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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1228)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025

The board (the "**Board**") of directors (the "**Director(s)**") of CANbridge Pharmaceuticals Inc. (the "**Company**") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "**Group**", "**CANbridge**", "**we**", "**our**" or "**us**") for the six months ended June 30, 2025 (the "**Reporting Period**"), together with comparative figures for the six months ended June 30, 2024 as follows.

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:

Strategic cooperation with Baheal Medical, in August 2025, we began our strategic cooperation with Qingdao Baheal Medical INC. (青島百洋醫藥股份有限公司) a company listed on the Shenzhen Stock Exchange (Stock Code: 301015) ("**Baheal Medical**") pursuant to which (i) we appointed certain subsidiar(ies) of Baheal Medical as our exclusive Contract Sales Organization ("**CSO**") for the marketing service, and, if requested by such subsidar(ies) of Baheal Medical, as the sole distributor, for Hunterase®, Livmarli® and Gaurunning® in mainland China, Hong Kong, and Macau (the "**Designated Regions**"), from which we received a strategic engagement fee of RMB50 million; and (ii) a subsidiary of Baheal Medical subscribed 74,971,468 shares in our Company, representing 14.99% of our enlarged total number of issued shares as at the date of this announcement, under which we received a total consideration of approximately HK$100 million.

Hunterase® (idursulfase beta, formerly known as CAN101), an enzyme replacement therapy (ERT) for the treatment of Mucopolysaccharidosis type II (MPS II), also known as Hunter syndrome. MPS II is number 73 in the "First National List of Rare Diseases" in China published in May 2018.

- CANbridge commercially launched Hunterase® in China in May 2021 in a non-reimbursed market. Patient identification has accelerated since launch, with 867 patients identified as of June 30, 2025. As of June 30, 2025, we have implemented commercial insurance programs (Huiminbao) in 130 cities, covering a population of 561 million in China.

Livmarli® (maralixibat oral solution, formerly known as CAN108), an oral, minimally absorbed, reversible inhibitor of the ileal bile acid transporter (IBAT) that is under development to treat rare cholestatic liver diseases including Alagille syndrome (ALGS) and progressive familial intrahepatic cholestasis (PFIC). CANbridge has the exclusive rights to develop, commercialize, and under certain conditions, manufacture Livmarli® in Greater China. ALGS is number 5 in the "Second National List of Rare Diseases" in China published in September 2023.

- CANbridge commercially launched Livmarli® in China in January 2024 in a non-reimbursed market. Patient identification has accelerated since launch, with 874 ALGS patients identified as of June 30, 2025. As of June 30, 2025, we have implemented commercial insurance programs (Huiminbao) in 39 cities, covering a population of 196 million in China.

- In May 2024, granted an expanded label by the National Medical Products Administration of China ("**NMPA**"). This approval extends the use of Livmarli® for the treatment of cholestatic pruritus in patients with ALGS to include those aged three months and older.

Gaurunning® (velaglucerase-beta for injection, formerly known as CAN103), an ERT for the treatment of Gaucher Disease (GD). GD is number 31 in the "First National List of Rare Diseases" in China published in May 2018.

- In March 2025, we announced that Gaurunning, with its wholly - owned subsidiary, CANbridge (Shanghai) Life Sciences Ltd. as the holder, successfully passed the pre-approval inspection and pre-marketing GMP compliance inspection for the pilot biological product of divided manufacturing. Gaurunning the first innovative biological product in China to pass the inspection of Divided manufacturing of biological products.

- In May 2025, we announced marketing approval of Gaurunning, a class 1 new drug for treating type I and III Gaucher disease, in China.

Gene Therapy, a CANbridge-developed area of excellence, is a therapeutic modality that includes adeno-associated virus (AAV) as a gene delivery vehicle due to its potential to be a one-time, durable treatment for many genetic diseases. Duchenne Muscular Dystrophy (DMD, the most common form of progressive muscular dystrophy) is number 98 in the "First National List of Rare Diseases" in China published in May 2018.

- As of June 30, 2025, we have licensed a dual vector technology called "StitchR" from ScriptR Global for its application towards DMD. The StitchR technology enables delivery of larger gene payloads via two independent AAVs and is the basis for our DMD gene therapy program, which is currently in the research discovery stage. As of June 30, 2025, we have internally generated the proof-of-concept data for DMD pre-clinical studies.

On August 12, 2025, China's National Healthcare Security Administration (NHSA) has released the "preliminary formal review announcement for the adjustments of the basic medical insurance, maternity insurance, and work injury insurance drug catalogs, as well as the commercial insurance innovative drug catalog". The three rare – disease products of the Company have all passed the form review of the Innovative Drug Catalogue.

