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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On August 12, 2025 (before trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, 74,971,468 Subscription Shares at the Subscription Price of HK\$1.34 per Subscription Share.

The Subscription Price of HK\$1.34 per Subscription Share represents: (a) a discount of approximately 19.76% to the closing price of HK\$1.67 per Share as quoted on the Stock Exchange on August 11, 2025, being the Last Trading Day; and (b) a premium of approximately 10.56% to the average closing price of HK\$1.212 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including August 11, 2025, being the last trading day immediately prior to the date on which the Subscription Price is fixed.

The gross proceeds of the Subscription will amount to HK\$100,461,767.12 and the net proceeds receivable by the Company under the Subscription are estimated to be approximately HK\$98,661,767.12 after deducting the relevant expenses incurred in relation to the Subscription. The Company intends to use the net proceeds from the Subscription for (i) research and development of commercialized products, (ii) marketing and promotion activities, (iii) repayment of loan facilities and borrowings, and (iv) daily operations of the Group.

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Subscription Shares on the Stock Exchange.

The Subscription is conditional upon, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on August 12, 2025 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on August 13, 2025.

Closing is subject to fulfilment (or, where appropriate, waiver) of the conditions precedent under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

On August 12, 2025 (before trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, 74,971,468 Subscription Shares at the Subscription Price of HK\$1.34 per Subscription Share.

The principal terms of the Subscription Agreement are set out below:

THE SUBSCRIPTION AGREEMENT

Date

August 12, 2025 2025 (before trading hours)

Parties to the Subscription Agreement

- (1) The Company
- (2) The Subscriber

Information on the Subscriber

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 68.40% 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.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons. As at the date of this announcement, the Subscriber does not have any shareholding in the Company.

The Subscriber has indicated that, other than the Subscription, it has no intention to acquire any controlling stake or become a controlling shareholder in the Company either by itself or with other third parties within three years from the date of the Subscription Agreement.

Pursuant to the Subscription Agreement, the Subscriber will propose a candidate to be put forward to the Board for appointment as a Director (“**Proposed Director**”) after Closing. Any such Proposed Director shall first be accepted and approved by the nomination committee of the Board and the Board, subject to compliance with applicable laws, the Listing Rules and the articles of association of the Company (including but not limited to retirement at the next annual general meeting of the Company and will be eligible for re-election).

Number of Subscription Shares

Assuming that there will be no change in the number of issued Shares between the date of this announcement and the Closing Date, the number of 74,971,468 Subscription Shares under the Subscription represents approximately 17.65% of the number of existing issued Shares as at the date of this announcement and approximately 14.99% of the number of issued Shares as enlarged by the allotment and issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares to be allotted and issued will be US\$749.71468.

Subscription Price

The Subscription Price of HK\$1.34 per Subscription Share represents: (a) a discount of approximately 19.76% to the closing price of HK\$1.67 per Share as quoted on the Stock Exchange on August 11, 2025, being the Last Trading Day; and (b) a premium of approximately 10.56% to the average closing price of HK\$1.212 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including August 11, 2025, being the last trading day immediately prior to the date on which the Subscription Price is fixed.

The Subscription Price was determined with reference to the market conditions and the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Subscriber. The Directors consider that the Subscription Price and the terms and conditions of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions precedent of the Subscription

Closing of the Subscription under the Subscription Agreement shall be conditional upon the following conditions precedent being fulfilled (or, where appropriate, being waived by the relevant party(ies) to the Subscription Agreement (as the case may be)) on or before the Long Stop Date ("**Conditions**"):

- (a) the Board having approved the entering into of the Subscription Agreement and the transactions contemplated under the Subscription Agreement (including but not limited to the allotment and issuance of the Subscription Shares to the Subscriber);
- (b) the Stock Exchange granting approval for the listing of and permission to deal in the Subscription Shares and such listing and permission not subsequently being revoked prior to the Closing;
- (c) all necessary approvals and permission in connection with the Subscription Agreement and the transactions contemplated under the Subscription Agreement having been obtained by the Company;
- (d) the Subscriber having obtained all approvals and permission in connection with the Subscription Agreement and the transactions contemplated thereunder;
- (e) the representations and warranties made by the Company pursuant to the Subscription Agreement being true and accurate in all material respects as of the date of the Subscription Agreement and up to the Closing Date; and
- (f) the representations and warranties made by the Subscriber pursuant to the Subscription Agreement being true and accurate in all material respects as of the date of the Subscription Agreement and up to the Closing Date.

For the avoidance of doubt, conditions precedent under paragraphs (b) and (c) above cannot be waived by any of the parties to the Subscription Agreement.

In the event that any of the above conditions precedent is not fulfilled (or, where appropriate, waived) before the Long Stop Date, the Subscription Agreement shall terminate and shall cease to have any effect on any of the parties to the Subscription Agreement, save for any antecedent breaches thereof.

Closing

Closing shall take place on the fifth business day after the fulfilment (or, where appropriate, waiver) of all the conditions precedent under the Subscription Agreement or such other day as may be agreed by the parties thereto in writing.

