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HARBOUR
BIOMED
和 鉑 醫 藥 控 股 有 限 公 司
HBM Holdings Limited
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 02142)

INSIDE INFORMATION
ISSUE OF SUBSCRIPTION SHARES UNDER GENERAL MANDATE AND
COLLABORATION WITH ASTRAZENECA

Sole Financial Adviser to the Company in relation to the Subscription
CICC

This announcement is made by the Company pursuant to Rules 13.09 and 13.28 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

ISSUE OF SUBSCRIPTION SHARES

The Company is pleased to announce that on 21 March 2025 (after trading hours), the Company entered into the Share Subscription Agreement with AstraZeneca Holdings, pursuant to which the Company has conditionally agreed to allot and issue to AstraZeneca Holdings, and AstraZeneca Holdings has conditionally agreed to subscribe for, the Subscription Shares at the Subscription Price of US\$1.38 per Share (equivalent to approximately HK\$10.74 per Share).

The Subscription Shares represent 9.15% of the issued share capital (excluding treasury shares) of the Company as enlarged by the allotment and issue of the Subscription Shares, assuming that there are no other changes in the issued share capital of the Company between the date of this announcement and the Closing Date.

The gross proceeds from the Subscription will be approximately US\$105.3 million (equivalent to approximately HK\$819.2 million), which will be used for research and development, operations and general working capital requirements of the Group.

Closing of the Share Subscription Agreement will take place as soon as practicable but no later than the date that is ten (10) Business Days after the Unconditional Date or on such other date as the Company and AstraZeneca Holdings may agree in writing.

The Subscription Shares will be allotted and issued under the General Mandate.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

COLLABORATION

On the same date, HBM Shanghai entered into a global strategic collaboration Agreement with AstraZeneca to discover and develop next-generation multi-specific antibodies for immunology, oncology and beyond, pursuant to which AstraZeneca will obtain the option to license two preclinical immunology programs and will nominate further target for HBM Shanghai to discover next-generation multi-specific antibodies. AstraZeneca will have the option to license these programs for advancement into clinical development.

In return, HBM Shanghai will receive an upfront payment, near-term milestone payments, and option exercise fees for additional programs, totaling US\$175 million, as well as up to US\$4.4 billion in additional development and commercial milestone payments, along with tiered royalties on net sales. Additionally, AstraZeneca has the option to include additional programs in the Collaboration over the next five years, and the parties have the option to extend the terms of the agreement for an additional five years upon mutual agreement.

To support the collaboration programs under the Collaboration Agreement and other joint initiatives between the two parties, the Group will establish an innovation center in Beijing, China to be co-located with AstraZeneca.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND THE COLLABORATION

The Company entered into the Subscription with AstraZeneca Holdings and the Collaboration with AstraZeneca to advance the Company's strategic, commercial and financial objectives. The Directors are of the view that the equity investment at a premium is reflective of the Company's view of its long term growth potential as a leading biopharmaceutical company in China. The Subscription will initially add a significant amount of capital to the Company's cash balance, providing financial support for developing the Company's in-house research and development capabilities and expanding its global presence. This strategic collaboration with AstraZeneca marks a significant step in advancing next-generation antibody therapeutics, reinforcing the Company's position as a leader in multi-specific biologics innovation. By combining the Company's cutting-edge discovery capabilities with AstraZeneca's expertise in global drug development, the Company aims to accelerate the creation of transformative therapies for patients with high unmet medical needs.

The Directors, including all the independent non-executive Directors, are of the view that the terms and conditions of the Subscription (including the Subscription Price) and the Collaboration are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

WARNING

Closing of the Share Subscription Agreement is subject to the fulfilment and/or waiver (as appropriate) of the Conditions. If any of the Conditions is not satisfied or waived (where applicable), the transactions contemplated by the Share Subscription Agreement will not proceed. Shareholders and investors are therefore advised to exercise caution when dealing in the Shares.

This announcement is made by the Company pursuant to Rules 13.09 and 13.28 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

SHARE SUBSCRIPTION AGREEMENT

On 21 March 2025 (after trading hours), the Company, as issuer, entered into the Share Subscription Agreement with AstraZeneca Holdings, as subscriber, in relation to the Subscription. Pursuant to the Share Subscription Agreement, AstraZeneca Holdings has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to AstraZeneca Holdings, the Subscription Shares at the Subscription Price.

Principal terms of the Share Subscription Agreement are as follows:

Subscription Shares

The Subscription Shares represent:

- (i) approximately 10.07% of the existing issued share capital (excluding treasury shares) of the Company as of the date of this announcement; and
- (ii) approximately 9.15% of the issued share capital (excluding treasury shares) of the Company as enlarged by the allotment and issue of the Subscription Shares, assuming that there are no other changes in the issued share capital (excluding treasury shares) of the Company between the date of this announcement and the Closing Date.

The aggregate nominal value of the Subscription Shares (with a par value of US\$0.000025 each) is US\$1,906.79.

The Subscription Shares will, when issued, rank pari passu in all respects among themselves and with all other Shares in issue as at the Closing Date.

