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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)**

### **PROPOSED REFRESHMENT OF GENERAL MANDATE**

#### **Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders**



The Board proposes to refresh the Existing General Mandate for the Directors to allot, issue and deal with new Shares up to 20% of the issued share capital of the Company as at the date of passing of the relevant resolution at the EGM (excluding any Shares held in treasury). Pursuant to Rule 13.36(4) of the Listing Rules, the grant of the New General Mandate is subject to the Independent Shareholders' approval by way of an ordinary resolution at the EGM.

The EGM will be held to consider and, if thought fit, pass an ordinary resolution to approve the grant of the New General Mandate. The Independent Board Committee, comprising all the independent non-executive Directors, namely Dr. Richard James Gregory, Mr. James Arthur Geraghty, Mr. Peng Kuan Chan and Dr. Lan Hu, has been established to advise the Independent Shareholders on the grant of the New General Mandate. Opus Capital has been appointed as the independent financial advisor to advise the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate.

A circular containing, among others, information regarding the grant of the New General Mandate, the recommendation from the Independent Board Committee to the Independent Shareholders, and the recommendation from the independent financial advisor to the Independent Board Committee and the Independent Shareholders in relation to the grant of the New General Mandate, together with a notice of the EGM will be sent to the Shareholders on or about November 19, 2025.

## **PROPOSED REFRESHMENT OF GENERAL MANDATE**

The Board proposes to refresh the Existing General Mandate for the Directors to allot, issue and deal with new Shares up to 20% of the issued share capital of the Company as at the date of passing of the relevant resolution at the EGM (excluding any Shares held in treasury).

## **EXISTING GENERAL MANDATE**

At the 2025 AGM, the Shareholders approved, among other things, the Existing General Mandate which authorized the Directors to allot, issue and deal with not more than 84,967,664 new Shares, being 20% of the issued share capital of the Company as at the date of the 2025 AGM (excluding Shares held in treasury).

References are made to the announcements of the Company dated August 12, 2025 and August 27, 2025 in relation to the August Subscription, where 74,971,468 new Shares were issued under the Existing General Mandate (representing approximately 88.24% of the Existing General Mandate). References are also made to the announcements of the Company dated September 15, 2025 and September 28, 2025 in relation to the September Subscriptions, where 9,996,196 new Shares were issued under the Existing General Mandate (representing approximately 11.76% of the Existing General Mandate). Following completion of the Subscriptions, no new Share could be issued under the Existing General Mandate.

## **PROPOSED GRANT OF NEW GENERAL MANDATE**

As the Existing General Mandate has been fully utilized, the Board proposes to convene the EGM at which an ordinary resolution will be proposed to the Independent Shareholders that:

- (i) the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the Company's issued share capital as at the date of passing the relevant resolution at the EGM (excluding Shares held in treasury); and
- (ii) the New General Mandate be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the 2025 AGM.

The Company has not refreshed the Existing General Mandate since the 2025 AGM. The New General Mandate will last until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting is required by any applicable laws or the Articles of Association to be held; and
- (iii) its revocation or variation by an ordinary resolution of the Shareholders in general meeting.

As at the Latest Practicable Date, the Company had 510,826,484 Shares in issue and no Shares held in treasury. On the basis that there are no changes in the issued share capital of the Company from the Latest Practicable Date and up to the date of the EGM, the Directors will be authorized to allot and issue up to 102,165,296 new Shares under the New General Mandate, representing 20% of the issued share capital of the Company as at the date of the EGM (excluding Shares held in treasury).

## **REASONS FOR THE GRANT OF THE NEW GENERAL MANDATE**

The Group is a biopharmaceutical company. It is focused on research, development and commercialization of transformative therapies for rare disease. It has a comprehensive pipeline of seven drug assets targeting prevalent rare diseases that have high unmet needs, including three approved drugs.

As at the Latest Practicable Date, the Company had issued 84,967,664 Shares under the Existing General Mandate, the details of which are set out in the announcements of the Company dated August 12, 2025, August 27, 2025, September 15, 2025 and September 28, 2025. Accordingly, approximately 100% of the Existing General Mandate has been utilized.

In light of the above and given that there are almost seven months from the next annual general meeting, the Directors consider that the refreshment of the Existing General Mandate offers the Company with greater financing flexibility to cope with the funding needs of the Company and enables the Company to respond swiftly to market conditions and investment opportunities should such arise before the next annual general meeting by providing a more efficient process of fund raising and avoiding the uncertainties of not obtaining a specific mandate in a timely fashion. The Group may have funding needs to (i) re-prioritize existing pipeline assets such as advancing three commercial-stage pipelines, including CAN101, CAN108 and CAN103, (ii) refine the development-stage pipeline assets which possess strong potential for global business development collaborations such as gene therapy and CAN106 pipelines, and (iii) acquire and/or develop new pipelines on the top of the current pipelines if the Group is able to identify new drug assets that are high-value and innovation-intensive (such as those new drug assets which generate revenues from business development activities). As at the Latest Practicable Date, the Group had not identified any investment or entered into any agreement, arrangement, understanding or undertaking in respect of the proposed issue of new Shares under the New General Mandate. However, where the right opportunity to acquire and/or develop new pipelines arises, there may be immediate funding needs and therefore, it is pivotal that the Company has the New General Mandate in place in case such specific funding needs arise and require immediate funding. Any delay in pulling together the funds which may be needed to pursue any such acquisition opportunities would not be in the interest of the Company and its Shareholders taken as a whole.