RANKING OF THE SUBSCRIPTION SHARES

The Subscription Shares will rank, upon allotment and issue, *pari passu* in all respects with each other, among themselves and with the other Shares in issue on the date of allotment and issue of the Subscription Shares at Closing. The Subscription Shares shall be allotted and issued by the Company free from all liens, charges, security interests, encumbrances or other third party rights together with all rights attaching thereto on and after the date of their allotment, including all dividends which are made or proposed to be made at any time by reference to a record date falling on or after the date of allotment of the Subscription Shares.

GENERAL MANDATE TO ALLOT AND ISSUE THE SUBSCRIPTION SHARES

No Shareholders' approval is required for the Subscription and the allotment and issue of the Subscription Shares by the Company, as the Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Board by a resolution of the Shareholders passed at the AGM held on June 27, 2025, under which the Board may allot, issue and deal with new Shares not exceeding 84,967,664 new Shares (representing approximately 20% of the issued Shares as at the date of the passing of the resolution at the AGM).

As at the date of this announcement and immediately prior to the entering into of the Subscription Agreement, the Company has not issued any Shares under the General Mandate.

APPLICATION FOR LISTING OF THE SUBSCRIPTION SHARES

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Subscription Shares on the Stock Exchange.

The Subscription is conditional upon, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

CSRC FILINGS

The Company shall complete the CSRC Filings in connection with the Subscription.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND USE OF PROCEEDS

The gross proceeds of the Subscription will amount to HK\$100,461,767.12 and the net proceeds receivable by the Company under the Subscription are estimated to be approximately HK\$98,661,767.12 after deducting the relevant expenses incurred in relation to the Subscription. The net issue price per Subscription Share is HK\$1.32. The Company intends to use the net proceeds from the Subscription for the following purposes:

Intended use of proceeds	Percentage of net proceeds	Target time for use of proceeds
Research and development of commercialized products	35%	End of 2027
Marketing and promotion expenses	22%	End of 2027
Repayment of loan facilities and borrowings	21%	End of 2027
Daily operation of the Group	22%	End of 2026
Total	100%	

Taking into account the financial position of the Group, the Directors consider that the Subscription offers a good opportunity to raise further capital and to strengthen the Group's working capital position. It will also enable the Group to potentially leverage the other resources of Baheal Medical in the drug commercialization area, which will serve as an important step to consolidate the Group's leadership in China rare disease market.

Having considered the above, the Directors (including the independent non-executive Directors) are of the view that the Subscriptions are in the interests of the Company and the Shareholders as a whole.

EFFECTS OF THE SUBSCRIPTION ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the number of the total issued Shares of the Company is 424,838,320 Shares.

The table below sets out a summary of the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon the Closing (assuming there is no change in the number of issued Shares up to the Closing Date):

	As at the date of this announcement		Immediately upon the Closing (assuming there is no change in the number of issued Shares up to the Closing Date)	
	Number of issued Shares	Approximate percentage in the issued share capital of the Company (%) ⁽¹⁾	Number of issued Shares	Approximate percentage in the issued share capital of the Company (%) ⁽¹⁾
Shareholders				
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	424,838,320	100%	499,809,788	100%

Note:

- (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.

EQUITY FUND RAISING ACTIVITY OF THE COMPANY DURING THE PAST TWELVE MONTHS

The Directors confirm that the Company has not been involved in any fund raising activities in relation to the issuance of its equity securities within the twelve months immediately preceding the date of this announcement.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on August 12, 2025 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on August 13, 2025.

Closing is subject to fulfilment (or, where appropriate, waiver) of the conditions precedent under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on June 27, 2025
“Board”	the board of Directors
“business day(s)”	any day (excluding a Saturday, Sunday or public holiday in the PRC or Hong Kong) on which licensed banks generally are open for business and the Stock Exchange is open for trading of securities in Hong Kong
“Closing”	the closing of the Subscription pursuant to the terms and conditions of the Subscription Agreement
“Closing Date”	the date on which Closing takes place
“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)
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“CSRC”	the China Securities Regulatory Commission
“CSRC Filings”	the CSRC Filing Report (including any amendments, supplements and/or modifications thereof) and any relevant supporting materials
“CSRC Filing Report”	the filing report in relation to the Subscription and any transactions contemplated by the Subscription Agreement to be filed with the CSRC

“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted by a resolution passed at the AGM to the Board to allot, issue and deal with new Shares not exceeding 20% of the total number of Share in issue as at the date of passing of the resolution, that is a total of 84,967,664 Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	August 11, 2025, being the last trading day prior to the signing of the Subscription Agreement
“Long Stop Date”	being one month after the date of the Subscription Agreement or such other date as may be agreed by the parties thereto in writing
“PRC”	the People’s Republic of China which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“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 Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Baheal Wellness Industry International Trading Limited (百洋健康產業國際商貿有限公司), a company incorporated under the laws of Hong Kong with limited liability
“Subscription”	the subscription of the Subscription Shares by the Subscriber on the terms and subject to the conditions set out in the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement entered into between the Company and the Subscriber dated August 12, 2025
“Subscription Price”	the price of HK\$1.34 per Subscription Share

“Subscription Share(s)”	74,971,468 new Shares to be allotted and issued pursuant to the terms and conditions of the Subscription Agreement
“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, August 12, 2025

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