

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Neither this announcement nor any copy thereof may be released into or distributed, directly or indirectly, in the United States or any other jurisdiction where such release or distribution might be unlawful. This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase, or subscribe for any securities of the Company.

This announcement does not constitute or form a part of any offer to sell or solicitation to purchase or subscribe for securities in the United States or in any other jurisdictions where such offer is unlawful. The Company's shares mentioned in this announcement have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold in the United States except pursuant to registration or an exemption from the registration requirements of the U.S. Securities Act. The Company has no intention to register under the U.S. Securities Act any of the securities referred to herein or to conduct a public offering of securities in the United States.



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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1228)

- (1) COMPLETION OF SUBSCRIPTION OF NEW SHARES
UNDER GENERAL MANDATE;
(2) CONTINUING CONNECTED TRANSACTION PURSUANT TO RULE 14A.60(1)
OF THE LISTING RULES; AND
(3) APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND NOMINATION AND
CORPORATE GOVERNANCE COMMITTEE MEMBER**

COMPLETION OF THE SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that the conditions set out in the Subscription Agreement had been fulfilled and Closing took place on August 27, 2025 in accordance with the terms and conditions of the Subscription Agreement. The Company allotted and issued a total of 74,971,468 Subscription Shares to the Subscriber at the Subscription Price of HK\$1.34 per Subscription Share on the Closing Date.

THE STRATEGIC COOPERATION AND EXCLUSIVE MARKETING SERVICE AGREEMENT

On August 11, 2025 (i.e., prior to the signing of the Subscription Agreement), CANbridge CARE Pharma, CANbridge Shanghai and Baheal Zhihe entered into the Strategic Cooperation and Exclusive Marketing Service Agreement. Pursuant to the Strategic Cooperation and Exclusive Marketing Service Agreement, CANbridge CARE Pharma and CANbridge Shanghai agreed to exclusively engage Baheal Zhihe as the CSO for marketing service for the Products (namely Hunterase®, Livmarli® and Gaurunning®) in the Designated Regions (namely Mainland China, Hong Kong and Macau), subject to the upstream license agreements between the relevant members of the Group and the respective licensors of these products (including the relevant licensor's consent as applicable).

Upon the completion of the Subscription and as at the date of this announcement, the Subscriber has become a substantial shareholder of the Company and thus a connected person of the Company. Given that Baheal Zhihe is a subsidiary of the Subscriber and hence an associate of the Subscriber, Baheal Zhihe is a connected person of the Company. Therefore, the transaction contemplated under the Strategic Cooperation and Exclusive Marketing Service Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.60(1) of the Listing Rules, the Company is required to comply with the annual review and disclosure requirements under Chapter 14A of the Listing Rules, including publication of announcement and annual reporting in respect of the Strategic Cooperation and Exclusive Marketing Service Agreement and the continuing connected transactions contemplated thereunder. If the Strategic Cooperation and Exclusive Marketing Service Agreement is amended or renewed, the Company will further comply with all the applicable requirements of reporting, disclosure and independent Shareholders' approval (if applicable) under Chapter 14A of the Listing Rules.

APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND NOMINATION COMMITTEE MEMBER

The Board hereby announces that Mr. Wang Tingwei has been appointed as a non-executive Director and a member of the Nomination Committee with effect from August 27, 2025.

COMPLETION OF THE SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the Announcement. Capitalised terms used in this announcement shall have the same meanings as defined in the Announcement unless otherwise stated.

The Board is pleased to announce that the conditions set out in the Subscription Agreement had been fulfilled and Closing took place on August 27, 2025 in accordance with the terms and conditions of the Subscription Agreement. The Company allotted and issued a total of 74,971,468 Subscription Shares to the Subscriber at the Subscription Price of HK\$1.34 per Subscription Share on the Closing Date. The Subscription generated gross proceeds of HKD100,461,767.12. The proceeds from the Subscription in accordance with the plan as set out in the Announcement.