Outlook for the second half of 2025

Despite the challenges faced in the first half of 2025, we are optimistic about the second half of 2025 as we re-focus on our business and operations after successfully implementing steps to streamline pipeline and enhance capital efficiency. Additionally, the deepening cooperation with Baheal Medical and with the fresh capital that Baheal Medical has brought into CANbridge, we expect to drive improved execution across key business areas, strengthening the Company's operational foundation for future growth, and deliver better results in the second half of 2025.

FINANCIAL HIGHLIGHTS

- Our revenue decreased by RMB22.5 million or 50.3%, from RMB44.8 million for the six months ended June 30, 2024 to RMB22.2 million for the six months ended June 30, 2025, which was primarily due to the cessation of Nerlynx® sales in Taiwan following the termination of Nerlynx® distribution agreement at the end of 2024, as originally planned by the Company in 2021 for strategically focusing on rare disease. Excluding the Nerlynx® sales in Taiwan, our revenue decreased by RMB1.7 million, or 6.9% as compared with the same period in 2024, which was mainly attributable to active inventory management by CANbridge and destocking of Livmarli® in the channel in the first half of 2025.

- Our other income and gains increased by approximately RMB100.5 million, from RMB3.6 million for the six months ended June 30, 2024 to RMB104.1 million for the six months ended June 30, 2025, primarily due to a gain of RMB101.0 million arising from the US lease termination. The gain arose as the tenant, a wholly-owned subsidiary of the Company, and the US lease property's landlord entered into a termination agreement to early terminate the lease related to the US leased property on February 24, 2025 with effect from February 28, 2025. Since the right-of-use assets related to the US lease property had been fully written off as of December 31, 2024, the lease liabilities and other payables of approximately RMB97.7 million and RMB3.3 million, respectively, were derecognised and credited to profit or loss during the six months ended June 30, 2025.

- Our research and development expenses decreased by approximately RMB155.3 million or 89.6%, from RMB173.3 million for the six months ended June 30, 2024 to RMB18.0 million for the six months ended June 30, 2025, which was mainly attributable to the NDA approval of Gaurunning in the first half of 2025, resulting in a substantial reduction in related development activities and expenditures.

- Our administrative expenses decreased by RMB19.0 million or 53.4%, from RMB35.7 million for the six months ended June 30, 2024 to RMB16.6 million for the six months ended June 30, 2025. Such decrease was primarily attributable to our efforts on the containment of employee costs and other administrative costs during the Reporting Period.

- Our selling and distribution expenses decreased by approximately RMB17.1 million or 43.0%, from RMB39.8 million for the six months ended June 30, 2024 to RMB22.7 million for the six months ended June 30, 2025. The decrease was mainly due to the elimination of Nerlynx® sales activities and related employee costs in the first half of 2025, following the termination of its distribution agreement at the end of 2024, coupled with an increase in the sales effectiveness for rare disease products during the Reporting Period.

- Profit for the Reporting Period increased by approximately RMB306.5 million, turning from a loss of RMB247.3 million for the six months ended June 30, 2024 to a profit of RMB59.2 million for the six months ended June 30, 2025, which was primarily attributable to the increase of other income and gains and decrease of selling and distribution expenses, R&D expenses, and administrative expenses, and partially offset by a decline in revenue. The profit of RMB 59.2 million is not due to the ordinary business and operations of the company and is non-recurring.

- The adjusted loss for the period decreased by RMB178.9 million or 82.7%, from RMB216.2 million for the six months ended June 30, 2024, to RMB37.4 million for the six months ended June 30, 2025. The adjusted loss for the period was arrived at by adjusting the IFRS profit/(loss) for the Reporting Period of RMB59.2 million (for the six months ended June 30, 2024: loss of RMB247.3 million) through excluding the effect of share-based payment expenses, written-off of right-of-use assets and gain/(loss) on lease termination. Please refer to the section headed "Non-IFRS Measures" of this announcement for details.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2025

		Six months ended June 30,	
		2025	2024
		(Unaudited)	(Unaudited)
	Notes	***RMB'000***	*RMB'000*
Revenue	*4*	**22,248**	44,794
Cost of sales		**(6,828)**	(15,357)
Gross profit		**15,420**	29,437
Other income and gains, net	*5*	**104,145**	3,598
Selling and distribution expenses		**(22,674)**	(39,780)
Administrative expenses		**(16,627)**	(35,661)
Research and development expenses		**(17,990)**	(173,256)
Finance costs		**(1,769)**	(4,569)
Other expenses		**(1,267)**	(27,038)
Profit/(Loss) before tax	*6*	**59,238**	(247,269)
Taxation	*7*	**–**	–

	Notes	Six months ended June 30, 2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Profit/(Loss) for the period		**59,238**	(247,269)
Other comprehensive income/(expense)			
Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations, net		**1,783**	(11,465)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of the Company		**641**	13,490
Other comprehensive income for the period, net of tax		**2,424**	2,025
Total comprehensive income/(expense) for the period attributable to owners of the Company		**61,662**	(245,244)
Earnings/(Loss) per share attributable to owners of the Company			
– Basic and diluted (RMB per share)	*9*	**0.14**	(0.58)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

