STATEMENT OF DISCIPLINARY ACTION

Exchange's Disciplinary Action against Former Company Secretary of Venus Medtech (Hangzhou) Inc. (Stock Code: 2500)

SANCTIONS AND DIRECTIONS

The Stock Exchange of Hong Kong Limited (**Exchange**)

CENSURES:
Mr Wong Wai Chiu (Mr Wong), former company secretary of Venus Medtech (Hangzhou) Inc. (**Company**);

AND FURTHER DIRECTS:
Mr Wong to attend 24 hours of training on regulatory and legal topics and Listing Rule compliance, including at least three hours on the Corporate Governance Code, within 90 days, for Mr Wong.

SUMMARY OF FACTS

On 18 January 2021, Mr Wong was appointed by the Company as its joint company secretary.

Mr Wong is a certified public accountant and, at the time of his appointment, had over 30 years of experience in professional services and senior management, including as the chief financial officer and company secretary of Hong Kong listed companies. Based on his qualifications and experience, Mr Wong met the requirements under Rule 3.28 to act as a company secretary.

Prior to Mr Wong's appointment, the Company had entered into a service agreement with a corporate service provider of which Mr Wong was an associate director. Pursuant to this agreement, the provider would assign a qualified company secretary (i.e. Mr Wong) to the Company. Under this agreement, Mr Wong's responsibilities included to:

- Assist the Company in complying with the Listing Rules.

- Provide general consultation services and guidance to the Company on professional company secretarial functions and corporate governance matters.

- Assist the Company in reviewing its interim and annual results and reports, and provide opinions on their contents, including the corporate governance report.

At all relevant times, the Company's internal laws (articles 137 and 138 of its Articles of Association) prohibited the provision of loans or loan guarantees to a director and required that any loan provided in contravention of this prohibition would become immediately repayable.

Relevant events

In 2023 and 2024, the Company published announcements (**Announcements**) on discloseable and connected transactions relating to the provision of unauthorised financial assistance to two executive directors. The total amount involved was approximately RMB2.477 billion, provided between January 2020 and June 2023, mainly in the form of loans. The Company admitted in the Announcements that the financial assistance was provided without the authority or knowledge of the board and in breach of the reporting, announcement, circular and independent shareholders' approval requirements under Chapters 13, 14 and 14A of the Listing Rules.

Upon investigation, the Exchange found that Mr Wong had received the following drafts of annual results and reports that referred to undisclosed financial assistance provided to the Company's director(s):

- For the financial year ended 31 December 2021, drafts of the annual report referred to significant amounts of "advances to related parties", "advances to a director", and "advances to a related party controlled by a director". (These references were omitted in the published annual report.)

- For the financial year ended 31 December 2022, drafts of the annual results and the draft annual report included references to an amount of RMB34 million "*due from a director*".

Such financial assistance turned out to be some of the unauthorised financial assistance mentioned in the Announcements.

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According to Mr Wong's submissions,

- He did not personally review the FY2021 and FY2022 draft annual results or annual reports, and, as a result, did not raise the references to financial assistance or potential Listing Rule implications with the board.

- Instead, he had delegated his company secretarial functions to a service team employed by the service provider, which discharged the work on the FY2021 and FY2022 draft annual results and reports. The service team only provided high-level and clerical comments and did not flag the financial assistance or any possible Listing Rule implications to the board.

Mr Wong further asserted that:

- He supervised the service team's work by reviewing emails among the service team, the Company, and other professional advisers, providing "*general comments*" where appropriate. However, there was no evidence of such comments.

- There was a separation of duties among the Company's professional advisers, with the external legal counsel responsible for Listing Rule advice and the auditor responsible for reviewing financial information.

- He relied on the auditor to alert him to irregularities in fund outflows before advising the Company on disclosure requirements.

According to the Announcements, the two executive directors obtained additional financial assistance without authority and compliance with the Listing Rules after publication of the FY2021 and FY2022 annual results and reports. Details of the unauthorised financial assistance were not disclosed until 8 May 2023.

SETTLEMENT

Mr Wong did not contest the Exchange's findings of his liability under the Rules, and agreed to accept the sanctions and directions, as set out in this statement.

