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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1228)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

The board (the "**Board**") of directors (the "**Director(s)**") of CANbridge Pharmaceuticals Inc. (the "**Company**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (the "**Group**", "**CANbridge**", "**we**", "**our**" or "**us**") for the year ended December 31, 2024 (the "**Reporting Period**"), together with comparative figures for the year ended December 31, 2023 as follows. These consolidated financial statements of the Group for the Reporting Period have been reviewed by the audit committee of the Board (the "**Audit Committee**") and audited by the Company's auditors, HLB Hodgson Impey Cheng Limited ("**HLB**").

In this announcement, "CANbridge", "we", "us" and "our" refer to the Company and where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

BUSINESS HIGHLIGHTS

The Group has made significant progress with respect to its drug pipeline and business operations, including the following milestones and achievements:

HUNTERASE® (idursulfase beta, formerly known as CAN101)

- CANbridge commercially launched Hunterase® in China in May 2021 in a non-reimbursed market. Patient identification has accelerated since launch, with 843 patients identified as of December 31, 2024. As of December 31, 2024, we have implemented commercial insurance programs (Huiminbao) in 107 cities, covering a population of 521 million in China.

LIVMARLI® (maralixibat oral solution, formerly known as CAN108)

- CANbridge commercially launched Livmarli® in China in January 2024 in a non-reimbursed market. Patient identification has accelerated since launch, with 839 patients identified as of December 31, 2024. As of December 31, 2024, we have implemented commercial insurance programs (Huiminbao) in 35 cities, covering a population of 161 million in China.

- In May 2024, we announced expansion of Livmarli® label to include ALGS patients as young as 3 months in mainland China.

- In December 2024, we announced marketing approval of Livmarli® in Taiwan for the treatment of cholestatic pruritus in PFIC patients aged 3 months and older.

- In December 2024, we announced expansion of Livmarli® label to include ALGS patients as young as 2 months in Taiwan.

CAN103

- In August 2024, we reported positive topline data from CAN103 pivotal trial for Gaucher disease in mainland China.

- In November 2024, we announced that the National Medical Products Administration of China ("**NMPA**") has accepted the NDA for CAN103 (velaglucerase-beta for injection) for the treatment of Gaucher Disease (GD), and it has been granted priority review status by the Center for Drug Evaluation (CDE) of the China NMPA. We expect to obtain CAN103 marketing approval in the first half of 2025.

- In March 2025, we announced that velaglucerase-beta for injection successfully passed the pre-approval inspection and pre – marketing GMP compliance inpection for the pilot biological product of divided manufacturing.

CAN204

- In November 2024, CANbridge and Scriptr Global Inc. (Scriptr) announced publication in the Journal Science reporting the discovery of the StitchR™ RNA assembly technology and its application for the treatment of muscular dystrophies.

Organizational Updates:

- With effect from September 2, 2024, Dr. Kan Chen resigned as a non-executive Director and ceased to be a member of the Audit Committee. Following Dr. Kan Chen's resignation, Dr. Richard James Gregory, an independent non-executive Director, has been appointed as a member of the Audit Committee,, with effect from September 2, 2024.

- With effect from September 30, 2024, Mr. Edward Hu resigned as a non-executive Director and ceased to be a member of the remuneration committee of the Company (the "**Remuneration Committee**").

- With effect from September 30, 2024, Dr. Fangxin Li was appointed as a non-executive Director and a member of the Remuneration Committee. Dr. Li has been serving as the senior investment manager of WuXi AppTec Singapore Pte. Ltd., a subsidiary of WuXi AppTec Co., Ltd.* (無錫藥明康德新藥開發股份有限公司), a company listed on Shanghai Stock Exchange (stock code: 603259) and the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (stock code: 2359), and is primarily responsible for direct investment and portfolio management in healthcare industry, since April 2021. Dr. Li is currently a non-executive director of Hua Medicine, a company listed on the Main Board of the Stock Exchange (stock code: 2552). He was a consultant of Bain & Company, a management consulting firm, and was primarily responsible for providing strategy and conducting commercial due diligence for healthcare players, from April 2019 to December 2020. He was a cofounder and the chief executive officer of HAIKUI Regenerative Medicine, and was primarily responsible for research and development in cartilage and dermal implantation technologies, from August 2016 to January 2019. He received his bachelor's degree in engineering from Imperial College London in the United Kingdom in June 2014. He obtained a PhD degree in Tissue Engineering from University of Oxford in the United Kingdom in September 2018.

- With effect from September 30, 2024, Mr. Glenn Hassan resigned as chief financial officer of the Company (the "**CFO**"). Following the resignation of Mr. Hassan, Dr. James Qun Xue ("**Dr. Xue**"), the chief executive officer of the Company, will assume the interim duties and responsibilities of the CFO with the assistance of the Company's finance team until a new CFO is appointed.

FINANCIAL HIGHLIGHTS

- Our revenue decreased by RMB17.8 million or 17.3%, from RMB102.9 million for the year ended December 31, 2023 to RMB85.1 million for the year ended December 31, 2024, which was mainly attributable to the ending of the transitional arrangement of Nerlynx® distribution in Hong Kong in the second half of 2023, as originally planned by the Company in 2021 for strategically focusing on rare disease. Excluding the Nerlynx® sales in Hong Kong, our revenue decreased by RMB5.8 million, or 6.4% as compared with 2023.

- Our research and development ("**R&D**") expenses decreased by approximately RMB5.4 million or 2.1%, from RMB257.2 million for the year ended December 31, 2023 to RMB251.8 million for the year ended December 31, 2024, which was primarily attributable to the decrease of staff costs, license fees and depreciation and amortization which was partially offset by the increase of testing and clinical trial expenses related to the ongoing potential registrational trial for CAN103.

- Loss for the year increased by approximately RMB63.8 million or 16.8% from RMB378.8 million for the year ended December 31, 2023 to RMB442.6 million for the year ended December 31, 2024, which was primarily attributable to the written-off of the right-of-use assets of RMB88.0 million in 2024. Excluding the written-off of right-of-use assets, the loss for the year decreased by approximately RMB24.2 million, or 6.4%, compared to 2023, which was primarily due to the decreases in selling and distribution expenses, R&D expenses, and administrative expenses and partially offset by a decline in revenue.

