拨康视云™
Cloudbreak Pharma

CLOUDBREAK PHARMA INC.
撥康視雲製藥有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2592)

TEMPORARY DEVIATION FROM THE USE OF PROCEEDS AND NOTIFIABLE TRANSACTION

Reference is made to the prospectus in relation to the global offering (the "**Global Offering**") of Cloudbreak Pharma Inc. (the "**Company**", together with its subsidiaries, the "**Group**") dated 24 June 2025 (the "**Prospectus**"). Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the Prospectus.

TEMPORARY DEVIATION FROM THE USE OF PROCEEDS

As disclosed in the Prospectus, to the extent that the net proceeds of the Global Offering (the "**Net Proceeds**") are not immediately required for the relevant purposes or if the Company are unable to put into effect any part of the development plan as intended, the Company may hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions).

In light of the Company's available idle cash immediately following the Global Offering, the Company considered how to better utilise the idle Net Proceeds to achieve capital appreciation. As such, the Company has subscribed for North Rock Fund SPC (the "**Fund**") in the subscription amount of HK$47.1 million on 3 July 2025 (the "**Subscription**"). Considering that the Fund is short-term in nature, secure, principal-protective, liquid and redeemable on demand and being advised that the Fund would be classified as cash and cash equivalents, the Company mistakenly believed the nature of the Subscription as being similar to short-term interest-bearing deposits and, thus, believed that funding the Subscription with the Net Proceeds was in line with the use of proceeds (including those not immediately required for the relevant purposes or if the Company are unable to put into effect any part of its development plan as intended) as disclosed in the Prospectus (the "**Use of Proceeds**"). As a result, the Company utilised part of the Net Proceeds to fund the Subscription. Details of the Subscription are stated below.

During the preparation of the Company's annual results for the year ended 31 December 2025, the Company, after discussions with its auditor, found out that the Fund should be classified as financial assets measured at fair value through profit or loss instead of cash and cash equivalents, indicating that the Subscription was a temporary deviation from the Use of Proceeds. Notwithstanding (i) the Fund's principal-protective nature and returns superior to those of short-term interest-bearing deposits typically offered by commercial banks and (ii) the Company's current financial position and funds needs for the Core Products, the Board resolved to redeem the Fund immediately to mitigate the impacts of the non-compliance and the Company has sent the redemption request to the Fund on 30 March 2026 in order to ensure compliance with the Use of Proceeds and such Net Proceeds are well safeguarded. The Fund has been processing the Company's redemption request as at the date of this announcement.

Financial effect

The Fund's expected annualised return rate is 2.53%. The actual amount of gain or loss of the Company, however, will be subject to review and final audit by the Company's auditors. The proceeds to be received by the Company after such redemption will be utilised according to the Use of Proceeds.

Furthermore, the Company wishes to emphasise that the Company did not have the intention for the temporary deviation from the Use of Proceeds. The Company hereby confirms that the temporary deviation from the Use of Proceeds did not have any material adverse impact on the operations of the Group.

NOTIFIABLE TRANSACTION – THE SUBSCRIPTION OF THE FUND

The following are the details of the Subscription.

Principal terms of the Fund

Date of the agreement:	3 July 2025
Name of the product:	North Rock Fund SPC
Parties to the agreement:	(1) the Company (2) North Rock Fund SPC
Subscription amount:	HK$47.1 million
Investment objective and strategies:	To achieve long-term capital growth, irrespective of market direction or volatility. The Fund will seek to achieve the investment objective by investing in cash, short-term US Treasury bills, and other instruments to maintain liquidity and manage its cash position.
Expected annualised return rate:	2.53%, subject to the actual return rate calculated based on the net asset value of the underlying assets.

Redemption:	The Company is entitled to make a voluntary redemption request to the Fund at any time after the Subscription. The redemption price shall be paid to the Company within five business days following the acceptance of such redemption request by the Fund.
Restrictions on transfer:	Shares of the Fund may not be sold, assigned, transferred, pledged, mortgaged, encumbered or otherwise disposed of without the prior written consent of the directors of the Fund.

Information about the Company

The Company is a clinical-stage ophthalmology biotechnology company dedicated to developing innovative treatments for ophthalmic diseases through its proprietary drug discovery and development capabilities, with operations primarily based in the United States and China.

Information about the Fund

The Fund is an exempted company incorporated with limited liability, registered as a segregated portfolio company under the laws of the Cayman Islands and supervised by the Cayman Islands Monetary Authority. The Fund is a registered investment fund with a wide investor base. The ultimate beneficial owner of the Fund is Ms. Saadeddine Hanane.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of the above parties and their respective ultimate beneficial owners is an independent third party of the Company and its connected persons.

