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Broncus Holding Corporation

堃博医疗控股有限公司

*(Incorporated in the Cayman Islands
with limited liability)*

(Stock Code: 2216)



Venus Medtech (Hangzhou) Inc.

杭州启明醫療器械股份有限公司

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

(Stock Code: 2500)

JOINT ANNOUNCEMENT

INVESTMENT IN PARTNERSHIP FUND

DISCLOSEABLE TRANSACTION

CONNECTED TRANSACTION

THE PARTNERSHIP AGREEMENT

Broncus and Venus Medtech are pleased to announce that on March 28, 2023, Broncus Hangzhou (an indirect wholly-owned subsidiary of Broncus), Hangzhou Qihao (an indirect wholly-owned subsidiary of Venus Medtech) and Hangzhou Linzhuo Industrial Fund, each as a limited partner, and Hangzhou Yingzhiqin, as a General Partner, entered into the Partnership Agreement for the establishment of a Partnership Fund to jointly participate in the investment therein, pursuant to which Broncus Hangzhou agreed to subscribe for RMB125 million, which represent approximately 24.75% of the total capital contribution to the Partnership Fund, whereas, Hangzhou Qihao agreed to subscribe for RMB125 million, which represent approximately 24.75% of the total capital contribution to the Partnership Fund.

The Partnership Fund is a private equity fund focusing on direct or indirect equity or equity-related investments in the digital medical devices and projects of related industries space. The Partnership Fund monitors development trends of digital medical devices and innovative medical devices and technologies, and aims at seizing the relevant structural growth opportunities in Greater China, and focuses at making investment in target companies which are at the mid to late stage of development within the related industries.

Therefore, investments to be made by the Partnership Fund is expected to aid Broncus and Venus Medtech to, among others, (i) broaden their respective business ecosystem, value chain and development plan, and at the same time offering Broncus and Venus Medtech opportunities to balance, expand and diversify the types of their respective investment portfolios, and achieve potential capital appreciation; and (ii) enhance and strengthen the respective market standing of Broncus and Venus Medtech in the medical devices and related industries through investment in the target companies.

LISTING RULES IMPLICATIONS

Broncus

As the highest applicable percentage ratio for the transaction contemplated under the Partnership Agreement exceeds 5% but is less than 25%, the transaction thereunder constitute a discloseable transaction of Broncus and is subject to the notification and announcement requirements but are exempt from the shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

Mr. Zi Zhenjun and Professor Lau Joseph Wan Yee (both of whom are a Broncus Director and a Venus Medtech Director) had abstained from voting on the resolution(s) of the Broncus Board with regard to the Partnership Agreement. Save as disclosed above, no other Broncus Directors have a material interest in the above Partnership Agreement or are required to abstain from voting on relevant resolutions of the Broncus Board.

Venus Medtech

As at the date of this announcement, Mr. Zi Zhenjun is a Venus Medtech Director, and the controlling shareholder of Broncus. Therefore, Broncus is a connected person of Venus Medtech at the issuer level pursuant to Rule 14A.07 of the Listing Rules and the participation of Venus Medtech and Broncus in the joint investments in the Partnership Fund constitutes a connected transaction of Venus Medtech.

As the highest applicable percentage ratio for the transaction contemplated under the Partnership Agreement exceeds 0.1% but is less than 5%, the transaction thereunder is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

Mr. Zi Zhenjun and Professor Lau Joseph Wan Yee (both of whom are a Broncus Director and a Venus Medtech Director) had abstained from voting on the resolution(s) of the Venus Medtech Board with regard to the Partnership Agreement. Save as disclosed above, no other Venus Medtech Directors have a material interest in the above Partnership Agreement or are required to abstain from voting on relevant resolutions of the Venus Medtech Board.

Introduction

Broncus and Venus Medtech are pleased to announce that on March 28, 2023, on the one hand, Broncus Hangzhou (an indirect wholly-owned subsidiary of Broncus), Hangzhou Qihao (an indirect wholly-owned subsidiary of Venus Medtech) and Hangzhou Linzhuo Industrial Fund, each as a limited partner, and Hangzhou Yingzhiqin, as a General Partner on the other hand, entered into the Partnership Agreement for the establishment of a Partnership Fund to jointly participate in the investment therein, pursuant to which Broncus Hangzhou agreed to subscribe for RMB125 million, which represent approximately 24.75% of the total capital contribution to the Partnership Fund, whereas, Hangzhou Qihao agreed to subscribe for RMB125 million, which represent approximately 24.75% of the total capital contribution to the Partnership Fund.

Principal terms of the Partnership Agreement

Date of the agreement: March 28, 2023

Name of the Partnership Fund: Hangzhou Yingzhiqin I Equity Investment Partnership (Limited Partnership)* (杭州盈智勤壹號股權投資合夥企業(有限合夥)), a limited partnership incorporated in the PRC

Parties:

- (1) Hangzhou Yingzhiqin, as the General Partner;
- (2) Broncus Hangzhou, as a limited partner;
- (3) Hangzhou Qihao, as a limited partner; and
- (4) Hangzhou Linzhuo Industrial Fund, as a limited partner.

