of the Stock Exchange granting or agreeing to grant approval for the listing of and trading of the Conversion Shares to be issued as a result of the exercise of the Conversion Rights attached to the Conversion Bonds, and such approval has not subsequently been revoked or canceled;

- (2) **Compliance:** At the Completion Date, the representations and warranties of the Company in the Subscription Agreement being true and accurate at, and as if made on such date.
- (3) **ODI Procedures:** the Subscriber having completed all ODI Procedures and such approvals or filings remaining in full force and effect, on the Completion Date, and written evidence of such approvals or filings having been given to the Company.

The Subscriber may, at its discretion and upon such terms as it thinks fit, waive compliance with the whole or any part of the conditions precedent (2) above. Under no circumstances shall the provisions of Precedent (1) and (3) be waived or exempted.

Long Stop Date

If the conditions precedent are not fulfilled on or before November 15, 2025 or such later date as may be agreed between the Subscriber and the Company, the Subscription Agreement will lapse and become null and void and the parties shall be released from all obligations hereunder, save the liabilities for any antecedent breaches thereof.

Completion

Subject to fulfilment of the conditions precedent, Completion shall take place at 4:00 p.m. Beijing Time on the Completion Date and each party shall perform its respective obligations of delivery of documents and evidence set out in the Subscription Agreement.

Restrictions on the Use of Proceeds

The Company undertakes that the proceeds from the Bonds will only be used for its business operations in the PRC. With the consent of the Subscriber, the Company may use the proceeds from the Bonds for business operations outside of the PRC. In any case, the use of the proceeds corresponding to the Bonds that were converted into the Company's H shares shall no longer be restricted.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

Issuer	:	the Company
Principal amount	:	Up to an aggregate principal amount not exceeding RMB200,000,000.
Maturity date	:	March 15, 2026, being the three hundred and sixtieth (360th) day from the date of the Subscription Agreement in the full principal amount of the Bonds (the "Maturity Date").

The Issuer, may at its option, apply for an extension of the Bonds for a period of 6 months to 1 year upon the Maturity Date (the **"Extension Period"**), subject to obtaining the relevant consent from the Subscriber and completing the registration and filing obligations with the NDRC.

Denomination	:	The Bonds are in registered form in the denomination of RMB100,000 each, provided that the Bonds to be finally issued may be in any denomination as required.
Interest rate	:	10% per annum. Interest shall accrue daily on a 365-day basis and is payable quarterly in arrears, namely the interest for the quarter shall be paid on the 21st day of the last month of each quarter. Upon the Maturity Date, if the Company fails to repay all remaining principal and unpaid interest within one (1) Business Day, the interest shall continue to accrue until the date when the principal is fully repaid, and interest shall be paid together with the principal.
Conversion Price	:	Initially HK\$4.50 per Conversion Share. The Conversion Price will be subject to adjustments. See the sub-paragraphs titled “Adjustments to the Conversion Price” and “Conversion Price adjustment mechanism” below.
Payment Method	:	On the same date of signing of the Subscription Agreement, the Subscriber and the Company entered into a Framework Agreement which, among other things, the Subscriber shall provide the Bridge Loan of up to the full principal amount of the Bonds by way of two installments, pending the Subscriber’s completion of its ODI Procedures. The first installment of the Bridge Loan is RMB150,000,000, which shall be paid into a designated bank account of the Company within three (3) working days after the signing of the Framework Agreement. In relation to the second installment of the Bridge Loan of RMB50,000,000, the Subscriber would have the right to consider whether to provide such loan within 90 days from the date of signing of the Framework Agreement, failing which the Subscriber will be regarded as not having provided the second installment of the Bridge Loan. Upon the Subscriber’s completion of the ODI Procedures, the Company shall repay all Bridge Loan and corresponding unpaid interests to the Subscriber within ten (10) Business Days from the date on which the Subscriber completes the ODI Procedures and the Subscriber shall subscribe for the Bonds using the Bridge Loan denominated in RMB returned by the Issuer within three (3) Business Days after receiving the aforementioned repayment.

