# Cryofocus Medtech (Shanghai) Co., Ltd.
# 康灃生物科技(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)**

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

### FINANCIAL HIGHLIGHTS

| | **Year ended December 31, 2025** *RMB'000* | Year ended December 31, 2024 *RMB'000* | **Change year-on-year** |
|---|---|---|---|
| Revenue | **95,268** | 53,531 | 78.0% |
| Gross profit | **63,984** | 38,410 | 66.6% |
| Loss for the year | **(44,456)** | (111,277) | -60.0% |

### BUSINESS HIGHLIGHTS

During the Reporting Period and up to the date of this announcement, we have made various progress with respect to our product pipeline and business operations, including but not limited to:

- Our revenue increased by RMB41.8 million, or 78.0%, from RMB53.5 million for the year ended December 31, 2024 to RMB95.3 million for the year ended December 31, 2025, mainly driven by the increase in the sales volume of our respiratory intervention products, such as Malignant Stenosis Cryoablation System which was approved by the NMPA in March 2025 and the Cryoadhesion System. Besides, the distribution sales of other respiratory intervention products of BSC International Medical Trading (Shanghai) Co., Ltd. ("**BSC**") increased accordingly during the Reporting Period.
- Our loss for the Reporting Period significantly decreased by RMB66.8 million, or 60.0%, from RMB111.3 million for year ended December 31, 2024 to RMB44.5 million for the year ended December 31, 2025 due to we optimize the development strategy and implement effective expense control measures of our Group.
- We received the NMPA approval for our Malignant Stenosis Cryoablation System, which is one of the Group's respiratory intervention products, in March 2025, and we have commercialized it in China since May 2025.
- The Asthma Cryoablation System was granted designation as a "Breakthrough Medical Device" by the FDA in July 2025.
- We received the NMPA approval for the registration change of Disposable Cryoprobe of Cryoadhesion System in August 2025.
- We received the NMPA approval for the Anti-Gastroesophageal Reflux System in December 2025.
- We completed the issuance of 5,595,000 H shares and raised the net proceeds of approximately HK$29.73 million in January 2026.

The Board is pleased to announce the consolidated annual results of the Group for the year ended December 31, 2025, together with the comparative figures for the year ended December 31, 2024.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

*Year ended December 31, 2025*

| | *Notes* | **2025** ***RMB'000*** | 2024 *RMB'000* |
|---|---|---|---|
| **REVENUE** | *4* | **95,268** | 53,531 |
| Cost of sales | | **(31,284)** | (15,121) |
| **Gross profit** | | **63,984** | 38,410 |
| Other income and gains | *4* | **1,125** | 20,733 |
| Research and development expenses | | **(30,438)** | (73,455) |
| Selling and distribution expenses | | **(16,291)** | (14,130) |
| Administrative expenses | | **(60,685)** | (81,151) |
| Other expenses | | **(199)** | (461) |
| Finance costs | | **(1,952)** | (1,089) |
| **LOSS BEFORE TAX** | | **(44,456)** | (111,143) |
| Income tax expense | *5* | **–** | (134) |
| **LOSS FOR THE YEAR** | | **(44,456)** | (111,277) |
| Attributable to: | | | |
| Owners of the parent | | **(38,169)** | (104,365) |
| Non-controlling interests | | **(6,287)** | (6,912) |
| | | **(44,456)** | (111,277) |
| **LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT** | | | |
| Basic and diluted | | | |
| For loss for the year | *7* | **RMB(0.16)** | RMB(0.44) |

| | 2025<br>*RMB'000* | 2024<br>*RMB'000* |
|---|---|---|
| **LOSS FOR THE YEAR** | **(44,456)** | (111,277) |
| **OTHER COMPREHENSIVE (LOSS)/INCOME** | | |
| Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods: | | |
| Exchange differences on translation of foreign operations | **(49)** | 216 |
| **OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX** | **(49)** | 216 |
| **TOTAL COMPREHENSIVE LOSS FOR THE YEAR** | **(44,505)** | (111,061) |
| Attributable to: | | |
| Owners of the parent | **(38,218)** | (104,149) |
| Non-controlling interests | **(6,287)** | (6,912) |
| | **(44,505)** | (111,061) |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*December 31, 2025*

| | Notes | **2025** ***RMB'000*** | 2024 *RMB'000* |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | | **25,130** | 30,436 |
| Right-of-use assets | | **6,206** | 8,184 |
| Other intangible assets | | **–** | 3 |
| Other non-current assets | | **14,893** | 12,465 |
| Total non-current assets | | **46,229** | 51,088 |
| **CURRENT ASSETS** | | | |
| Inventories | | **32,878** | 29,872 |
| Trade receivables | *8* | **–** | – |
| Prepayments, other receivables and other assets | *9* | **23,317** | 22,828 |
| Restricted cash | | **–** | 1 |
| Cash and cash equivalents | | **35,033** | 45,458 |
| Total current assets | | **91,228** | 98,159 |
| **CURRENT LIABILITIES** | | | |
| Trade payables | *10* | **2,491** | 1,205 |
| Other payables and accruals | *11* | **34,879** | 21,841 |
| Interest-bearing bank borrowings | | **13,130** | 30,000 |
| Lease liabilities | | **9,351** | 5,604 |
| Contract liabilities | | **389** | 1,165 |
| Total current liabilities | | **60,240** | 59,815 |
| **NET CURRENT ASSETS** | | **30,988** | 38,344 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **77,217** | 89,432 |
| **NON-CURRENT LIABILITIES** | | | |
| Due to a related party | | **16,910** | – |
| Lease liabilities | | **3,719** | 7,720 |
| Deferred income | | **8,055** | 2,781 |
| Total non-current liabilities | | **28,684** | 10,501 |
| **NET ASSETS** | | **48,533** | 78,931 |

| | Notes | **2025** ***RMB'000*** | 2024 *RMB'000* |
|---|---|---|---|
| **EQUITY** | | | |
| **Equity attributable to owners of the parent** | | | |
| Share capital | | **239,110** | 239,110 |
| Reserves | | **(189,373)** | (165,262) |
| | | **49,737** | 73,848 |
| Non-controlling interests | | **(1,204)** | 5,083 |
| **Total equity** | | **48,533** | 78,931 |

## 1. CORPORATE AND GROUP INFORMATION

Cryofocus Medtech (Shanghai) Co., Ltd. ("the **Company**") is a joint stock company with limited liability established in the People's Republic of China ("**PRC**"). The registered office of the Company is located at Building 15, Lane 3399, Kangxin Road, Pudong New District, Shanghai, the PRC.

During the year, the Group was principally engaged in the following activities:

- research and development, manufacture and sale of cryoablation minimally-invasive interventional treatment technology and related medical products
- manufacture and sale of minimally-invasive surgical consumables

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on December 30, 2022.

## 2. ACCOUNTING POLICIES

### 2.1 Basis of Preparation

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

## 2.2 Changes in Accounting Policies and Disclosures

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The Group has considered the guidance in these illustrative examples and the amendments did not have any impact on the Group's financial statements.

