

Media Release

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HBM Healthcare Investments benefits strongly from the IPO of Cathay Biotech; Net asset value per HBM share increases by CHF 32.20 (+13.7%); Cathay stake grows to 24 percent of net assets

The initial public offering of Cathay Biotech (Chinese name: 上海凯赛生物技术股份有限公司) (SSE STAR Market: 688065), a so far privately held company in the portfolio of HBM Healthcare Investments, on the Chinese technology exchange in Shanghai ("SSE STAR Market") was very successful.

The Company issued 41.66 million new shares to investors at a price of CNY 133.45 per share, raising a total of CNY 5.56 billion (CHF 733 million) of new capital. On today's first day of trading, the shares gained 17.6 percent and closed at CNY 157.00.

HBM Healthcare Investments holds 29.6 million shares of Cathay, representing a 7.1% ownership in the company. Based on today's closing price, the value of the investment is CNY 4.65 billion (CHF 613 million). Since 2006, HBM Healthcare Investments has invested CNY 282 million (CHF 37 million) in Cathay. The investment was previously valued at CNY 1.593 billion (CHF 210 million / CNY 53.80 per share).

Due to the lock-up period of 36 months, HBM Healthcare Investments will value the investment at a discount to the share price of initially 18 percent. This will be reduced linearly over the term (0.5 percent per month). In addition, the capital gains tax and other taxes which may be owned in China upon the sale of the investment are accrued separately. On this valuation basis, the net asset value per HBM-share (NAV) increases by CHF 32.20 (+13.7%). The lock-up discount taken into account corresponds to a value of CHF 12.15 per share.

The revaluation of Cathay increases the net assets of HBM Healthcare Investments to about CHF 1.9 billion. Of this amount, just under 24 percent is attributable to the net book value of the Cathay investment (after lock-up discount and tax provision). Future price and currency fluctuations on the Cathay investment will therefore have a corresponding impact on the NAV of HBM Healthcare Investments.

About Cathay Biotech

Cathay is a high-tech company focused on synthetic biology and other fields, engaged in the research, development, production and sale of new materials based on biological manufacturing processes. The company's currently marketed products mainly focus on the polyamide industry's value chain, i.e. biobased polyamide and raw materials that can be used for the production of biobased polyamide, including DC12 (lauric acid), DC13 (brassylic acid) and biobased 1,5-pentanediamine. Cathay is one of the world's leading companies using bioproduction of new materials on an industrial scale.

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About HBM Healthcare Investments

HBM Healthcare Investments invests in the healthcare sector. The Company holds and manages an international portfolio of promising companies in the human medicine, biotechnology, medical technology and diagnostics sectors and related areas. Many of these companies have their lead products already available on the market or at an advanced stage of development. The portfolio companies are closely tracked and actively guided in their strategic direction. This is what makes HBM Healthcare Investments an interesting alternative to investments in big pharma and biotechnology companies. HBM Healthcare Investments has an international shareholder base and is listed on SIX Swiss Exchange (ticker: HBMN).

Disclaimer

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