Conversion Shares : Based on the initial Conversion Price of HK\$4.50 per Conversion Share, an aggregate of 48,124,527 Conversion Shares shall be allotted and issued upon full exercise of the conversion rights attached to the Bonds.

Such 48,124,527 Conversion Shares represent:

- (i) approximately 10.91% of the total issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 9.84% of the total issued share capital of the Company as enlarged by the issue of the Conversion Shares.

Conversion rights : The holder of the Bonds shall have the right to convert the Bonds into the Conversion Shares at any time after the date of issue of the Bonds to the Maturity Date (the “**Conversion Rights**”).

Early redemption : The Bonds may be early redeemed at 100% of the outstanding principal amount of the Bonds (in whole or in part) at any time and from time to time at the option of the Company prior to the Maturity Date provided that (1) the Company shall have given to the Subscriber not less than thirty (30) days’ prior notice of its intention to make such redemption, specifying the amount to be redeemed and the date of such redemption; and (2) in the event that the Bonds are redeemed within six (6) months upon its issue, interest shall be accrued and payable by the Company as if the Bonds has been held by the Subscriber for six (6) months, plus an additional interest of 2% on the principal amount. The holder of the Bonds shall not have any early redemption right but have the right to exercise the Conversion Rights at any time before the Maturity Date or before the Company redeems the Bonds (whichever is earlier).

Redemption : Any unredeemed and unconverted Bonds shall be redeemed at 100% of the outstanding principal amount plus accrued and unpaid interests on the Maturity Date.

Transferability : The Bonds are freely transferable, provided that no Bonds may be transferred to any connected persons of the Company without the prior written consent of the Company, which will only be granted if all requirements under the Listing Rules are fully complied with.

Voting rights : Holders of the Bonds shall not be entitled to attend or vote at any meetings of the Company by reason only of it being a holder of the Bonds.

Listing	:	No application will be made for the listing of the Bonds on the Stock Exchange or any other stock exchange.
Ranking	:	The obligations of the Company arising under the Bonds constitute general and unsecured obligations of the Company and rank equally among themselves and <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Company. The Conversion Shares will in all respects rank <i>pari passu</i> with other Shares in issue on the date of allotment and issue of such Conversion Shares.
Adjustments to the Conversion Price	:	<p>The Conversion Price will be adjusted upon the occurrence of the following events:</p> <p>(i) Consolidation or Sub-division: If and whenever the H Shares by reason of any consolidation or sub-division become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount so that the Subscriber shall be entitled to receive the number of H Shares and/or other securities of the Issuer which it would have held or have been entitled to receive after the happening of any of the events described above had such Bond been converted immediately prior to the happening of such event, but without prejudice to the effect of any other adjustment to the Conversion Price made with effect from the date of the happening of such event or any time thereafter. Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation or sub-division becomes effective.</p> <p>(ii) Capitalization of Profits or Reserves: If and whenever the Issuer shall issue (other than in lieu of a cash dividend) any H Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund), the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the aggregate nominal amount of the issued H Shares immediately before such issue and dividing the result by the sum of such aggregate nominal amount and the aggregate nominal amount of the H Shares issued in such capitalisation. Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for such issue.</p>

- (iii) **Capital Distribution:** If and whenever the Issuer shall make any Capital Distribution to holders (in their capacity as such) of H Shares (whether on a reduction of capital or otherwise) or shall grant to such holders rights to acquire for cash assets of the Issuer or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be adjusted by multiplying it by the following fraction:

$$\frac{A - B}{A}$$

Where:

A = the Market Price of one H Share on the date on which the Capital Distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) last preceding day of the Capital Distribution or, as the case may be, of the grant; and

B = the fair market value on the day of such announcement or (as the case may require) the next day, as determined in good faith by an approved financial adviser or the auditors of the Issuer, of the portion of the Capital Distribution or of such rights which is attributable to one H Share,

Provided that:

- (aa) if in the opinion of the relevant approved financial adviser or the auditors of the Issuer, the use of the fair market value as aforesaid produces a result which is significantly inequitable, it may instead determine (and in such event the above formula shall be construed as if B meant) the amount of the said market price which should properly be attributed to the value of the Capital Distribution or rights; and
- (bb) the provisions of this sub-paragraph (iii) shall not apply in relation to the issue of H Shares paid out of profits or reserves and issued in lieu of a cash dividend.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for the Capital Distribution or grant.