	Notes	**June 30, 2025 (Unaudited) *RMB'000***	December 31, 2024 (Audited) *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**169**	952
Right-of-use assets		**561**	2,687
Intangible assets		**61,293**	67,822
Total non-current assets		**62,023**	71,461
Current assets			
Inventories		**24,694**	7,903
Trade receivables	*10*	**7,168**	16,723
Prepayments, other receivables and other assets		**9,657**	10,224
Cash and bank balances		**1,960**	10,502
Total current assets		**43,479**	45,352
LIABILITIES			
Current liabilities			
Trade payables	*11*	**392,950**	370,458
Other payables and accruals		**86,666**	85,066
Interest-bearing bank and other borrowings		**24,173**	15,327
Lease liabilities		**2,371**	11,759
Total current liabilities		**506,160**	482,610
Net current liabilities		**(462,681)**	(437,258)
Total assets less current liabilities		**(400,658)**	(365,797)

	Notes	**June 30, 2025 (Unaudited) *RMB'000***	December 31, 2024 (Audited) *RMB'000*
Non-current liabilities			
Interest-bearing bank and other borrowings		**8,000**	15,042
Lease liabilities		**422**	93,649
Total non-current liabilities		**8,422**	108,691
Net liabilities		**(409,080)**	(474,488)
EQUITY			
Equity attributable to owners of the parent			
Share capital	*12*	**28**	28
Reserves		**(409,108)**	(474,516)
Total deficit		**(409,080)**	(474,488)

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on January 30, 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 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Statement of compliance

The condensed consolidated interim financial information for the six months ended June 30, 2025 has been prepared in accordance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2024, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

Going concern assessment

The condensed consolidated 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 June 30, 2025, notwithstanding that as at June 30, 2025, the Group had net current liabilities and net liabilities of approximately RMB462,681,000 and RMB409,080,000 respectively and as of June 30, 2025, the Group have cash and bank balances of RMB1,960,000, which is insufficient to fully repay the interest-bearing bank and other borrowings of RMB24,173,000 maturing within the next 12 months. 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:

1. on August 11, 2025, two subsidiaries of the Group (the "**Relevant Subsidiaries**") and Beijing Baheal Zhihe Medical Achievement Transformation Service Co., Ltd.* (北京百洋智合醫學成果轉化服務有限公司) ("**Baheal Zhihe**") entered into a strategic collaboration and exclusive commercial services agreement (the "**CSO Agreement**") pursuant to which the Relevant Subsidiaries appointed Baheal Zhihe as the exclusive CSO for the commercial service, and if requested by Baheal Zhihe, appoint its affiliate as the sole distributor, for Hunterase®, Livmarli® and Gaurunning® in mainland China, Hong Kong and macau (the "**Designated Region**"), from which the Relevant Subsidiaries received a strategic engagement fee of RMB50 million from Baheal Zhihe. For further details, please refer to the Company's announcement dated August 27, 2025;

2. on August 12, 2025, the Company entered into the subscription agreement with Baheal Wellness Industry International Trading Limited (百洋健康產業國際商貿有限公司) (the "**Subscriber**"), pursuant to which the Company conditionally agreed to issue, and the Subscriber conditionally agreed to subscribe for, 74,971,468 shares in the Company at the subscription price of HK$1.34 per subscription share. Closing of the subscription took place on August 27, 2025. The net proceeds received by the Company under the subscription was approximately HK$98,661,000 after deducting the relevant expenses incurred in relation to the subscription. For further details, please refer to the Company's announcement dated August 27, 2025;

3. during the six-month ended June 30, 2025, the Group early terminated certain leases 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, CAN202 and CAN107 to help alleviate its liquidity pressure from having to pay substantial milestone payments and/or license fees in the future, as well as achieving non-dilutive financing by monetizing the pipelines. 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.;

4. in March 2025, the Group obtained RMB20 million back-up facilities from a bank in China. The Group will continue to seek approval of backup 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, save for the back-up facilities obtained in March 2025;

5. 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 June 30, 2025. 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;

6. 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;

7. 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;

8. the Group will further improve the profitability with two commercialised products, namely Hunterase and Livmarli® to generate cash inflow for the Group; and

9. since Gaurunning been granted marketing approval by the National Medical Products Administration (the "**NMPA**") of the People's Republic of China (the "**PRC**") for treatment of type I and III Gaucher disease on May 15, 2025, the Company will accelerate the commercialization of Gaurunning and enhance the profitability.