Scale of the Partnership Fund and the capital contributions subscribed by partners: The total capital contribution to be subscribed by all partners to establish the Partnership Fund shall be RMB505 million. The respective capital contributions by the partners are as follows:

Name of Partner	Type of Partner	Form of Capital Contribution	Capital Contribution to be made	Percentage of the Capital Contribution
Hangzhou Yingzhiqin	General partner	Cash in RMB	RMB5 million	1.00%
Broncus Hangzhou	Limited partner	Cash in RMB	RMB125 million	24.75%
Hangzhou Qihao	Limited partner	Cash in RMB	RMB125 million	24.75%
Hangzhou Linzhuo Industrial Fund	Limited partner	Cash in RMB	RMB250 million	49.5%
Total	/	/	RMB505 million	100%

The capital contributions set out above were determined by the parties through arm's length negotiations with reference to their respective interests in the Partnership Fund.

Payment of Capital Contributions:

The General Partner will issue a payment notice (the “**Payment Notice**”) to each of the limited partners based on the actual capital contributions set out in the investment plan, provided that the next Payment Notice issued by the General Partner shall be subject to the condition that no less than 70% of the total capital contribution previously paid shall be utilized. The Payment Notice shall indicate information including the amount of capital contribution payable by the relevant limited partners for the relevant tranche and the payment due date (“**Payment Due Date**”). Unless otherwise agreed between the General Partner and the relevant limited partners, the General Partner shall generally give ten business days’ Payment Notice to the limited partners.

The total capital contribution amount to the Partnership Fund shall be paid in three tranches based on the actual capital contribution for investment projects. Specifically:

- (1) the first tranche in the amount of RMB151,500,000 which represent 30% of the total capital contributions by the partners, in aggregate;
- (2) the second tranche in the amount of RMB202,000,000 which represent 40% of the total capital contributions by the partners, in aggregate; and
- (3) the third tranche in the amount of RMB151,500,000 which represent 30% of the total capital contributions by the partners in aggregate;

Pricing and considerations for capital contributions:

The investment in the Partnership Fund was carried out based on the principle of equality and reciprocal benefit and represent an outcome of negotiations between the parties to the transaction. The percentage of equity interest in the Partnership Fund is based on the pro-rata capital contribution to be made by each party; and the pricing basis is fair and reasonable without prejudice to the interests of each of Broncus and Venus Medtech and their shareholders.

The capital contributions are determined by the parties through arm’s length negotiation with reference to, among other things, the terms of the Partnership Agreement, the prospects of the Partnership Fund and the available financial resources to each of Broncus and Venus Medtech. In particular:

- (1) ***With regard to the prospect of the investment target:*** The Partnership Fund anticipates to realize its capital appreciation primarily through direct or indirect equity or equity-related investment in projects including but not limited to digital medical devices and related industry projects. Each of Broncus and Venus Medtech views prospects of digital medical devices and related industries with positivity, and therefore wishes to further invest in the industry through the Partnership Fund to enhance their financial returns, respectively. As the business segments of Broncus involves the research, development and commercialization of medical devices and consumables whereas the business segments of Venus Medtech involves the development and commercialization of high-quality medical equipment, the respective investments to be made by Broncus and Venus Medtech in the Partnership Fund can create synergies for the principal businesses of the respective issuer groups. In addition, with the management team for the Partnership Fund comprising experts equipped with rich expertise in investment management, Broncus and Venus Medtech are confident in the prospects of the Partnership Fund;
- (2) ***With regard to the financial resources available to the Group:*** The present cash flows and fund availability of Broncus and Venus Medtech as well as their respective future business prospects have also been taken into account of; The consideration of Venus Medtech will be funded from the net proceeds of the placing taken place in January 2021 which has been designated for use in “development of and investment in other new technologies”. The consideration of Broncus will be funded from internal fund resources; and
- (3) ***With regard to the income distribution mechanism of the Partnership Fund:*** In view of the distribution mechanism of the Partnership Fund (details of which are set out in the section headed “*Income Distribution*” in this announcement), each of Broncus and Venus Medtech considered that the arrangement, which allows distributions to the limited partners on a 100% basis until the total cumulative amount of distribution is equal to the cumulative paid-in capital contribution of the limited partner in the partnership, is in the interests of Broncus, Venus Medtech and their respective shareholders as a whole.

Considering all the above factors, Broncus and Venus Medtech believe that their respective capital contributions contemplated under the Partnership Agreement are suitable and appropriate in the current stage.

Initial closing and subsequent closing:

The initial closing date of the Partnership Fund (the “**Closing Date**”) shall be the date on which the initial investors independently designated by the General Partner are admitted as limited partners, or as otherwise reasonably determined by the General Partner and notified to the limited partners.