- (iv) **Subscription by way of rights, open offer or grant to holders of H Shares any options or warrants to subscribe for new H Shares:** If and whenever the Issuer shall offer to holders of H Shares new H Shares for subscription by way of rights, open offer or shall grant to holders of H Shares any options or warrants to subscribe for new H Shares, at a price which is less than 95 per cent, of the market price on the date of the announcement of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by a fraction of which the numerator is the number of H Shares in issue immediately before the date of such announcement plus the number of H Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new H Shares comprised therein would purchase at such market price and the denominator is the number of H Shares in issue immediately before the date of such announcement plus the aggregate number of H Shares offered for subscription or comprised in the options or warrants. Such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for the offer or grant.

- (v) (aa) **Issuance of any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new H Shares:** If and whenever the Issuer shall issue wholly for cash any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new H Shares, and the total Effective Consideration per H Share (as defined below) initially receivable for such securities is less than 95 per cent, of the market price on the date of the announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by a fraction of which the numerator is the number of H Shares in issue immediately before the date of the issue plus the number of H Shares which the total Effective Consideration receivable for the securities issued would purchase at such market price and the denominator is the number of H Shares in issue immediately before the date of the issue plus the number of H Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price. Such adjustment shall become effective (if appropriate retroactively) from the close of business in Hong Kong on the Business Day next preceding whichever is the earlier of the date on which the issue is announced and the date on which the Issuer determines the conversion or exchange rate or subscription price.

- (bb) If and whenever the rights of conversion or exchange or subscription attached to any such securities as are mentioned in section (aa) of this sub-paragraph (v) are modified so that the total Effective Consideration per H Share initially receivable for such securities shall be less than 95 per cent, of the market price on the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by a fraction of which the numerator is the number of H Shares in issue immediately before the date of such modification plus the number of H Shares which the total Effective Consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price and of which the denominator is the number of Shares in issue immediately before such date of modification plus the number of H Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion or exchange rate or subscription price. Such adjustment shall become effective as at the date upon which such modification shall take effect. A right of conversion or exchange or subscription shall not be treated as modified for the foregoing purposes where it is adjusted to take account of rights or capitalisation issues and other events normally giving rise to the adjustment of conversion or exchange terms.

For the purposes of this sub-paragraph (v), the “total Effective Consideration” receivable for the securities issued shall be deemed to be the consideration receivable by the Issuer for any such securities plus the additional minimum consideration (if any) to be received by the Issuer upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights, and the total Effective Consideration per H Share initially receivable for such securities shall be such aggregate consideration divided by the number of H Shares to be issued upon (and assuming) such conversion or exchange at the initial conversion or exchange rate or the exercise of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue.

- (vi) **Issuance of H Shares:** If and whenever the Issuer shall issue wholly for cash any H Shares at a price per H Share which is less than 95 per cent, of the market price on the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by a fraction of which the numerator is the number of H Shares in issue immediately before the date of such announcement plus the number of H Shares which the aggregate amount payable for the issue would purchase at such market price and the denominator is the number of H Shares in issue immediately before the date of such announcement plus the number of H Shares so issued. Such adjustment shall become effective on the date of the issue.

(vii) **Distribution in Specie:** If the Company declares a distribution in specie other than an issue of H Shares in lieu of a cash dividend (the “**Specie Distribution**”) to Shareholders at any time during the period in which the Subscriber is entitled exercise its Conversion Rights, upon receiving the Subscriber’s written consent, the Subscriber will, unless an adjustment to the Conversion Price has been made under this sub-paragraph above in respect of the Specie Distribution in full, be entitled to an amount which shall be determined and paid as follows:

- (a) the Company and the Subscriber will forthwith on the date of announcement of the Specie Distribution instruct an approved financial adviser or the auditors of the Issuer to (i) determine the pro rata Specie Distribution or (ii) value the Specie Distribution which would have been payable to the Subscriber on the Shares falling to be issued if the Subscriber had exercised its Conversion Rights immediately prior to the record date for the Specie Distribution in respect of the whole of the principal amount of the Bonds then outstanding (the “**Notional Specie Distribution**”); and
- (b) upon the determination of the approved financial adviser or the auditors of the Company’s valuation of the Notional Specie Distribution (which valuation shall be final and binding on both the Issuer and the Subscriber) the Company will pay a cash amount equal to the value of the Notional Specie Distribution or distribute the pro rata Specie Distribution to the Subscriber as the Subscriber may elect.