- The adjusted loss for the year decreased by RMB12.0 million, or 3.3%, from RMB358.9 million for the year ended December 31, 2023, to RMB346.9 million for the year ended December 31, 2024. The adjusted loss for the year was arrived at by adjusting the IFRS loss for the year of RMB442.6 million (2023: RMB378.8 million) from excluding the effect of share-based payment expenses and written-off of right-of-use assets. Please refer to the section headed "Non-IFRS Measures" of this announcement for details.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended December 31, 2024

	Notes	**2024** ***RMB'000***	2023 *RMB'000*
REVENUE	*4*	**85,103**	102,871
Cost of sales		**(30,800)**	(38,707)
Gross profit		**54,303**	64,164
Other income and gains	*5*	**7,852**	12,659
Selling and distribution expenses		**(74,895)**	(83,671)
Administrative expenses		**(68,160)**	(89,830)
Research and development expenses		**(251,763)**	(257,210)
Finance costs	*7*	**(8,584)**	(8,948)
Written-off of right-of-use assets		**(87,987)**	–
Other expenses		**(13,385)**	(16,001)
LOSS BEFORE TAX	*6*	**(442,619)**	(378,837)
Taxation	*8*	**–**	–
LOSS FOR THE YEAR		**(442,619)**	(378,837)
OTHER COMPREHENSIVE (EXPENSE)/INCOME			
Other comprehensive expense that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations, net		**(65,712)**	(25,749)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of the Company		**65,903**	36,250
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**191**	10,501
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**(442,428)**	(368,336)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
– Basic and diluted (RMB per share)	*10*	**(1.04)**	(0.89)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2024

	Notes	**December 31, 2024** ***RMB'000***	December 31, 2023 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**952**	9,180
Right-of-use assets		**2,687**	99,827
Intangible assets		**67,822**	76,491
Total non-current assets		**71,461**	185,498
CURRENT ASSETS			
Inventories		**7,903**	8,783
Trade receivables	*11*	**16,723**	31,228
Prepayments, other receivables and other assets		**10,224**	10,847
Cash and bank balances		**10,502**	137,491
		45,352	188,349
Non-current assets classified as held for sale		**–**	21,515
Total current assets		**45,352**	209,864
CURRENT LIABILITIES			
Trade payables	*12*	**370,458**	198,054
Other payables and accruals		**85,066**	81,162
Interest-bearing bank and other borrowings		**15,327**	23,690
Lease liabilities		**11,759**	11,034
		482,610	313,940
Advances received for disposal of non-current assets classified as held for sale		**–**	14,005
Total current liabilities		**482,610**	327,945
NET CURRENT LIABILITIES		**(437,258)**	(118,081)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(365,797)**	67,417

	December 31, 2024	December 31, 2023
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**15,042**	6,625
Lease liabilities	**93,649**	100,580
Total non-current liabilities	**108,691**	107,205
NET LIABILITIES	**(474,488)**	(39,788)
EQUITY		
Share capital	**28**	28
Reserves	**(474,516)**	(39,816)
Total deficit	**(474,488)**	(39,788)

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 30 January 2018. The registered office address of the Company is 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands.

The Company is an investment holding company. The Group was principally engaged in the research and development and commercialisation of medical products.

The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") effective from December 10, 2021.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is the currency of the primary economic environment in which the major entities of the Group operate. The functional currency of the Company is US dollar.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations issued by International Accounting Standards Board ("**IASB**"). These consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

Going concern assessment

The financial statements have been prepared on the assumption that the Group will continue as a going concern, which assumes that the Group will be able to meet its obligations and continue its operations for the next twelve months after December 31, 2024 notwithstanding that as at December 31, 2024, the Group had net current liabilities and net liabilities of approximately RMB437,258,000 and RMB474,488,000 respectively and incurred a net loss of approximately RMB442,619,000 during the year ended December 31, 2024. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the Directors of the Company 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. Certain measures have been and will continue to be taken to mitigate the liquidity pressure and to improve the Group's financial position which include, but not limited to, the following:

(i) In March 2025, the Group obtained a bridge loan of RMB13 million from one of its business partners. The Group will continue to seek for and negotiate with external parties, including shareholder, investor, etc. to obtain new sources of financing or strategic capital investments to finance the Group's working capital and improve the liquidity position. As at the date of this announcement, discussions are on-going but no binding agreements have been entered into;

(ii) In February 2025, the Group early terminated a lease to reduce the Group's operating costs and mitigate the Group's short-term liquidity pressure. Furthermore, the Group has terminated or served termination notices for the license agreements for CAN203, CAN201 and CAN202 to help alleviate its liquidity pressure from having to pay substantial milestone payments and/or license fees in the future. The Group will continue to take active measures to control selling and administrative costs and research and development costs, such as further reprioritisation of pipelines, containment and reduction of employee costs and operating costs, etc.;

(iii) In December 2024, the Group entered into agreements with a bank in China to adjust the repayment schedules, which has alleviated the short-term repayment pressure. In March 2025, the Group obtained RMB20 million back-up facilities from a bank in China. The Group will continue to seek approval of back-up facilities from certain banks and the Company is also in the process of obtaining further draw-down of bank borrowings. As at the date of this announcement, discussions are on-going but no binding agreements have been entered into;

(iv) The Group has been and will continue to actively negotiate with banks for renewal and extension of existing bank borrowings that will become due during the next twelve months after December 31, 2024. Discussions regarding the renewal and extension of existing bank borrowings as well as new bank borrowings are on-going but no binding agreements have been entered into;

(v) The Group will also continue to actively negotiate with the suppliers to extend the repayment dates of the overdue payables based on amicable relationships with the suppliers;

(vi) The Group has been and will continue to actively negotiate with certain third parties to license out its pipeline assets to streamline its operations further and improve liquidity position. As at the date of this announcement, discussions are on-going but no binding agreements have been entered into;

(vii) The Group will further improve the profitability with two commercialised products, namely Hunterase and Livmarli® to generate cash inflow for the Group; and

(viii) The Company plans to apply for the financial subsidies from the local government pursuant to the incentive program promulgated thereby for the innovation and research and development of new drugs upon the obtaining of New Drug Certificate of CAN103.

Assuming that the above-mentioned plans and measures will succeed and having reviewed the Group's cash flow projections prepared by management, which cover a period of twelve months from December 31, 2024, the Board are of the opinion that, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from December 31, 2024. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above and continue to operate as a going concern. Whether the Group will be able to continue as a going concern would depend upon the following:

(i) The successful obtaining of financing or strategic capital investments in the Group;

(ii) The successful and timely implementation of the plans to control costs and reduce expenditures;

(iii) The successful obtaining of continuous support from the banks for provision of new bank loans and renewal and extension of existing bank borrowings;

(iv) The successful negotiation with the suppliers to extend the repayment dates of overdue payables;

(v) The successful signing of binding agreement with third parties to license out certain of its products or pipelines;

(vi) The successful increase of profitability of commercialised products;

(vii) The successful application and granting of the financial subsidies from the local government upon the successful obtaining of the New Drug Certificate for CAN103; and

(viii) The successful obtaining of the New Drug Certificate for CAN103.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with IFRS 16 Leases and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs

New and amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRS issued by IASB for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*
Amendments to IAS 1	*Non-current Liabilities with Covenants*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The application of the amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years.

