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Cryofocus Medtech (Shanghai) Co., Ltd.

康豐生物科技(上海)股份有限公司

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

(Stock code: 6922)

**PROPOSED AMENDMENTS TO ARTICLES; AND
PROPOSED CHANGES IN USE OF PROCEEDS FROM
GLOBAL OFFERING**

PROPOSED AMENDMENTS TO ARTICLES

This announcement is made by Cryofocus Medtech (Shanghai) Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(1) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that the Company intends to put forward a proposal to the shareholders of the Company (the “**Shareholders**”) to amend the articles of association of the Company (the “**Articles**”).

On February 14, 2023, the State Council (the “**State Council**”) of the People’s Republic of China (the “**PRC**”) issued the Decision of the State Council to Repeal Certain Administrative Regulations and Documents (《國務院關於廢止部分行政法規和文件的決定》) (the “**Decision**”), which includes the abolition of the Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》) issued by the State Council on August 4, 1994. Further, on February 17, 2023, the China Securities Regulatory Commission issued the Trial Administrative Measures of Overseas Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Trial Measures**”) and relevant guidelines, which include the abolition of the Notice on the Implementation of the Mandatory Provisions for Companies Listing Overseas (《關於執行〈到境外上市公司章程必備條款〉的通知》). The Decision and the Trial Measures (collectively, the “**New PRC Regulations**”) have been effective since March 31, 2023. From the effective date of the New PRC Regulations, PRC issuers shall formulate their articles of association with reference to the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》), and the Mandatory Provisions for Companies Listing Overseas (《到境外上市公司章程必備條款》) shall no

longer be applicable. Furthermore, holders of unlisted shares of the Company (the “**Unlisted Shares**”) and holders of H shares of the Company (the “**H Shares**”) are no longer deemed to be different classes of Shareholders and therefore, the class meeting requirement applicable to such Shareholders are no longer necessary and are proposed to be removed.

In light of the above New PRC Regulations, on February 24, 2023, the Stock Exchange also released a consultation paper on “Rule Amendments Following Mainland China Regulation Updates and Other Proposed Rule Amendments Relating to PRC Issuers” (the “**Consultation Paper**”) stipulating the consequential amendments to the Listing Rules. On July 21, 2023, the Stock Exchange published conclusions to the Consultation Paper, and in particular, the Stock Exchange has made consequential amendments to the Listing Rules which have come into effect since August 1, 2023, to, among others, reflect the requirements of the New PRC Regulations. Accordingly, the Board has resolved to amend the Articles to comply with the requirements of the Listing Rules and applicable laws and regulations of the PRC, and make slight adjustments to certain provisions in the Articles after taking into consideration, among others, the operation and management needs of the Company (the “**Proposed Amendments to the Articles**”).

The Board considers that the Proposed Amendments to the Articles are in the interests of the Company and the Shareholders as a whole. As Unlisted Shares and H Shares are regarded as one class of ordinary shares under PRC laws following the New PRC Regulations, and holders of Unlisted Shares and holders of H Shares are no longer deemed to be different classes of Shareholders, the substantive rights attached to these two kinds of shares (including rights on voting, dividend and asset distribution upon liquidation) are the same. Therefore, the Proposed Amendments to the Articles (including the removal of the class meeting requirement from the Articles following the abolition of the Mandatory Provisions for Companies Listing Overseas) will not compromise protection of holders of H Shares and will not have any material impact on measures relating to shareholder protection. According to the Articles and the relevant laws and regulations in the PRC, the Proposed Amendments to the Articles are subject to the approval of the Shareholders by way of a special resolution at a general meeting, H share class meeting and unlisted share class meeting of the Company. A special resolution to consider and approve the Proposed Amendments to the Articles will be proposed at each of the forthcoming 2023 annual general meeting (the “**AGM**”), H share class meeting and unlisted share class meeting of the Company in due course.

PROPOSED CHANGES IN USE OF PROCEEDS FROM GLOBAL OFFERING

Reference is made to (i) the prospectus of the Company dated December 16, 2022 (the “**Prospectus**”) in relation to the listing of the Company’s H shares on the Main Board of the Stock Exchange, (ii) the announcement of the Company dated December 29, 2022 in relation to the offer price and allotment results announcement of the Global Offering (as defined in the Prospectus), and (iii) the interim report of the Company for the six months ended June 30, 2023.

