

Media Release

Zug, 26 June 2023

Ad hoc announcement pursuant to Art. 53 LR

Cathay Biotech raises capital and enters into major strategic collaboration with China Merchants Group

Cathay Biotech, the largest holding in HBM Healthcare Investments' portfolio (15% of net assets), yesterday announced a significant strategic collaboration with China Merchants Group (CMG). The transaction, which is subject to approval by Cathay Biotech's shareholders, includes

- A capital increase by Cathay Biotech in the amount of up to RMB 6.6 billion, with the new shares being acquired by CMG;
- The formation of a partnership between Cathay Biotech's founder and CEO, Dr. Xiucai Liu, and China Merchants Group, which will jointly hold a controlling stake in Cathay Biotech;
- A business collaboration between Cathay Biotech and CMG for the strategic procurement of bio-based polyamides produced by Cathay Biotech. The targeted minimum purchase volumes by CMG include 10,000 tons, 80,000 tons and 200,000 tons for the first three years 2023, 2024 and 2025, respectively;
- A jointly set up of research team for bio-based materials in CMG's application scenarios, to develop bio-based polyamide fiber compounding and pultrusion processes and application technologies in containers, construction, photovoltaics, logistics, etc. in order to determine the form of products to be procured by CMG.

For more details, please see Cathay Biotech's announcements on its website at <https://www.cathaybiotech.com/en/singgg.aspx#content>.

Cathay Biotech (Ticker: 688065) is a global leader in synthetic biology. HBM Healthcare Investments has held a stake in Cathay since 2006. The company has been listed on the STAR Market of the Shanghai Stock Exchange since 2020.

About China Merchants Group

Founded in 1872 as the China Merchants Steam Navigation Company in Shanghai, CMG has developed into one of China's leading SOEs since the 1980s and has expanded its role into a global player in transport infrastructures, financial, property development and industrial park operations.

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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).

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