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of all new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

4. OPERATING SEGMENT INFORMATION AND REVENUE

For management purpose, the Group has only one reportable operating segment, which is the development, production, marketing and sale of medical products.

Geographical information

Revenue from external customers

	2024	2023
	RMB'000	*RMB'000*
Chinese Mainland	**40,972**	55,874
Other regions	**44,131**	46,997
Total revenue	**85,103**	102,871

The revenue information above is based on the locations of the customers.

Non-current assets

	2024	2023
	RMB'000	*RMB'000*
Chinese Mainland	**3,256**	6,726
Other countries/regions	**68,205**	178,772
Total non-current assets	**71,461**	185,498

The non-current asset information above is based on the locations of the assets.

Information about major customers

Revenue from customers which contributed over 10% of the Group's revenue for the years ended December 31, 2024 and 2023 is as following:

	2024	2023
	RMB'000	*RMB'000*
Customer A	**27,775**	45,731
Customer B	**13,157**	–*
Customer C	**43,211**	35,017

* The corresponding revenue does not contribute over 10% of the Group's revenue for the respective year.

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers	**85,103**	102,871

Disaggregated revenue information

	2024	2023
	RMB'000	*RMB'000*
Type of goods		
Sales of medical products	**85,103**	102,871
Timing of revenue recognition		
Goods transferred at a point in time	**85,103**	102,871

Performance obligation

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 90 days from the invoice date.

5. OTHER INCOME AND GAINS

	2024	2023
	RMB'000	*RMB'000*
Other incomes		
Bank interest income	**508**	10,977
Government grants (note)	**705**	1,433
Total other income	**1,213**	12,410
Other gains		
Gain on leases termination	**26**	238
Bad debt recovery	**118**	–
Gain on disposal of non-current assets classified as held for sale	**6,495**	–
Other	**–**	11
	6,639	249
Total other income and gains	**7,852**	12,659

Note: Government grants have been received from the PRC local government authorities to support the subsidiaries' research and development activities and other operation activities. There are no unfulfilled conditions related to these government grants.

6. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2024	2023
	RMB'000	*RMB'000*
Employee benefit expenses (excluding directors' and chief executive's remuneration:		
Wages, salaries, bonus and welfare	**75,791**	90,486
Pension scheme contributions	**4,142**	4,894
Staff welfare expenses	**3,098**	6,174
Share-based payment expenses	**6,014**	15,845
	89,045	117,399
Auditors' remuneration	**1,660**	1,894
Cost of inventories sold	**30,800**	38,707
Research and development costs (excluded related employee benefit expenses, depreciation and amortisation)	**215,603**	197,171
Depreciation of property, plant and equipment	**3,026**	3,135
Depreciation of right-of-use assets	**13,445**	16,512
Amortisation of intangible assets	**10,782**	8,813
Short-term lease payment	**345**	393
Foreign exchange differences, net	**7,041**	9,180
Impairment of property, plant and equipment	**1,420**	4,007
Written-off of the right-of-use assets	**87,987**	–
Loss on disposal of intangible assets	**224**	–
Loss on disposal of property, plant and equipment	**4,067**	2,251

7. FINANCE COSTS

	2024	2023
	RMB'000	*RMB'000*
Interest on bank loans	**1,454**	1,485
Interest on lease liabilities	**7,130**	7,463
	8,584	8,948

8. TAXATION

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

No provision of profits tax has been made in the financial statements as no assessable profit was derived from the jurisdictions in which member of the Group are domiciled and operated for both years.

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax is imposed.

Hong Kong

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2023: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%).

Taiwan

The subsidiary incorporated in Taiwan is subject to income tax at a rate of 20% (2023: 20%) on the estimated assessable profits arising in Taiwan during the year.

Chinese Mainland

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "**CIT Law**"), the subsidiaries which operate in Chinese Mainland are subject to CIT at a rate of 25% (2023: 25%) on the taxable income.

United States of America

The subsidiary incorporated in Delaware, the United States was subject to statutory United States federal corporate income tax at a rate of 21% (2023: 21%) during the year.

9. DIVIDENDS

No dividends have been declared and paid by the Company for the year ended December 31, 2024 (2023: Nil).

10. LOSS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The calculation of the basic loss per share amounts is based on the loss for the year attributable to the owners of the Company and the weighted average number of ordinary shares of 424,829,522 (2023: 424,378,752) in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the year ended December 31, 2024 (2023: Nil) as the impact of the share options and share awards outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

The calculations of basic and diluted loss per share are based on:

	2024	2023
	RMB'000	*RMB'000*
Loss		
Loss for the purpose of basic and diluted loss per share	**(442,619)**	(378,837)
	Number of Shares	
Number of shares		
Weighted average number of ordinary shares in issue	**424,829,522**	424,378,752
Loss per share		
Basic loss per share (RMB)	**(1.04)**	(0.89)

11. TRADE RECEIVABLES

The ageing analysis of trade receivables, based on invoice dates, as at December 31, 2024 and 2023 are as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**16,723**	31,228

12. TRADE PAYABLES

The follows is an aged analysis of trade payables, presented based on the invoice dates at the end of the reporting period.

	2024	2023
	RMB'000	*RMB'000*
Within 6 months	**108,294**	80,753
Over 6 months	**262,164**	117,301
	370,458	198,054

OVERVIEW

Founded in 2012, CANbridge is a global biopharmaceutical company, with a foundation in China, committed to the research, development and commercialization of transformative therapies to treat rare diseases and oncology. As of December 31, 2024, we have a comprehensive pipeline of 8 drug assets targeting prevalent rare diseases that have high unmet needs and significant market potential. The robust pipelines include 2 marketed products and 2 drug candidates at the late clinical stage. Given the challenging macro environment, including volatile capital markets and limited biotech funding, CANbridge has further prioritized the key programs with significant development and regulatory milestones occurring in the coming year.