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 June 30, 2025, 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 June 30, 2025. Accordingly, the Directors are satisfied that it is appropriate to prepare the condensed 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:

1. the successful obtaining of financing capital investments in the Group;

2. the successful and timely implementation of the plans to control costs and reduce expenditures;

3. the successful obtaining of continuous support from the banks for provision of new bank loans and renewal and extension of existing bank borrowings;

4. the successful negotiation with the suppliers to extend the repayment dates of overdue payables;

5. the successful signing of binding agreement with third parties to license out certain of its products or pipelines; and

6. the successful increase of profitability of commercialised products;

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.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2024, except for the adoption of the following new and amendments to IFRS Accounting Standards for the first time for the current period's financial information.

New and amendments to IFRS Accounting Standards that are mandatorily effective for the current period

In the reporting period, the Group has applied the following new and amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after January 1, 2025 for the preparation of the Group's condensed consolidated interim financial statements:

Amendments to IAS 21	Lack of Exchangeability

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior period and/or on the disclosures set out in these condensed consolidated interim financial statements.

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

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Chinese Mainland	**22,248**	23,905
Other regions	**–**	20,889
Total revenue	**22,248**	44,794

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

Non-current assets

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Chinese Mainland	**773**	5,088
Other countries/regions	**61,250**	141,651
Total non-current assets	**62,023**	146,739

The non-current assets 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 six months ended June 30, 2025 and 2024 is as following:

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Customer A	**16,131**	15,253
Customer B	**6,073**	8,652
Customer C	**–***	20,889

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

An analysis of revenue is as follows:

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**22,248**	44,794

Disaggregated revenue information

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(unaudited)
Type of goods		
Sales of medical products	**22,248**	44,794
Timing of revenue recognition		
Goods transferred at a point in time	**22,248**	44,794

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 GAIN, NET

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income		
Bank interest income	**4**	441
Government grants	**250**	–
Others	**116**	807
Total other incomes	**370**	1,248
Other gains, net		
Foreign exchange difference, net	**1,802**	(3,588)
Gain/(loss) on lease termination, net	**101,037**	(19)
Gain/(loss) on disposal of property, plant and equipment	**936**	(450)
Loss on disposal of intangible assets	**–**	(88)
Gain on disposal of non-current assets classified as held for sale	**–**	6,495
Total other gains	**103,775**	2,350
Total other income and gain	**104,145**	3,598

6. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax has been arrived at after charging/(crediting):

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses (including directors' and chief executive's remuneration):		
Wages, salaries, bonus and welfare	**20,600**	44,447
Pension scheme contributions	**2,410**	2,233
Staff welfare expenses	**915**	2,659
Share-based payment expenses	**3,746**	4,718
	27,671	54,057
Cost of inventories sold	**6,828**	15,357
Research and development costs (excluded related employee benefit expenses, depreciation and amortisation)	**9,347**	150,104
Depreciation of property, plant and equipment	**184**	1,056
Depreciation of right-of-use assets	**903**	7,415
Amortisation of intangible assets	**5,326**	5,244
Short-term lease payment	**37**	1
Foreign exchange differences, net	**(1,802)**	3,588
Written-off of the right-of-use assets	**703**	26,270
Written-off of the property, plant and equipment	**501**	–
Impairment of inventories	**61**	57

7. INCOME TAX

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 profit tax has been made in the condensed consolidated financial statements as no assessable profit was derived from the jurisdictions in which member of the Group and dominated and operated for both periods.

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% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, 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 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Taiwan

The subsidiary incorporated in Taiwan is subject to income tax at a rate of 20% (2024: 20%) on the estimated assessable profits arising in Taiwan during the period.

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% (2024: 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% (2024: 21%) during the period.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese Mainland. The requirement became effective on January 1, 2008 and applies to earnings after December 31, 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors.

8. DIVIDENDS

The directors of the Company do not recommend the payment of an interim dividend for the six months ended June 30, 2025 (2024: Nil).

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the six-month period attributable to the owners of the Company and the weighted average number of ordinary shares 424,838,320 (2024: 424,378,752) in issue during the period.

The computation of diluted earnings/(loss) per share does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price for the six months ended June 30, 2025 and 2024.

The calculations of the basic and diluted earnings/(loss) per share are based on:

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings/(Loss) for the purpose of basic and diluted earnings/(loss) per share	**59,238**	(247,269)
	Number of shares	
Number of shares		
Weighted average number of ordinary shares in issue	**424,838,320**	424,824,445

10. TRADE RECEIVABLES

	June 30, 2025	December 31, 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**7,168**	16,723
Impairment	**–**	–
Net carrying amount	**7,168**	16,723

The credit period is generally 30 to 90 days.

The ageing analysis of trade receivables, based on invoice dates, as at June 30, 2025 and December 31, 2024 are as follows:

	June 30, 2025	December 31, 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**7,168**	16,723

11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	June 30, 2025	December 31, 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 6 months	**78,384**	108,294
Over 6 months	**314,566**	262,164
	392,950	370,458

The trade payables are non-interest-bearing and are normally settled in less than six months or based on the specific agreement with certain suppliers.