The table below sets out the changes to the shareholding structure of the Company upon Closing:

Shareholders	Immediately before the Closing		Immediately after the Closing	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Dr. James Xue	26,042,380 ⁽²⁾	6.13	26,042,380 ⁽²⁾	5.21
	15,000,000 ⁽³⁾	3.53	15,000,000 ⁽³⁾	3.00
	839,141 ⁽⁴⁾	0.20	839,141 ⁽⁴⁾	0.17
Mr. James Arthur Geraghty	700,000	0.16	700,000	0.14
The Subscriber	—	—	74,971,468	14.99
Other public Shareholders	382,256,799	89.98	382,256,799	76.48
Total number of Shares	<u>424,838,320</u>	<u>100%</u>	<u>499,809,788</u>	<u>100%</u>

Notes:

- (1) The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places.
- (2) CTX Pharma Holdings Limited directly held 26,042,380 Shares and is wholly-owned by Dr. Xue.
- (3) 15,000,000 Shares are held by JQX 2021 Gift Trust (a trust set up by Dr. Xue as settlor, the spouse of Dr. Xue as trustee and Dr. Xue's family members as the beneficiaries, the "Family Trust"). Under the terms of the Family Trust, Dr. Xue has the power to exercise all the voting rights attached to the Shares. Accordingly, Dr. Xue is deemed interested in the Shares held by the Family Trust.
- (4) Dr. Xue beneficially holds 733,050 Shares under his own name and 106,091 Shares via a nominee which were derived from the exercising of share options.

THE STRATEGIC COOPERATION AND EXCLUSIVE MARKETING SERVICE AGREEMENT

On August 11, 2025 (i.e., prior to the signing of the Subscription Agreement), CANbridge CARE Pharma, CANbridge Shanghai and Baheal Zhihe entered into the Strategic Cooperation and Exclusive Marketing Service Agreement. Pursuant to the Strategic Cooperation and Exclusive Marketing Service Agreement, CANbridge CARE Pharma and CANbridge Shanghai agreed to exclusively engage Baheal Zhihe as the CSO for marketing service for the Products (namely Hunterase®, Livmarli® and Gaurunning®) in the Designated Regions (namely Mainland China, Hong Kong and Macau), subject to the upstream license agreements between the relevant members of the Group and the respective licensors of these products (including the relevant licensor's consent as applicable). The principal terms of the Strategic Cooperation and Exclusive Marketing Service Agreement are set out below:

Date:	August 11, 2025
Parties:	(1) CANbridge CARE Pharma (2) CANbridge Shanghai (3) Baheal Zhihe
Term:	Commenced on August 11, 2025 and ending on December 31, 2035, unless terminated earlier in accordance with the relevant terms of the Strategic Cooperation and Market Service Agreement.
	The Company is of the view that it is normal business practice for agreements of this type to be of such duration to ensure that the service provider has sufficient time to allocate resources for the promotion of products.
Subject matter:	Pursuant to the Strategic Cooperation and Exclusive Marketing Service Agreement, CANbridge CARE Pharma and CANbridge Shanghai agreed to exclusively engage Baheal Zhihe as the CSO for marketing service for the Products (namely Hunterase [®] , Livmarli [®] and Gaurunning [®]) in the Designated Regions (namely Mainland China, Hong Kong and Macau), subject to the upstream license agreements between the relevant members of the Group and the respective licensors of these products (including the relevant licensor's consent as applicable). Upon written request from Baheal Zhihe, CANbridge CARE Pharma and CANbridge Shanghai shall use its reasonable commercial efforts to promptly authorize Baheal Zhihe's designated affiliate (Hebei Baheal Chengda Pharmaceutical Co., Ltd) as the sole general distributor of the Products in the Designated Regions, where Baheal Zhihe's designated affiliate shall be responsible for the import (if applicable) and distribution of the Products.
Promotion plans:	A joint steering committee comprised of four members (two from the Group and two from Baheal Zhihe), would be established within 20 days of signing to oversee and approve promotion plans, review sales performance, resolve deadlocks, and supervise other delegated matters. Baheal Zhihe shall use commercially reasonable efforts to promote the Products within the Designated Regions in accordance with compliance standards and mutually agreed annual marketing plans.
Strategic engagement fee:	Baheal Zhihe would pay the Group a strategic engagement fee of RMB50 million within five days from the signing of the Strategic Cooperation and Exclusive Marketing Service Agreement, in the view that such a strategic cooperation will support Baheal Zhihe in the commercialization of rare disease drugs in the Designated Regions by leveraging the Group's innovation platform and industry expertise.