Within one year after the Closing Date, the General Partner may accept the capital contributions from new limited partners to the Partnership Fund or additional capital contributions from existing limited partners to the Partnership Fund through single closing or subsequent closing(s).

Duration:

Subject to the terms of the Partnership Agreement, the duration of the Partnership Fund shall be ten years from the date of establishment of the Partnership Fund. The business term of the Partnership Fund shall be 8 years from the closing date (the “**Business Term**”). The Business Term of the Partnership Fund may be extended for two further periods of one year each, as agreed by all of the partners.

The “Investment Period” of the Partnership Fund shall be 5 years from the closing date of the Partnership Fund and the “Withdrawal Period” of the Partnership Fund shall be 3 years from the date of the expiry of the Investment Period. During the Business Term, the General Partner shall make efforts to effect the withdrawal from all investment projects of the Partnership Fund or to specify the withdrawal channels by entering into relevant legally binding agreements.

Fund management:

1. Authorization to the General Partner

The General Partner has been authorized to manage and handle the affairs of the Partnership Fund, including but not limited to:

- (1) determining and handling the investment and other affairs of the Partnership Fund as contemplated in the Partnership Agreement;
- (2) acquiring, holding, managing, maintaining and disposing of the assets of the Partnership Fund, including but not limited to investment assets and non-investment assets, on behalf of the Partnership Fund, as an executive partner of the Partnership Fund and in the name of the Partnership Fund;
- (3) exercising the rights as a shareholder or stakeholder of the investee, including but not limited to making decisions and exercising voting rights for related matters, on behalf of the Partnership Fund;
- (4) taking all actions necessary or appropriate to maintain the legitimate existence of the Partnership Fund and to carry out its business activities as a Partnership Fund;

- (5) opening, maintaining and canceling bank accounts and securities accounts of the Partnership Fund, and issuing checks and other payment vouchers of the Partnership Fund;
- (6) engaging professionals, brokers and consultants to provide services for the Partnership Fund;
- (7) determining reasonable reserves for investment projects or expenses of the Partnership Fund;
- (8) filing a lawsuit, responding to a lawsuit, initiating an arbitration, negotiating and reconciling with the parties to a dispute, taking other legal actions or performing other legal procedures for the benefit of the Partnership Fund;
- (9) taking action to safeguard the safety of the properties of the Partnership Fund and to reduce the risks to the Partnership Fund, the partners and their properties arising out of the business activities of the Partnership Fund;
- (10) handling tax-related matters of the Partnership Fund in accordance with applicable laws and regulations and the requirements of tax supervision;
- (11) except as otherwise provided in the Partnership Agreement, signing, delivering and performing agreements or other binding documents on behalf of the Partnership Fund without any further action, approval or vote by any partner or other person; and
- (12) taking such other actions as may be necessary to achieve the purposes of the Partnership Fund, safeguard or secure the lawful rights and interests of the Partnership Fund, in compliance with applicable laws and regulations or as agreed in the Partnership Agreement.

2. Meetings of the partners

The Partnership Fund may from time to time convene a partnership meeting comprising all of the partners and responsible for handling of the following matters:

- (1) in the event of distribution of non-cash assets, selecting an independent third-party valuer with relevant qualifications for determining the value of the non-cash assets, and selecting other determination method other than the independent third party valuation;
- (2) dissolving the Partnership Fund in advance after the withdrawal of the Partnership Fund from all investment projects;

- (3) borrowings for the Partnership Fund;
- (4) non-cash distribution;
- (5) transfer of all or part of any partnership interest held by the General Partner to any unrelated party;
- (6) admitting new general partners;
- (7) dissolving and liquidating the Partnership Fund due to the achievement of the purpose of the partnership objectives specified in the Partnership Agreement (including but not limited to the withdrawal of the Partnership Fund from all investment projects) or failure to achieve the purpose;
- (8) dissolving and liquidating the Partnership Fund as a result of the General Partner's judgment that it is impossible to continue the operation of the Partnership Fund, due to a serious default by one or more of the limited partners;
- (9) any amendment to the Partnership Agreement, unless otherwise agreed in the Partnership Agreement; and
- (10) other matters specified in relevant laws and regulations and the Partnership Agreement.

Fund manager and
management fees:

Hangzhou Yingzhiqin, being the Fund Manager, shall be responsible for the day-to-day investment (and/or withdrawal) and management of target funds.

The annual management fee shall be paid to the Fund Manager as follows:

- (1) during the Investment Period, 2% of the total paid-in capital contribution to the Partnership Fund per annum;
- (2) during the Withdrawal Period, 1.5% of the cumulative investment principal corresponding to the non-withdrawn part of all projects of the Partnership Fund per annum; and
- (3) no management fee shall be charged for any extension period.

Liabilities of the General Partner and limitation of liabilities:

The General Partner assumes unlimited joint and several liabilities for the debt and liabilities of the Partnership Fund.