12. SHARE CAPITAL

	June 30, 2025	December 31, 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Authorised:		
5,000,000,000 ordinary shares of 0.00001 USD each (December 31, 2024: 5,000,000,000 ordinary share) *(USD'000)*	**50**	50
Issued and fully paid:		
424,838,320 ordinary shares of 0.00001 USD each (December 31, 2024: 424,838,320 ordinary shares) *(RMB'000)*	**28**	28

MANAGEMENT DISCUSSION AND ANALYSIS OVERVIEW

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 June 30, 2025, we have a comprehensive pipeline of 7 drug assets targeting prevalent rare diseases that have high unmet needs and significant market potential. The robust pipelines include 3 marketed products and 1 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 June 30, 2025, we have streamlined the workforce to 45 full-time employees. 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 mainland 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.

- In May 2025, we announced marketing approval of Gaurunning, a class 1 new drug for treating type I and III Gaucher disease, in China.

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.

Strategic cooperation with Baheal Medical

In August 2025, we began our strategic cooperation with Baheal Medical pursuant to which (i) we appointed certain subsidiar(ies) of Baheal Medical as our exclusive CSO for the marketing service, and, if requested by such subsidar(ies) of Baheal Medical, as the sole distributor, for Hunterase®, Livmarli® and Gaurunning® in mainland China, Hong Kong, and Macau, from which we received a strategic engagement fee of RMB50 million; and (ii) a subsidiary of Baheal Medical subscribed 74,971,468 shares in our Company, representing 14.99% of our enlarged total number of issued shares as at the date of this announcement, under which we received a total consideration of approximately HK$100 million.

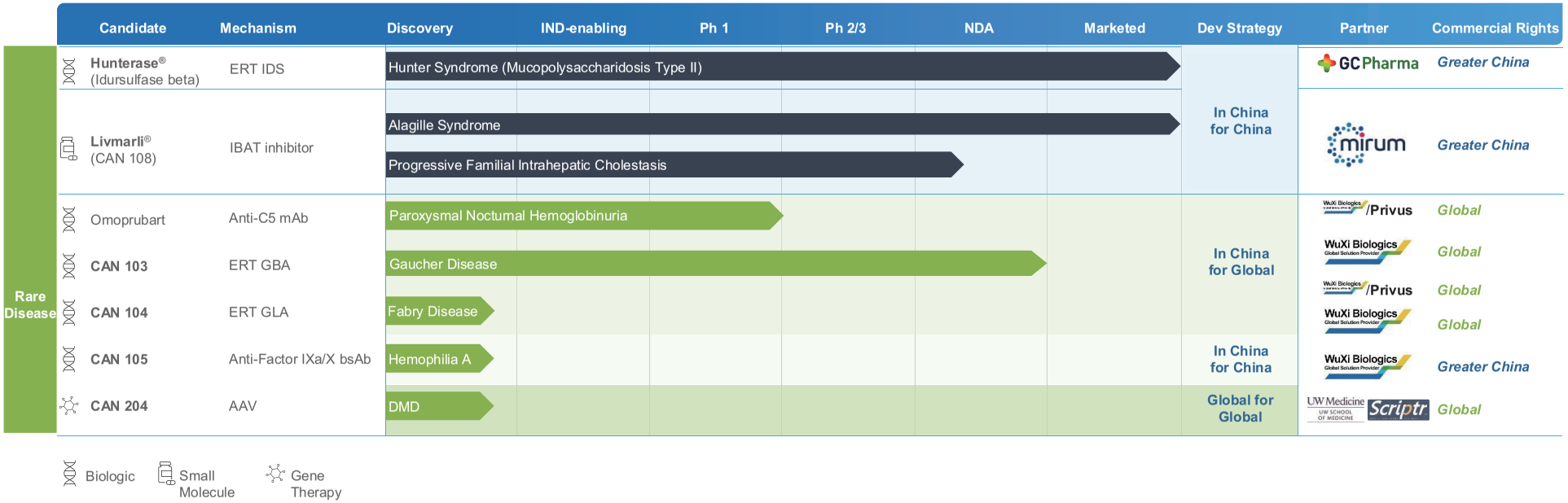
Outlook for the second half of 2025

Despite the challenges faced in the first half of 2025, we are optimistic about the second half of 2025 as we re-focus on our business and operations after successfully implementing steps to streamline pipeline and enhance capital efficiency. Additionally, the deepening cooperation with Baheal Medical and with the fresh capital that Baheal Medical has brought into CANbridge, we expect to drive improved execution across key business areas, strengthening the Company's operational foundation for future growth, and deliver better results in the second half of 2025.