Marketing service fee and pricing policy: The Group shall pay service fees to Baheal Zhihe calculated based on a pre-agreed rate and the Group's actual net sales for each of the Products in the Designated Regions using the following formula upon receipt of the invoice from Baheal Zhihe:

The Group's actual net sales of the relevant Product in the Designated Regions x
Pre-agreed rate for the relevant Product

The pre-agreed rates for each of the Products were determined by the parties through fair negotiations on arm's length basis comprehensively with reference to prevailing market terms (including terms from other CSOs) as well as an estimation of the Company's own marketing cost if the Company was to conduct the marketing activities on its own. Such profit-sharing mechanism is a customary fee arrangement of similar or comparable services provided by other CSOs in the Designated Regions.

Internal Control Measures

The pricing policies for all the continuing connected transactions of the Group will be supervised and monitored by the relevant personnel and management of the Group in charge to ensure the relevant continuing connected transaction is conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its Shareholders as a whole. In particular,

- (i) the business development department or the commercial team, consisting of experienced staffs in the rare disease sector, will monitor the market conditions and conduct market research every half year to collect the market information on the relevant target markets by checking publicly available information and communicating with other customers/suppliers of the Group. If the business development department or the commercial team notes that the profit sharing mechanisms of similar or comparable products or the customary fee arrangements of similar or comparable services (as applicable) contained in the Strategic Cooperation and Exclusive Marketing Service Agreement deviates 10% or more from the latest market practice and such deviation becomes less favorable to the Company, it will report the same to the management of the Company;
- (ii) the management of the Company will, after receiving the report from the business development department or the commercial team, consult other industry expert to ascertain whether there is any material change in market conditions and discuss with Baheal Zhihe whether it is necessary to update the pre-agreed rates for the Products set out in the Strategic Cooperation and Exclusive Marketing Service Agreement;
- (iii) the financial team and the legal team of the Company will supervise and monitor the transactions under the Strategic Cooperation and Exclusive Marketing Service Agreement to ensure that they are conducted in compliance with the terms of the Strategic Cooperation and Exclusive Marketing Service Agreement and on normal commercial terms or better than terms offered by the independent third parties for comparable transactions under similar conditions (if any);

(iv) if the material terms under the Strategic Cooperation and Exclusive Marketing Service Agreement (including pricing policies) need to be amended, the management of the Company will consider actions to ensure the compliance with the requirements under the Listing Rules, including obtaining the approval from independent Shareholders to revise the relevant terms if necessary.

The independent non-executive Directors and the auditors of the Company will review the transactions contemplated under the Strategic Cooperation and Exclusive Marketing Service Agreement annually to check and confirm, among other things, whether the transactions were conducted in accordance with the terms therein.

The Company considers that the internal control mechanism above is effective to ensure that the transactions contemplated under the Strategic Cooperation and Exclusive Marketing Service Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

Reasons for and Benefits of the Strategic Cooperation and Exclusive Marketing Service Agreement

The Strategic Cooperation and Exclusive Marketing Service Agreement was entered into before the completion of the Subscription. The Directors consider that a long term and steady relationship with the Group's marketing service provider is of significant importance to the Group as it enables stability in the marketing of the Products in the Designated Regions which in turn avoids any unnecessary disruption to the Group's business and guarantees a smooth marketing process of the Group. The entering into of the Strategic Cooperation and Exclusive Marketing Service Agreement promotes the stable business relationship between the Subscriber (including Baheal Zhihe) and the Group and secures the marketing of the Products in the Designated Regions.

The Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the Strategic Cooperation and Exclusive Marketing Service Agreement are conducted in the ordinary and usual course of business of the Group, and the terms of the Strategic Cooperation and Exclusive Marketing Service Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Board confirms that none of the Directors were deemed to have any material interest in the transactions contemplated under the Strategic Cooperation and Exclusive Marketing Service Agreement or were required to abstain from voting on the relevant Board resolutions.

Information on the Parties

CANbridge CARE Pharma

CANbridge CARE Pharma, an indirect wholly-owned subsidiary of the Company, is primarily engaged in the research and development and commercialisation of medical products.

CANbridge Shanghai

CANbridge Shanghai, an indirect wholly-owned subsidiary of the Company, is primarily engaged in the research and development and commercialisation of medical products.

Baheal Zhihe

Baheal Zhihe, a wholly-owned subsidiary of the Subscriber, is committed to cultivating medical technology products and solutions with independent intellectual property rights in the PRC based on the Subscriber's professional commercialization capabilities, scientific and technological innovation resource integration and incubation capabilities. The Subscriber is a company incorporated under the laws of Hong Kong with limited liability and is a wholly owned subsidiary of Qingdao Baheal Medical INC. (青島百洋醫藥股份有限公司). Qingdao Baheal Medical INC. is listed on the Shenzhen Stock Exchange (known as “**Baheal Medical**” with Stock Code: 301015). Baheal Medical was founded in 2005. Serving as the innovation brands commercialization platform, Baheal Medical focuses on the development, manufacturing and commercialization of medical innovations, and effectively optimizing the medical practices through technological innovation. It has incubated multiple leading brands in the field of bone health, liver disease and metabolic disorders, and has established a rich product matrix covering Over the Counter (OTC) and general health, OTX and prescription medicine, oncology drugs, as well as high-end medical devices to meet the various healthcare needs of the entire society. As at the date of this announcement, approximately 68.22% of the shares in Baheal Medical are owned by Baheal Pharmaceutical Group Co., Ltd. (百洋醫藥集團有限公司) which is in turn ultimately controlled by Mr. Fu Gang, who is the chairman and general manager of Baheal Medical.

Information on the Products

Hunterase[®]

Hunterase[®] is the first ERT approved for the treatment of Hunter syndrome (MPS II) in Mainland China. Given that ERT is the standard of care for Hunter syndrome, and that there is currently no other drug treatment available in China, the Company believes there is a significant market opportunity for Hunterase[®].

Livmarli[®]

Livmarli[®] is an oral, minimally-absorbed, reversible IBAT inhibitor and is under development to treat rare cholestatic liver diseases, including ALGS (approved by FDA) and PFIC. Livmarli[®] possesses an extensive safety dataset, having been evaluated in more than 1,700 human subjects. Livmarli[®] has been studied in a number of completed and ongoing clinical trials in ALGS and PFIC with over 200 children treated and some on study for over seven years.

Gaurunning®, a recombinant, human glucocerebrosidase (acid β -glucosidase), an ERT for the treatment of Gaucher disease. CANbridge holds global proprietary rights to develop and commercialize the product. Gaurunning® is the first ERT for Gaucher disease in the clinical trial development stage in Mainland China.

Listing Rules Implications

Upon the completion of the Subscription and as at the date of this announcement, the Subscriber has become a substantial shareholder of the Company and thus a connected person of the Company. Given that Baheal Zhihe is a subsidiary of the Subscriber and hence an associate of the Subscriber, Baheal Zhihe is a connected person of the Company. Therefore, the transaction contemplated under the Strategic Cooperation and Exclusive Marketing Service Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.60(1) of the Listing Rules, the Company is required to comply with the annual review and disclosure requirements under Chapter 14A of the Listing Rules, including publication of announcement and annual reporting in respect of the Strategic Cooperation and Exclusive Marketing Service Agreement and the continuing connected transactions contemplated thereunder. If the Strategic Cooperation and Exclusive Marketing Service Agreement is amended or renewed, the Company will further comply with all the applicable requirements of reporting, disclosure and independent Shareholders' approval (if applicable) under Chapter 14A of the Listing Rules.

APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND NOMINATION COMMITTEE MEMBER

The Board hereby announces that Mr. Wang Tingwei has been appointed as a non-executive Director and a member of the Nomination Committee with effect from August 27, 2025.

Mr. Wang Tingwei (王廷偉), aged 47, received his master's degree in business administration from Peking University in 2011. Mr. Wang previously worked at Searainbow Enterprise (Holdings) Co., Ltd. (now renamed as China Reform Health Mgmt&Ser Grp Co Ltd.), Thomson Reuters Group, Shanghai GBI Investment Management Consulting Co., Ltd. (GBI). Mr. Wang joined Baheal Pharmaceutical Group Co., Ltd. in April 2016 and has served as director of business development for Baheal Intelligent Technology Group Co., Ltd., director of business development and vice president of Baheal Pharmaceutical Group Co., Ltd. Since December 2021, he has served as deputy general manager of Qingdao Baheal Medical INC., and concurrently as director of Baheal Wellness Industry International Trading Limited.

The Company will enter into a service agreement with Mr. Wang in relation to his appointment as a non-executive Director. Mr. Wang will hold office from the Effective Date until the next annual general meeting of the Company, at which he will be eligible for re-election in accordance with and subject to the Articles of Association. Upon being re-elected thereof, his appointment shall continue for a period of three years and until the conclusion of the annual general meeting of the Company after the re-election, or such earlier date pursuant to the Articles of Association. Mr. Wang will receive no remunerations as director's fee, but he may be entitled to other benefits as may be determined by the remuneration committee of the Board having regard to the Company's and his performance, subject to review by the Company from time to time pursuant to the Articles of Association.

Save as disclosed above, Mr. Wang confirmed that, (i) he does not hold, and has not held in the last three years, any other directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) he does not hold any other major appointment or professional qualification; (iii) he has no relationship with any Directors, senior management or substantial shareholders (as defined in the Listing Rules) of the Company, nor does he hold any other positions with the Company or any of its subsidiaries; and (iv) he is not interested or deemed to be interested in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there is no other information in relation to the appointment of Mr. Wang that needs to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters concerning the appointment of Mr. Wang that should be brought to the attention of the shareholders of the Company or the Stock Exchange.

The Board takes this opportunity to welcome Mr. Wang on his new appointment and for joining the Board.

DEFINITIONS

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

“Announcement”	the announcement of the Company dated August 12, 2025 in relation to the Subscription
“Articles of Association”	the articles of association of the Company
“Baheal Zhihe”	Beijing Baheal Zhihe Medical Achievement Transformation Service Co., Ltd.* (北京百洋智合醫學成果轉化服務有限公司), a limited liability company established under the laws of the PRC, and a wholly-owned subsidiary of Baheal Medical

“CANbridge CARE Pharma”	CANbridge Care Pharma Hong Kong Limited (北海康成珍愛藥業香港有限公司), a limited liability company incorporated under the laws of Hong Kong, and an indirect wholly-owned subsidiary of the Company
“CANbridge Shanghai”	CANbridge (Shanghai) Life Sciences Ltd. (北海康成(上海)生物科技有限公司), a limited liability company established under the laws of the PRC, and an indirect wholly-owned subsidiary of the Company
“CSO(s)”	contract sales organization(s)
“Designated Regions”	Mainland China, Hong Kong and Macau
“Effective Date”	August 27, 2025
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Macau”	Macao Special Administrative Region of the PRC
“Mainland China”	the PRC excluding Hong Kong, Macau and Taiwan
“Nomination Committee”	the nomination and corporate governance committee of the Board
“Products”	collectively Hunterase [®] , Livmarli [®] and Gaurunning [®]
“Strategic Cooperation and Exclusive Marketing Service Agreement”	the strategic cooperation and exclusive marketing service agreement dated August 11, 2025 entered into between CANbridge CARE Pharma, CANbridge Shanghai and Baheal Zhihe in relation to marketing services for the Products in the Designated Regions

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, August 27, 2025

As of the date of this announcement, the Board comprises Dr. James Qun Xue as executive Director, Ms. Wei Zhao and Mr. Wang Tingwei 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.

* For identification purposes only