The General Partner shall, based on the principles of integrity and fairness, exercise due diligence to maximize the interests of the Partnership Fund. The General Partner is legally liable for compensation for significant economic losses incurred by the Partnership Fund due to intentional or gross negligence of the General Partner.

The General Partner and its related parties shall not be required to refund any limited partner the capital contribution actually paid by the limited partner to the Partnership Fund, and do not guarantee the minimum investment income of the limited partner, and all refunds of investment and returns on investment shall be derived from the distributable income or other distributable assets of the Partnership Fund.

The General Partner, the manager and their management personnel are not liable for any loss incurred by the Partnership Fund arising out of acts or omissions committed by them in accordance with applicable laws and regulations and the Partnership Agreement, unless such loss is caused by the willful or gross negligence of the General Partner, the manager or their management personnel.

Exit method:

The methods for exiting the investment of the Partnership Fund include but are not limited to:

- (1) the Partnership Fund disposes part of the shares of the investee or the shares of its listed associates after the Partnership Fund assists the investee in a direct or indirect IPO within or outside China;
- (2) the Partnership Fund exits the investment by directly transferring the equity interest, capital contribution or assets of the investee;
- (3) after the dissolution and liquidation of the investee, the properties of the investee shall be distributed to the Partnership Fund.

Income distribution:

Proceeds from the project investments shall be available for distribution among all partners involved in the project investment, and to be allocated in accordance with the relevant limited partner's investments on a pro-rata basis. The portion attributable to the General Partner and/or the specific limited partner based on the above initial distribution shall be allocated to the General Partner and/or the specific limited partner, and the portion attributable to each other limited partner shall be distributed in the following order of priority:

- (1) ***Return of contributions.*** Firstly, the distributions to the limited partners are made on a 100% basis until the sum of the total distribution to such limited partners and the unutilized capital contributions refunded to them equal to the total capital contribution paid by them to the Partnership Fund;

Notwithstanding the foregoing, the partners unanimously agree that the distributable amount by the Partnership Fund to each partner for disposal of any divested property (in whole or in part) during the Investment Period shall not exceed the amount to be calculated as follows:

The maximum distribution = the proportion of the capital contribution paid by the relevant partner × [proceeds from disposal of divested property – costs of investments by the Partnership Fund]

During the Investment Period, the Partnership Fund may utilize the amount in excess of the above maximum distribution for external investments. In the event that there are no suitable projects for the purpose of such external investment(s), the distribution shall be made in a timely manner during the Investment Period in accordance with the terms of the Partnership Agreement.

- (2) ***80%/20% distribution.*** Subsequently, in the event that there are any remaining balance to the distributable proceeds, such proceeds shall be allocated on the basis of: 20% to the General Partner and 80% to all partners in proportion to capital contributions paid by each of them.

Liabilities for breach:	If any limited partner fails to pay its contribution in full on or before the Payment Due Date specified in the Payment Notice, the General Partner has the right to grant the limited partner a grace period of five business days from the day following the Payment Due Date, within which the limited partner shall pay a late fee equal to 0.05% of the overdue amount per day. If the limited partner fails to fulfill its capital contribution obligation and pay the corresponding late fee within the aforesaid grace period, the General Partner has the right to deem the limited partner as the “breaching partner.”
Transfer of partnership interests:	<p>With the prior written consent of the General Partner and subject to the applicable laws and regulations and other conditions specified in the Partnership Agreement, the limited partners may transfer or directly or indirectly pledge, mortgage or otherwise encumber as security, or otherwise dispose of to a third party, all or part of their partnership interests in the Partnership Fund.</p> <p>The General Partner shall not transfer to any unrelated party, in whole or in part, any partnership interest held by it, unless approved by way of a special resolution at a meeting of partners. Any partnership interest held by the General Partner may not be pledged or create interests for a third party.</p>
Withdrawal:	<p>1. Limited partners</p> <p>The General Partner shall go through procedures for the withdrawal of any limited partner at the then fair value after performing the procedures specified by applicable laws or the Partnership Agreement, if:</p> <ol style="list-style-type: none"> (1) the limited partner has its business license revoked, is ordered to close down or declared bankrupt, in accordance with laws; (2) the partnership interests of the limited partner are subjected to enforcement by a court; (3) the limited partner deceases or is legally declared deceased, in the case of a natural person limited partner; (4) the limited partner’s continuing to act as a limited partner of the partnership may, in the reasonable judgment of the General Partner, constitute or result in a breach of applicable laws and regulations or give rise to a material burden on the partnership or the General Partner, the manager and/or their respective related parties under unavoidable legal, tax or other regulatory requirements, and such withdrawal is unanimously approved by other partners by voting; (5) the withdrawal of the limited partner is deemed ex officio in other circumstances under the Partnership Enterprise Law.

