

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



CLOUDBREAK PHARMA INC.

撥康視雲製藥有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2592)

INSIDE INFORMATION ANNOUNCEMENT IN RELATION TO LEGAL PROCEEDINGS AGAINST A SUBSIDIARY

This announcement is made by Cloudbreak Pharma Inc. (the “**Company**”; together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

LEGAL PROCEEDINGS AGAINST A SUBSIDIARY

The board of the directors of the Company (the “**Board**”) hereby informs the shareholders and potential investors of the Company that, on 6 January 2026, Cloudbreak Bio-Pharmaceutical Science and Technology (Guangzhou) Co., Ltd.* (撥康視雲生物醫藥科技(廣州)有限公司) (“**Cloudbreak Guangzhou**”), an indirectly wholly owned subsidiary of the Company incorporated under the laws of the People’s Republic of China (the “**PRC**”), received a notice (the “**Court Notice**”) dated 24 December 2025 issued by the People’s Court of Huangpu District, Guangzhou* (廣州市黃埔區人民法院) (the “**Court**”).

As stated in the Court Notice, the Court has upon the application of Cedar Wealth Management SPC (“**Cedar Wealth**”) by way of legal proceedings (the “**Legal Proceedings**”) granted an order that the bank account maintained by Cloudbreak Guangzhou with the Industrial and Commercial Bank of China, including the cash balances therein amounting to approximately RMB2.55 million as at the date of the Court Notice, be judicially preserved until 30 November 2026 (the “**Asset Preservation Order**”).

Having consulted its PRC legal advisors, the Company is of the view that the Legal Proceedings have arisen from the arbitration proceedings commenced by Cedar Wealth against the Company and Cloudbreak Guangzhou (collectively, the “**Respondents**”) by way of an application dated 11 August 2025 (the “**Arbitration Application**”) made by Cedar Wealth to the Shanwei Arbitration Commission* (汕尾仲裁委員會) (the “**Arbitration Proceedings**”) in respect of certain amounts allegedly due and owing by the Respondents to Cedar Wealth pursuant to certain service agreements in relation to the provision of corporate, marketing and other services to the Company entered into prior to the date of the listing of the securities of the Company on the Stock Exchange on 3 July 2025 and a supplemental agreement in relation to the payment of the relevant service fees.

In the Arbitration Application, Cedar Wealth claimed for:

- (a) payment by the Company to Cedar Wealth of: (i) outstanding service fees and disbursements amounting to USD2.05 million (equivalent to approximately RMB14.71 million) (the “**Alleged Outstanding Fees**”); (ii) interest on the Alleged Outstanding Fees at the rate of the one-year loan prime rate published by the National Interbank Funding Centre* (全國銀行間同業拆借中心); and (iii) legal fees and asset preservation insurance costs in the aggregate amount of approximately RMB1.04 million (collectively, the “**Claim Amounts**”);
- (b) joint and several liability of Cloudbreak Guangzhou in respect of payment of the Claim Amounts; and
- (c) costs of the Arbitration Proceedings to be borne by the Respondents (collectively, the “**Claims**”).

As the Respondents had not received any invoice, fee note or demand for the Alleged Outstanding Fees prior to the date of service of the Arbitration Application, the Group has been taking active steps to liaise with Cedar Wealth in order to gather the requisite information and details relating to the matters giving rise to the Claims. However, as at the date of this announcement, no further details have been provided by Cedar Wealth to the Group, such that the Board considered that it did not possess sufficient information as to the Arbitration Proceedings to evaluate the nature and the potential impact and consequences of the same, until the receipt by the Group of the Court Notice on 6 January 2026.

The Board is seeking legal advice on the Legal Proceedings and the Arbitration Proceedings (collectively, the “**Proceedings**”) and will continue to assess and monitor their potential legal, operational and financial impact on the Group. As at the date of this announcement, so far as the Board is aware: (a) the Proceedings and the Asset Preservation Order have had no material adverse impact on the overall business, operations or cashflow position of the Group; and (b) the business and operations of the Group remain normal.

The Group will continue to seek to negotiate with Cedar Wealth to explore the possibility of a mutually agreeable settlement, with a view to resolving any misunderstanding between the relevant parties, including the discontinuation or withdrawal of the Proceedings and the discharge of the Asset Preservation Order, to protect the interests of the Company and its shareholders as a whole.

Further announcement(s) will be made by the Company to keep the shareholders and potential investors informed of material developments in relation to the Proceedings as and when appropriate, in compliance with the Listing Rules and the Inside Information Provisions.

Shareholders and potential investors of the Company should exercise caution and due care when dealing in the shares of the Company.

By order of the Board
Cloudbreak Pharma Inc.
Dr. NI Jinsong

Chairman of the Board, Executive Director and Chief Executive Officer

Hong Kong, 7 January 2026

As at the date of this announcement, the board of directors of the Company comprises: (i) Dr. Ni Jinsong, Mr. Dinh Son Van and Dr. Yang Rong as executive directors; (ii) Dr. Li Jun Zhi, Mr. Cao Xu and Mr. Xia Zhidong as non-executive directors; and (iii) Ms. Nie Sijiang, Mr. Ma Yiu Ho Peter and Mr. Lee Alex Jao Jang as independent non-executive directors.

* For identification purpose only