## 2.3 Issued But Not Yet Effective HKFRs Accounting Standards

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

| | |
|---|---|
| HKFRS 18 | *Presentation and Disclosure in Financial Statements*[2] |
| HKFRS 19 and its amendments | *Subsidiaries without Public Accountability: Disclosures*[2] |
| Amendments to HKFRS 9 and HKFRS 7 | *Amendments to the Classification and Measurement of Financial Instruments*[1] |
| Amendments to HKFRS 9 and HKFRS 7 | *Contracts Referencing Nature-dependent Electricity*[1] |
| Amendments to HKFRS 10 and HKAS 28 | *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3] |
| Amendments to HKAS 21 | *Translation to a Hyperinflationary Presentation Currency*[2] |
| *Annual Improvements to HKFRS Accounting Standards – Volume 11* | Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[1] |

[1] Effective for annual periods beginning on or after January 1, 2026
[2] Effective for annual/reporting periods beginning on or after January 1, 2027
[3] No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after January 1, 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 Financial Reporting in Hyperinflationary Economies, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

*Annual Improvements to HKFRS Accounting Standards – Volume 11* set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

## 3. OPERATING SEGMENT INFORMATION

### Operating segment information

The Group is engaged in research and development of medical consumables and devices, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Therefore, no further operating segment analysis thereof is presented.

### Geographical information

Since nearly all of the Group's revenue was generated from sale of medical consumables and devices in the Chinese mainland and nearly all of the Group's non-current assets were located in the Chinese mainland, no further geographical segment information in accordance with HKFRS 8 Operating Segments is presented.

### Information about major customers

Revenue of approximately RMB4,487,000 (2024: RMB2,784,000) was derived from sale of medical consumables and devices to a single customer, including sales to a group of entities which are known to be under common control with that customer.

## 4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **Revenue from contracts with customers** | | |
| Sale of medical devices and consumables | **95,268** | 53,531 |

**Revenue from contracts with customers**

**(a) Disaggregated revenue information**

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Goods transferred at a point in time | **95,268** | 53,531 |

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **Revenue recognised that was included in contract liabilities at the beginning of the reporting period:** | | |
| Medical consumables | **1,165** | 964 |

**(b) Performance obligations**

Information about the Group's performance obligations is summarised below:

Sales of medical consumables and devices

The performance obligation is satisfied upon delivery of the medical consumables and devices, where payment in advance is normally required.

An analysis of other income and gains is as follows:

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **Other income** | | |
| Government grants (note) | **333** | 19,271 |
| Bank interest income | **85** | 227 |
| Others | **707** | 75 |
| | **1,125** | 19,573 |
| **Gains** | | |
| Foreign exchange differences, net | **–** | 1,160 |
| | **1,125** | 20,733 |

Note: There are no unfulfilled conditions or contingencies relating to these grants.

## 5. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. The Group's principal applicable taxes and tax rates are as follows:

**Chinese mainland**

PRC corporate income tax has been provided at the rate of 25% on the taxable profits of the Group's PRC subsidiaries for the reporting period. One of the subsidiaries of the Group was recognised as a High and New Technology Enterprise and was entitled to a preferential tax rate of 15% during the year.

**United States of America**

The subsidiary incorporated in California, the United States is subject to statutory United States federal corporate income tax at a rate of 21%. It was also subject to the state income tax in California during the year. No provisions for federal corporate income tax and the state income tax have been provided as the subsidiary was loss-making during the year.

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Loss before tax | **(44,456)** | (111,143) |
| Tax at the statutory tax rate (25%) | **(11,114)** | (27,786) |
| Different tax rate enacted by local authority | **(624)** | 2,563 |
| Additional deductible allowance for qualified research and development expenses | **(6,396)** | (13,830) |
| Expenses not deductible for tax | **1,465** | 870 |
| Tax losses not recognised | **16,669** | 38,317 |
| Tax charge at the Group's effective rate | **–** | 134 |

## 6. DIVIDENDS

No dividend was paid or declared by the Company during the year (2024: Nil).

## 7. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 239,110,000 (2024: 239,110,000) outstanding during the year, as adjusted to reflect the rights issue during the year. The weighted average number of ordinary shares outstanding before the conversion from a limited liability company into a joint stock company was determined by assuming that the paid-in capital had been fully converted into share capital upon transformation into a joint stock company in July 2021.

No adjustment has been made to the basic loss per share amounts presented for the years ended December 31, 2025 and 2024 in respect of a dilution as the impact of the share options outstanding has an anti-dilutive effect on the basic loss per share amount presented.

## 8. TRADE RECEIVABLES

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Trade receivables | **74** | 74 |
| Impairment | **(74)** | (74) |
| Net carrying amount | **–** | – |

The Group's trading terms with its customers are mainly on advance payments from the customers, except for some customers, who are of lower credit risk evaluated by senior management, and the Group seeks to maintain strict control over its outstanding receivables to minimize credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Over 3 years | **–** | – |

The movements in the loss allowance for impairment of trade receivables are as follows:

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| At beginning of year | **74** | 74 |
| Impairment losses, net | **–** | – |
| At end of year | **74** | 74 |

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

| | **As of December 31, 2025** | | |
|---|---|---|---|
| | **Expected credit loss rate** | **Gross carrying amount** ***RMB'000*** | **Expected credit losses** ***RMB'000*** |
| Over 3 years | **100.00%*** | **74** | **74** |

| | As of December 31, 2024 | | |
|---|---|---|---|
| | Expected credit loss rate | Gross carrying amount *RMB'000* | Expected credit losses *RMB'000* |
| Over 3 years | 100.00%* | 74 | 74 |

* The Group sold medical products to a third party in 2018, and confirmed a trade receivable of RMB74,000 on December 31, 2018. Management conducted a credit risk assessment on the trade receivable, and believed that the amount was credit-impaired and the trade receivable was not expected to be settled. Therefore, the Group made a provision for impairment of a trade receivable with the expected credit loss rate of 100%. During the year, except for the above trade receivable, the Group had no other trade receivables.

## 9. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Amounts due from related parties | **43** | 55 |
| Prepayment to suppliers | **19,843** | 18,844 |
| Employee reserve fund | **2,717** | 2,789 |
| Deposits | **673** | 805 |
| Others | **612** | 1,236 |
| | **23,888** | 23,729 |
| Impairment loss for other receivables | **(571)** | (901) |
| | **23,317** | 22,828 |

The movements in provision for impairment of other receivables are as follows:

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| At beginning of year | **901** | 620 |
| Impairment losses, net | **(330)** | 281 |
| At end of year | **571** | 901 |

## 10. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice dates, is as follows:

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Within 1 year | **2,491** | 1,205 |

The trade payables are non-interest-bearing and are normally settled within one to three months.

## 11. OTHER PAYABLES AND ACCRUALS

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Amounts due to related parties | **17,588** | 2,325 |
| Payroll and welfare payable | **9,074** | 11,909 |
| Other taxes and surcharges payable | **3,527** | 1,689 |
| Accrued expenses | **4,081** | 5,138 |
| Payable for capital expenditure | **204** | 303 |
| Other payables | **405** | 477 |
| | **34,879** | 21,841 |

Other payables and accruals are unsecured, non-interest-bearing and repayable on demand.

