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
SETTLEMENT OF LEGAL PROCEEDINGS

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).

Reference is made to the announcement of the Company dated 7 January 2026 (the "**Announcement**") in relation to, amongst other things, the Legal Proceedings commenced by Cedar Wealth against Cloudbreak Guangzhou, an indirectly wholly owned subsidiary of the Company. Unless otherwise defined, terms used hereunder shall have the same meaning as those defined in the Announcement.

BACKGROUND OF THE LEGAL PROCEEDINGS

As disclosed in the Announcement: (a) on 6 January 2026, Cloudbreak Guangzhou received the Court Notice in relation to the Asset Preservation Order granted by the Court under the Legal Proceedings upon the application of Cedar Wealth in respect of the judicial preservation of the bank account of Cloudbreak Guangzhou maintained with the Industrial and Commercial Bank of China, including the balances therein amounting to approximately RMB2.55 million as at the date of the Court Notice, which would remain in effect until 30 November 2026; and (b) to the understanding of the Company, having consulted its PRC legal advisors, the Legal Proceedings have arisen from the Arbitration Proceedings commenced by Cedar Wealth against the Respondents (namely, the Company and Cloudbreak Guangzhou) at the Shanwei Arbitration Commission* (汕尾仲裁委員會) (the "**Arbitration Commission**") to claim for, amongst other things, alleged outstanding service fees and disbursements under certain service agreements and a supplemental agreement (collectively, the "**Agreements**") amounting to USD2.05 million (equivalent to approximately RMB14.71 million).

ENTRY INTO SETTLEMENT AGREEMENT

The Board is pleased to announce that, on 15 January 2026 (after the trading hours of the Stock Exchange), a settlement agreement (the "**Settlement Agreement**") was entered into between, amongst others, Cedar Wealth, the Company and Cloudbreak Guangzhou, in relation to the settlement of the Proceedings (the "**Settlement**").

Pursuant to the Settlement Agreement, it has been agreed that, in consideration for the payment by the Company to Cedar Wealth of a settlement sum in the aggregate amount of approximately USD2.22 million (the "**Settlement Sum**"), which shall be in full and final settlement of the Proceedings (including all claims made thereunder and all costs incurred by Cedar Wealth in connection with the Proceedings) and any and all payment obligations of the Company and Cloudbreak Guangzhou under the Agreements, Cedar Wealth shall, forthwith upon payment of the Settlement Sum by or on behalf of the Company:

(a) submit to the Court an application for the lifting of the Asset Preservation Order;

(b) submit to the Arbitration Commission an application for the withdrawal and discontinuation of the Arbitration Proceedings; and

(c) provide ongoing assistance and cooperation to the Company and Cloudbreak Guangzhou and take all steps to give effect to the lifting of the Asset Preservation Order and the discontinuation of the Proceedings.

As at the date of this announcement, the Company has made full payment of the Settlement Sum to Cedar Wealth in accordance with the terms and conditions of the Settlement Agreement. As advised by the PRC legal advisors of the Company, it is expected that the requisite legal and administrative procedures for the lifting of the Asset Preservation Order and the discontinuation of the Proceedings will take approximately six weeks to complete, from the date of the submission of the relevant applications by Cedar Wealth.

The terms and conditions of the Settlement Agreement have been determined after arm's length negotiations between the parties thereto and are on normal commercial terms. The Board is of the view that the entry into the Settlement Agreement is in the interest of the Company and its shareholders as a whole and that the Settlement would not have a material adverse impact on the overall business, operations or cashflow position of the Group. As at the date of this announcement, the business and operations of the Group remain normal.

Further announcement(s) will be made by the Company to keep its shareholders and potential investors informed of the latest developments in relation to the Proceedings and the Settlement as and when appropriate and 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, 15 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*