PIPELINE

Our Comprehensive and Diversified Pipeline

CANbridge holds global rights to 4 out of 7 assets, spanning biologics, small molecules, and gene therapy, targeting most prevalent rare diseases and oncology indications, with proven mechanisms and significant market potential.



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 867 patients identified as of June 30, 2025. As of June 30, 2025, we have implemented commercial insurance programs (Huiminbao) in 130 cities, covering a population of 561 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 874 ALGS patients identified as of June 30, 2025. As of June 30, 2025, we have implemented commercial insurance programs (Huiminbao) in 39 cities, covering a population of 196 million in China.

Gaurunning® (velaglucerase-beta for injection, formerly known as CAN103)

- Gaurunning, 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.

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

- The first patient was dosed in the Gaurunning Phase 1/2 trial in January 2023, 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. Gaurunning 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 March 2025, we announced that Gaurunning, with its wholly - owned subsidiary, CANbridge (Shanghai) Life Sciences Ltd. as the holder, successfully passed the pre-approval inspection and pre-marketing GMP compliance inspection for the pilot biological product of Divided manufacturing. Gaurunning the first innovative biological product in China to pass the inspection of Divided manufacturing of biological products.

- In May 2025, we announced marketing approval of Gaurunning, a class 1 new drug for treating type I and III Gaucher disease, in China.

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.

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

In March 2025, we announced that Gaurunning, with its wholly - owned subsidiary, CANbridge (Shanghai) Life Sciences Ltd. as the holder, successfully passed the pre-approval inspection and pre-marketing GMP compliance inspection for the pilot biological product of Divided manufacturing. Gaurunning the first innovative biological product in China to pass the inspection of Divided manufacturing of biological products.

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

In August 2025, we entered into a strategic collaboration and exclusive commercial services agreement ("**CSO Agreement**") with Beijing Baheal Zhihe Medical Achievement Transformation Service Co., Ltd. (北京百洋智合醫學成果轉化服務有限公司) ("**Baheal Zhihe**"), a subsidiary of Baheal Medical. Pursuant to such agreement, Baheal Zhihe was appointed as the exclusive CSO, and if requested by Baheal Zhihe, its affiliate will be appointed as the sole distributor, for Hunterase®, Livmarli® and Gaurunning® in mainland China, Hong Kong and Macau.

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

(1) On August 11, 2025, two subsidiaries of the Group (the "**Relevant Subsidiaries**") and Baheal Zhihe entered into the CSO Agreement pursuant to which the Relevant Subsidiaries appointed Baheal Zhihe as the exclusive CSO for the commercial service, and if requested by Baheal Zhihe, appoint its affiliate as the sole distributor, for Hunterase®, Livmarli® and Gaurunning® in the Designated Regions, from which the Relevant Subsidiaries received a strategic engagement fee of RMB50 million from Baheal Zhihe. For further details, please refer to the Company's announcement dated August 27, 2025.

(2) On August 12, 2025, the Company entered into a subscription agreement with Baheal Wellness Industry International Trading Limited (百洋健康產業國際商貿有限公司) (the "**Subscriber**"), a subsidiary of Baheal Medical, pursuant to which the Company conditionally agreed to issue, and the Subscriber conditionally agreed to subscribe for, 74,971,468 shares in the Company at the subscription price of HK$1.34 per subscription share (the "**Subscription**").

Closing of the Subscription took place on August 27, 2025. The net proceeds received by the Company under the Subscription was approximately HK$98,661,000 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.

For the details of the Subscription, please refer to the Company's announcements dated August 12, 2025 and August 27, 2025.

(3) On August 27, 2025, the Board announced that Mr. Wang Tingwei was appointed as a non-executive Director and a member of the Nomination Committee with effect from August 27, 2025.

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 RMB22.5 million from RMB44.8 million for the six months ended June 30, 2024 to RMB22.2 million for the six months ended June 30, 2025, which was primarily due to the cessation of Nerlynx® sales in Taiwan following the termination of Nerlynx® distribution agreement at the end of 2024, as originally planned by the Company in 2021 for strategically focusing on rare disease. Excluding the Nerlynx® sales in Taiwan, our revenue decreased by RMB1.7 million, or 6.9% as compared with the same period in 2024, which was mainly attributable to active inventory management by CANbridge and destocking of Livmarli® in the channel in the first half of 2025.

Cost of Sales

Our cost of sales decreased by RMB8.5 million from RMB15.4 million for the six months ended June 30, 2024 to RMB6.8 million for the six months ended June 30, 2025, 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 RMB14.0 million from RMB29.4 million for the six months ended June 30, 2024 to RMB15.4 million for the six months ended June 30, 2025. Our gross profit margin for the six months ended June 30, 2025 was 69.3% (for the six months ended June 30, 2024: 65.7%).