Basis of determination for the consideration

The Directors confirmed that the consideration of the Subscription was determined on the basis of commercial terms negotiated at arm's length between the Company and the Fund, having considered (i) the then available idle cash of the Company for treasury management purposes and (ii) the expected investment return and terms of the Fund.

Reasons for and benefits of the Subscription

The Group has been continually seeking opportunities to enhance shareholder value and capital appreciation. The amounts and terms of the Subscription were determined by the Company after comprehensive assessment and consideration of the following factors: (i) the Group's then financial position, (ii) the expected investment returns and investment periods, (iii) the risk levels of the Fund, (iv) the multiple channels of the Fund for subscription and trading with better liquidity compared to time deposits products and (v) the fact that the Subscription would not have a material adverse impact on the operations of the Group.

The Company believes that the Subscription has the potential to provide the Group with returns superior to those of short-term interest-bearing deposits typically offered by commercial banks, with a low level of risk. Based on the above, the Directors are of the view that the terms of the Subscription are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Implications under the Listing Rules

As the highest applicable percentage ratio (as defined in the Listing Rules) in relation to the Subscription is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction and is therefore subject to reporting and announcement requirements but exempt from the shareholders' approval requirements under Chapter 14 of the Listing Rules.

The entry into the Subscription was not brought to the attention of the Board until the course of preparing and approving the Company's annual financial results for the year ended 31 December 2025. The failure for the Company to make timely reporting and announcement under the requirements of Chapter 14 of the Listing Rules was due to misunderstandings that (i) the Fund was similar to short-term interest-bearing deposits in terms of the nature of principal protection, low risk and liquidity and the Fund could be classified as cash and cash equivalents, which was normal capital operation in the ordinary course of the Company's business and therefore did not fall into the disclosure requirements under Chapter 14 of the Listing Rules; and (ii) the Subscription was entered into according to the manner as stipulated in the Prospectus.

Due to the matters described above, the Subscription was not disclosed by the Company, resulting in a breach of the reporting and announcement requirements set out in Chapter 14 of the Listing Rules. Nevertheless, details of the Subscription have been timely updated and disclosed in this announcement. The Directors reiterate that they have no intention of such non-compliance, and that the non-compliance was solely due to the reasons stated above.

REMEDIAL MEASURES

To avoid the recurrence of such incidents, the Company has taken the following remedial measures as at the date of this announcement:

1. The Company has published this announcement to inform its shareholders regarding the temporary deviation from the Use of Proceeds and details of the Subscription;

2. The Board resolved to redeem the Fund immediately to mitigate the impacts of the non-compliance and the Company has sent the redemption request to the Fund on 30 March 2026. The Fund has been processing the Company's redemption request as at the date of this announcement;

3. The Company has understood from its internal control consultant that the Company has established an effective internal control system while the temporary deviation from the Use of Proceeds and the breach of the disclosure requirements under Chapter 14 of the Listing Rules were due to the misunderstandings on how to classify the Fund, which are solely human errors and considered exceptional and isolated. As such, the Company has re-circulated the internal control policies

and procedures pack to the relevant employees and communicated to them to ensure that the abovementioned policies and procedures can be consistently implemented;

4. The Company has provided and will continue to provide refreshment training to its Directors, senior management and responsible staff members, which covered (i) duties of the Directors and the Board under the Listing Rules and the applicable laws of Hong Kong and (ii) requirements in relation to notifiable transactions under Chapter 14 of the Listing Rules and (iii) recent regulatory actions against listed companies and directors. The Company will also provide its new joiners with such training materials at the time of joining. After reading the training materials, the new joiners of the Company will be asked to sign a confirmation letter on receipt and understanding of the training materials; and

5. The Company has enhanced communication with its Hong Kong legal advisor, auditor and compliance advisor appointed by the Company pursuant to Rule 3A.19 of the Listing Rule on the date of the Listing, and instructed the responsible staff members to consult and discuss with them whenever there are doubts as to compliance with the Listing Rules or before purchasing any wealth management products.

The Company confirms that the above incidents did not have any adverse impact on the Group's business operations or financial position. The Board reiterate that legal and regulatory compliance has been an important part of the Group's culture, and that it has always treated compliance with the Listing Rules as a top priority.

By order of the Board
Cloudbreak Pharma Inc.
Dr. NI, Jinsong
Chairman, Executive Director and Chief Executive Officer

Hong Kong, 30 March 2026

As at the date of this announcement, the Board comprises: (i) Dr. Ni Jinsong, Mr. Dinh Son Van, 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, Mr. Lee Alex Jao Jang as independent non-executive Directors.

* *For identification purposes only*