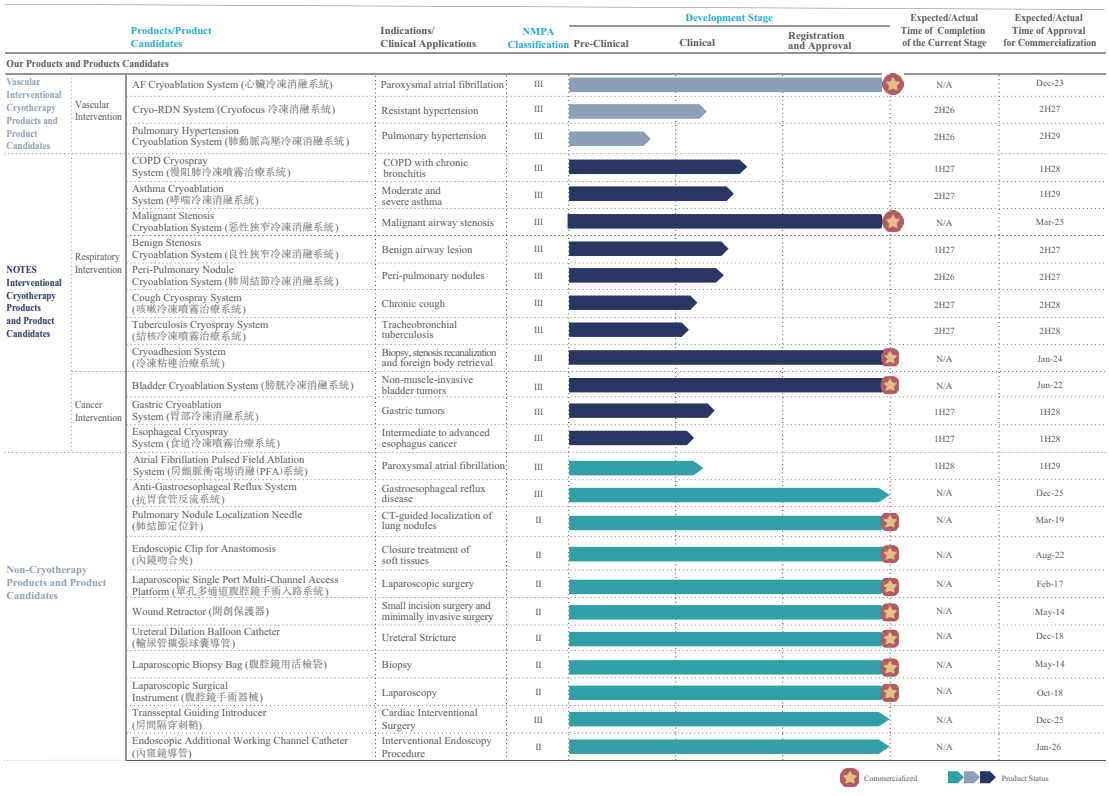
# I. BUSINESS REVIEW

## Overview

We are an innovative medical device company in China with a main focus on the field of minimally-invasive interventional cryotherapy. We use liquid nitrogen as the main cryogenic source for cryotherapy systems by leveraging our unique liquid nitrogen cryoablation technology and advanced flexible catheter technology. Since our inception in 2013, we have developed a comprehensive product portfolio mainly focusing on two therapeutic areas: (i) vascular interventional therapy for the treatment of atrial fibrillation, hypertension and other cardiovascular diseases; and (ii) natural orifice transluminal endoscopic surgery, or NOTES, for the treatment of urinary, respiratory, and digestive diseases (e.g., bladder cancer, chronic obstructive pulmonary disease, asthma, airway stenosis, gastric cancer, and esophageal cancer). We believe our competitive advantage, technologies and product pipeline have helped us establish high entry barriers difficult for our competitors to surpass.

## Products and Pipeline

We have developed a comprehensive product portfolio including 14 cryotherapy products and product candidates with a main focus on vascular intervention and NOTES, as well as eleven additional non-cryotherapy products and product candidates. We have commercialized eleven products as at the date of this announcement. The following diagram summarizes the status of our products and product candidates as at the date of this announcement.



## Our Products and Product Candidates

### *Vascular Interventional Cryotherapy Products and Product Candidates*

*Vascular Intervention*

#### *1. AF Cryoablation System*

Our Atrial Fibrillation Cryoablation System (心臟冷凍消融系統) ("**AF Cryoablation System**") is a self-developed cryoablation system indicated for the treatment of paroxysmal atrial fibrillation. The AF Cryoablation System treats atrial fibrillation by freezing and destroying abnormal heart tissues that create irregular heartbeats in a minimally invasive procedure.

We initiated the clinical trial for the AF Cryoablation System in October 2019. We submitted the registration application for our AF Cryoablation System to the NMPA in July 2022, and have received the NMPA approval for the AF Cryoablation System in December 2023. Further, we have passed the Good Manufacturing Practice ("**GMP**") examination conducted by the Shanghai Medical Products Administration for the AF Cryoablation System in January 2024. We commercialized our AF Cryoablation System in China in September 2024.

#### *2. Cryo-RDN System*

Our Cryofocus Renal Denervation System (Cryofocus 冷凍消融系統) ("**Cryo-RDN System**") is a self-developed cryoablation system designed for the treatment of hypertension. Renal denervation is a minimally-invasive procedure intended to deliver energy to overactive nerves in the kidney, which is a cause of hypertension, so as to decrease their activity and treat hypertension. Our Cryo-RDN System delivers liquid nitrogen to the target area of the renal artery to perform circumferential ablation, which damages nerve tissues through the formation and rewarming of ice balls, thus achieving the treatment of hypertension.

We aim to make this product candidate the world's first cryoablation product that specifically focuses on the treatment of hypertension. In December 2022, the Cryo-RDN System was granted designation as a "Breakthrough Device" by the FDA. We are currently conducting a confirmatory clinical trial of the Cryo-RDN System, and we expect to obtain approval from the NMPA in the second half of 2027.

#### *3. Pulmonary Hypertension Cryoablation System*

Our Pulmonary Hypertension Cryoablation System (肺動脈高壓冷凍消融系統) ("**PH Cryoablation System**") is a self-developed cryoablation system designed for treating pulmonary hypertension. It employs a balloon catheter to perform circumferential cryoablation on the sympathetic nerve of pulmonary artery, effectively isolating the sympathetic nerve signaling and thus treating pulmonary hypertension.

Our PH Cryoablation System is currently in the stage of pre-clinical study and we expect to obtain approval from the NMPA in the second half of 2029.

***NOTES Interventional Cryotherapy Products and Product Candidates***

*Respiratory Intervention*

***1. COPD Cryospray System***

Our COPD Cryospray System (慢阻肺冷凍噴霧治療系統) is a spray cryotherapy system developed by the Company, which is indicated to perform cryotherapy for patients suffering from COPD with chronic bronchitis. Our COPD Cryospray System ablates and deactivates the diseased airway mucosal epithelium by spraying liquid nitrogen under the bronchoscope to achieve therapeutic effect.

Our COPD Cryospray System entered into the confirmatory clinical trial phase in March 2023. We expect to submit the product registration submission to the NMPA in the first half of 2027 and to obtain approval from the NMPA in the first half of 2028.

***2. Asthma Cryoablation System***

Our Asthma Cryoablation System (哮喘冷凍消融系統) is a self-developed cryoablation system for treating moderate and severe asthma.

The Asthma Cryoablation System consists of a cryotherapy equipment and an airway cryoablation catheter. During the procedure, the Asthma Cryoablation System destroys the vagus nerve in the lungs through cryoablation, reducing the release of over-activated acetylcholine that is a cause of asthma, and decreasing mucus secretion, thus achieving the effect of treating asthma.

Our Asthma Cryoablation System entered into the confirmatory clinical trial phase in March 2023. We expect to submit the product registration submission to the NMPA in the second half of 2027 and to obtain approval from the NMPA in the first half of 2029.