Other Income and Gains

Our other income and gains increased by RMB100.5 million from RMB3.6 million for the six months ended June 30, 2024 to RMB104.1 million for the six months ended June 30, 2025, primarily due to a gain of RMB101.0 million arising from the US lease termination. The gain arose as the tenant, a wholly-owned subsidiary of the Company, and the US lease property's landlord entered into a termination agreement to early terminate the lease related to the US leased property on February 24, 2025 with effect from February 28, 2025. Since the right-of-use assets related to the US lease property had been fully written off as of December 31, 2024, the lease liabilities and other payables of approximately RMB97.7 million and RMB3.3 million, respectively, were derecognised and credited to profit or loss during the six months ended 30 June 2025.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by RMB17.1 million from RMB39.8 million for the six months ended June 30, 2024 to RMB22.7 million for the six months ended June 30, 2025. The decrease was mainly due to the elimination of Nerlynx® sales activities and related employee costs in the first half of 2025, following the termination of its distribution agreement at the end of 2024, coupled with an increase in the sales effectiveness for rare disease products during the reporting period.

Administrative Expenses

Our administrative expenses decreased by RMB19.0 million from RMB35.7 million for the six months ended June 30, 2024 to RMB16.6 million for the six months ended June 30, 2025. Such decrease was primarily attributable to our efforts on the containment of employee costs and other administrative costs during the Reporting Period.

Research and Development Expenses

Our research and development expenses decreased by RMB155.3 million from RMB173.3 million for the six months ended June 30, 2024 to RMB18.0 million for the six months ended June 30, 2025, which was mainly attributable to the NDA approval of Gaurunning in the first half of 2025, resulting in a substantial reduction in related development activities and expenditures.

	Six months ended June 30,	
	2025	2024
Research and development expenses	***RMB'000***	*RMB'000*
Staff costs	**8,629**	16,764
Testing and clinical trial expenses	**6,818**	141,799
License fees	**–**	2,305
Depreciation and amortization	**14**	6,388
Other expenses	**2,529**	6,000
Total	**17,990**	173,256

Other expenses

Our other expenses decreased from RMB27.0 million for the six months ended June 30, 2024 to RMB1.3 million for the six months ended June 30, 2025, which was primarily due to a RMB26.3 million provision for impairment of right-of-use assets in the six months ended June 30, 2024, as compared with a provision of RMB703,000 recognised in the same period of 2025.

Finance Costs

Our finance costs decreased from RMB4.6 million for the six months ended June 30, 2024 to RMB1.8 million for the six months ended June 30, 2025. Such decrease was primarily due to the decrease of bank loan interest expenses and interest on lease liabilities.

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 period 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 period as profit/(loss) for the period excluding the effect of share-based payment expenses, written-off of right-of-use assets and the gain on the lease termination. The term adjusted loss for the period 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 period during the periods indicated:

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
Profit/(loss) for the period	**59,238**	(247,269)
Add:		
Share-based payment expenses	**3,746**[(1)]	4,755
Written-off of right-of-use assets	**703**[(2)]	26,270
Less:		
Gain/(loss) on lease termination	**101,037**[(3)]	(19)
Adjusted loss for the period	**(37,350)**	(216,225)

Notes:

(1) This represents the compensation for employee services, settled by issuing shares, share options, linked to share price. Such expenses are accounted for under IFRS 2 and are recognized in the profit and loss statement over the vesting period, based on the fair value at grant date.. This item is adjusted as it is non-cash, and is not expected to result in the Group's future cash inflow or outflow.

(2) This represents the lease properties were terminated early or is no longer expected to provide future economic benefits to the Group. This item is adjusted as it is non-cash, and is not expected to result in the Group's future cash inflow or outflow.

(3) This represents the recognition of a financial gain/(loss) that occurs when a lease is ended early and the difference between the carrying amounts of the right-of-use asset and the lease liability. The item is adjusted as it is non-cash, and is not expected to result in the Group's future cash inflow or outflow.

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 maximize 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 June 30, 2025 were RMB2.0 million, of which RMB1.0 million, RMB0.5 million, RMB5,000 and RMB0.5 million, were denominated in RMB, USD, HKD and TWD, respectively. As compared to RMB10.5 million as of December 31, 2024, the decrease of cash and bank balances was primarily attributable to the 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 six months ended June 30, 2025, we funded our operations primarily through revenue generated from sales of commercialized products, 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 will endeavor 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 June 30, 2025 were RMB32.2 million (December 31, 2024: RMB30.4 million). All of our bank loans and other borrowings as of June 30, 2025 were denominated in RMB and carried fixed nominal interest rates ranging from 3.35% to 6.00% per annum.

Current Ratio

Current ratio (calculated by current assets divided by current liabilities) of the Group as of June 30, 2025 was 8.6% (December 31, 2024: 9.4%). The decrease in current ratio was primarily due to the decrease in cash and bank balances, and the increase in trade payables as of June 30, 2024.