Conversion Price adjustment mechanism	:	In the event that the Company’s average trading price for the 20 consecutive Trading Days immediately preceding the 300th day from the date on which the Subscriber provides the Bridge Loan is lower than the Conversion Price, subject to the Company shareholders’ approval, the Conversion Price shall be adjusted to (a) 110% of the average trading price over the 20 Trading Days prior to the adjustment date, but in any case the adjusted Conversion Price shall not be higher than HK\$4.50.
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In the event that the resolution to adjust the Conversion Price is not approved by the Shareholders, the Bonds shall be deemed to have matured and the Subscriber shall have the right to (i) require the Company to repay the principal and any accrued and unpaid interest within 30 Business Days or (ii) exercise the Conversion Rights. From the 301st day on which the Subscriber provides the Bridge Loan to the Maturity Date, the aforementioned conversion price adjustment mechanism will no longer apply.

Right of subscription of
Shares :

During the term of the Bonds prior to the Maturity Date, in the event that the Company conducts any equity financing (the **“Equity Financing”**), the Subscriber shall have the right to participate in the subscription of the Equity Financing as follows:

1. if the market capitalization of the Company’s total issued share capital referenced in the Equity Financing (the **“Reference Valuation”**) is less than or equal to HK\$1 billion, the Subscriber or its designated third party shall have the right to subscribe for 20% of the H Shares issued pursuant to the Equity Financing;
2. if the Reference Valuation is more than HK\$1 billion and less than or equal to HK\$1.5 billion, the Subscriber or its designated third party shall have the right to subscribe for 10% of the H Shares issued pursuant to the Equity Financing; or
3. if the Reference Valuation is more than HK\$1.5 billion and less than or equal to HK\$2 billion, the Subscriber or its designated third party shall have the right to subscribe for 5% of the H Shares issued pursuant to the Equity Financing.

In the event that the Subscriber participates in the Equity Financing, the Subscriber shall waive its Conversion Rights to require all or part of the Bonds to be converted into Conversion Shares and that the Subscriber can only require the Company to return the outstanding principal amount of the Bonds plus accrued and unpaid interests on the Maturity Date.

In the event that the Subscriber’s Equity Financing subscription exceeds the threshold under the general mandate at that time, such subscription shall be approved by the shareholders at a general meeting. An Equity Financing shall exclude any employee stock ownership plans.

Non-disposal Undertaking : At any time prior to the Bonds are converted into Conversion Shares, the Company shall not carry out the following matters without notifying the Subscriber ten (10) days in advance and obtaining their consent, otherwise the Company shall repay the principal of the Bonds and any unpaid interest to the Subscriber within twenty (20) Business Days:

- (i) transfer or otherwise dispose of any equity, shares, or share of property held by it in Unicorn Holding Partners LP and Pi-Cardia Ltd.;
- (ii) without the consent of the Subscriber, the Company shall not use the proceeds from the issuance of Bonds to issue dividends, repurchase equity, invest in or hold financial assets such as stocks, purchase high-risk financial products, or provide guarantees for any unrelated third party;
- (iii) transfer of more than 51% of the Company's assets or other transactions that result in a change in the Company's control;
- (iv) the Company licenses or transfers the VenusA series intellectual property rights to unrelated third parties.

For the avoidance of doubt, (1) the licensing or transfer by the Company to its consolidated subsidiaries is not restricted, and (2) all licensing or transfer arrangements existing as of the date of the Subscription Agreement are not restricted;

- (v) the Company undergoes a merger, division, dissolution or change of corporate form.