***3. Malignant Stenosis Cryoablation System***

Our Malignant Stenosis Cryoablation System (惡性狹窄冷凍消融系統) is a self-developed cryoablation system indicated to ablate malignant airway tumor tissue and reduce the frequency of airway restenosis.

The Malignant Stenosis Cryoablation System consists of a cryotherapy equipment and an airway cryoablation catheter. During the procedure, the Malignant Stenosis Cryoablation System ablates tumor cells in the lumen and luminal wall of the trachea with the ultra-low temperature generated by the cryoablation system, and then further destroys tumor cells through rewarming. The cryoablation balloon allows for more complete ablation of malignant tumors on a larger scale and delays restenosis time.

We initiated the clinical trial for the Malignant Stenosis Cryoablation System in April 2021. We submitted the registration application for our Malignant Stenosis Cryoablation System to the NMPA in May 2024, and have received the NMPA approval for the Malignant Stenosis Cryoablation System in March 2025. We commercialized our Malignant Stenosis Cryoablation System in China in May 2025.

***4. Benign Stenosis Cryoablation System***

Our Benign Stenosis Cryoablation System (良性狹窄冷凍消融系統) is a self-developed cryoablation system based on liquid nitrogen for ablating benign airway stenosis lesion. This product candidate can perform cryoablation treatment and reduce the frequency of airway restenosis.

Our Benign Stenosis Cryoablation System entered into the confirmatory clinical trial phase in January 2024. We expect to submit the product registration submission to the NMPA in the first half of 2027 and to obtain approval from the NMPA in the second half of 2027.

***5. Peri-Pulmonary Nodule Cryoablation System***

Our Peri-Pulmonary Nodule Cryoablation System (肺周結節冷凍消融系統) is a self-developed cryoablation system for treating peri-pulmonary nodules. Our Peri-Pulmonary Nodule Cryoablation System consists of a cryotherapy equipment and an airway cryoablation catheter. During the procedure, the Peri-Pulmonary Nodule Cryoablation System delivers the cryoablation balloon to the target site through the bronchoscope, the ultra-low temperature from liquid nitrogen in the catheter leads to the rapid formation of ice spheres inside the tumor, which results in the formation of ice crystals inside and outside the tumor cells, thus destroying the tumor cells. The Peri-Pulmonary Nodule Cryoablation System adopts a flexible catheter and trans-airway access treatment modality, which can greatly reduce the chance of pneumothorax, hemoptysis and other complications.

Our Peri-Pulmonary Nodule Cryoablation System is currently in the confirmatory clinical trial phase. We expect to submit the product registration submission to the NMPA in the second half of 2026, and to receive the NMPA approval for this product in the second half of 2027.

***6. Cough Cryospray System***

Our Cough Cryospray System (咳嗽冷凍噴霧治療系統) is a self-developed cryoablation system for treating chronic cough. It achieves therapeutic effect by ablating visible lesions in the airway.

Our Cough Cryospray System is currently in the feasibility clinical trial phase. We expect to submit the product registration submission to the NMPA in the second half of 2027 and to obtain approval from the NMPA in the second half of 2028.

***7. Tuberculosis Cryospray System***

Our Tuberculosis Cryospray System (結核冷凍噴霧治療系統) is a spray cryotherapy system developed by the Company for treating tracheobronchial tuberculosis. It achieves therapeutic effect by ablating visible lesions in the airway.

Our Tuberculosis Cryospray System is currently in the feasibility clinical trial phase. We expect to submit the product registration submission to the NMPA in the second half of 2027 and to obtain approval from the NMPA in the second half of 2028.

***8. Cryoadhesion System***

Our Cryoadhesion System (冷凍粘連治療系統) is a cryoadhesion device used for biopsy, stenosis recanalization and foreign body retrieval. It employs subcritical refrigeration technology (亞臨界製冷技術) and heat transfer with controlled pressure technology (控壓傳熱技術) for rapid freezing and adhesion.

This product candidate consists of a disposable cryoprobe (一次性使用冷凍探頭) and an accompanying cryotherapy equipment (冷凍治療設備). During the operation, the cryoprobe is connected to the cryotherapy equipment, and the distal end of the disposable cryoprobe is brought into contact with the target tissue or foreign body under endoscopic guidance for cryoadhesion to achieve tissue biopsy, stenosis recanalization and foreign body removal.

We received marketing approval for the Cryoadhesion System in January 2024, after securing NMPA approval for the accompanying cryotherapy equipment in December 2023 and the disposable cryoprobe in January 2024. We commercialized our Cryoadhesion System in China in September 2024. We received the NMPA approval for the registration change of Disposable Cryoprobe of Cryoadhesion System in August 2025.

*Cancer Intervention*

***1. Bladder Cryoablation System***

Our Bladder Cryoablation System (膀胱冷凍消融系統) is a self-developed cryoablation system for the treatment of bladder tumors. This product employs liquid nitrogen to perform efficient cryoballoon ablation on target tissue, and similar to Bacillus Calmette-Guerin perfusion or chemotherapy, this product is indicated for use in conjunction with transurethral resection of bladder tumor surgeries to reduce tumor residuals for patients suffering from non-muscle-invasive bladder cancer.

We initiated the clinical trial for the Bladder Cryoablation System in November 2017, and received the NMPA approval for the Bladder Cryoablation System in June 2022. We commercialized our Bladder Cryoablation System in China in December 2022.

***2. Gastric Cryoablation System***

Our Gastric Cryoablation System (胃部冷凍消融系統) is a self-developed cryoablation system indicated for performing cryoablation on gastric tumors to treat gastric cancer.

The Gastric Cryoablation System consists of a cryotherapy equipment (冷凍治療設備) and a cryotherapy catheter (冷凍治療導管). During the procedure, the cryoablation equipment provides a stable delivery of liquid nitrogen and the catheter can pass through an electronic gastroscope into the stomach. The distal end of the catheter is connected to a pre-folded balloon, which can expand after passing through the electronic gastroscope to contact the target gastric mucosa, creating an ultra-low temperature at the balloon through the stable delivery of liquid nitrogen within the balloon to destroy target cells. When reaching the set freezing time, the system stops freezing process, and starts rewarming cycle which further destroys the target cells.

Our Gastric Cryoablation System is currently in the feasibility clinical trial phase. We expect to submit the product registration submission to the NMPA in the first half of 2027 and to obtain approval from the NMPA in the first half of 2028.

***3. Esophageal Cryospray System***

Our Esophageal Cryospray System (食道冷凍噴霧治療系統) is used to perform endoscopic spray cryotherapy on patients with intermediate to advanced esophagus cancer to reduce the size of the tumor, alleviate the symptoms of dysphagia and improve their quality of life.

Patients with intermediate to advanced esophagus cancer may have trouble swallowing due to esophageal stricture as a result of tumor occupancy. Our Esophageal Cryospray System can spray liquid nitrogen directly on the surface of the tumor to destroy the tumor cells, thus reducing the volume of the tumor, alleviating the patient's dysphagia, and improving the quality of life.

Our Esophageal Cryospray System is currently in the feasibility clinical trial phase. We expect to submit the product registration submission to the NMPA in the first half of 2027 and to obtain approval from the NMPA in the first half of 2028.

***Non-Cryotherapy Products and Product Candidates***

***1. Pulmonary Nodule Localization Needle***

Our Pulmonary Nodule Localization Needle (肺結節定位針), also known as the Disposable Pulmonary Nodule Localization Needle, is a single-use localization needle indicated for CT-guided localization of lung nodules in patients with lung nodules prior to undergoing thoracoscopic surgery. Our Pulmonary Nodule Localization Needle adopts a combination of multi-hook localization and flexible wire, which greatly reduces the risk of dislocation after localization to ensure safe and effective resection of pulmonary nodules during surgery.

