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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) PROPOSED CHANGE OF AUDITORS**  
**(2) PROPOSED ADOPTION OF THE SHARE OPTION SCHEME**  
**AND**  
**(3) RESIGNATION OF JOINT COMPANY SECRETARY AND**  
**CHIEF FINANCIAL OFFICER**

**(1) PROPOSED CHANGE OF AUDITORS**

The below section of the announcement is made by the Company pursuant to Rule 13.51(4) of the Listing Rules.

**Proposed Retirement of Auditors**

The Board hereby announces that, upon expiry of the current term of engagement of Ernst & Young (“EY”), the re-appointment of EY will not be proposed because the Company could not reach a consensus with EY on the proposed audit fee for the year ending December 31, 2023, and accordingly, EY has informed the Company that it would not offer themselves for the re-appointment as the auditors of the Company at the AGM. It is expected that EY will retire as the auditors of the Company upon expiration of its current term of office at the AGM. The Board believes that the change of auditors is in the best interest of the Company and the Shareholders.

EY has confirmed that there are no circumstances in relation to its retirement that need to be brought to the attention of the Shareholders. The Board and the Audit Committee confirmed that, save for EY and the Company being unable to reach a consensus on the audit fee as mentioned above, there are no other disagreements or unresolved matters between the Company and EY in respect of the proposed change of auditors which should be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its sincere gratitude to EY for the professional and quality services rendered to the Company over the years.

## **Proposed Appointment of Auditors**

With the recommendation from the Audit Committee, the Board proposes to appoint ZHONGHUI ANDA CPA Limited (中匯安達會計師事務所有限公司) (“**Zhonghui Anda**”) as the Company’s overseas auditor and Zhonghui Certified Public Accountants LLP (中匯會計師事務所) (“**Zhonghui CPA**”) as the Company’s domestic auditor. Zhonghui Anda will be responsible for providing overseas audit and review services for the financial statements prepared in accordance with International Financial Reporting Standards, while Zhonghui CPA will be responsible for providing domestic audit and review services for the financial statements prepared in accordance with the Chinese Accounting Standards for the year ending December 31, 2023.

The proposed change of auditors is subject to the passing of an ordinary resolution of the Shareholders at the AGM, with effect from the conclusion of the AGM until the conclusion of the next annual general meeting of the Company.

A circular containing further details of the proposed change of auditors will be despatched to the Shareholders as soon as practicable.

## **(2) PROPOSED ADOPTION OF THE SHARE OPTION SCHEME**

The Board proposes to adopt the Share Option Scheme in accordance with Chapter 17 of the Listing Rules to provide incentives or rewards to the Eligible Persons for their contribution or potential contribution to the Group. The adoption of the Share Option Scheme is subject to the approval from the Shareholders. The Company will convene a general meeting for the purposes of, among other things, seeking the approval from the Shareholders for the adoption of the Share Option Scheme.

A summary of the principal terms of the Share Option Scheme is set out below.

### **Purpose:**

The purposes of the Share Option Scheme are:

- (i) to attract, motivate and retain skilled and experienced personnel who are Eligible Persons to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company;
- (ii) to deepen the reform on the Company’s remuneration system and to develop and constantly improve the interests balance mechanism among the Shareholders, the operational and executive management; and
- (iii) to (a) recognize the contributions of the leadership of the Company including the executive Directors, non-executive Directors and/or independent non-executive Directors; (b) encourage, motivate and retain the leadership of the Company whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (c) provide additional incentive for the leadership of the Company and long standing employee by aligning the interests of the leadership of the Company to those of the Shareholders and the Group as a whole.