Property Pledge : Within 10 business days from the date on which the Subscriber pays the Company the first installment of the Bridge Loan under the Framework Agreement, the Company shall pledge certain Venus-PowerX patents listed in the Framework Agreement to the Subscriber and complete the relevant pledge registration (hereinafter referred to as the **"Pledge Registration"**). The Pledge Registration shall be cancelled within five (5) business days from the date on which the Subscriber converts the Bonds it subscribed for into the Conversion Shares in accordance with the Subscription Agreement, and the Subscriber shall cooperate in completing the cancellation registration within the aforementioned period. The Subscriber and the Company confirms that the maximum principal amount secured under the aforesaid pledge would be RMB200 million, while the actual pledged amount of the aforesaid patents is RMB225 million.

- Events of Default :
- If any of the following events occurs, the Company shall give the Subscriber three (3) Business Days' prior written notice and the Subscriber shall be entitled to give the Company notice that the Bonds shall become immediately due and payable at its principal amount and interests (if any) and the Company shall immediately (in any event not later than three (3) Business Days) upon receipt of such notice from the Subscriber:
- (a) the Company fails to pay the principal when due unless non-payment of such amount is due solely to administrative or technical error and payment is made within fourteen (14) Business Days of the due date for the payment thereof; or
 - (b) the Company defaults in performance or observance or compliance with any of its other obligations set out in the Subscription Agreement which default is incapable of remedy or, if capable of remedy, is not in the reasonable opinion of the Bondholder remedied within fourteen (14) Business Days after notice of such default shall have been given to the Company by such Bondholder; or
 - (c) an encumbrancer takes possession or a receiver, manager or other similar officer is appointed of the whole or any part of the undertaking, property, assets or revenues of the Company; or
 - (d) the Company applies for or consents to or suffers the appointment of any administrator, liquidator or receiver of the Company or the whole or any part of the undertaking, property, assets or revenues of the Company or takes any proceeding under any law for a readjustment or deferment of its obligations or any part of them or makes or enters into a general assignment or compromise with or for the benefit of its creditors; or
 - (e) an order is made or an effective resolution passed for winding-up of the Company; or
 - (f) a moratorium is agreed or declared in respect of any indebtedness of the Company or any governmental authority or agency condemns, seizes, compulsorily purchases or expropriates all or a substantial part of the assets of the Company; or
 - (g) the H Shares (as a class) cease to be listed or traded on the Stock Exchange.

CONVERSION PRICE AND CONVERSION SHARES

The initial Conversion Price of HK\$4.50 per Conversion Share represents:

- (i) a premium of approximately 35.54% over the closing price of HK\$3.32 per H Share as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (ii) a premium of approximately 137.59% over the average closing price of HK\$1.894 per H Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement.

The Conversion Shares have an aggregate nominal value of RMB48,124,527.

The Conversion Price was arrived at after arm's length negotiation between the Company and the Subscriber with reference to, among others, (i) the prevailing market price and historical trading performance of the H Shares on the Stock Exchange; and (ii) the intrinsic value of the Company, derived from a comprehensive assessment of, among others, (a) its market share in China's structural heart disease sector, (b) the clinical value of its commercialized product pipeline, (c) the market potential of its clinical-stage product pipeline and (d) the Company's financial performance.

The Conversion Shares will be allotted and issued pursuant to the general mandate granted to the Board by the Shareholders at the 2024 second extraordinary general meeting convened by the Company on December 5, 2024. The issue and subscription of the Bonds and the issue of the Conversion Shares by the Company are not subject to further Shareholders' approval.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

INFORMATION OF THE SUBSCRIBER

The Subscriber is a private equity fund ultimately supported by the Government of Binjiang District, Hangzhou, the PRC ("**Binjiang Government**"), as its main limited partner and Hangzhou Yingzhiqin Private Equity Fund Management Co., Ltd.* (杭州盈智勤私募基金管理有限公司) as its general partner. In the history of the establishment and development of the Company, and in particular during the past difficult period when the Company was suspended for trading and underwent various internal investigations, Binjiang Government has always been a strong supporter of the Company in various aspects.

REASONS FOR AND BENEFITS OF THE ISSUE OF THE BONDS

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

The Board considers that the issuance of the Bonds provides an opportunity to strengthen the Group's working capital and financial position. This initiative aligns with the interests of the Company and its Shareholders collectively, and will further support the Group's sustainable business development.