2. General Partner

The General Partner shall withdraw from the partnership after the performance of the procedures specified by applicable laws or the Partnership Agreement, if:

- (1) the General Partner is liquidated, dissolved, ordered to close down or declared bankrupt;
- (2) all partnership interests of the General Partner are subjected to enforcement by a court; or
- (3) the withdrawal of the General Partner is deemed ex officio in other circumstances under the Partnership Enterprise Law.

Reasons for and Benefits of Participating in the Establishment of the Partnership Fund and Entering into the Partnership Agreement

The Partnership Fund is a private equity fund focusing on direct or indirect equity or equity-related investments in the digital medical devices and projects of related industries space. The Partnership Fund monitors development trends of digital medical devices and related industries, and aims at seizing the relevant structural growth opportunities in Greater China, and focuses at making investment in target companies which are at the mid to late stage of development within the related industries. Therefore, investments to be made by the Partnership Fund is expected to aid Broncus and Venus Medtech to, among others, (i) broaden their respective business ecosystem, value chain and development plan, and at the same time offering Broncus and Venus Medtech opportunities to balance, expand and diversify the types of their respective investment portfolios, and achieve potential capital appreciation; and (ii) enhance and strengthen the respective market standing of Broncus and Venus Medtech in the medical devices and related industries through investment in the target companies. In the event that further investments shall be deemed suitable and in line with the overall development plan, Broncus and Venus Medtech may consider making further investments in the Partnership Fund subject to compliance with the Listing Rules at all times.

The Broncus Directors, including its independent non-executive directors, other than Mr. Zi Zhenjun and Professor Lau Joseph Wan Yee (both of whom are a Broncus Director and a Venus Medtech Director), have confirmed that the terms of the Partnership Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better, and in the interests of Broncus and its shareholders as a whole.

Venus Medtech further believes that with the professional management of the Partnership Fund and the experience and skills of the investment manager, the investment in the Partnership Fund will also help Venus Medtech participate in the further exploitation of the digital medical device system market while reducing direct investment risks. The Venus Medtech Directors, including its independent non-executive directors, other than Mr. Zi Zhenjun and Professor Lau Joseph Wan Yee (both of whom are a Broncus Director and a Venus Medtech Director), have confirmed that the terms of the Partnership Agreement and the transactions contemplated thereunder are entered into after arm's length negotiation and on normal commercial terms, and the terms of the Partnership Agreement are fair and reasonable and in the interests of Venus Medtech and its shareholders as a whole.

General Information

Information on the Partnership Fund

Hangzhou Yingzhiqin I Equity Investment Partnership (Limited Partnership) is a limited partnership incorporated in China. The Partnership Fund will be filed as a private investment fund in accordance with applicable laws.

Further information on the Partnership Fund is set out below:

Scope of business: Venture capital investment (investment into unlisted enterprises only); equity investment; equity investment, investment management, asset management and other activities as a private equity fund (business activities cannot be carried out until completing the registration and filing with the Asset Management Association of China) (except for items subject to approval in accordance with laws, business activities shall be carried out independently in accordance with laws and the business license).

Selection and criteria of selection of investment targets: The Partnership Fund will primarily make direct or indirect equity or equity-related investments in projects including but not limited to digital medical devices and related industry projects, thus realizing capital appreciation of the Partnership Fund.

The Partnership Fund has identified specific investment objectives which are mainly engaged in the digital medical devices and projects of related industries space. As of the date of this announcement, the Partnership Fund has not entered into any definitive agreements and subject to further due diligence before such investments can be made.

Investment restrictions: Unless agreed upon by all partners, the investment of the Partnership Fund in a single investee shall not exceed 20% of the total subscribed capital contribution to the Partnership Fund. The equity investment in the investee shall not exceed 30% of the entire equity interest in the investee.

The Partnership Fund shall not engage in the following businesses:

- (1) Investment in futures, corporate bonds, trust products, wealth management products, insurance plans and other high-risk financial derivatives;
- (2) Guarantee, mortgage, entrusted loan and other businesses;
- (3) Investment in and holding real estate (including the purchase of real estate for own use);
- (4) Payment of sponsorship, donation and other expenditures;
- (5) Absorbing deposits or doing so in a disguised form, or providing loans and financing to any third party;

- (6) External investment with unlimited joint and several liabilities;
- (7) Securities investment in the secondary market;
- (8) Issuing trust or collective wealth management products to raise funds;
- (9) Investing in any collective investment fund or similar investment vehicle, unless the entity is a special investment vehicle established by the Partnership Fund for the purpose of completing project investments and does not otherwise charge the Partnership Fund, an additional management fee or performance-based bonus; and
- (10) Other businesses prohibited by laws and regulations.

Investment strategy:

The Partnership Fund is deeply engaged in the upstream and downstream industry chains in medical devices, searches for and selects suitable investment projects, and completes industry research, due diligence, model building and return analysis of the projects in which the fund intends to invest; carries out legal investment negotiation and completes the investment transaction; is responsible for the follow-up of the projects with investment by the fund and provision of value-added services. The Partnership Fund fully follows the four stages, namely “raising, investment, management and withdrawal” of equity investment of a private equity fund to realize upstream and downstream industry consolidation and increase the capital value of the investee.