<b>Duration:</b>	The Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date, after which period no further Options shall be granted.
<b>Eligible Persons:</b>	Any Employee Participant or Service Provider, whom the Board or the Scheme Administrator consider(s), in their sole discretion, to have contributed or will contribute to the Group.
<b>Exercise Price:</b>	<p>Subject to the effect of alterations to share capital as set out in the Share Option Scheme, the Exercise Price shall be a price determined by the Board (or the Scheme Administrator) in its sole and absolute discretion and notified to an Eligible Person, but in any event must be at least the highest of:</p> <ul style="list-style-type: none"> <li>(a) the official closing price of the H Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant;</li> <li>(b) the average of the official closing price of the H Shares as stated in the daily quotations sheet of the Stock Exchange for the five (5) Business Days immediately preceding the date of grant; and</li> <li>(c) the nominal value of an H Share.</li> </ul>
<b>Maximum number of H Shares available for subscription under the Share Option Scheme:</b>	The maximum number of H Shares which may be issued upon exercise of option(s) and vesting of award(s) under the Share Option Scheme and all other share scheme(s) of the Company (excluding options or awards lapsed in accordance with relevant scheme rules) (the “ <b>Scheme Limit</b> ”) shall be such number of H Shares which represent 10% of the total number of H Shares in as at the date of the Shareholders’ approval of the Scheme Limit.
<b>Service Provider Sublimit under the Scheme Limit:</b>	The maximum number of H Shares which may be issued to Service Providers upon exercise of option(s) and vesting of award(s), if any, under the Share Option Scheme and all other share scheme(s) of the Company (excluding options or awards lapsed in accordance with relevant scheme rules) (the “ <b>Service Provider Sublimit</b> ”) shall be such number of H Shares which represent 1% of the total number of H Shares in issue as at the date of the Shareholders’ approval of the Service Provider Sublimit.

**Maximum entitlement  
of each Eligible  
Participant:**

Where any grant of Options to a grantee would result in the H Shares issued and to be issued in respect of all options and awards granted to such person, pursuant to the Share Option Scheme and any other share scheme adopted by the Company (excluding options or awards lapsed in accordance with relevant scheme rules), in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of issued H Shares at the relevant time (the “**1% Individual Limit**”), such grant must be separately approved by Shareholders in a general meeting with such grantee and their close associates (or associates if the grantee is a connected person of the Company) to abstain from voting.

Any grant of Options to a Director, chief executive or substantial Shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the grantee of the Options).

Where any grant of Options to an independent non-executive Directors or a substantial Shareholder of the Company, or any of their respective associates, would result in the H Shares issued and to be issued in respect of all options and awards granted (excluding options or awards lapsed in accordance with the relevant scheme rules) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of issued H Shares at the relevant time (the “**0.1% Limit**”), such grant must be separately approved by Shareholders in a general meeting with such grantee and their associates and all core connected persons of the Company to abstain from voting.

**Time of exercise of  
Options:**

Each offer of an Option (the “**Offer**”) shall be in writing made to a Participant by letter in such form as the Board or the Scheme Administrator may from time to time determine at its discretion (the “**Offer Letter**”). The Offer Letter shall state, among others, the period during which the Option may be exercised (the “**Option Period**”), which period is to be determined and notified by the Board but shall expire in any event not later than the last day of the Scheme Period after the date of grant of the Option.

The proposed adoption of the Share Option Scheme is subject to:

- (i) the approval by the Shareholders at general meeting and/or class meetings as required under the articles of association of the Company currently in force, and the proposed authorization to the Board or the Scheme Administrator to handle matters pertaining to the Share Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the exercise of any Option which may be granted under the Share Option Scheme.

An application will be made to the Stock Exchange for approval of the listing of, and permission to deal in, the H Shares to be issued pursuant to the exercise of any Option which may be granted under the Share Option Scheme.

A circular containing, among other things, the notice of the general meeting and details of the proposed adoption of the Share Option Scheme will be dispatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

**As at the date of this announcement, the adoption of the Share Option Scheme is subject to the approval of the Shareholders. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

### **(3) RESIGNATION OF JOINT COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER**

The Board hereby announces that Mr. Haiyue Ma (“**Mr. Ma**”) has resigned as a joint company secretary and the chief financial officer of the Company with effect from June 2, 2023. Mr. Ma has confirmed that he has no disagreement with the Board and there is no matter in relation to his resignation that needs to be brought to the attention of the Shareholders and the Stock Exchange.