The Directors are of the view that the terms of the Subscription Agreement and the transactions contemplated thereunder (including but not limited to the Conversion Price) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The gross proceeds and the net proceeds from the Bonds (after deduction of related expenses and professional fees) are estimated to be approximately RMB200 million and RMB198.9 million respectively, representing a net issue price of approximately HK\$4.48 per Conversion Share based on the initial Conversion Price. The Group intends to allocate the net proceeds arising from the issuance of the Bonds primarily to (i) accelerate the advancement of its core product pipeline development, (ii) optimize the Group's capital structure, and (iii) supplement general corporate working capital requirements.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table summarises the potential effects on the shareholding structure of the Company as a result of the issue of the Bonds assuming full conversion of the Bonds and no further Shares are issued:

	As at the date of this announcement		Assuming the Bonds are fully converted into Conversion Shares at the initial Conversion Price and no further Shares are issued	
	Number of Shares	Approximately % of total issued Shares	Number of Shares	Approximately % of total issued Shares
Holders of Unlisted Foreign Shares:				
	1,208	0.00	1,208	0.00
Holders of H Shares:				
Mr. Liqiao Ma ⁽²⁾	37,000	0.00	37,000	0.00
Mr. Gu John Junhua ⁽²⁾	553,500	0.13	553,500	0.11
Qiming Corporate GP III, Ltd. ⁽³⁾	57,048,980	12.94	57,048,980	11.66
Subscriber:	—	—	48,124,527	9.84
Other holders of H Shares	383,370,755	86.93	383,370,755	78.38
Total issued Shares:	441,011,443	100	489,135,970	100

Note:

- (1) Certain figures and percentage figures included in the above table have been subject to rounding adjustments.
- (2) Mr. Liqiao Ma is an executive Director while Mr. Gu John Junhua is an independent executive Director.
- (3) Qiming Corporate GP III, Ltd. is deemed to be interested in 57,048,980 H Shares of the Company through the below intermediaries it controls under the SFO:
 - a. Ming Zhi Investments (BVI) Limited, an investment holding company incorporated in the British Virgin Islands, owns 40,018,283 H Shares of the Company. For the purpose of the SFO, Ming Zhi Investments Limited (as the sole shareholder of Ming Zhi Investments (BVI) Limited), Qiming Venture Partners III, L.P. (as a 96.94% shareholder of Ming Zhi Investments Limited) and Qiming GP III, L.P. (as the general partner of Qiming Venture Partners III, L.P.) are deemed to be interested in the interest owned by Ming Zhi Investments (BVI) Limited.
 - b. QM22 (BVI) Limited, an investment holding company incorporated in the British Virgin Islands, owns 17,030,697 H Shares of the Company. For the purpose of the SFO, QM22 Limited (as the sole shareholder of QM22 (BVI) Limited), Qiming Venture Partners III Annex Fund, L.P. (as the sole shareholder of QM22 Limited), Qiming GP III, L.P. (as the general partner of Qiming Venture Partners III Annex Fund, L.P.) and Qiming Corporate GP III, Ltd. (as the general partner of Qiming GP III, L.P.) are deemed to be interested in the interest owned by QM22 (BVI) Limited.

CSRC FILINGS

The Company shall proceed with the relevant CSRC Filings pertaining to the issue of the Bonds.

GENERAL MANDATE

At the 2024 second extraordinary general meeting convened by the Company on December 5, 2024, Shareholders approved to grant general mandates to the Board, issue Shares, to allot, issue or otherwise deal with (including sale and transfer of treasury shares) additional Unlisted Foreign Shares and the H Shares of not more than 20% of the respective total number of the Unlisted Foreign Shares and the H Shares in issue (excluding any treasury Shares), and authorize the Board to make corresponding amendments to the articles of association of the Company as it deems appropriate to reflect the capital structure of the Company as a result of the additional Shares allotted or issued under such mandate (the “**General Mandate**”). As at the date of this announcement, the General Mandate has not been utilized.

