

Media Release

Zug, 15 December 2015

Cathay Industrial Biotech to set foundation for further successful corporate development with financing of USD 135 million

Cathay Industrial Biotech, a privately held company headquartered in Shanghai, yesterday announced the completion of a significant equity financing of USD 135 million with Shanxi Lu'an Mining (Group) Co. The proceeds will be used to expand production capacity of Cathay's "long-chain diacid" and "green nylon" business.

HBM Healthcare Investments brings in no additional capital in this financing and owns 10 percent of the company with the completion of the transaction. Since 2006, HBM Healthcare Investments invested a total of USD 28 million in Cathay. The investment was last valued at USD 14 million. On the basis of the company valuation underlying to this external financing, the carrying value of the investment increases by USD 29.8 million to USD 43.8 million. This results in an increase of the net asset value (NAV) per HBM-share of CHF 3.93 (+2.75%).

Dr Xiucai Liu, CEO of Cathay, comments: *"We will be the first company worldwide to have a commercial scale production of bio-based Diamine 5. Cathay's recent development breakthroughs as well as the collaboration with Lu'An will have a very significant impact on the production of bio-based polyamide, a new and growing market segment."*

Cathay Industrial Biotech is a pioneer of industrial biotechnology. The technological innovations of the company enable the production of chemicals, fuels and polymers based on biotechnological processes. Cathay is one of the world leaders in the production of long-chain dicarboxylic acids, which are mainly used for nylon, polyester, adhesives and bio-solvents.

With Terry!® ("Green Nylon", polyamide 56) Cathay has developed a bio-based textile fiber of the next generation, which has significantly better properties than nylon (moisture absorption and regulation, dyeability, elasticity, flame retardants, etc.).

NOT FOR DISTRIBUTION IN THE USA, CANADA, JAPAN OR AUSTRALIA

HBM Healthcare Investments

For further information, please contact Dr Andreas Wicki on +41 41 710 75 77, or at andreas.wicki@hbmhealthcare.com

About Shanxi Lu'an Mining (Group) Co. Ltd

Located in the southeast of Shanxi province, Lu'an Group is a mining, chemical and energy multi-industry enterprise. With total assets of RMB 108.1 billion yuan and over 45,000 employees, it is among Chinas Top 100 and Fortune Global 500 Enterprises in 2015.

Information on HBM Healthcare Investments Ltd

HBM Healthcare Investments invests in the healthcare sector. The Company holds and manages an international portfolio of some 25 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

This media release does not constitute an issue prospectus within the meaning of Art. 652a or Art. 1156 of the Swiss Code of Obligations, a listing prospectus in the sense of the SIX Swiss Exchange Listing Rules or a securities prospectus as defined in the German Securities Prospectus Act (*Wertpapierprospektgesetz*). Publication is for information purposes only and constitutes neither an offer to sell nor an invitation to buy or subscribe for securities. This media release and the information it contains must not be distributed or forwarded to or within the United States of America (USA) or to US persons (including legal entities) or publications with a general circulation in the USA. This media release does not constitute an offer or invitation to purchase any securities in the USA. The securities of HBM Healthcare Investments Ltd have not been registered under United States securities legislation and may not be offered, sold or delivered within the USA or to US persons without prior registration or the corresponding exemption from the registration requirements of US securities legislation.

HBM Healthcare Investments Ltd

Bundesplatz 1 CH-6300 Zug | Tel: +41 41 710 75 77 | Fax: +41 41 710 75 78 | info@hbmhealthcare.com
www.hbmhealthcare.com