We are led by a management team with significant industry experience in rare diseases, spanning R&D, clinical development, regulatory affairs, business development and commercialization. As of December 31, 2024, we have streamlined the workforce to 67 full-time employees. As of mid-March 2025, the Group has further streamlined the workforce to 50 full-time employees to reduce operational costs. Our management team has a track record of successfully achieving approval and commercializing of rare disease therapies across the key markets, including Greater China and the United Stated (U.S). We leverage this expertise to play an active role in advancing the rare disease industry and shaping the rare disease ecosystem in China. For example, our founder, Dr. Xue, Ph.D., is currently serving as the Deputy Director General of China's Alliance for Rare Disease (CHARD).

Since our inception in 2012, we have built a comprehensive portfolio of therapeutics, consisting of biologics, small molecules and gene therapies that target diseases with validated mechanisms of action. We will continue to prioritize and optimize our pipeline through out-licensing, partnerships and collaborations with academic institutions, as well as with in-house R&D.

In the rare disease area, we have seven biologic and small molecule product candidates. These include MPS II (Hunter syndrome) and other lysosomal storage disorders (LSDs), complement-mediated disorders, hemophilia A, metabolic disorders and rare cholestatic liver diseases including ALGS and Progressive Familial Intrahepatic Cholestasis (PFIC).

- We received marketing approval for Hunterase® (CAN101) for the treatment of MPS II in mainland China in September 2020.

- We received marketing approval for Livmarli® for the treatment of ALGS in maindland China, Hong Kong and Taiwan in 2023.

- In 2024, we announced expansion of Livmarli® label to include ALGS patients as young as 3 months in mainland China, marketing approval for the treatment of cholestatic pruritus in PFIC aged 3 months and older in Taiwan and the expansion of Livmarli® label to include ALGS patients as young as 2 Months in Taiwan.

- We announced a positive preliminary CAN106 Phase 1b data for a multiple ascending dose study in PNH patients in China in June 2023. Results showed promising efficacy and safety with a dose-dependent reduction of LDH levels and an increase in hemoglobin levels that demonstrate clinically meaningful hemolysis inhibition and improvement in transfusion-dependent anemia.

- Furthermore, in November 2024, we announced that the NMPA has accepted the NDA for CAN103 (velaglucerase-beta for injection) for the treatment of GD, and it has been granted priority review status by the Center for Drug Evaluation (CDE) of the China NMPA. In March 2025, we announced that velaglucerase-beta for injection successfully passed the pre-approval inspection and pre-marketing GMP compliance inpection for the pilot biological product of divided manufacturing. We expect to obtain CAN103 marketing approval in the first half of 2025.

In addition to biologics and small molecules, we are investing in next-generation technology for gene therapy. Gene therapy provides a potentially one-time, durable treatment for rare genetic diseases with limited treatment options. In November 2024, CANbridge and Scriptr announced publication in the journal science reporting the discovery of the StitchR™ RNA assembly technology and its application for the treatment of muscular dystrophies.

Market opportunities in the rare disease industry

The global rare disease industry focuses on developing medicines for diseases affecting a small number of people. Rare diseases have unique characteristics that create an efficient market for therapeutic development. Most rare diseases are caused by genetic mutations that lead to a better understanding of the disease, increasing the chance of successful R&D. Sales efforts for rare disease drugs are more targeted due to the limited number of specialists and tertiary care hospitals treating these patients. A favorable regulatory environment, like the Orphan Drug Act and expedited approval pathways in the United States, helps to accelerate the development and commercialization of rare disease drugs.

The rare disease markets in developing countries are relatively underpenetrated, due to limited access to rare disease diagnosis and treatments.

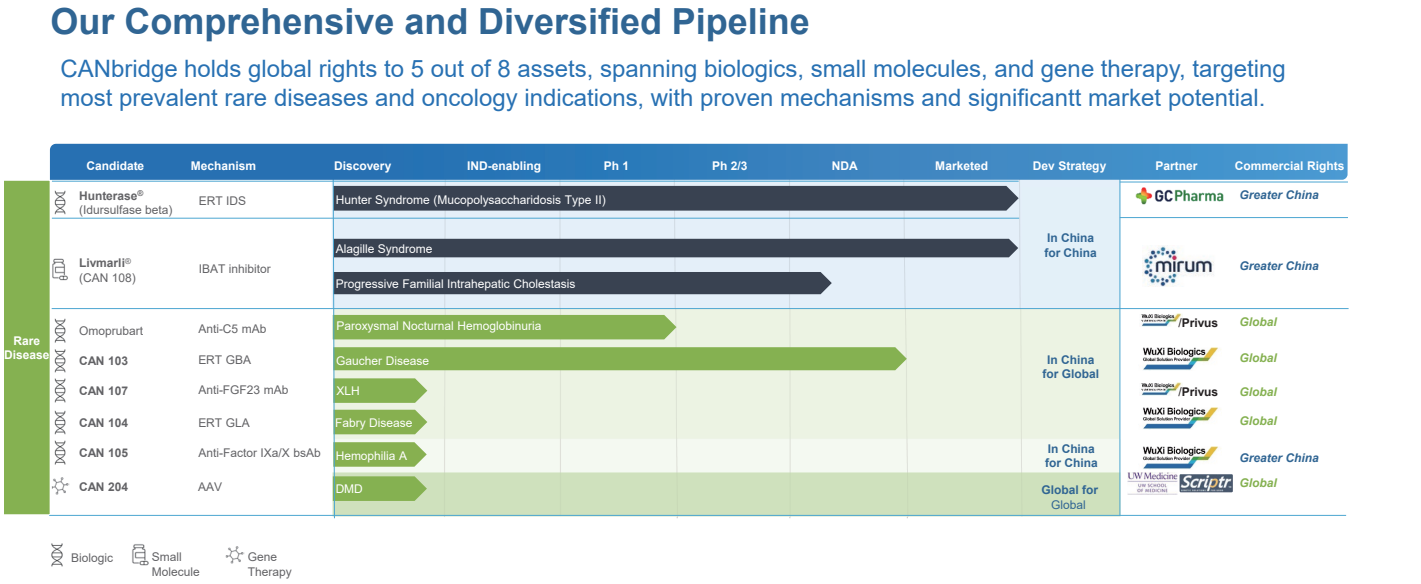
The market size of rare disease drugs in China was approximately USD1.3 billion in 2020, significantly lower than in the U.S. and Europe. However, with a similar prevalence rate of rare diseases, the patient pool in China is potentially over four times greater than in the U.S. According to Frost & Sullivan, the rare disease drug market in China is expected to reach USD25.9 billion by 2030, at a CAGR of 34.5%, offering attractive commercial opportunities for pharmaceutical companies. Leading companies like Sanofi, AstraZeneca, and Roche have already launched products in China and other developing countries, recognizing their market potential. CANbridge is uniquely positioned to address the medical needs of global rare disease patients efficiently.