Our Pulmonary Nodule Localization Needle received the NMPA registration certificate in March 2019 and was subsequently commercialized in China in May 2019, and obtained CE Marking in January 2019. We successfully renewed the NMPA registration certificate in March 2024 and our Pulmonary Nodule Localization Needle is now classified as Class II medical device by the NMPA. As at the date of this announcement, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approval for our Pulmonary Nodule Localization Needle.

***2. Endoscopic Clip for Anastomosis***

Our Endoscopic Clip for Anastomosis (內鏡吻合夾) is a self-developed anastomotic device for closure (閉合治療) of soft tissue in digestive tract. It is indicated for the closure treatment of bleeding, perforation, and tissue defects in digestive tract, and in particular, is suitable for treating perforation in gastrointestinal endoscopic surgery and endoscopic full-thickness closure (全層內鏡閉合) after NOTES. Its addressable patients primarily include the patients with acute gastrointestinal bleeding, ulcerative or medically induced perforations, or those undergoing endoscopic tissue removal

procedures. This product offers various benefits, such as its large clamping scope and strong clamping force, and it is detachable to facilitate the clip removal and avoid secondary damage to the tissue. This product is one of the over-the-scope clips approved for commercialization in China.

We initiated the clinical trial for the Endoscopic Clip for Anastomosis in June 2020, and received the approval for this product in August 2022. We commercialized this product in October 2022. As at the date of this announcement, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approval for the Endoscopic Clip for Anastomosis.

***3. Laparoscopic Single Port Multi-Channel Access Platform***

Our Laparoscopic Single Port Multi-Channel Access Platform (單孔多通道腹腔鏡手術入路系統), also known as the Disposable Multi-Channel Laparoscopic Access Platform, is a self-developed system used in laparoscopic surgery as a channel for the endoscope, instruments and hands during surgery. It is applicable for single incision laparoscopic surgery, NOTES, reduced-port laparoscopic surgery, or hand-assisted laparoscopic surgery.

Our Laparoscopic Single Port Multi-Channel Access Platform received the registration certificate in February 2017 and was subsequently commercialized in China in April 2017, and obtained CE Marking in January 2019. As at the date of this announcement, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approval for our Laparoscopic Single Port Multi-Channel Access Platform.

***4. Atrial Fibrillation Pulsed Field Ablation System***

Our Atrial Fibrillation Pulsed Field Ablation System (房顫脈衝電場消融(PFA)系統) ("**AF PFA System**") is indicated for use in the interventional treatment of paroxysmal atrial fibrillation. It destroys myocardial tissue with high voltage electrical impulses to achieve electrical isolation of the pulmonary vein vestibule, resulting in the therapeutic effect.

Our Atrial Fibrillation Pulsed Field Ablation System is currently in the feasibility clinical trial phase and is expected to be approved by the NMPA in the first half of 2029.

***5. Anti-Gastroesophageal Reflux System***

Our self-developed Anti-Gastroesophageal Reflux System (抗胃食管反流系統) is a surgical device indicated for treating gastroesophageal reflux disease ("**GERD**") in the magnetic sphincter augmentation procedure. The magnetic sphincter augmentation procedure is designed to treat GERD by increasing the tension of the lower esophageal sphincter to achieve anti-reflux effect.

We initiated the clinical trial for the Anti-Gastroesophageal Reflux System in August 2018. We submitted the registration application for our Anti-Gastroesophageal Reflux System to the NMPA in May 2024, and received the NMPA approval for the Anti-Gastroesophageal Reflux System in December 2025.

### *6. Other Non-Cryotherapy Products*

Our non-cryoablation products also include our Wound Retractor (開創保護器), Ureteral Dilation Balloon Catheter (輸尿管擴張球囊導管), Laparoscopic Biopsy Bag (腹腔鏡用活檢袋) (also known as Endoscopic Biopsy Bag), Laparoscopic Surgical Instrument (腹腔鏡手術器械), Transseptal Guiding Introducer (房間隔穿刺鞘), and Endoscopic Additional Working Channel Catheter (內窺鏡導管). They are all single-use medical consumables. As at the date of this announcement, all such non-cryoablation products other than Transseptal Guiding Introducer and Endoscopic Additional Working Channel Catheter have been commercialized and there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approvals for these non-cryoablation products.

**WE CANNOT GUARANTEE THE FUTURE PROSPECTS OF OUR PRODUCTS AND WE MAY NOT BE ABLE TO SUCCESSFULLY DEVELOP AND/OR MARKET OUR OTHER PRODUCT CANDIDATES.**

**Research and Development**

We have established a dedicated product development team led by industry experts with extensive experience in the medical device industry or in the field of engineering research and development. As of December 31, 2025, our product development team consisted of an in-house research and development team of 27 employees and a clinical operation team of 16 employees (including certain management members undertaking product development functions). We have also developed relationships with industry leaders, including scientists, physicians and industry practitioners, giving us a thorough understanding of the clinical needs and demands of patients and physicians.

We have built a comprehensive intellectual property portfolio in China and overseas to protect our technologies, including our core liquid nitrogen cryoablation technology, flexible catheter technology and other key technologies. As of December 31, 2025, we owned 180 patents and 40 patent applications in China and overseas.

**Production**

In 2025, we manufactured, assembled and tested our products at our production facilities located in two regions, Ningbo, Zhejiang Province and Shanghai, with a total gross floor area of over 12,800 square meters. We produce commercial products, mainly including our Core Products (as defined under the Listing Rules) as well as other commercialized products, including our Malignant Stenosis Cryoablation System and Pulmonary Nodule Localization Needle, and also produce, assemble and test sample products related to NOTES at our production facilities in Ningbo. We produce commercial products, including AF Cryoablation System, and also produce, assemble and test sample products related to vascular intervention for product development at our facility in Shanghai.

### Future and Outlook

Our mission is to become a global medical device platform in the field of minimally-invasive interventional cryotherapy, bringing benefits to patients and physicians worldwide with our cryotherapy technology. We plan to implement the following strategies to achieve our goal:

- Rapidly advance the clinical development and commercialization of our product candidates;
- Further expand our product portfolio leveraging technology platforms and continue to focus on minimally-invasive interventional cryotherapy;
- Continue to research and develop various underlying and supporting technologies; and
- Selectively expand our worldwide footprint.

## II. FINANCIAL REVIEW

### Revenue

Our revenue increased by RMB41.8 million, or 78.0%, from RMB53.5 million for the year ended December 31, 2024 to RMB95.3 million for the year ended December 31, 2025, mainly driven by the increase in the sales volume of our respiratory intervention products, such as Malignant Stenosis Cryoablation System which was approved by the NMPA in March 2025 and the Cryoadhesion System. Besides, the distribution sales of other respiratory intervention products of BSC increased accordingly.

### Cost of Sales

Our cost of sales increased from RMB15.1 million for the year ended December 31, 2024 to RMB31.3 million for the year ended December 31, 2025, which was generally in line with the increase in the sales of our commercialized products in 2025.

### Gross Profit and Gross Profit Margin

As a result of the foregoing, our overall gross profit increased from RMB38.4 million for the year ended December 31, 2024 to RMB64.0 million for the year ended December 31, 2025. Our overall gross profit margin decreased from 71.8% for the year ended December 31, 2024 to 67.2% for the year ended December 31, 2025, primarily affected by promotional activities for new products, such as Malignant Stenosis Cryoablation System, which are in the initial stage of commercialization. And also the distribution sales of other respiratory intervention products of the BSC increased, which had relatively low gross profit margin.