Following the resignation of Mr. Ma, the other joint company secretary of the Company, Mr. Wong Wai Chiu, will remain in office and act as the sole company secretary of the Company.

The Board would like to express its sincere gratitude and appreciation to Mr. Ma for his valuable efforts and contributions to the Company during his tenure of office.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“1% Individual Limit”	has the meaning as ascribed to it under the section headed “Maximum entitlement of each Eligible Participant” in this announcement
“0.1% Limit”	has the meaning as ascribed to it under the section headed “Maximum entitlement of each Eligible Participant” in this announcement

“Adoption Date”	the date on which the proposed adoption of the Share Option Scheme is approved by the Shareholders in general meeting(s) and/or class meeting(s) in accordance with the articles of association of the Company currently in force
“AGM”	the 2022 annual general meeting of the Company
“Audit Committee”	the audit committee of the Company
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“China” or “PRC”	the mainland of the People’s Republic of China, for the purpose of this circular and geographical reference only, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“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)
“Director(s)”	the director(s) of the Company
“Eligible Person”	any Employee Participant or Service Provider, whom the Board or the Scheme Administrator consider(s), in their sole discretion, to have contributed or will contribute to the Group
“Employee Participant”	any PRC or non-PRC director (including executive, non-executive and independent non-executive director) and employee (whether full-time or part-time) of any members of the Group, and any person who are granted Options as an inducement to enter into employment contracts with any members of the Group (including nominees and/or trustees of any employee benefit trust established for them); however, no individual who is resident in a place where the grant, acceptance, vesting or exercise of an Option pursuant to the Share Option Scheme is not permitted under the laws and regulation in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Share Option Scheme and such individual shall therefore be excluded therefrom
“Exercise Price”	the price per H Share, determined by the Board or the Scheme Administrator, at which a Participant may subscribe for H Shares on the exercise of an Option
“Group”	the Company and its subsidiaries

“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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Offer”	has the meaning as ascribed to it under the section headed “Time of exercise of Options” in this announcement
“Offer Letter”	has the meaning as ascribed to it under the section headed “Time of exercise of Options” in this announcement
“Option”	a right to subscribe for H Shares pursuant to the Share Option Scheme
“Option Period”	has the meaning as ascribed to it under the section headed “Time of exercise of Options” in this announcement
“RMB” or “Renminbi”	Renminbi Yuan, the lawful currency of China
“Scheme Administrator”	the committee of the Board or person(s) to which the Board has delegated its authority (as applicable) to administer the Share Option Scheme
“Scheme Limit”	has the meaning as ascribed to it under the section headed “Maximum number of H Shares available for subscription under the Share Option Scheme” in this announcement
“Service Provider”	any advisors, consultants, distributors, independent contractors, contract manufacturers, agents and service providers (natural person or corporate entity) who provide services to the Group on a continuing and recurring basis in the ordinary course of business of the Group that are in the interests of the long term growth of the Group, taking into account (including but not limited to) the length and nature of the services provided or which are expected to be provided, the terms of engagements (including the hours, places and mode of services), and the business segments and focuses of the Group from time to time; however, no individual who is resident in a place where the grant, acceptance, vesting or exercise of an Option pursuant to the Share Option Scheme is not permitted under the laws and regulation in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Share Option Scheme and such individual shall therefore be excluded therefrom

“Service Provider Sublimit”	has the meaning as ascribed to it under the section headed “Service Provider Sublimit under the Scheme Limit” in this announcement
“Share(s)”	ordinary share(s) with a par value of RMB1.00 each in the share capital of the Company, including Unlisted Foreign Shares and H Shares
“Shareholder(s)”	the holder(s) of the Share(s)
“Share Option Scheme”	the H Share option scheme of the Company proposed to be adopted on the Adoption Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Unlisted Foreign Share(s)”	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
“%”	per cent

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

Hangzhou, June 2, 2023

*As at the date of this announcement, the executive Directors are Mr. Min Frank Zeng, Mr. Zhenjun Zi 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.*