The rare disease industry in China is expected to benefit from various regulatory initiatives. China has simplified the rare disease treatment application process, streamlined the regulatory approval pathway by allowing the submission of clinical data from global trials, and is moving towards a more favorable reimbursement policy. In 2018, China released the *First National List of Rare Diseases*, encompassing 121 rare conditions. In 2023, the second edition of the list was unveiled, incorporating 86 additional rare diseases. With this latest update, China's rare disease catalog now encompasses a total of 207 rare conditions across both editions.

On January 17, 2025, NHSA announced 2025 NRDL adjustment to introduce a new Class C category. It will supplement existing Class A and B, covering highly innovative treatments with great clinical value but high prices. Private health insurance will be crucial in selection, negotiation, coverage and payment. Class C treatments are excluded from self-pay rate assessment and some centralized procurement scopes. The adjustment process starts in April, 2025 and aims to end in September, 2025. This indicates a multi-level funding mechanism, facilitating access to innovative treatments and reducing financial burdens.

Gene therapy is emerging as a promising therapeutic approach for rare diseases, with approximately 80% of rare diseases being genetic disorders, according to Frost & Sullivan. These therapies can address the root cause of the disease and offer curative potential. Recent advancements in genetic engineering and viral vector development have led to several approved gene therapy products.

PIPELINE



BUSINESS REVIEW

The Company was listed on the Stock Exchange on December 10, 2021. Since then, the Company has made significant progress with respect to its drug pipeline and business operations, including the following milestones and achievements.

HUNTERASE® *(idursulfase beta, formerly known as CAN101)*

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

- CANbridge received the marketing approval from the NMPA for Hunterase® in September 2020 as the first and the only treatment for MPS II in China. Hunterase® is currently marketed in over 10 countries worldwide by GC Pharma. In a head-to-head Phase 1/2 study, Hunterase® demonstrated favorable efficacy as compared to Elaprase®, a drug commonly used to treat Hunter syndrome globally. In a Phase III clinical trial in Chinese MPS II patients, Hunterase® demonstrated favorable efficacy compared to placebo over a period of up to two years with no specific safety concerns.

- CANbridge commercially launched Hunterase® in China in May 2021 in a non-reimbursed market. Patient identification has accelerated since launch, with 843 patients identified as of December 31, 2024. As of December 31, 2024, we have implemented commercial insurance programs (Huiminbao) in 107 cities, covering a population of 521 million in China.

- The Company continues to strengthen integrated commercialization team and with the ability to commercialize multiple rare disease products.

LIVMARLI® *(maralixibat oral solution, formerly known as CAN108)*

- 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. A Phase 2b placebo-controlled randomized withdrawal period clinical trial with an open-label extension in children (aged 1-18 years) conducted for ALGS by Mirum Pharmaceuticals, Inc. ("**Mirum**"), our collaboration partner in the U.S., shows that patients receiving Livmarli® experienced significant reductions in serum bile acids and pruritus compared to placebo, improvements in quality of life and xanthomas and accelerated long-term growth. In addition, Mirum has completed a Phase 3 study of Livmarli® in PFIC, which is the largest randomized, placebo-controlled study with 93 patients across a range of genetic PFIC subtypes, including PFIC1, PFIC2, PFIC3, PFIC4, PFIC6 and unidentified mutational status. The results of this Phase 3 study demonstrated that Livmarli®-treated patients had statistically significant improvements in pruritus, serum bile acids, bilirubin and growth as measured by weight z-score in the cohort evaluating the combined genetic subtypes.

- CANbridge and Mirum have an exclusive license agreement for the development, commercialization and manufacturing, under certain conditions, of Livmarli® in Greater China.

- As of December 31 2024, Livmarli® received multiple marketing approvals for ALGS in mainland China, Hong Kong, and Taiwan, as well as approval for PFIC in Taiwan. The broad marketing approvals make Livmarli® the first and only approved product marketed for the treatment of cholestatic pruritus in patients with ALGS in these regions.

- In May 2024, we announced expansion of Livmarli® label to include patients as young as 3 months in mainland China.

- In December 2024, we announced marketing approval of Livmarli® in Taiwan for the treatment of cholestatic pruritus in PFIC patients aged 3 months and older.

- In December 2024, we announced expansion of Livmarli® label to include ALGS patients as young as 2 Months in Taiwan.

- CANbridge commercially launched Livmarli® in China in January 2024 in a non-reimbursed market. Patient identification has accelerated since launch, with 839 patients identified as of December 31, 2024. As of December 31, 2024, we have implemented commercial insurance programs (Huiminbao) in 35 cities, covering a population of 161 million in China.

- Due to circumstance with national reimbursement, we have decided to retract our NDA filing for PFIC from the NMPA in China. Livmarli® has been granted marketing authorization in both the US and Europe, demonstrating significant clinical benefits for patients with PFIC. Our priority is to have a successful execution of ALGS's launch plan with Livmarli®. We will continue to evaluate the reimbursement environment and will refile when appropriate.

CAN106 ***(OMOPRUBART)***

- CAN106 is a novel, long-acting, monoclonal antibody directed against C5 complement that is being developed for the treatment of complement-mediated diseases, including PNH and MG among other approved and new potential indications. Based on clinical data, CAN106 has demonstrated a favorable PK/PD profile, safety and tolerability, indicating that CAN106 has the potential to effectively inhibit C5 in patients with PNH with a convenient four-week dosing frequency.

- CANbridge obtained global rights to develop, manufacture and commercialize CAN106 in PNH, as well as for other complement-mediated diseases that involve activation of the C5 protein, from WuXi Biologics Ireland Limited and Privus Biologics, LLC in 2019 and 2020, respectively.

- CAN106 has received Orphan Drug Designation from the FDA for the treatment of MG, an autoimmune neuromuscular disease that causes muscle weakness. CAN106 is eligible to receive the benefits provided under the Orphan Drug Act, including 50% tax credit for qualifying clinical trials, waivers for regulatory submission fees, eligibility to receive federal research grants, and upon marketing authorization for MG, 7 years of market exclusivity.