### Other Income and Gains

Our other income and gains decreased from RMB20.7 million for the year ended December 31, 2024 to RMB1.1 million for the year ended December 31, 2025, mainly due to the decrease in net foreign exchange differences and government grants.

**Research and Development Expenses**

Our research and development expenses primarily consisted of (i) staff costs for our research and development personnel; (ii) cost of materials and consumables used; (iii) share-based payments; and (iv) clinical trial fees, including payment to hospitals, contract research organizations, site management organizations, and other service providers in connection with our research and development activities. The following table sets forth a breakdown of our research and development expenses for the years indicated:

| | Year Ended December 31, | | | |
|---|---|---|---|---|
| | **2025** | | 2024 | |
| | ***RMB'000*** | ***%*** | *RMB'000* | *%* |
| Staff costs | **19,377** | **63.7** | 37,836 | 51.5 |
| Cost of materials and consumables used | **3,923** | **12.9** | 16,944 | 23.1 |
| Share-based payments | **1,179** | **3.9** | 2,528 | 3.4 |
| Clinical trial fees | **2,888** | **9.5** | 9,808 | 13.4 |
| Depreciation and amortization | **1,251** | **4.1** | 959 | 1.3 |
| Others[(1)] | **1,820** | **5.9** | 5,380 | 7.3 |
| Total | **30,438** | **100** | 73,455 | 100 |

*Note:*

(1) Primarily include intellectual property and CE certification expenses, business travel and transportation expenses incurred by our research and development staffs, animal experiment expenses and product design expenses.

Our research and development expenses decreased by RMB43.1 million, or 58.6%, from RMB73.5 million for the year ended December 31, 2024 to RMB30.4 million for the year ended December 31, 2025, primarily due to (i) the decreased in staff cost of RMB18.5 million as a result of the decrease of our research and development personnel during the Reporting Period; and (ii) following the certification of certain products, cost of materials and consumables used in and clinical trial fees paid for ongoing research and development projects decreased by RMB13.0 million and RMB6.9 million respectively.

**Administrative Expenses**

Our administrative expenses decreased by RMB20.5 million, or 25.2%, from RMB81.2 million for the year ended December 31, 2024 to RMB60.7 million for the year ended December 31, 2025, primarily attributed to a decrease of impairment of long-term assets and staff costs.

**Selling and Distribution Expenses**

Our selling and distribution expenses increased by RMB2.2 million, or 15.3%, from RMB14.1 million for the year ended December 31, 2024 to RMB16.3 million for the year ended December 31, 2025, primarily due to the increased sales promotion activities with the commercialization of new products.

**Finance Costs**

Our finance costs increased by RMB0.9 million or 79.2% from RMB1.1 million for the year ended December 31, 2024 to RMB2.0 million for the year ended December 31, 2025, primary due to the increase in loan from related parties.

**Income Tax Expenses**

Our principal applicable taxes and tax rates are set forth as follows:

***Chinese mainland***

Pursuant to the Corporate Income Tax Law of the PRC (the "**CIT Law**"), the Company and our PRC subsidiaries are subject to a standard corporate income tax rate of 25% on taxable income, except that Ningbo SensCure was qualified as a "High and New Technology Enterprise" to enjoy a preferential income tax rate of 15% during the Reporting Period. The related tax authorities review the "High and New Technology Enterprise" status every three years. Ningbo SensCure has been qualified and will continue to qualify as a "High and New Technology Enterprise" for three years starting from 2024.

***United States***

Among our subsidiaries, Cryofocus America, Inc. was incorporated in California, the U.S. and was subject to statutory U.S. federal corporate income tax at a rate of 21% during the Reporting Period. It is also subject to the state income tax in California during the Reporting Period. No provision for federal corporate income tax and the state income tax have been provided as the subsidiary has no estimated assessable profits.

Our Directors confirm that during the Reporting Period, we had made all the required tax filings and had paid all outstanding tax liabilities with the relevant tax authorities in the relevant jurisdictions and we are not aware of any outstanding or potential disputes with such tax authorities.

**Loss for the Year**

As a result of the foregoing, our loss for the year decreased from RMB111.3 million for the year ended December 31, 2024 to RMB44.5 million for the year ended December 31, 2025.

## Liquidity and Financial Resources

Our primary use of cash is to fund the development of our product candidates, clinical trials, payment for the purchase of plant and equipment, administrative expenses and other recurring expenses. Our cash and cash equivalents decreased by RMB10.5 million, or 22.9%, from RMB45.5 million as of December 31, 2024 to RMB35.0 million as of December 31, 2025. The decrease was mainly due to:

For the year ended December 31, 2025, our net cash used in operating activities was RMB5.8 million, primarily because we incurred research and development expenses and administrative expenses incurred by the Group during the Reporting Period. Our operating cash flow will continue to be affected by our research and development expenses.

For the year ended December 31, 2025, our net cash used in investing activities was RMB0.8 million, primarily attributable to the purchase of property, plant and equipment items of RMB0.8 million.

For the year ended December 31, 2025, our net cash used in financing activities was RMB3.3 million, primarily attributable to the repayment of bank loans during the Reporting Period.

During the Reporting Period, we mainly relied on cash generated form our sales revenue of existing commercialized products as the main source of liquidity. Our management closely monitors the utilization of cash and cash balances and strives to maintain healthy liquidity for our business. Going forward, we believe that our liquidity requirements will be satisfied with cash generated from our operations and other financing activities.

## Capital Expenditures

We regularly incur capital expenditures to expand and enhance our research and development facilities, establish our manufacturing capacities and increase our operating efficiency. Our capital expenditures primarily consisted of expenditures on machinery, office equipment, as well as leasehold improvements during the Reporting Period. The following table sets forth our capital expenditures for the years indicated:

| | **Year Ended December 31,** | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| Purchases of items of property, plant and equipment | **770** | 1,880 |

We expect to incur capital expenditures in the next five years primarily for purchase of equipment and the construction of our manufacturing facilities.We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors we believe to be appropriate.

## Indebtedness

The following table sets forth the components of our indebtedness as of the years indicated:

| | As of December 31, | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| Lease liabilities | | |
| Current | **9,351** | 5,604 |
| Non-current | **3,719** | 7,720 |
| **Total** | **13,070** | 13,324 |

As of December 31, 2025, the Group had total bank loans of RMB13.1 million denominated in RMB at fixed annual interest rate. The annual interest rate of RMB3.1million is 2.8%, and the rest amount is 3.5%. As of December 31, 2025, the Group had total banking facilities of RMB23.9 million, of which RMB2.0 million were utilized and approximately RMB21.9 million remained unutilized.

## Key Financial Ratios

The following table sets forth the key financial ratios as at the dates indicated:

| | As of December 31, | |
|---|---|---|
| | **2025** | 2024 |
| Current ratio[(1)] | **1.5** | 1.6 |
| Quick ratio[(2)] | **1.0** | 1.1 |
| Gearing ratio[(3)] | **64.7%** | 47.1% |

*Notes:*

(1) Current ratio is calculated based on total current assets divided by total current liabilities.

(2) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities.

(3) Gearing ratio is calculated based on total liabilities divided by total assets and multiplied by 100%.

