CANbridge Pharmaceuticals Inc.
北海康成製藥有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1228)

CHANGE IN USE OF PROCEEDS FROM THE GLOBAL OFFERING

Reference is made to the prospectus issued by CANbridge Pharmaceuticals Inc. (the "**Company**", together with its subsidiaries, the "**Group**") dated November 30, 2021 (the "**Prospectus**") in relation to the proposed use of net proceeds from the initial public offering and listing of the Company's shares (the "**IPO**") on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the annual report of the Company for the year ended December 31, 2023 (the "**2023 Annual Report**"). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the 2023 Annual Report.

USE OF PROCEEDS DISCLOSED IN THE PROSPECTUS

The actual net proceeds received from the Global Offering was approximately HKD604.0 million (after deducting the underwriting commissions and estimated expenses payable by the Company in relation to the Global Offering) ("**Net Proceeds**"). It was disclosed in the section headed "Future Plan and Use of Proceeds" in the Prospectus that the Company intended to use the Net Proceeds in the following manner:

(a) approximately 45.4% of the Net Proceeds is intended to be used for the ongoing and future R&D (including planned clinical trials, preparation of registration filings and milestone fees), and CMC development and manufacturing of the Group's Core Product candidate CAN008;

(b) approximately 24.0% of the Net Proceeds is intended to be used for major products and product candidates in the Group's pipeline;

(c) approximately 1.8% of the Net Proceeds is intended to be used for ongoing and future R&D (including ongoing and planned clinical trials, preparation of registration filings and milestone fees) of other non-gene therapy products and product candidates in the Group's pipeline;

(d) approximately 12.0% of the Net Proceeds is intended to be used for ongoing and future R&D (including ongoing and planned clinical trials, preparation of registration filings and milestone fees) of CAN201, CAN202 and the Group's other gene therapy candidates; and

(e) approximately 16.8% of the Net Proceeds is intended to be used for R&D and other general business purposes.

CHANGE IN USE OF PROCEEDS

The following table sets forth the original allocations of the Net Proceeds and the revised allocation of the unutilized Net Proceeds (the "**Proposed Change**"):

Use of Net Proceeds	**Original allocation of the Net Proceeds** *(HK$ million)*	**Net Proceeds utilized as of March 31, 2024** *(HK$ million)*	**Net Proceeds unutilized as of March 31, 2024** *(HK$ million)*	**Revised allocation of the unutilized Net Proceeds following the Proposed Change** *(HK$ million)*
Fund ongoing and future R&D, and CMC development and manufacturing of the Group's Core Product candidate CAN008	274.2	215.3	58.9	15.6
Fund major products and product candidates in the Group's pipeline (1)	144.9	144.9	–	43.3
Fund ongoing and future R&D (including ongoing and planned clinical trials, preparation of registration filings and milestone fees) of other non-gene therapy products and product candidates in the Group's pipeline	10.9	7.1	3.8	–
Fund the ongoing and future R&D (including ongoing and planned clinical trials, preparation of registration filings and milestone fees) of the Group's gene therapy candidates	72.5	72.5	–	3.8
Fund the R&D and other general business purposes	101.5	101.5	–	–
Total	604.0	541.3	62.7	62.7

Note:

(1) Following the Proposed Change, the Net Proceeds allocated to fund the major products and product candidates in the Group's pipeline will be increased from 24.0% to 31.2% as a result of the following reallocations:

- Net Proceeds allocated to fund the ongoing commercialization, post-approval study and milestone fees of Hunterase® (CAN101) will be increased from 4.3% to 4.9%;

- Net Proceeds allocated to fund the ongoing and future R&D (including ongoing and planned clinical trials, preparation of registration filings and milestone fees) of CAN106, targeting paroxysmal nocturnal hemoglobinuria (PNH) and various other complement mediated diseases that are targeted by approved anti-C5 antibodies will be increased from 12.6% to 15.2%;

- Net Proceeds allocated to fund the ongoing and future R&D (including ongoing and planned clinical trials, preparation of registration filings and milestone fees) of CAN103 will be increased from 3.6% to 6.7%;

- Net Proceeds allocated to fund the ongoing commercialization, post-approval study and milestone fees of Livmarli® (CAN108) will be increased from 3.5% to 4.4%;

It is expected that the Company will fully utilize the net proceeds raised from the Global Offering by the end of 2025.

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

The main reasons for the Proposed Changes in relation to the reallocation of the unutilized Net Proceeds are as follows:

(a) as disclosed in the Prospectus, approximately 45.4% of the Net Proceeds was originally allocated to fund the ongoing and future R&D (including planned clinical trials, preparation of registration filings and milestone fees), CMC development and manufacturing process development of the Group's Core Product candidate CAN008, a glycosylation fusion protein being developed for the treatment of glioblastoma ("**GBM**"). As disclosed in the announcement of the Company dated April 22, 2024, the Company decided to discontinue the development and further trials of CAN008 in the field of GBM. Therefore, the unutilized Net Proceeds that was originally allocated to fund the development of CAN008 in the field of GBM will be reallocated to fund the development of other major products and product candidates in the Group's pipelines;

(b) as disclosed in the Prospectus, approximately 1.8% of the Net Proceeds is originally allocated to fund ongoing and future R&D (including ongoing and planned clinical trials, preparation of registration filings and milestone fees) of other non-gene therapy products and product candidates in the Group's pipeline; and

(c) the Group intends to further strategically expand its high-value-added potential business opportunities and invest more resources in major products and product candidates in the Group's pipeline, including but not limited to two commercialized products Hunterase® and Livmarli®, as well as CAN106, which has shown positive preliminary results from the ongoing Phase 1b Paroxysmal Nocturnal Hemoglobinuria study, CAN103, which is undergoing a potential registrational trial in Gaucher patients, and selective gene therapy programs. Therefore, the portion of the unutilized Net Proceeds for the second and the fourth purposes as stated in the table above are adjusted upwards correspondingly.

The Board confirms that there is no material change in the business nature of the Group as set out in the Prospectus, and considers that the above changes in the use of the unutilized Net Proceeds will not have any material adverse impact on the operations of the Group and is in the best interests of the Company and its shareholders taken as a whole.

Cautionary Statement required by Rule 18A.05 of the Listing Rules: We cannot guarantee that we will be able to ultimately commercialize other products, including without limitation, CAN106, CAN103, and other selective gene therapy programs successfully.

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

By Order of the Board
CANbridge Pharmaceuticals Inc.
北海康成製藥有限公司
Dr. James Qun Xue
Chairman

Hong Kong, May 6, 2024

As of the date of this announcement, the Board comprises Dr. James Qun Xue as Chairman and executive Director, Dr. Kan Chen and Mr. Edward Hu as non-executive Directors, and Dr. Richard James Gregory, Mr. James Arthur Geraghty, Mr. Peng Kuan Chan and Dr. Lan Hu as independent non-executive Directors.