The Conversion Shares will be allotted and issued under the General Mandate. The Conversion Shares in respect of the Bonds will utilize, based on the initial Conversion Price, 48,124,527 H Shares under the General Mandate, representing approximately 10.91% of the total issued H Shares at the 2024 second extraordinary general meeting. As such, the Board considers that the General Mandate will be sufficient for, and no further Shareholders’ approval is required for, the allotment and issue of the Conversion Shares.

EQUITY FUND-RAISING ACTIVITY BY THE COMPANY IN THE LAST 12 MONTHS

The Company has not raised any funds by issuing equity securities during the 12 months immediately before the date of this announcement.

APPLICATION FOR LISTING

The Company will make an application to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange.

Completion of the transactions under the Subscription Agreement is subject to the satisfaction and/or waiver of certain conditions precedent therein. Please refer to the section headed “SUBSCRIPTION AGREEMENT” above for further information.

As the issue and subscription of the Bonds under the Subscription Agreement may or may not proceed to completion, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Board”	the board of Directors
“Bridge Loan”	the bridge loan of up to the full principal amount of the Bonds provided by the Subscriber, as the lender, by way of two installments to the Company, as the borrower, pursuant to the Framework Agreement
“Business Day”	a day (excluding Saturday) on which banks in Hong Kong are generally open for business throughout their normal business hours
“Capital Distribution”	shall (without prejudice to the generality of that phrase) include distributions in cash or specie. Any dividend charged or provided for in the accounts for any financial period shall (whenever paid and however described) be deemed to be a Capital Distribution
“Company”	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)
“Completion”	completion of the subscription of the Convertible Bonds contemplated under the Subscription Agreement
“Completion Date”	within fourteen (14) Business Days after fulfillment of all the conditions precedent set out in the Subscription Agreement (or such other date as may be agreed between the Company and the Subscriber)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Conversion Price”	the conversion price of the Convertible Bonds subject to adjustments

“Conversion Share(s)”	new H Share(s) to be issued upon the exercise of the conversion rights attached to the Convertible Bonds
“Convertible Bonds” or “Bonds”	convertible bonds up to aggregate principal amount not exceeding RMB200,000,000 to be issued by the Company at the Conversion Price and subscribed by the Subscriber, pursuant to the Subscription Agreement
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Framework Agreement”	the Framework Agreement on Convertible Bonds and the Bridge Loan arrangement entered into between the Company and the Subscriber on March 20, 2025
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“Independent Third Party”	parties who are independent of and not connected with the Company and its connected persons
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules governing the Listing of Securities on the Stock Exchange
“Market Price”	the average of the closing prices of one H Share on the Stock Exchange for each of the last five Stock Exchange dealing days on which dealings in the H Shares on the Stock Exchange took place ending on the last such dealing day preceding the day on or as of which the market price is to be ascertained
“MOFCOM”	the Ministry of Commerce of the PRC or its local branches
“NDRC”	the National Development and Reform Commission of the PRC or its local branches

“ODI Procedures”	filing procedures with the NDRC and the MOFCOM in relation to overseas direct investment, and approval to be obtained from the SAFE and/or its handling bank for payment of the subscription price of the Bonds by the Subscriber to the bank accounts to be designated by the Company as required by the applicable laws or by the above-mentioned authorities or handling bank; or complete the relevant approval for the outbound transfer of funds from the subscription of Bond through other legal and compliant means, including but not limited to the subscription of H Share convertible bonds through qualified domestic institutional investors (QDII)
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	ordinary share(s) in the capital of the Company with a nominal value of RMB1.0 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Unlisted Foreign Shares”	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
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Hangzhou Yingzhiqin No. 2 Venture Capital Partnership (Limited Partnership)* (杭州盈智勤貳號創業投資合夥企業(有限合夥)), a company incorporated in the PRC with limited liability
“Subscription”	the subscription of the Bonds by the Subscriber pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated March 20, 2025 entered into between the Company and the Subscriber in relation to the Subscription
“%”	per cent.

Conversion of RMB into HK\$ is based on the middle exchange rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China on the date of the Subscription Agreement, namely the exchange rate of RMB1 to HK\$1.0828. The exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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

Hangzhou, March 20, 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.

* *For identification purpose only*