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杭州启明醫療器械股份有限公司
Venus Medtech (Hangzhou) Inc.

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

(Stock Code: 2500)

**(1) INSIDE INFORMATION
FURTHER UPDATE ON THE PROVISION OF FINANCIAL ASSISTANCE; AND
(2) CONTINUED SUSPENSION OF TRADING**

This announcement is made by Venus Medtech (Hangzhou) Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

BACKGROUND INFORMATION

References are made to (i) the announcement of the Company dated May 8, 2023 in relation to, amongst others, the Mr. Zi Loans and the Mr. Zeng Loans and the discloseable and connected transactions in relation to the provision of financial assistance contemplated thereunder (the “**May 8 Announcement**”). Unless otherwise stated, capitalized terms used in this announcement shall bear the same meanings as those defined in the May 8 Announcement; (ii) the announcement of the Company dated August 4, 2023 in relation to the key findings of internal control review (the “**August 4 Announcement**”), (iii) the annual results announcement of the Company dated March 31, 2023 and the annual report of the Company published on April 27, 2023, in each case for the year ended December 31, 2022, and (iv) the interim results announcement of the Company dated August 31, 2023 and the interim report of the Company published on September 28, 2023, in each case for the six months ended June 30, 2023.

Reference is also made to the announcement of the Company dated November 23, 2023 in relation to the trading halt in the shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 9:00 a.m. on November 23, 2023.

FURTHER UPDATE ON THE PROVISION OF FINANCIAL ASSISTANCE

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and the public that:

1. The Board established a special committee to undertake an investigation (the “**Investigation**”) into the circumstances surrounding the Mr. Zi Loans and Mr. Zeng Loans described in the May 8 Announcement. The special committee consists of Mr. Chi Wai Suen (an independent non-executive Director), Mr. Ting Yuk Anthony Wu (an independent non-executive Director), Mr. Wan Yee Joseph Lau (an independent non-executive Director), Ms. Nisa Bernice Wing-Yu Leung (a former non-executive Director), and Mr. Ao Zhang (a non-executive Director).
2. The Investigation, which is now complete, identified a number of previously undisclosed fund flows to entities relating to Mr. Zi and Mr. Zeng. Such fund flows include, amongst others, an additional transfer of RMB100 million on April 1, 2023 to an entity controlled by Mr. Zi, and additional transfers to an entity controlled by Mr. Zeng in 2020 and 2021.
3. The loans to Mr. Zi and Mr. Zeng were borrowed and repaid on a rolling basis across consecutive financial periods.
4. The Board is concerned that certain statements made in the announcements and financial reports previously published by the Company, including those referred to above, may be inaccurate, incomplete and/or misleading. These statements include, without limitation, the statements in relation to the number and value of the loans and the statement that the initial public offering proceeds were not used for the loans.
5. The Directors note that Mr. Zi and Mr. Zeng both resigned on November 20, 2023 with effect from November 20, 2023 and December 15, 2023, respectively. It is expected that Mr. Zi and Mr. Zeng, following their resignations from the Company as directors, will continue to provide support to the Company’s long term development. Mr. Zi will take on advisory roles in technology, product development and government affairs and Mr. Zeng will remain to be responsible for our research and development in the U.S., but neither of them is expected to assume any executive role which carry decision-making capability within the Group. Mr. Lim Hou-Sen (Lin Haosheng) and Mr. Liqiao Ma (馬力喬) have been nominated as candidates to replace Mr. Zi and Mr. Zeng for the position of executive directors of the Company.

In light of the findings, the Directors have approved further remedial actions as follows:

1. **Corporate Governance.** All personnel of the Company involved in handling the loans to Mr. Zi and Mr. Zeng, and the related auditing process, be removed from management. The nomination committee of the Board targets to consider and recommend a new chief financial officer of the Company with appropriate qualifications to the Board by the end of April 2024.

2. **Special audit.** A forensic accountant is being engaged to conduct a special audit (the “**Special Audit**”) to (i) identify all historical fund flows of the Company to and from Mr. Zi, Mr. Zeng and any entity they own or control, and (ii) confirm the repayment status of all borrowings of Mr. Zi and Mr. Zeng from the Company.

The Company shall publish further announcement(s), including clarification announcement(s), based on, and consistent with, the further findings of the Special Audit. The Company will make further announcement(s) to update the Shareholders and the public of any material development to the above matter as and when appropriate.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on November 23, 2023 and will remain suspended until further notice.

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

By Order of the Board
Venus Medtech (Hangzhou) Inc.
Meirong Liu
Executive Director

Hangzhou, November 27, 2023

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