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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) QUARTERLY UPDATE ON RESUMPTION PROGRESS; AND
(2) CONTINUED SUSPENSION OF TRADING**

This announcement is made by Venus Medtech (Hangzhou) Inc. (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.24A of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

Reference is made to the announcements of the Company dated May 8, 2023, August 4, 2023, November 23, 2023, November 27, 2023, December 27, 2023, February 7, 2024, February 16, 2024 and February 23, 2024 in relation to, amongst others, the suspension of trading in the shares of the Company, the Resumption Guidance, the Unauthorized Transactions and the key findings of the Forensic Investigation. Terms used herein shall have the same meanings as defined in the abovementioned announcements unless otherwise stated.

LATEST DEVELOPMENT OF THE GROUP

Business operations of the Group

The Group is principally engaged in innovative medical devices that integrate R&D, clinical development, manufacturing and commercialization. To the best knowledge of the Directors, as at the date of this announcement, the business operations of the Group are continuing as usual in all material respects. Based on preliminary assessment, the Board is of the view that the Unauthorized Transactions have no significant adverse impact on the business operations of the Group, but the Group is in the process of, with assistance from its auditors, evaluating the financial impacts of the Unauthorized Transactions.

UPDATE ON RESUMPTION PROGRESS

As disclosed in the announcements of the Company dated December 27, 2023 and February 16, 2024, the Stock Exchange has set out the following Resumption Guidance for the Company:

- (a) conduct the special audit and an appropriate forensic investigation into (i) the provision of loans to Mr. Zi and Mr. Zeng and (ii) other fund flows of the Group to and from Mr. Zi, Mr. Zeng and/or any entity they, individually or collectively, own or control that may be uncovered by the Special Audit, announce the findings, and take appropriate remedial actions;
- (b) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to comply with the Listing Rules;
- (c) demonstrate that there is no reasonable regulatory concern about the management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which will pose a risk to investors and damage market confidence;
- (d) inform the market of all material information for the Shareholders and investors to appraise its position; and
- (e) re-comply with Rules 3.10(1), 3.10A, 3.21 and 3.27A of the Listing Rules in relation to the composition and chairmanship of the Board and its Board committees, as applicable.

The Forensic Investigation

As disclosed in the announcement of the Company dated February 23, 2024, the Company has announced the key findings to the Forensic Investigation in relation to the Unauthorized Transactions. The Special Committee, after having reviewed the report submitted by the Forensic Consultant, recommended that the Board should adopt the findings of the Forensic Investigation, and made recommendations to the Board on the appropriate actions to be taken. The Board also resolved to implement the recommendations made by the Special Committee. For further details, please refer to the announcement of the Company dated February 23, 2024.

Review of internal control systems

The Company has engaged Deloitte Consulting (Shanghai) Co., Ltd., Beijing Branch as internal control consultant to carry out an independent review on the internal control system of the Company and all the subsidiaries identified in the Forensic Investigation as being involved in the Unauthorized Transactions during the period commencing from January 1, 2020 to December 31, 2023 (the “**Internal Control Review**”). As at the date of this announcement, the Internal Control Review has commenced. The Company endeavours to inform the market of any material development as and when appropriate.

Regulatory concern about management integrity

Mr. Zi has resigned as an executive director, the general manager and the authorized representative of the Company with effect from November 20, 2023. Mr. Zeng has resigned as an executive director and the chairman of the board of the Company effective from December 15, 2023. Mr. Ma has resigned as a joint company secretary and the chief financial officer of the Company with effect from June 2, 2023.

In replacement of Mr. Ma, Mr. Fei WANG (王飛, “**Mr. Wang**”) was appointed as the chief financial officer of the Company with effect from January 4, 2024. For further details on Mr. Wang’s biographical details, please refer to the announcement of the Company dated January 4, 2024. Further, the Company has noted that the staff involved in the Unauthorized Transactions no longer hold any management position in the Group.

Inform the market of all material information

Since the suspension of trading in the shares of the Company, the Company has been updating the shareholders and potential investors on a regular basis and publishing all material information on a timely basis. The Company will continue to inform the market of all material information as and when appropriate. The Company is working closely with its professional advisers and taking appropriate steps to fulfill the Resumption Guidance and will update the shareholders and potential investors of the Company as and when appropriate.

Re-comply with Rules 3.10(1), 3.10A, 3.21 and 3.27A of the Listing Rules

The Company is in the process of identifying a suitable candidate to fill the vacancy of independent non-executive director of the Company and the vacancies of the relevant board committees in order to fulfill the requirements of the Listing Rules as soon as practicable (and in any event within the period prescribed under Rules 3.11 and 3.23 of the Listing Rules). Further announcement will be made by the Company as and when appropriate, in accordance with the Listing Rules.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on November 23, 2023 and will remain suspended pending the fulfillment of the Resumption Guidance as specified by the Stock Exchange.

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

Hangzhou, February 23, 2024

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 and Mr. Chi Wai Suen.