Risk management measures:

Hangzhou Yingzhiqin, being the Fund Manager, has a professional fund operation team and post-investment management team. The team members have excellent backgrounds and rich experience in professional fields. The management team attaches importance to the standardization of fund governance and carried out management at a high governance standard. For the biographical details of the management team, please see the section headed “*Information on Fund Manager and General Partner.*”

- The Partnership Fund has a special compliance risk control department to develop relevant risk and business processes and implement various risk control measures;
- It carries out risk control and compliance inspection of proposed projects, independently of the investment business department, and comprehensive prevention and control of investment, research and other activities that may involve insider dealing, focusing on preventing the use of inside information for investment decisions and transactions;

- It supervises the implementation of the investment process of the investment business department and reviews transaction documents, including but not limited to investment decisions/mandate signed by the Investment Decision-making Committee (including specific investment/transaction time, subject matter, investment amount, etc.); review of transaction files (including but not limited to information on each investment, business and financial certificates, proof of ownership, books of account and contracts, notes and other information reflecting the true status of the transaction as required by the relevant regulations, etc. arising from the execution of investment mandate by investment dealers);
- It is responsible for fund information disclosure and discloses relevant information in accordance with relevant regulations, transaction documents and regulations of the Asset Management Association of China, including but not limited to the investment status of the Partnership Fund, the assets and liabilities of the Partnership Fund, the expenses and the arrangement of performance fee undertaken by the Partnership Fund, the distribution of the investment income of the Partnership Fund, and the possible conflict of interest, etc.;
- It manages and oversees product fundraising, investor suitability management, risk warning to qualified investors, conflicts of interest, insider dealing and other matters of the Partnership Fund.

Sources of investment funds:

The Partnership Fund raises funds from specific investors through private placement, according to the fundraising procedures specified by laws and regulations and the Asset Management Association of China, and the system of filing with the Asset Management Association of China.

The Partnership Fund ensures that no illegally raised funds are involved, and that the sources of funds are legal and compliant, and that no illegal or criminal funds are involved.

Investment management:

The Partnership Fund has an investment decision-making committee (the “**Investment Decision-making Committee**”). The Investment Decision-making Committee has five members, including two appointed by the Fund Manager, one appointed by the limited partner Hangzhou Linzhuo Industrial Fund, one appointed by the limited partner Broncus Hangzhou and one appointed by the limited partner Hangzhou Qihao.

Each voting member has one vote with regard to the matter considered by the Investment Decision-making Committee. The Investment Decision-making Committee may take a vote at an in-person meeting. A resolution is subject to approval by more than three-fifths of the voting members of the Investment Decision-making Committee. The following matters are subject to a resolution of the Investment Decision-making Committee:

- (1) Approval for an investment plan and withdrawal plan for a proposed project;
- (2) Approval for adjustments to plans for project investment or withdrawal from projects;
- (3) Related transactions and conflict of interest matters; and
- (4) Other significant matters which, in the opinion of the General Partner, should be subject to a resolution of the Investment Decision-making Committee.

Historical returns: As at the date of this announcement, historical returns are unavailable as the Partnership Fund has not withdrawn from any investment project.

Information on the Fund Manager and the General Partner

Hangzhou Yingzhiqin, a limited partnership incorporated in China, is principally engaged in the business of private equity fund manager and registered as a private equity fund manager with the Asset Management Association of China. Mr. Yu Wei, Ms. Cui Shuping, Mr. He Gan and Hangzhou Zhishao Technology Partnership (Limited Partnership)* (杭州智芍科技合夥企業(有限合夥)), which is also a general partner of Hangzhou Yingzhiqin, are limited partners of Hangzhou Yingzhiqin, own 45%, 45%, 5% and 5% interests in Hangzhou Yingzhiqin, respectively. Mr. Yu Wei is the executive partner of Hangzhou Zhishao Technology Partnership (Limited Partnership), holding a 99% equity interest, and Mr. He Gan holds a 1% equity interest. Biographical details of the management team of Hangzhou Yingzhiqin are set out below:

Mr. He Gan (“**Mr. He**”), one of the principal founders, legal representative and general manager of Hangzhou Yingzhiqin, is responsible to the executive directors and is in charge of overseeing the production and operation management of Hangzhou Yingzhiqin and organizing the implementation of the decisions of executive directors. Prior to joining Hangzhou Yingzhiqin in April 2022, Mr. He served as the investment manager of Ningbo Liande Venture Capital Co., Ltd. (寧波聯德創業投資有限公司) from September 2012 to December 2014 and the director of risk control at Hangzhou Zhongde Investment Management Co., Ltd. (杭州眾德投資管理有限公司) from January 2015 to March 2022. The representative investment cases of Mr. He include an investment of RMB15 million in Zhejiang Zheda Water Co., Ltd. (浙江浙達水業有限公司), an investment of RMB75 million in Allied Machinery Co., Ltd. (杭州聯德精密機械股份有限公司) and an investment of RMB12 million in Hangzhou Jizhi Mechatronic Co., Ltd. (杭州集智機電股份有限公司).

