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杭州啓明醫療器械股份有限公司  
**Venus Medtech (Hangzhou) Inc.**

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

**(Stock Code: 2500)**

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

This announcement is made by Venus Medtech (Hangzhou) Inc. (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) (a) and Rule 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated (i) May 8, 2023 in relation to, amongst others, the Disclosed Fund Flows; (ii) August 4, 2023 in relation to the key findings of the independent internal control review; (iii) November 23, 2023 in relation to the trading halt in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on even date; (iv) November 27, 2023 in relation to, amongst others, further update on the Undisclosed Fund Flows; (v) December 27, 2023 and February 16, 2024 in relation to the Resumption Guidance; (vi) February 23, 2024 in relation to the key findings of the Forensic Investigation about the Unauthorized Transactions; (vii) February 23, 2024 in relation to the first quarterly update on resumption progress; (viii) April 16, 2024 in relation to an update on the Unauthorized Transactions; (ix) May 13, 2024 in relation to the key findings and completion of the Internal Control Review; (x) May 23, 2024 in relation to the second quarterly update on the resumption progress; (xi) June 6, 2024 in relation to further information on the second quarterly update announcement; (xii) August 23, 2024 in relation to the third quarterly update on the resumption progress; (xiii) September 2, 2024 in relation to key findings of the use of proceeds review (the “**Use of Proceeds Review Announcement**”); (xiv) September 11, 2024 in relation to certain consulting agreements entered into between Venus HK and independent non-executive Directors (the above-mentioned announcements collectively, the “**Announcements**”); and (xv) the interim report of the Company for the six months ended June 30, 2024 (the “**2024 Interim Report**”) published on September 27, 2024. Terms used herein shall have the same meanings as defined in the Announcements and/or the 2024 Interim Report unless otherwise stated.

**(A) BUSINESS OPERATIONS OF THE GROUP**

The Group is principally engaged in innovative medical devices that integrate R&D, clinical development, manufacturing and commercialization. To the best knowledge of the Directors, as at the date of this announcement, the business operations of the Group are continuing as usual in all material respects. Based on its assessment, the Board is of the view that the Unauthorized Transactions did not have any significant adverse impact on the daily business operations of the Group.

**(B) UPDATE ON RESUMPTION PROGRESS**

As disclosed in the announcements of the Company dated December 27, 2023 and February 16, 2024, the Stock Exchange has set out the following Resumption Guidance for the Company: (a) conduct the special audit and an appropriate forensic investigation into (i) the provision of loans to Mr. Zi and Mr. Zeng and (ii) other fund flows of the Group to and from Mr. Zi, Mr. Zeng and/or any entity they, individually or collectively, own or control that may be uncovered by the Special Audit, announce the findings, and take appropriate remedial actions; (b) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to comply with the Listing Rules; (c) demonstrate that there is no reasonable regulatory concern about the management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which will pose a risk to investors and damage market confidence; (d) inform the market of all material information for the Shareholders and investors to appraise its position; and (e) re-comply with Rules 3.10(1), 3.10A, 3.21 and 3.27A of the Listing Rules in relation to the composition and chairmanship of the Board and its Board committees, as applicable.

**Unauthorized Transactions**

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

As disclosed in the announcements of the Company dated April 16, 2024 and August 23, 2024, and the 2024 Interim Report, the total outstanding amount under the Unauthorized Transactions has been fully repaid or released, except for the Unauthorized Loan to Jiangsu Wuzhong amounting to RMB80,000,000. The Company is in the process of recovering, and continues to reserve all of its rights to recover, the outstanding amount of the Unauthorized Loan to Jiangsu Wuzhong.

## **Internal control**

The Company has adopted additional internal control measures following the completion of the Use of Proceeds Review on September 2, 2024 and in light of the recommendations made by the Special Committee to the Board, as described in the Use of Proceeds Review Announcement, to continuously review and strengthen the oversight and implementation of financial management policies.

The Company has implemented a new, multi-departmental internal control policy, the Proceeds Management Policy (《募集資金管理制度》), which (i) clarifies and delineates the functions of the finance, legal and internal audit departments of the Company, (ii) stipulates the use of designated bank accounts for hosting proceeds from placings or offerings of the Company, (iii) states that proceeds raised by the Company should be applied for its principal business, and (iv) requires Board approval in case of proposed changes to the use of proceeds and the projected timeline for such use. The Proceeds Management Policy, together with the Internal Audit Management Policy (《內部審計管理制度》), have been in effect since their approval by the Board and circulation to the entire Company on September 30, 2024.

The Board has approved the new Monetary Funds and Bill Management Policy (《貨幣資金及票據管理制度》) and Connected Transaction Management Policy (《關連交易管理制度》) with effect from October 30, 2024. These policies clarify the different approvals required for fund-raising activities of the Company and transactions reaching various monetary thresholds.

A steering committee, being a sub-committee of the Board comprising three Directors, including one executive Director and two non-executive Directors, has been established and authorized by the Board to monitor and support the internal control functions of the Group with effect from October 30, 2024.

Moreover, the Company has enhanced approval systems of certain overseas subsidiaries of the Group with effect from October 30, 2024. Such enhancements include new online approval processes and designated senior executives of the Group to approve certain transactions. For example, the approval of the general manager will be required for all transactions of Venus HK, and the approval of the Group's chief technology officer and director of Venus Medtech of America (“VMA”) will be required for transactions of VMA exceeding a certain threshold amount.

## **Management integrity**

Mr. Bing Zhu was appointed as the chief financial officer of the Company with effect from September 9, 2024, in replacement of Mr. Wang who had resigned from the Company due to other business commitments. For further details, please refer to the announcement of the Company dated September 9, 2024.

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

### **Inform the market of all material information**

The Company has been updating the Shareholders and potential investors on a regular basis and publishing all material information on a timely basis. The Company will continue to inform the market of all material information as and when appropriate. The Company is continuing to work closely with its professional advisers and taking appropriate steps to fulfill the Resumption Guidance and will update the Shareholders and potential investors of the Company as and when appropriate.

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

The Nomination Committee and the Board have recommended, and the Board has resolved to convene the second extraordinary general meeting of the Company in 2024 (the “**2024 Second EGM**”) to consider and approve, the proposed appointment of Mr. John Junhua Gu (formerly known as Junhua Gu) (“**Mr. Gu**”) as an independent non-executive Director.

The Board has also proposed to appoint Mr. Gu as the chairman of the nomination committee and a member of each of the remuneration and assessment committee and audit committee of the Board, subject to and to take effect on the same date as the Shareholders’ approval of his appointment as an independent non-executive Director at the 2024 Second EGM. Upon the completion of the aforementioned appointments of Mr. Gu, the Company will be in compliance with Rules 3.10(1), 3.10A, 3.21 and 3.27A of the Listing Rules.

For further details, please refer to the announcement and circular of the Company dated November 12, 2024 and November 19, 2024, respectively.

### **Stock Exchange Observations and Queries**

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

### **(C) USE OF PROCEEDS REVIEW**

The Use of Proceeds Review was completed on September 2, 2024. For further details, please refer to the Use of Proceeds Review Announcement and the announcement of the Company dated September 11, 2024.

Following the Use of Proceeds Review, the Company has conducted a supplementary review in respect of the historical use of proceeds disclosure. The Company will publish further announcement(s) on the historical use of proceeds disclosure based on this supplementary review in due course.

## **Stock Exchange Observations and Queries**

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

### **(D) CONTINUED SUSPENSION OF TRADING**

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

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

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

Hangzhou, November 22, 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.*