## Capital Commitments

The Group had the following capital commitments as at the dates indicated:

| | As of December 31, | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| Contracted, but not provided for: | | |
| Plant and machinery | **275** | 545 |

**Pledge of Assets**

As of December 31, 2025, the Group's building with a net carrying amount of approximately RMB11.3 million were pledged to secure certain of bank borrowings.

**Contingent Liabilities**

As of December 31, 2025, the Group did not have any material contingent liabilities, guarantees or any litigation or claims of material importance, pending or threatened against any of its member.

**Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures during the Reporting Period**

The Group did not make any significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

**Foreign Exchange Exposure**

We are exposed to foreign currency risk mainly arising from cash and cash equivalents which are denominated in Renminbi, USD and HKD. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider appropriate hedging measures in the future should the need arise.

**Future Plans for Material Investments or Capital Assets**

Save as disclosed in this announcement, the Group had not authorized any plan for any material investments or acquisitions of capital asset as of the date of this announcement.

**Human Resources**

As of December 31, 2025, the Group had 174 (2024: 276) full-time employees, and substantially all of them were based in China. The total employee benefits expenses of the Group, which consist of (i) terms, wages, salaries and bonuses, (ii) social security costs and (iii) equity-settled share options, for the year ended December 31, 2025 were approximately RMB74.3 million. We recruit our employees after consideration of a number of factors, including our needs and expansion plans, and the candidates' work experience and educational background. We invest in continuing training programs for our management staff and other employees to upgrade their skills and knowledge continuously. We provide our employees with regular feedback as well as internal and external training in various areas, such as product knowledge, project development and team building. We also assess our employees based on their performance to determine their salary, promotion and career development. In compliance with the relevant PRC labor laws, we enter into individual employment contracts with our employees covering matters including terms, wages, bonuses, employee benefits, and grounds for termination. In addition, we are required under PRC law to make contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurances) and housing funds at a certain percentage of our employees' salaries, including bonus and allowances, up to a maximum amount specified by the local government.

## FINAL DIVIDEND

The Board does not recommend payment of a final dividend for the Reporting Period (2024: Nil).

## AMENDMENTS TO THE THEN EXISTING ARTICLES OF ASSOCIATION AND THE ABOLISHMENT OF THE SUPERVISORY COMMITTEE

On March 31, 2025, the Board announced that it has resolved and proposed to amend the then existing Articles of Association to make slight adjustments to certain provisions in the then existing Articles of Association after taking into consideration, among others, the operation and management needs of the Company, and to make certain housekeeping amendments to the then existing Articles of Association (the "**First Proposed Amendments**"). Pursuant to the then existing Articles of Association and the applicable laws and regulations in the PRC, the First Proposed Amendments were subject to the approval of the Shareholders by way of a special resolution at a general meeting.

The First Proposed Amendments were duly approved by the Shareholders at the 2024 annual general meeting of the Company held on June 20, 2025. For further details, please refer to the Company's announcements dated March 31, 2025 and June 20, 2025, and the Company's circular dated April 29, 2025.

On October 14, 2025, the Board announced that in order to fully implement laws, regulation and regulatory requirements, and further enhance the level of corporate governance, according to the provisions of the Company Law of the People's Republic of China (the "**Company Law**") and other laws, regulations and normative documents, combined with the actual situation of the Company and in accordance with the principles for prudency, appropriateness and necessity, the Company proposes to make amendments to the then existing Articles of Association (the "**Second Proposed Amendments**") to abolish the supervisory committee of the Company (the "**Supervisory Committee**"), with the audit committee of the Board exercising the powers of the Supervisory Committee as prescribed by the Company Law, and the Rules of Procedure for the Supervisory Committee of the Company and other relevant regulations shall be abolished accordingly. The Second Proposed Amendments and the abolishment of the Supervisory Committee were subject to the approval by the Shareholders by way of a special resolution at an extraordinary general meeting of the Company (the "**EGM**").

The Second Proposed Amendments and the abolishment of the Supervisory Committee were duly approved by the Shareholders at the EGM held on October 31, 2025. For further details, please refer to the Company's announcements dated October 14, 2025 and October 31, 2025, and the Company's circular dated October 14, 2025.

## CORPORATE GOVERNANCE

The Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

The Company has applied the principles of the CG Code and adopted the code provisions set out in part 2 of the CG Code as its own code to govern its corporate governance practices.

The Company regularly reviews its compliance with the CG Code and the Company was in compliance with all code provisions set out in the CG Code throughout the Reporting Period.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding dealings in the securities of the Company by the Directors, Supervisors and the Group's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company's securities.

Upon specific enquiries, all Directors and Supervisors confirmed that they have complied with the Model Code throughout the Reporting Period and during the respective terms of office of the Supervisors. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group throughout the Reporting Period.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

## AUDIT COMMITTEE

The Board has established the Audit Committee which consists of one non-executive Director, namely, Mr. ZHAO Chunsheng (趙春生) and two independent non-executive Directors, namely, Mr. LIANG Hsien Tse Joseph (梁顯治) and Dr. QIN Zheng (覃正). The chairperson of the Audit Committee is Mr. LIANG Hsien Tse Joseph, who holds the appropriate professional qualifications as required under Rule 3.10(2) of the Listing Rules.

The primary functions of the Audit Committee are to assist our Board in providing an independent view of our financial reporting process, internal control and risk management system, overseeing the audit process and performing other duties and responsibilities as vested by the Articles of Association, applicable laws and regulations, or assigned by our Board, which includes, amongst other things:

- proposing to our Board the appointment and replacement of external audit firms;
- supervising the implementation of our internal audit system;
- liaising between our internal audit department and external auditors;
- reviewing our financial information and related disclosures; and
- other duties vested by the Articles of Association, applicable laws and regulations, or conferred by our Board.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to internal control and financial reporting with the management. The Audit Committee reviewed and considered that the annual financial results for the year ended December 31, 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

## SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statements of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2025 as set out in the preliminary announcement have been agreed by the Group's auditors, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the Reporting Period. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

## EVENTS AFTER THE REPORTING PERIOD

On January 12, 2026, the Company entered into the subscription agreement (the "**Subscription Agreement A**") with LP Investment Holdings Group (the "**Subscriber A**") and the subscription agreement (the "**Subscription Agreement B**", together with the Subscription Agreement A, the "**Subscription Agreements**") with Mr. LI Jun (酈軍) (the "**Subscriber B**", together with the Subscriber A, the "**Subscribers**"), pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for an aggregate of 7,460,000

H Shares (the "**Subscription Shares**") at the subscription price of HK$5.36 (the "**Subscription Price**") per Subscription Share, representing (i) approximately 5.20% of the number of existing issued H Shares and approximately 3.12% of the number of existing issued Shares as at the date of the Subscription Agreements; and (ii) approximately 4.94% of the number of issued H Shares and approximately 3.03% of the number of existing issued Shares as enlarged by the allotment and issue of the Subscription Shares (the "**Subscriptions**").The Subscription Agreements were not inter-conditional upon each other.

The Subscription Shares were allotted and issued under the General Mandate. The allotment and issue of the Subscription Shares was not subject to separate Shareholders' approval.

The aggregate gross proceeds from the Subscriptions were approximately HK$39.99 million and the net proceeds would be approximately HK$39.73 million (after deduction of the expenses of the Subscriptions), which represented the net issue price of approximately HK$5.33 per Subscription Share.