- In June 2023, CANbridge announced positive preliminary results from the ongoing Phase 1b study of CAN106 being conducted in China for PNH. The trial is being conducted under the direction of principal investigator, Dr. Bing Han, MD, PhD, Chief Physician and Professor in the Department of Hematology at Peking Union Medical College Hospital in Beijing, China. CAN106 showed dose-proportional exposure and rapid, dose-dependent reductions in free C5 levels within 24 hours, with all subjects in Cohort 3 maintaining values below 0.5 ug/mL, a historical threshold for complete C5 inhibition. CAN106 was safe and well-tolerated at all doses, and all drug-related adverse events were mild or moderate and transient, and none led to discontinuation from the study. There were no drug-related serious adverse events, and no cases of anaphylaxis or meningococcal infection. Currently, CAN106 is the only domestically-developed treatment for PNH that is actively being developed.

- Complement-mediated diseases amenable to treatment with an anti-C5 antibody remain an area of broad interest, demonstrating potential for CAN106 in multiple indications beyond PNH.

CAN103

- CAN103, a recombinant, human glucocerebrosidase (acid β-glucosidase), an ERT for the treatment of GD. CANbridge holds global proprietary rights to develop and commercialize the product.

- CAN103 is the first ERT for Gaucher disease in the clinical trial development stage in China.

- The first patient was dosed in the CAN103 Phase 1/2 trial, which is being developed for the treatment of patients with GD Types I and III in China. Bing Han MD, Ph.D., Chief Physician and Professor in the Department of Hematology at Peking Union Medical College Hospital in Beijing, China, is the principal investigator for the trial. GD, a lysosomal storage disorder, is caused by a genetic enzyme deficiency leading to the accumulation of a cellular sphingolipid called glucocerebroside in macrophages residing in liver, spleen, and bone marrow, resulting in hepatosplenomegaly, anemia, thrombocytopenia, and skeletal disease (infarction, osteoporosis, and pain). In GD Type III, glucocerebroside also accumulates in the central nervous system, causing chronic neurodegeneration and premature death. CAN103 is an ERT under development by CANbridge, as part of its rare disease partnership with WuXi Biologics (Cayman) Inc. (stock code: 2269.HK), for the long-term treatment of adults and children with Gaucher disease Types I and III. Many GD patients in China do not have access to approved treatments due to cost barriers.

- In August 2024, we reported positive topline data from CAN103 pivotal trial for Gaucher disease in China.

- In November 2024, we announced that the NMPA has accepted the NDA for CAN103 (velaglucerase-beta for injection) for the treatment of GD, and it has been granted priority review status by the Center for Drug Evaluation (CDE) of the China NMPA. We expect to obtain CAN103 marketing approval in the first half of 2025.

GENE THERAPY

- In November 2024, CANbridge and Scriptr announced publication in the journal science reporting the discovery of the StitchR™ RNA assembly technology and its application for the treatment of muscular dystrophies.

WE MAY NOT BE ABLE TO SUCCESSFULLY DEVELOP AND/OR MARKET OUR CORE PRODUCT CANDIDATE, OR ANY OF OUR PIPELINE PRODUCTS

Manufacturing

We have secured manufacturing capacity for selected in-licensed programs, including from third party collaboration partners such as WuXi Biologics, GC Pharma and Mirum. We aim to balance cost efficiency and quality control of our drug products and/or candidates. In an effort to advance our gene therapy pipelines, we are exploring manufacturing strategy for gene therapy that can help us to achieve high quality and capital efficiency anticipate to use CDMO to enable the further development of our gene therapy products.

Commercialization

With multiple products currently approved for marketing in multiple geographies, we have established our key operation hubs in both Beijing and Shanghai, with offices in other locations in Greater China. We have set up a commercialization team dedicated to our approved products and late-stage drug candidates that can be quickly expanded in line with our business growth, comprising three major functions, including marketing and sales, medical affairs and patient advocacy assistance and market access, with the mission to execute medical engagement plans for key opinion leader (KOL) development, promote community awareness and explore industry insights for better drug development and marketing strategy.

The management continues to monitor the market to develop the most cost-effective strategy and model for commercializing these upcoming pipeline products.

KEY EVENTS AFTER THE REPORTING PERIOD

On February 24, 2025, a wholly-owned subsidiary of the Company, and the landlord of US lease entered into a termination agreement to early terminate the lease in relation to the leased property located in US with effect from February 28, 2025. For the details, please refer to the Company announcement dated February 25, 2025.

As at December 31, 2024, the right-of-use asset and lease liability of the lease were approximately RMB Nil and RMB99,703,000, respectively. The lease liability will be derecognized upon the effective date of the early termination.

FINANCIAL REVIEW

Overview

The following discussion is based on, and should be read in conjunction with, the financial information and notes included elsewhere in this announcement.

Revenue

Our revenue decreased by RMB17.8 million from RMB102.9 million for the year ended December 31, 2023 to RMB85.1 million for the year ended December 31, 2024, which was primarily attributable to the ending of the transitional arrangement of Nerlynx® distribution in Hong Kong in the second half of 2023, as originally planned by the Company in 2021 for strategically focusing on rare disease. Excluding the Nerlynx® sales in Hong Kong, our revenue decreased by RMB5.8 million, or 6.4% as compared with 2023, which was mainly attributable to the destocking of Hunterase® by the distributors in 2024.

Cost of Sales

Our cost of sales decreased by RMB7.9 million from RMB38.7 million for the year ended December 31, 2023 to RMB30.8 million for the year ended December 31, 2024, which was primarily attributable to the decrease in costs incurred as a result of the decreased sales of commercialized products.

Gross Profit and Gross Profit Margin

Our gross profit decreased by RMB9.9 million from RMB64.2 million for the year ended December 31, 2023 to RMB54.3 million for the year ended December 31, 2024. Our gross profit margin for the year ended December 31, 2024 was 63.8% (2023: 62.4%).

Other Income and Gains

Our other income and gains decreased by RMB4.8 million from RMB12.7 million for the year ended December 31, 2023 to RMB7.9 million for the year ended December 31, 2024, which was primarily attributable to the decrease of interest income, which was partially offset by the increase of gain on disposal of non-current assets classified as held for sale.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by RMB8.8 million from RMB83.7 million for the year ended December 31, 2023 to RMB74.9 million for the year ended December 31, 2024, which was primarily due to the decrease of employee costs, marketing and promotion expenses.

Administrative Expenses

Our administrative expenses decreased by RMB21.7 million from RMB89.8 million for the year ended December 31, 2023 to RMB68.2 million for the year ended December 31, 2024. Such decrease was primarily attributable to our efforts on the containment of employee costs and other administrative costs during the year.