Gearing Ratio

The gearing ratio (calculated by total interest-bearing borrowings divided by total assets) of the Group as of June 30, 2025 was 30.5% (December 31, 2024: 26.0%).

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 June 30, 2025, we did not have any material contingent liabilities.

Capital Expenditure and Commitments

The Group's capital expenditures during the six months ended June 30, 2025 were primarily related to the purchase of property, plant and equipment. During the six months ended June 30, 2025, the Group incurred RMB145,000 in relation to capital expenditures.

Charges on Group Assets

As of June 30, 2025, restricted bank deposits of RMB491,000 was frozen due to certain legal disputes. Saved as disclosed above, as of June 30, 2025, the Group did not have other charges over its assets.

Significant Investment Held

As of June 30, 2025, 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 the ordinary shares in the share capital of the Company (the "**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, no options were exercised, and 6,244,823 options lapsed. As of June 30, 2025, the Company had 23,287,760 options outstanding.

Post-IPO RSU Scheme

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

On June 27, 2024, the scheme limit for the Post-IPO RSU Scheme was refreshed. Accordingly, 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). All outstanding RSUs granted prior to June 27, 2024, and 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.

During the Reporting Period, no RSUs were granted by the Company under the Post-IPO RSU Scheme. Accordingly, the maximum number of RSUs available for grant under the Post-IPO RSU Scheme (i.e. maximum number of Shares which may be allotted and issued), taking into account the number of Shares in respect of which options or awards already granted under any other share scheme over Shares, was 42,483,832, representing approximately 10% of the total number of Shares in issue (excluding treasury shares) as at June 30, 2025.

During the Reporting Period, 581,400 RSUs vested and settled, and 1,301,600 RSUs were forfeited. As of June 30, 2025, the Company had 4,911,750 RSUs outstanding.

Post-IPO Share Option Scheme

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

On June 27, 2024, the scheme limit for the Post-IPO Share Option Scheme was refreshed. Accordingly, 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 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). All outstanding options granted prior to June 27, 2024, and 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.

During the Reporting Period, no share options were granted by the Company under the Post-IPO Share Option Scheme. Accordingly, the maximum number of options available for grant under the Post-IPO Share Option Scheme (i.e. maximum number of Shares which may be allotted and issued), taking into account the number of Shares in respect of which options or awards already granted under any other share scheme over Shares, was 42,483,832, representing approximately 10% of the total number of Shares in issue (excluding treasury shares) as at June 30, 2025.

During the Reporting Period, no share options were exercised, and 4,602,421 share options lapsed. As of June 30, 2025, the Company had 10,603,750 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 Reporting Period.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period (including sale of treasury shares (as defined under the Listing Rules)). As at June 30, 2025, the Company did not hold any treasury shares.

Employee and Remuneration Policy

As of June 30, 2025, the Group had 45 employees (December 31, 2024: 67 employees). 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 China and other 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 RMB27.7 million (for the six months ended June 30, 2024: RMB54.1 million).

INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended June 30, 2025 (six months ended June 30, 2024: nil).

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The audit committee of the Board (the "**Audit Committee**") has three members comprising Mr. Peng Kuan Chan (chairperson), Mr. James Arthur Geraghty and Dr. Richard James Gregory, with its terms of reference in compliance with the Listing Rules.

The Audit Committee has considered and reviewed the unaudited interim results of the Group for the six months ended June 30, 2025 and the accounting principles and practices adopted by the Group, and has discussed with management and external auditor on issues in relation to, among others, financial reporting. The Audit Committee is of the opinion that the unaudited interim results of the Group for the six months ended June 30, 2025 are in compliance with the relevant accounting standards, laws and regulations.

Further, the Group's unaudited interim condensed consolidated financial information for the six months ended June 30, 2025 has been reviewed by HLB Hodgson Impey Cheng Limited ("**HLB**"), the Company's auditor, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("**HKSRE 2410**") issued by the Hong Kong Institute of Certified Public Accountants.

EXTRACT OF INDEPENDENT REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION

The following is an extract of the HLB's Review Report.

"CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34."

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2 to the condensed consolidated financial statements, which indicates that as of June 30, 2025, the Group had net current liabilities and net liabilities of RMB462,681,000 and RMB409,080,000 respectively. As of June 30, 2025, the Group have cash and bank balances of RMB1,960,000, which is insufficient to fully repay the interest-bearing bank and other borrowings of RMB24,173,000 maturing within the next 12 months. These conditions, along with other matters as set forth in Note 2 to the condensed 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 conclusion is not modified in respect of this matter."

The above Note 2 to the condensed consolidated financial statements is disclosed as Note 2 to this announcement.

PUBLICATION OF INTERIM RESULTS AND INTERIM 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 2025 interim report of the Company containing all relevant information required under the Listing Rules will be published on the aforementioned websites in September 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, August 31, 2025

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