Further, as at June 30, 2025, a significant portion of the trade payables, approximately RMB314.6 million, representing approximately 80% of the total trade payables of RMB392.95 million, had been overdue for over six months. The Group has been continuing to actively negotiate with its suppliers to extend the repayment dates of the overdue trade payables based on amicable relationships with such suppliers and it is possible that all or a portion of such trade payables may need to be repaid in the future. As such, having the New General Mandate in place will give the Company more flexibility to manage its cash and trade payables should any part of which needs to be repaid after such negotiations but before the next annual general meeting of the Company.

As at August 31, 2025, the Group had cash balance of RMB108,449,000 and current liabilities of RMB516,456,000. The Group's monthly cash burn rate is approximately RMB9.6 million based on the Company's projected cash flow up to December 31, 2026. While the cash balance as at August 31, 2025 is sufficient to cover the cash burn of the Group until the next annual general meeting, such cash balance will not be sufficient to cover the potential payment of all or a portion of the aforementioned overdue trade payable and therefore, the Company may have funding needs before the next annual general meeting and the putting in place of the New General Mandate would provide the necessary flexibility to the Company. Any funding flexibility which the Group has would allow it to respond to any acquisition opportunities which may arise as set out above.

The Board considers equity or equity-related financing to be an important avenue of funding resource to the Group. The Board has also considered other financing alternatives such as debt financing, rights issue, open offer or issuing Shares under specific mandate or internal cash resources to meet the financial requirements of the Group, if appropriate, taking into account the then financial position, capital structure and flexibility of the Group as well as the prevailing market condition. However, the Board believes that the proposed grant of the New General Mandate serves the best interests of the Company and the Shareholders considering that:

- (i) Debt financing may be subject to lengthy due diligence and negotiations and impose interest burden on the Group even though the Company's gearing ratio as at August 31, 2025 is 9.4%. In addition, bank borrowings generally require fixed asset pledging and corporate guarantees. The Directors consider that, currently, the Group does not have material fixed assets suitable and available for pledging to secure substantial amount of bank borrowings. Further, it may be more difficult for the Company to obtain debt financing from financial institutions due to their concern over the Company's going concern issue. The going concern has been set out in the interim report of the Company for the six months ended June 30, 2025 whereby the financial position of the Company as at such date indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. That being said, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern and have taken certain measures to mitigate the liquidity pressure and to improve the Group's financial position. As a result, given banks acknowledge the Company's financial status through their review of the Company's financial reports and that the Company is not profit-making, the banks which the Group approached to obtain financing has indicated after initial discussions that they would normally only agree to provide financing of a small amount of up to RMB5 million and a short tenor of up to one year, which is insufficient for the Group's financing needs as set out above. The commercial terms of such proposed financings from banks (including the loan amount, tenor and interest rate) are also worse than those being offered to companies which are profit-making;

- (ii) Pre-emptive fundraising methods such as rights issue or open offer may involve substantial time to complete as compared to equity financing by issuance of new Shares under general mandate. In particular, a rights issue or an open offer normally takes at least five to six weeks, and lengthy discussions with potential commercial underwriters may also be involved. If shareholders' approval is required, it may take over two months, which is primarily due to the time for the issuer to prepare a circular and the notice period for the shareholders' meeting. Therefore, it would not allow the Company to satisfy its funding requirements in a timely manner if required; and
- (iii) As compared to equity financing by issuance of new Shares under general mandate, issuing Shares under specific mandate would involve extra time from the finalisation of the relevant terms of the fundraising plan, the preparation, printing and despatch of the relevant circular and other documentations, as well as the holding and convening of extraordinary general meeting on each occasion of issue, and equity financing by issuance of new Shares under general mandate would allow the Company to avoid the uncertainties in such circumstances where the approval for specific mandate may not be obtained in a timely manner. Accordingly, the Directors consider that the proposed refreshment of the Existing General Mandate offers the Company with greater financing flexibility to cope with the funding needs of the Company by providing a more efficient process of fund raising and avoiding the uncertainties of not obtaining a specific mandate in a timely fashion.

## **LISTING RULES IMPLICATIONS**

Pursuant to Rule 13.36(4) of the Listing Rules, the proposed refreshment of the Existing General Mandate will be subject to the Independent Shareholders' approval by way of an ordinary resolution at the EGM. Any controlling shareholders and their respective associates, or where there is no controlling shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favor of the relevant resolutions to approve the proposed refreshment of the Existing General Mandate.