Research and Development Expenses

Our research and development expenses decreased by RMB5.4 million from RMB257.2 million for the year ended December 31, 2023 to RMB251.8 million for the year ended December 31, 2024. Such decrease was primarily attributable to the decrease of staff costs, license fees and depreciation and amortization which was partially offset by the increase of testing and clinical trial expenses related to the ongoing potential registrational trial for CAN103.

	For the year ended December 31,	
Research and development expenses	**2024**	2023
	RMB'000	*RMB'000*
Staff costs	**26,683**	47,261
Testing and clinical trial expenses	**196,859**	169,034
License fees	**2,332**	11,149
Depreciation and amortization	**9,477**	12,777
Other expenses	**16,412**	16,989
Total	**251,763**	257,210

Finance Costs

Our finance costs decreased from RMB8.9 million for the year ended December 31, 2023 to RMB8.6 million for the year ended December 31, 2024. Such decrease was primarily due to the decrease of interest on lease liabilities.

Written-off of right-of-use assets

During the year ended December 31, 2024, a written-off of right-of-use assets for approximately RMB87,987,000 was incurred. It is mainly due to the downsizing of our US operation.

Non-IFRS Measures

In addition to the Group's consolidated financial statements, which are presented in accordance with IFRSs, the Company also uses adjusted loss for the year as an additional financial measure, which is not required by, or presented in accordance with IFRSs. We present this financial measure because it is used by our management to evaluate our financial performance by eliminating the impacts of items that we do not consider indicative of our performance results. The Company believes that these adjusted measures provide additional information to investors and others, helping them to understand and evaluate our consolidated results of operations in the same manner as our management, and thus, facilitate comparisons of operating performance from period to period and company to company to the extent applicable.

We define adjusted loss for the year as loss for the year excluding the effect of share-based payment expenses and written-off of right-of-use assets. The term adjusted loss for the year is not defined under the IFRSs. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, the Group's results of operations or financial condition as reported under IFRSs.

The table below sets forth a reconciliation of the adjusted loss for the year during the years indicated:

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Loss for the year	**(442,619)**	(378,837)
Add:		
Written-off of right-of-use assets	**87,987**	–
Share-based payment expenses	**7,689**	19,917
Adjusted loss for the year	**(346,943)**	(358,920)

Capital Management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise Shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There is no material seasonality of borrowing requirements for the Group.

Liquidity and Financial Resources

Our cash and bank balances as of December 31, 2024 were RMB10.5 million, of which RMB4.8 million, RMB1.1 million, RMB0.09 million and RMB4.5 million, were denominated in RMB, USD, HKD and TWD, respectively. As compared to RMB137.5 million as of December 31, 2023, the decrease of cash and bank balances was primarily attributable to net cash outflows used in operations. Our primary uses of cash are to fund research and development efforts, milestone payments and working capital and for other general corporate purposes.

Funding and Treasury Policy

The Group adopts a prudent funding and treasury policy, aiming to maintain an optimal financial position and minimal financial risks. The Group regularly reviews its funding requirements to maintain adequate financial resources in order to support its business operations as well as its research and development, business operation and expansion plans. For the year ended December 31, 2024, we funded our operations primarily through revenue generated from sales of commercialized products, net proceeds raised from the global offering (the "**Global Offering**") as set out in the prospectus of the Company dated November 30, 2021 (the "**Prospectus**") and debt financing. We closely monitor the uses of cash and cash equivalents to ensure that our financial resources have been used in the most cost-effective and efficient way. We also consider and endeavour to seek various funding sources depending on the Group's funding needs.

Bank Loans and Other Borrowings

Our bank loans and other borrowings as of December 31, 2024 were RMB30.4 million (December 31, 2023: RMB30.3 million), which were all denominated in RMB, and carried fixed nominal interest rates ranging from 3.35% to 4.0% per annum.

Current ratio

Current ratio (calculated by current assets divided by current liabilities) of the Group as at December 31, 2024 was 9.4% (December 31, 2023: 64.0%). The decrease in current ratio was primarily due to the decrease in cash and bank balances, and the increase in trade payables as of December 31, 2024.

Gearing ratio

The gearing ratio (calculated by total interest-bearing borrowings divided by total assets) of the Group as at December 31, 2024 was 26.0% (December 31, 2023: 7.7%).

Foreign Currency Risk

We have transactional currency exposures. Certain of our cash and bank balances, trade receivables and other receivables and trade and other payables are denominated in non-functional currencies and exposed to foreign currency risk.

We currently do not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Contingent Liabilities

As of December 31, 2024, we did not have any material contingent liabilities.

Capital Expenditure and Commitments

The Group's capital expenditures in the year ended December 31, 2024 were primarily related to the purchase of property, plant and equipment. In the year ended December 31, 2024, the Group incurred RMB105,000 in relation to capital expenditures.

Charges on Group Assets

As at December 31, 2024, restricted bank deposits of RMB469,000 was frozen due to a labor dispute. Saved as disclosed above, as of December 31, 2024, the Group did not have other charges over its assets.

Significant Investment Held

As of December 31, 2024, the Group did not have any significant investments.

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Reporting Period. Save as otherwise disclosed in the Prospectus, the Group does not have any specific future plans on material investments or capital assets as of the date of this announcement.

Share Schemes

Pre-IPO Equity Incentive Plan

The Company adopted the 2019 equity incentive plan (the "**Pre-IPO Equity Incentive Plan**") on July 25, 2019 and amended it on June 11, 2021.

The maximum number of Shares that may be subject to the awards granted and sold under the Pre-IPO Equity Incentive Plan is 54,549,230 Shares and share options (including those have subsequently lapse or been fully exercised) to subscribe for 55,708,000 Shares thereof had been granted. No share options were granted under the Pre-IPO Equity Incentive Plan after the Company's listing.

During the Reporting Period, 276,200 options were exercised, and 9,224,072 options were forfeited. As at December 31, 2024, the Company had 29,597,383 options outstanding.

Post-IPO RSU Scheme

The Company has conditionally adopted the post-IPO RSU scheme by Shareholders' resolution dated November 18, 2021 (the "**Post-IPO RSU Scheme**"). On June 27, 2024, the Post-IPO RSU Scheme was amended and the scheme limit for the Post-IPO RSU Scheme was refreshed.

Upon refreshing the scheme limit, the maximum number of Shares which may be allotted and issued in respect of all awards that may be granted under the Post-IPO RSU Scheme, when aggregated with the maximum number of Shares in respect of which options or awards may be granted under any other share scheme over Shares, shall not exceed 10 per cent of the issued capital of the same class of the Company (excluding any treasury shares) as of June 27, 2024 (or of the date on which the refreshing of the 10 per cent limit is approved by the shareholders of the Company). Awards lapsed in accordance with the terms of the Post-IPO RSU Scheme shall not be counted for the purpose of calculating the scheme limit.