Mr. Liu Haojiang (“**Mr. Liu**”), deputy general manager and head of the investment operation department of Hangzhou Yingzhiqin, is responsible for its overall investment management. Prior to joining Hangzhou Yingzhiqin in November 2022, Mr. Liu worked as an investment manager in Shenzhen Wuming Boji Equity Investment Management Partnership (Limited Partnership)* (深圳市物明博濟股權投資管理合夥企業(有限合夥)). Representative investment cases of Mr. Liu include an investment of RMB27.7895 million in Hong Kong Forestgreen Technologies Limited (香港永禾科技有限公司), an investment of RMB81.60 million in Guoxin Pharmaceutical Technology (Beijing) Co., Ltd. (國信醫藥科技(北京)有限公司) and an investment of RMB47.865 million in Chengdu Pusch Pharmaceutical Co., Ltd.* (成都普什製藥有限公司).

The Limited Partners and Their Respective Ultimate Beneficial Owners

Information on Broncus and Broncus Hangzhou

Broncus is a pioneer in the interventional pulmonology medical device market, providing innovative solutions for lung diseases in China and globally. Established in 2012, Broncus has a management team with extensive experience in product development, clinical research and commercialization, and has developed into an enterprise with a research and development center in China and the United States respectively. Through its close ties with key opinion leaders in global respiratory intervention, as well as its all-round relationship in relation to innovative philosophies and project development, Broncus has built a respiratory interventional diagnosis and treatment product pipeline consisting of 18 products and major candidate products, and owns a diversified IPR portfolio including 748 patents and patent applications. In addition, through clinical training and market education, and with its strong brand promotion and commercialization capabilities, Broncus is able to sell its products to major markets in the world including the United States, Europe and Australia.

Broncus Hangzhou is a wholly-owned subsidiary incorporated by Broncus in China. It is principally engaged in the research, development and commercialization of medical devices and consumables in China and is responsible for the delivery of products to the distributors of Broncus.

Save as disclosed in this announcement, to the knowledge of the Broncus Directors having made prudent enquiries, Hangzhou Qihao, Hangzhou Linzhuo Industrial Fund, Hangzhou Yingzhiqin and their respective ultimate beneficial owner(s) are third parties independent of Broncus and are not connected persons of Broncus.

Information on Venus Medtech and Hangzhou Qihao

Venus Medtech is a global high-end innovative medical device manufacturer committed to developing and commercializing high-quality medical devices that benefit patients. Founded in 2009, Venus Medtech has built a global research and development system and established a platform integrating research and development, clinical development, manufacturing and commercialization.

Hangzhou Qihao, a wholly-owned subsidiary of Venus Medtech, incorporated in China, is mainly engaged in venture capital investment (investment into unlisted enterprises only), investment activities with its own funds, project planning and public relations services.

To the knowledge of the Venus Medtech Directors having made prudent enquiries, Hangzhou Linzhuo Industrial Fund, Hangzhou Yingzhiqin and their respective ultimate beneficial owner(s) are third parties independent of Venus Medtech and are not connected persons of Venus Medtech.

Information on Hangzhou Linzhuo Industrial Fund

Hangzhou Linzhuo Industrial Fund Co., Ltd.*(杭州臨卓產業基金有限公司), a limited liability company incorporated in China, is principally engaged in venture capital investment. It is a market-oriented fund established under the leadership of the Linping District Government of Hangzhou and funded by Hangzhou Linping State-owned Capital Investment Operation Co., Ltd.* (杭州臨平國有資本投資運營有限公司) in the exercise of its investor responsibilities, to support projects in leading industries including high-end equipment manufacturing, life and health, fashion industry, industrial Internet in Linping District of Hangzhou. Hangzhou Linzhuo Industrial Fund is wholly owned by Hangzhou Linping State-owned Capital Investment Operation Co., Ltd., which is wholly owned by the State-owned Assets Supervision and Administration Office of Hangzhou Linping District People's Government (杭州市臨平區人民政府國有資產監督管理辦公室).

LISTING RULES IMPLICATIONS

Broncus

As the highest applicable percentage ratio for the transaction contemplated under the Partnership Agreement exceeds 5% but is less than 25%, the transaction thereunder constitute a discloseable transaction of Broncus and is subject to the notification and announcement requirements but are exempt from the shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

Mr. Zi Zhenjun and Professor Lau Joseph Wan Yee (both of whom are a Broncus Director and a Venus Medtech Director) had abstained from voting on the resolution(s) of the Broncus Board with regard to the Partnership Agreement. Save as disclosed above, no other Broncus Directors have a material interest in the above Partnership Agreement or are required to abstain from voting on relevant resolutions of the Broncus Board.

