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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1228)

**DISCLOSEABLE TRANSACTION IN RELATION TO
THE EARLY TERMINATION OF A LEASE AGREEMENT**

On February 24, 2025 (Eastern Standard Time and after the morning trading hours in Hong Kong on February 25, 2025), the Tenant, a wholly-owned subsidiary of the Company, and the Landlord entered into a Termination Agreement to early terminate the Lease in relation to the Leased Property with effect from February 28, 2025. No penalty or fee will be payable by the Tenant for the early termination of the Lease.

According to the Interim Report, the value of the right-of-use asset for the Leased Property amounted to RMB60,322,000 as at June 30, 2024. As at the date of this announcement, the right-of-use asset for the Leased Property has been fully impaired as the Group has ceased to use the Leased Property prior to the entering into of the Termination Agreement. Therefore, pursuant to IFRS 16, following the execution of the Termination Agreement, the value of the right-of-use asset to be derecognized by the Group under the Termination Agreement is nil.

As the highest applicable percentage ratio as defined under the Listing Rules in respect of the transaction contemplated under the Termination Agreement is more than 5% but are all less than 25%, the Termination Agreement when entered into constitutes a discloseable transaction of the Company and is subject to the notification and announcement but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

On February 24, 2025 (Eastern Standard Time and after the morning trading hours in Hong Kong on February 25, 2025), the Tenant and the Landlord entered into a Termination Agreement to early terminate the Lease in relation to the Leased Property with effect from February 28, 2025.

THE TERMINATION AGREEMENT

The principal terms of the Termination Agreement are as follows:

Date:	February 24, 2025 (Eastern Standard Time and after the morning trading hours in Hong Kong on February 25, 2025)
Parties:	the Tenant and the Landlord
Premises:	1st floor and lower level of the building located at 4 Burlington Woods Drive, Burlington, Massachusetts, the United States
Termination Date:	February 28, 2025
Early Termination:	The Lease shall expire and terminate and all rights of the Tenant under the Lease and in and to the Leased Property shall terminate, except with respect to any provisions of the Lease that expressly survive such termination.

No penalty or fee will be payable by the Tenant for the early termination of the Lease.

INFORMATION OF THE PARTIES

The Company is a global biopharmaceutical company committed to the research, development and commercialization of transformative therapies for rare diseases. The Company has a differentiated drug portfolio, with 3 approved drugs and a pipeline of 9 assets, targeting prevalent rare disease indications that have unmet needs and significant market potential. These include Hunter syndrome and other lysosomal storage disorders, complement-mediated disorders, hemophilia A, metabolic disorders, rare cholestatic liver diseases and neuromuscular diseases.

The Landlord is a Delaware limited liability company. It acquired the interest in the Leased Property and the Lease from the previous landlord which originally entered into the Lease with the Tenant on December 7, 2021. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are Independent Third Parties.

REASONS FOR THE TERMINATION AGREEMENT

Reference is made to the voluntary announcement of the Company dated October 25, 2024 in relation to the update on the Group's business operations in the United States. As disclosed in the 2024 Interim Report, the management of the Company has been exploring the possibility of downsizing the Group's operations in the United States. The termination of the Lease is consistent with the Downsizing Plan as defined in the 2024 Interim Report and the Group's needs for office and laboratory space given that the Group has downsized its team to four full-time employees in the United States. The termination of the Lease is not expected to adversely impact the Group's operations, financial performance and R&D capacities as a whole as the commercialized pipelines and major late-stage R&D programs of the Group are mainly conducted in the PRC and the minimal operations in the United States will be maintained through shared lab services.

The termination of the Lease will partly reduce the Company's operating costs and mitigate the Company's short-term liquidity pressure. However, the Company's ability to continue as a going concern remains uncertain and will depend on the successful implementation of all the measures disclosed in the 2024 Interim Report (including but not limited to obtaining new sources of financing and obtaining new credit facilities). Despite that the Company is in active discussions with such financiers and financial institutions, no formal arrangements to secure additional financing have been finalised as at the date of this announcement. The Company will continue to take all practicable steps to improve the Group's liquidity position and financial performance.

LISTING RULES IMPLICATIONS

According to the Interim Report, the value of the right-of-use asset for the Leased Property amounted to RMB60,322,000 as at June 30, 2024. As at the date of this announcement, the right-of-use asset for the Leased Property has been fully impaired as the Group has ceased to use the Leased Property prior to the entering into of the Termination Agreement. Therefore, pursuant to IFRS 16, following the execution of the Termination Agreement, the value of the right-of-use asset to be derecognized by the Group under the Termination Agreement is nil.

As the highest applicable percentage ratio as defined under the Listing Rules in respect of the transaction contemplated under the Termination Agreement is more than 5% but are all less than 25%, the Termination Agreement when entered into constitutes a discloseable transaction of the Company and is subject to the notification and announcement but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meanings:

“Board”	the board of Directors
“Company”	CANbridge Pharmaceuticals Inc. (北海康成製藥有限公司), an exempted company incorporated in the Cayman Islands with limited liability on January 30, 2018, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1228)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	any entity or person who is not a connected person (within the meaning of the Listing Rules) of the Company or its subsidiaries, or any of their respective associates
“Interim Report”	the interim report for the six months ended June 30, 2024 of the Company
“Landlord”	MEC BURLINGTON WOODS BIOCENTER, LLC, a Delaware limited liability company
“Lease”	a lease agreement in relation to the Leased Property between the Landlord and the Tenant dated on December 7, 2021
“Leased Property”	certain office and laboratory space located at 4 Burlington Woods, Burlington, Massachusetts
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC mainland
“Shareholder(s)”	the shareholder(s) of the Company
“Tenant”	CANbridge Pharmaceuticals, Inc., a Massachusetts corporation and a wholly owned subsidiary of the Company
“Termination Agreement”	a letter agreement dated February 24, 2025 between the Tenant and the Landlord to early terminate the Lease in relation to the Leased Property

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, February 25, 2025

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