On January 30, 2026, the Board announced that all the conditions of the Subscription Agreement A have been fulfilled and the completion of the transactions under the Subscription Agreement A took place on January 30, 2026. A total of 5,595,000 Subscription Shares has been successfully issued and allotted to Subscriber A at the Subscription Price of HK$5.36 per Subscription Share. The 5,595,000 Subscription Shares represented (i) approximately 3.90% of the number of issued H Shares and approximately 2.34% of the number of existing issued Shares immediately before the completion of the Subscription Agreement A; and (ii) approximately 3.75% of the number of issued H Shares and approximately 2.29% of the number of existing issued Shares as enlarged by the allotment and issue of the 5,595,000 Subscription Shares immediately upon the completion of the Subscription Agreement A. On the same date, the Subscriber B and the Company entered into a termination agreement (the "**Termination Agreement**") in order to terminate the Subscription Agreement B. Pursuant to the Termination Agreement, the parties to the Subscription Agreement B shall be released and discharged from their respective obligations under the Subscription Agreement B and neither party shall have any claim against the other for any matters arising from or in relation to the Subscription Agreement B.

As the Subscription Agreement B has been terminated, the gross proceeds raised from the Subscription Agreement A were approximately HK$29.99 million, and the net proceeds were approximately HK$29.73 million. The net Subscription Price, after deduction of all related expenses, was approximately HK$5.31 per Subscription Share. All the net proceeds are intended to be used for research and development, manufacturing and commercialization of minimally-invasive interventional products related to vascular intervention, respiratory intervention, and cancer intervention, and the potential overseas business expansion for the commercialization of such products.

Further details of the Subscriptions were set out in the announcements of the Company dated January 12, 2026 and January 30, 2026, respectively.

As at the date of this announcement, none of the net proceeds from the Subscription Agreement A has been utilized and there is no change in the intended use net proceeds. The Company expects such net proceeds shall be utilized by December 31, 2027. This expected timeline is based on the best estimation of future market conditions and business operations made by the Company and remains subject to change based on current and future development of market conditions and actual business needs.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association, or the laws of the PRC, which would oblige the Company to offer new shares of the Company on a pro-rata basis to its existing Shareholders.

## SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this announcement, the Company has maintained the public float as required under the Listing Rules.

## ANNUAL GENERAL MEETING

The Company will hold the AGM on Friday, June 5, 2026. A notice of the AGM will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cryofocus.com), and sent (if necessary) to the Shareholders in the manner as required by the Listing Rules in due course.

## CLOSURE OF REGISTER OF MEMBERS OF H SHARES AND ASCERTAINING OF ELIGIBILITY FOR ATTENDING THE AGM

The register of members of H Shares of the Company will be closed from Tuesday, June 2, 2026 to Friday, June 5, 2026, both days inclusive, during which no transfer of H Shares will be registered, in order to determine the holders of the H Shares who are entitled to attend and vote at the AGM.

To be eligible to attend and vote at the AGM, all properly completed transfer documents, accompanied by relevant share certificates, must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, June 1, 2026 for registration.

## PUBLICATION OF ANNUAL RESULTS AND 2025 ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cryofocus.com). The annual report of the Company for the year ended December 31, 2025, containing all the information required by the Listing Rules, will be sent (if necessary) to the Shareholders and will be published on the websites of the Stock Exchange and the Company in due course.

## APPRECIATION

The Board would like to thank all the Group's employees for their diligence, dedication, loyalty and integrity, and all the Shareholders, customers, suppliers and other business partners of the Group for their trust and support.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings.

| | |
|---|---|
| "AGM" | the forthcoming 2025 annual general meeting of the Company to be held on Friday, June 5, 2026 |
| "Articles of Association" | the articles of association of the Company currently in force |
| "associate(s)" | has the meaning ascribed thereto under the Listing Rules |
| "Audit Committee" | the audit committee of the Board |
| "Board" | the board of Directors |
| "CE Marking" or "CE" | Conformite Europeenne, an administrative marking that indicates conformity with health, safety, and environmental protection standards for products sold within the European Economic Area (EEA) |
| "CG Code" | the Corporate Governance Code as set out in Appendix C1 to the Listing Rules |
| "China" or "PRC" | the People's Republic of China excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan |
| "Companies Ordinance" | the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time) |
| "CT" | computed tomography |
| "Company", "our Company" or "Cryofocus" | Cryofocus Medtech (Shanghai) Co., Ltd. (康灃生物科技(上海)股份有限公司), a joint stock company incorporated in the PRC with limited liability on July 21, 2021, or, where the context requires (as the case may be), its predecessor, Cryofocus Medtech (Shanghai) Company Limited (康灃生物科技(上海)有限公司), a limited liability company established in the PRC on March 15, 2013 |
| "controlling shareholder(s)" | has the meaning ascribed thereto under the Listing Rules |
| "Core Product(s)" | has the meaning ascribed thereto under the Listing Rules and in this announcement, refers to the Bladder Cryoablation System (膀胱冷凍消融系統) and the Endoscopic Clip for Anastomosis (內鏡吻合夾) |
| "Director(s)" | the director(s) of the Company |

| | |
|---|---|
| "FDA" | the United States Food and Drug Administration |
| "General Mandate" | the general mandate granted to the Board by the Shareholders at the annual general meeting of the Company held on June 20, 2025 to allot and issue up to 47,822,000 Shares, representing 20% of the total number of Shares in issue as at the date of the passing of such resolution |
| "Global Offering" | has the meaning as ascribed thereto in the Prospectus |
| "Group", "our", "we" or "us" | the Company and its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it |
| "H Share(s)" | overseas listed foreign invested ordinary share(s) in the ordinary share capital of our Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange |
| "HKD" | Hong Kong dollars and cents respectively, the lawful currency of Hong Kong |
| "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 (as amended, supplemented or otherwise modified from time to time) |
| "Main Board" | the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange |
| "Model Code" | the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules |
| "Ningbo Linfeng" | Ningbo Linfeng Biotechnology Co., Ltd. (寧波麟灃生物科技有限公司), a limited company established in the PRC |
| "Ningbo SensCure" | Ningbo SensCure Biotechnology Co., Ltd. (寧波勝杰康生物科技有限公司), a limited company established in the PRC and our wholly-owned subsidiary |
| "NMPA" | the National Medical Products Administration of the PRC (國家藥品監督管理局), successor to the China Food and Drug Administration (國家食品藥品監督管理總局) |

| | |
|---|---|
| "NOTES" | natural orifice transluminal endoscopic surgery, a form of scarless surgery performed through cavities that connect to the outside of the body (such as the stomach wall or vagina) to access the abdominal cavity |
| "Prospectus" | the prospectus of the Company dated December 16, 2022 |
| "Reporting Period" | the year ended December 31, 2025 |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "Share(s)" | ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising Unlisted Shares and H Shares |
| "Shareholder(s)" | holder(s) of the Share(s) |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "subsidiary(ies)" | has the meaning ascribed thereto under the Listing Rules |
| "Supervisor(s)" | the supervisor(s) of the Company |
| "United States" or "U.S." | the United States of America, its territories, its possessions and all areas subject to its jurisdiction |
| "Unlisted Share(s)" | ordinary share(s) issued by the Company with a nominal value of RMB1.00 each, which are not listed on any stock exchange |
| "USD" | United States dollars, the lawful currency of the United States |
| "%" | per cent |

*Note:* The English translation of Chinese names of entities included in this announcement is prepared for identification purpose only.

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

Hong Kong, March 27, 2026

*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.*