LISTING COMMITTEE'S FINDINGS

The Listing Committee noted the important role that a company secretary plays in supporting the board in ensuring effective information flow, compliance with board procedures, and providing advice on governance matters, a role that extends well beyond administrative tasks.[1]

The Listing Committee found that Mr Wong failed to discharge this role and was liable under Rule 2A.10B(3) for the Company's breaches of the reporting, announcement, circular and independent shareholders' approval requirements under Chapters 13, 14 and 14A of the Listing Rules in relation to the unauthorised financial assistance.

In reaching its decision, the Listing Committee considered the following:

- Mr Wong did not act in accordance with the role and responsibilities of a company secretary and, for this reason, caused by action or omission the Company's contravention of the Chapters 13, 14 and 14A of the Listing Rules.

- At a minimum, he should have: (i) reviewed the FY2021 and/or FY2022 draft annual results and reports; (ii) familiarised himself with the Company's business and affairs as reflected in the drafts; (iii) identified potential Listing Rule or governance issues arising from the disclosed matters; (iv) considered the potential breach of the Company's internal laws prohibiting the provision of director loans; and (iv) provided professional advice to the board as required.

- Had Mr Wong done so, he could have (i) identified references to the financial assistance in the drafts; (ii) escalated the matter to the board; (iii) made further enquiries to ascertain the relevant facts and assess the Listing Rule and governance implications; and (iv) assisted the board in procuring advice accordingly. This would have enabled the Company to take timely remedial action (including disclosure under the Listing Rules and repayment under the Company's internal laws) and prevent any further financial assistance to be provided in contravention of the relevant internal and Listing Rule requirements.

The Committee also found that neither Mr Wong's delegation nor his purported reliance on other advisers absolved him of responsibility, for the following reasons:

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[1] Corporate Governance Code, Principle C1.

- An appointment as company secretary is personal. The named secretary must devote adequate attention, apply personal judgment, and use existing expertise to discharge his or her responsibilities. Mr Wong failed to exercise proactive supervision of the service team and maintain sufficient knowledge of the delegated matters himself. Simply reviewing email correspondence was insufficient to discharge his responsibilities.

- The involvement of external legal counsel and auditors did not relieve Mr Wong of his professional obligations as joint company secretary.

CONCLUSION

The Listing Committee decided to impose the sanctions and directions set out in this Statement of Disciplinary Action.

For the avoidance of doubt, sanctions in this disciplinary action (1) apply only to Mr Wong, and not to the Company or any of its past or present directors or members of senior management, and (2) are without prejudice to further investigations into possible Rule breaches by the Company, any of its past or present directors or members of senior management, or any other parties, and any separate disciplinary action commenced under Chapter 2A of the Rules.

Hong Kong, 19 May 2026

Notes:

1. According to the Corporate Governance Code (Appendix C1 to the Rules), the duties of a company secretary include ensuring good information flow within the board and ensuring that board policies and procedures are followed. The company secretary is also responsible for advising the board—through the chairman and/or the chief executive on governance matters and should facilitate induction and professional development of directors. Finally, the company secretary is responsible for providing all directors with advice and services to ensure that board procedures, and all applicable laws, rules and regulations, are followed.

2. To enable the company secretary to comply with these important duties, Rules 3.28 and 8.17 require that an issuer must appoint a company secretary who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Exchange, capable of discharging the functions of the company secretary. Note 1 to

Rule 3.28 provides that the Exchange considers certain qualifications to be acceptable, including qualification as a certified public accountant. Note 2 to Rule 3.28 provides that the Exchange considers familiarity with the Rules and other relevant laws and regulations (among other factors) when assessing the "relevant experience" of the individual.

3. In situations where an issuer seeks to appoint a person as company secretary who does not have the qualifications and/or experience required under Rules 3.28 and 8.17, the Exchange may grant a waiver permitting the appointment on the condition that another person with the requisite qualifications and experience is appointed at the same time as a joint company secretary.

4. Under Rule 2A.10B(3), sanctions may be imposed on any party—including any member of the senior management of a listed issuer, such as a company secretary—who has, by action or omission, caused or knowingly participated in a contravention of the Rules.