Use of Proceeds

As disclosed in the Prospectus, the net proceeds from the issue of new H shares of the Company on the Stock Exchange in connection with the Global Offering (after deducting the underwriting fees and related listing expenses) amounted to approximately HK\$139.9 million (the “**Net Proceeds**”), among which:

- (1) approximately 58.2%, or approximately HK\$81.4 million would be used for research and development activities, commercial launch (including sales and marketing) and manufacturing of the Bladder Cryoablation System (膀胱冷凍消融系統);
- (2) approximately 15.7%, or approximately HK\$22.0 million would be used for research and development activities, commercial launch (including sales and marketing) and manufacturing of the Endoscopic Clip for Anastomosis (內鏡吻合夾);
- (3) approximately 6.1% of the net proceeds, or approximately HK\$8.5 million, would be used for research and development activities, planned commercial launch and manufacturing of the Atrial Fibrillation Cryoablation System (心臟冷凍消融系統); and
- (4) approximately 20.0% of the net proceeds, or approximately HK\$28.0 million, would be used for research and development activities, registration filings, and planned commercial launch and manufacturing of the remaining 14 products and product candidates in the Company’s current product pipeline.

As at the date of this announcement, approximately RMB66.48 million of the Net Proceeds has not been utilized.

Proposed Changes in Use of Proceeds

For reasons set out in the paragraph headed “Reasons for and Benefits of Proposed Changes in Use of Proceeds” below, the Board has resolved to change the use of the unutilized portion of the Net Proceeds in the manner as set out in this announcement. An analysis of the utilization of the Net Proceeds as at the date of this announcement and the proposed changes in the use of the unutilized Net Proceeds is set out below.

Use of the Net Proceeds as disclosed in the Prospectus HK\$ million	Utilized Net Proceeds as at the date of this announcement HK\$ million	Unutilized Net Proceeds as at the date of this announcement HK\$ million	Proposed reallocation of the unutilized Net Proceeds HK\$ million	Expected timeline of full utilization of the unutilized Net Proceeds ^(note)
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For research and development
activities, commercial launch
(including sales and marketing)
and manufacturing of the Bladder
Cryoablation System

81.40

29.34

52.06

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	Use of the Net Proceeds as disclosed in the Prospectus HK\$ million	Utilized Net Proceeds as at the date of this announcement HK\$ million	Unutilized Net Proceeds as at the date of this announcement HK\$ million	Proposed reallocation of the unutilized Net Proceeds HK\$ million	Expected timeline of full utilization of the unutilized Net Proceeds ^(note)
For research and development activities, commercial launch (including sales and marketing) and manufacturing of the Endoscopic Clip for Anastomosis	22.0	7.58	14.42	0	–
For research and development activities, planned commercial launch and manufacturing of the Atrial Fibrillation Cryoablation System	8.50	8.50	0	0	–
For research and development activities, registration filings, and planned commercial launch and manufacturing of the remaining 14 products and product candidates in the Company's current product pipeline	28.00	28.00	0	66.48	2024
Total	139.90	73.42	66.48	66.48	

Note: The expected timeline to use the remaining Net Proceeds is prepared based on the best estimate made by the Group, which is subject to change based on future developments and events which may be outside of the Group's control.

Save as disclosed above, there are no other changes in the use of the Net Proceeds.

Reasons for and Benefits of Proposed Changes in Use of Proceeds

The Net Proceeds allocated for the Bladder Cryoablation System and the Endoscopic Clip for Anastomosis have not been fully utilized as at the date of this announcement. Since these two products have been commercialized and the fund needs therefor are less than the initially expected fund needs, to deploy the unutilized Net Proceeds more efficiently and facilitate an effective use of the financial resources of the Group, approximately HK\$66.48 million, being the unutilized Net Proceeds for the Bladder Cryoablation System and Endoscopic Clip for Anastomosis as at the date of this announcement, was proposed to be reallocated to research and development activities, registration filings, and planned commercial launch and manufacturing of the remaining 14 products and product candidates in the Company's current product pipeline. Save as disclosed above, there are no other changes in the use of the Net Proceeds.

The Board confirms that there is no material change in the business nature of the Company as set out in the Prospectus and considers that the above proposed changes in the use of the Net Proceeds is in the best interests of the Company and its Shareholders as a whole.

According to the Articles and the relevant laws and regulations in the PRC, the proposed changes in the use of the Net Proceeds are subject to the approval of the Shareholders by way of an ordinary resolution at a general meeting of the Company. An ordinary resolution to consider and approve the proposed changes in the use of the Net Proceeds will be proposed at the AGM in due course.

GENERAL

A circular containing, among others, the details of the Proposed Amendments to the Articles and the proposed changes in the use of the Net Proceeds, together with a notice of the AGM, H share class meeting and unlisted share class meeting of the Company, will be dispatched to the Shareholders in due course.

By order of the Board
Cryofocus Medtech (Shanghai) Co., Ltd.
Mr. LI Kejian
Chairman of the Board

Hong Kong, March 27, 2024

As at the date of this announcement, the Board comprises Mr. LI Kejian, Mr. ZHU Jun and Mr. LIU Wei as executive Directors, Mr. LV Shiwen and Mr. ZHAO Chunsheng as non-executive Directors, and Dr. GAO Dayong, Mr. LIANG Hsien Tse Joseph, Dr. QIN Zheng and Dr. HU Henan as independent non-executive Directors.