As at the Latest Practicable Date, to the best knowledge, belief and information of the Directors having made all reasonable enquiries, the Company had no controlling Shareholder. Accordingly, Dr. Xue, being an executive Director, together with his associates (including CTX Pharma Holdings Limited and the Family Trust), held 41,881,521 Shares as at the Latest Practicable Date (representing approximately 8.20% of the issued share capital as at the Latest Practicable Date) are required to abstain from voting in favour of the ordinary resolutions regarding the grant of the New General Mandate at the EGM. To the best knowledge, belief and information of the Directors having made all reasonable enquiries, no other Shareholder is required to abstain from voting in the ordinary resolutions regarding the grant of the New General Mandate at the EGM.

## **EGM**

The EGM will be held to consider and, if thought fit, pass an ordinary resolution to approve the grant of the New General Mandate. The Independent Board Committee, comprising all the independent non-executive Directors, namely Dr. Richard James Gregory, Mr. James Arthur Geraghty, Mr. Peng Kuan Chan and Dr. Lan Hu, has been established to advise the Independent Shareholders on the grant of the New General Mandate.

Opus Capital has been appointed as the independent financial advisor to advise the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate.

A circular containing, among others, information regarding the grant of the New General Mandate, the recommendation from the Independent Board Committee to the Independent Shareholders, and the recommendation from the independent financial advisor to the Independent Board Committee and the Independent Shareholders in relation to the grant of the New General Mandate, together with a notice of the EGM will be sent to the Shareholders on or about November 19, 2025.

## DEFINITIONS

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

|                              |                                                                                                                                                                                                                                                      |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “2025 AGM”                   | the annual general meeting of the Company held on June 27, 2025                                                                                                                                                                                      |
| “Articles of Association”    | the articles of association of the Company                                                                                                                                                                                                           |
| “associates”                 | has the same meaning ascribed to it under the Listing Rules                                                                                                                                                                                          |
| “August Subscription”        | the subscription of 74,971,468 new Shares by Baheal on the terms and subject to the conditions set out in the subscription agreement dated August 12, 2025 as detailed in the announcements of the Company dated August 12, 2025 and August 27, 2025 |
| “Baheal”                     | Baheal Wellness Industry International Trading Limited (百洋健康產業國際商貿有限公司)                                                                                                                                                                              |
| “Board”                      | 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)            |
| “controlling shareholder(s)” | has the same meaning ascribed to it under the Listing Rules                                                                                                                                                                                          |
| “Director(s)”                | director(s) of the Company                                                                                                                                                                                                                           |
| “Dr. Xue”                    | Dr. James Qun Xue, an executive Director and the Chairman and Chief Executive Officer of the Company                                                                                                                                                 |

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|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “EGM”                         | the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the New General Mandate by the Independent Shareholders                                                                                                                                                                                         |
| “Existing General Mandate”    | the general mandate granted to the Directors by the resolution of the Shareholders passed at the 2025 AGM to allot, issue and deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of the 2025 AGM (excluding Shares held in treasury)                                                                                            |
| “Group”                       | the Company and its subsidiaries                                                                                                                                                                                                                                                                                                                                              |
| “Hong Kong”                   | the Hong Kong Special Administrative Region of the PRC                                                                                                                                                                                                                                                                                                                        |
| “Independent Board Committee” | an independent board committee of the Company comprising all the independent non-executive Directors to advise the Independent Shareholders on the proposed grant of the New General Mandate                                                                                                                                                                                  |
| “Independent Shareholders”    | Shareholders other than any controlling Shareholders and their associates or, where there are no controlling Shareholders, any Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates                                                                                                               |
| “Latest Practicable Date”     | November 12, 2025, being the latest practicable date for ascertaining certain information in this announcement                                                                                                                                                                                                                                                                |
| “Listing Rules”               | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                                                                                      |
| “New General Mandate”         | the new general mandate proposed to be sought at the EGM to authorize the Directors to allot, issue and deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the relevant resolutions (excluding Shares held in treasury)                                                                                           |
| “Opus Capital”                | Opus Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance, being the independent financial advisor to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the New General Mandate |
| “PRC”                         | the People’s Republic of China                                                                                                                                                                                                                                                                                                                                                |

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|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Share(s)”                | ordinary share(s) in the share capital of the Company with a par value of US\$0.00001 each                                                                                                                                                                                                                                |
| “Shareholder(s)”          | holder(s) of the Shares                                                                                                                                                                                                                                                                                                   |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                                                                                   |
| “September Subscriptions” | the subscriptions of an aggregate of 9,996,196 new Shares by Qin Shen, Huang Xiaoting and RIME Capital Limited on the terms and subject to the conditions set out in the subscription agreements dated September 15, 2025 as detailed in the announcements of the Company dated September 15, 2025 and September 28, 2025 |
| “Subscriptions”           | the August Subscription and the September Subscriptions                                                                                                                                                                                                                                                                   |
| “US\$”                    | United States dollars, the lawful currency of United States                                                                                                                                                                                                                                                               |
| “%”                       | per cent                                                                                                                                                                                                                                                                                                                  |

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, November 17, 2025

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