On or before June 27, 2024 and during the Reporting Period, 6,336,000 RSUs were granted under the Post-IPO RSU Scheme. After June 27, 2024 and during the Reporting Period, no RSUs were granted by the Company under the Post-IPO RSU Scheme.

Post-IPO Share Option Scheme

The Company has conditionally adopted the post-IPO share option scheme by Shareholders' resolution dated November 18, 2021 (the "**Post-IPO Share Option Scheme**"). On June 27, 2024, the Post-IPO Share Option Scheme was amended and the scheme limit for the Post-IPO Share Option Scheme was refreshed.

Upon refreshing the scheme limit, the maximum number of Shares which may be allotted and issued in respect of all options that may be granted under the Post-IPO Share Option Scheme, when aggregated with the maximum number of Shares in respect of which options or awards may be granted under any other share scheme over Shares, shall not exceed 10 per cent of the issued share capital of the same class of the Company (excluding any treasury shares) as of June 27, 2024 (or of the date on which the refreshing of the 10 per cent limit is approved by the shareholders of the Company). Options lapsed in accordance with the terms of the Post-IPO Share Option Scheme shall not be counted for the purpose of calculating the scheme limit.

On or before June 27, 2024 and during the Reporting Period, 12,815,000 Options were granted under the Post-IPO Share Option Scheme. After June 27, 2024 and during the Reporting Period, no share options were granted by the Company under the Post-IPO Share Option Scheme.

During the Reporting Period, no share options were exercised, and 7,170,829 share options lapsed. As at December 31, 2024, the Company has 15,326,171 share options outstanding.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code ("CG Code")

The Company is committed to maintaining high standard of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. The Company has complied and adopted the principles and the code provisions of the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

The Board is of the view that the Company has complied with the principles and all applicable code provisions of the CG Code during the Reporting Period, save for the deviation from C.2.1 of the CG Code as disclosed below.

We have not separated the roles of the Chairman of the Board and the Chief Executive Officer. Dr. Xue has served as chairman of the board and general manager of CANbridge Life Sciences Ltd. since June 2012 and as Chairman of the Board, Director and Chief Executive Officer since the inception of our Company in January 2018. Dr. Xue is the founder of the Group and has extensive experience in the business operations and management of our Group. Our Board believes that, in view of his experience, personal profile and his roles in our Company, Dr. Xue is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our Chief Executive Officer. Our Board also believes that the combined role of Chairman of the Board and Chief Executive Officer can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board. Our Directors consider that the balance of power and authority will not be impaired due to this arrangement. In addition, all major decisions are made in consultation with members of the Board, including the relevant Board committees, and four independent non-executive Directors.

The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

Compliance with Model Code

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "**Model Code**"). Specific enquiries have been made to all the Directors and they have confirmed that they have complied with the Model Code during the year ended December 31, 2024.

Purchase, Sale or Redemption of the Company's Listed Securities

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules). As at December 31, 2024, the Company did not hold any treasury shares.

Employee and Remuneration Policy

As at December 31, 2024, the Group had 67 employees (2023: 100). As of mid-March 2025, the Group has further streamlined the workforce to 50 full-time employees to reduce operational costs. The Group's employees' remuneration consists of salaries, bonuses, share-based incentive plans, an employees' provident fund, and social security contributions and other welfare payments. In accordance with applicable laws in relevant jurisdictions, we have made contributions to social security insurance funds (including pension plans, unemployment insurance, work-related injury insurance, medical insurance and maternity insurance) and housing funds for the employees of the Group.

We conduct new staff training regularly to guide new employees and help them adapt to the new working environment. In addition, we provide on-line and in-person formal and comprehensive company-level and department-level training to our employees periodically in addition to on-the-job training. We also encourage our employees to attend external seminars and workshops to enrich their technical knowledge and develop competencies and skills.

During the Reporting Period, the total staff costs (including Director's emoluments) were approximately RMB97.4 million (2023: RMB126.9 million).

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the year ended December 31, 2024 (2023: nil).

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

Further announcement(s) will be made by the Company in respect of the proposed date on which the forthcoming annual general meeting will be held and the period during which the register of members of the Company will be closed in order to ascertain Shareholders' eligibility to attend and vote at the said meeting.

AUDITOR

The consolidated financial statements for the year ended December 31, 2024 have been audited by HLB Hodgson Impey Cheng Limited ("**HLB**"). Ernst & Young ("**EY**"), has resigned as the auditor of the Company with effect from December 6, 2024 due to the lack of agreement with EY on the proposed audit fee in respect of the audit of the Group's consolidated financial statements for the year ending December 31, 2024. HLB was appointed as auditor of the Company with effect from December 6, 2024 to fill the casual vacancy following the resignation of EY.

SCOPE OF WORK OF HLB

The figures in respect of the Group's consolidated statement of financial position, consolidated statements of profit or loss and other comprehensive income, and the related notes thereto for the year ended December 31, 2024 as set out in the announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

EXTRACT OF THE AUDITOR'S REPORT

The following is the extract of the independent auditor's report on the Company's consolidated financial statements for the year ended December 31, 2024:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and consolidated cash flow for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") issued by International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material uncertainty related to going concern

We draw attention to Note 2 to the consolidated financial statements, which indicates that the Group incurred a net loss of RMB442,619,000 during the year ended December 31, 2024 and as at December 31, 2024, the Group had net current liabilities and net liabilities of RMB437,258,000 and RMB474,488,000 respectively. These conditions, along with other matters as set forth in Note 2 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

AUDIT COMMITTEE REVIEW OF FINANCIAL STATEMENTS

The Audit Committee has considered and reviewed the audited consolidated annual results of the Group for the year ended December 31, 2024 and the accounting principles and practices adopted by the Group, and has discussed with management on issues in relation to internal control, risk management and financial reporting. The Audit Committee is of the opinion that the audited consolidated annual results of the Group for the year ended December 31, 2024 are in compliance with the relevant accounting standards, laws and regulations.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Company's website (www.canbridgepharma.com) and the website of the Stock Exchange (www.hkexnews.hk).

The 2024 annual report of the Company containing all relevant information required under the Listing Rules will be published on the aforementioned websites in April 2025.

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, March 31, 2025

As at the date of this announcement, the Board of Directors of the Company comprises Dr. James Qun Xue as Chairman and 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.