Venus Medtech

As at the date of this announcement, Mr. Zi Zhenjun is a Venus Medtech Director, and the controlling shareholder of Broncus. Therefore, Broncus is a connected person of Venus Medtech at the issuer level pursuant to Rule 14A.07 of the Listing Rules and the participation of Venus Medtech and Broncus in the joint investments in the Partnership Fund constitutes a connected transaction of Venus Medtech.

As the highest applicable percentage ratio for the transaction contemplated under the Partnership Agreement exceeds 0.1% but is less than 5%, the transaction thereunder is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

Mr. Zi Zhenjun and Professor Lau Joseph Wan Yee (both of whom are a Broncus Director and a Venus Medtech Director) had abstained from voting on the resolution(s) of the Venus Medtech Board with regard to the Partnership Agreement. Save as disclosed above, no other Venus Medtech Directors have a material interest in the above Partnership Agreement or are required to abstain from voting on relevant resolutions of the Venus Medtech Board.

DEFINITIONS

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

“Broncus Board”	the board of directors of Broncus
“Broncus Director(s)”	director(s) of Broncus
“Broncus Hangzhou”	Hangzhou Broncus Medical Co., Ltd.* (杭州堃博生物科技有限公司), a limited liability company incorporated in China on February 24, 2016, a wholly-owned subsidiary of Broncus, and a limited partner upon the execution of the Partnership Agreement
“Broncus”	Broncus Holding Corporation, an exempted company incorporated in the Cayman Islands on April 30, 2012, the shares of which are listed on the Stock Exchange (stock code: 2216)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Hangzhou Linzhuo Industrial Fund”	Hangzhou Linzhuo Industrial Fund Co., Ltd.* (杭州臨卓產業基金有限公司), a limited company incorporated in China, and a limited partner upon the execution of the Partnership Agreement.
“Hangzhou Qihao”	Hangzhou Qihao Equity Investment Co., Ltd.* (杭州啓皓股權投資有限公司), a limited liability company incorporated in China on November 24, 2017, a wholly-owned subsidiary of Venus Medtech, and a limited partner upon the execution of the Partnership Agreement
“Hangzhou Yingzhiqin”, “General Partner” or “Fund Manager”	Hangzhou Yingzhiqin Private Equity Management Co., Ltd.* (杭州盈智勤私募基金管理有限公司), a limited partnership incorporated in China, the General Partner, the executive partner and Fund Manager of the Partnership Fund
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange
“Mr. He”	has the meaning given to it under the section headed “ <i>Information on the Fund Manager and the General Partner</i> ” in this announcement
“Mr. Liu”	has the meaning given to it under the section headed “ <i>Information on the Fund Manager and the General Partner</i> ” in this announcement

“Partnership Agreement”	the partnership agreement of Hangzhou Yingzhiqin I Equity Investment Partnership (Limited Partnership)* (杭州盈智勤壹號股權投資合夥企業(有限合夥)) entered into by and between Hangzhou Yingzhiqin Private Equity Fund, Broncus Hangzhou, Hangzhou Qihao and Hangzhou Linzhuo on the date of this announcement
“Partnership Fund”	Hangzhou Yingzhiqin I Equity Investment Partnership (Limited Partnership)* (杭州盈智勤壹號股權投資合夥企業(有限合夥)), a limited partnership incorporated in China, without any identifiable income or profit as at the date of this announcement
“PRC” or “China”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Venus Medtech Board”	the board of directors of Venus Medtech
“Venus Medtech Director(s)”	director(s) of Venus Medtech
“Venus Medtech”	Venus Medtech (Hangzhou) Inc., a limited liability company incorporated in China on July 3, 2009, and reformed to a company limited by shares incorporated in China on November 29, 2018, with its H shares listed on the Stock Exchange (stock code: 2500)

By order of the Board
Broncus Holding Corporation
Zhao Michael Yi Wei
Chairman

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

Hong Kong, March 29, 2023

* *For identification purposes only.*

As at the date of this announcement, the Broncus Board comprises Mr. Zhan Guowei and Mr. Xu Hong as executive directors; Mr. Zhao Michael Yi Wei as Chairman and non-executive directors; Mr. Zi Zhenjun and Mr. Zhang Ao as non-executive directors; and Dr. Kam Pok Man, Professor Lau Joseph Wan Yee and Ms. Wong Yee Sin as independent non-executive directors.

As at the date of this announcement, the executive directors of the Venus Medtech Board are Mr. Zeng Frank Min, Mr. Zi Zhenjun and Ms. Liu Meirong; the non-executive Director is Mr. Zhang Ao; and the independent non-executive directors are Mr. Wu Anthony Ting Yuk, Professor Lau Joseph Wan Yee and Mr. Suen Chi Wai.