Subscription Price

The Subscription Price is US\$1.38 per Share (equivalent to approximately HK\$10.74 per Share), representing (i) a premium of approximately 37.2% to the closing price of HK\$7.83 per Share as quoted on the Stock Exchange on the date of the Share Subscription Agreement; and (ii) a premium of approximately 28.3% to the average closing price of approximately HK\$8.37 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to and including the date of the Share Subscription Agreement.

The net price per Subscription Share is approximately US\$1.38.

The Subscription Price was determined after arm's length negotiations between the Company and AstraZeneca Holdings with reference to, among others, market price of the Shares and the trading volume of the Shares.

The Directors, including all the independent non-executive Directors, are of the view that the terms of the Share Subscription Agreement (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Use of Proceeds

The gross proceeds from the Subscription will be approximately US\$105.3 million (equivalent to approximately HK\$819.2 million), which will be used for research and development, operations and general working capital requirements of the Group.

Conditions Precedent to Closing

The respective obligations of AstraZeneca Holdings and the Company to proceed to Closing are subject to the fulfillment of the following Conditions (none of which may be waived by either party):

- (a) the Stock Exchange having granted listing of and permission to deal in the Subscription Shares and such approval and granting of permission not having been withdrawn; and
- (b) no law, order or judgment of any court or governmental authority in any relevant jurisdiction having been enacted, issued or made which has the effect of prohibiting the Subscription or any part thereof.

The obligation of AstraZeneca Holdings to proceed to Closing is subject to the fulfilment of the following Conditions (which may be waived by AstraZeneca Holdings):

- (c) the warranties made by the Company set out in the Share Subscription Agreement being true, accurate and not misleading as at the date of the Share Subscription Agreement and the Closing Date, except for those warranties that address matters only as of a particular date, which need only be true and correct as of such date;
- (d) each of the obligations, agreements and covenants of the Company as set out in the Share Subscription Agreement having been performed and complied with in all material respects;
- (e) there having been no material adverse change in the business, assets, liabilities, results of operations or financial condition of the Group taken as a whole; and
- (f) the Company having delivered to AstraZeneca Holdings a certificate, certifying that the Conditions set forth in paragraphs (c) to (e) above have been satisfied (unless otherwise waived by AstraZeneca Holdings).

The obligation of the Company to proceed to Closing is subject to the fulfilment of the following Conditions (which may be waived by the Company):

- (g) the warranties made by AstraZeneca Holdings being true, accurate and not misleading as at the date of the Share Subscription Agreement and the Closing Date, except for those warranties that address matters only as of a particular date, which need only be true and correct as of such date; and
- (h) each of the obligations, agreements and covenants of AstraZeneca Holdings as set out in the Share Subscription Agreement having been performed and complied with in all material respects.

Closing

Closing shall take place as soon as practicable but not later than the date that is ten (10) Business Days after the Unconditional Date or on such other date as the Company and AstraZeneca Holdings may agree in writing.

In the event that Closing does not take place by the Long Stop Date, the Company and AstraZeneca Holdings shall consult each other and discuss in good faith an extension of the Long Stop Date. In the event that both parties cannot agree on an extension of the Long Stop Date on or before 5 May 2025, or if the Unconditional Date has not occurred on or before any such extended Long Stop Date, then either the Company or AstraZeneca Holdings shall be entitled to terminate the Share Subscription Agreement by written notice to the other party upon fulfilment of certain conditions under the Share Subscription Agreement.

Other Material Terms of the Share Subscription Agreement

Lock-up

During the Lock-up Period, AstraZeneca Holdings shall not, and shall cause its Affiliates not to, without the prior consent of the Company, directly or indirectly, dispose of (i) any of the Equity Securities beneficially owned by AstraZeneca Holdings and/or any of its Affiliates as of the Closing Date, together with any Equity Securities issued in respect thereof as a result of any stock split, stock dividend, share exchange, merger, consolidation or similar recapitalization, and (ii) any Equity Securities issued or issuable as a dividend or other distribution with respect to, or in exchange or in replacement of the Equity Securities as described in paragraph (i) above, subject to the exceptions set forth in the Share Subscription Agreement.

CICC is acting for the Company as its sole financial adviser in relation to the Subscription.

COLLABORATION AGREEMENT

On 21 March 2025 (after trading hours), HBM Shanghai entered into the Collaboration Agreement with AstraZeneca, pursuant to which the parties have agreed to enter into, among other things, the research collaboration.

Under the terms of the Collaboration Agreement, HBM Shanghai and AstraZeneca agreed to collaborate to discover and develop multiple modalities next-generation therapeutic antibodies, with the intent of identifying compounds directed to targets that satisfy the applicable criteria for further development, in accordance with the terms and conditions of the Collaboration Agreement.

Payments

Under the Collaboration Agreement, HBM Shanghai is entitled to receive (i) upfront payments, near-term milestone payments and option exercise fees for additional programs, totaling US\$175 million in relation to the initial phase of the Collaboration Programs; (ii) up to US\$4.4 billion in additional development and net sales milestones payments as specified in the Collaboration Agreement; and (iii) tiered royalties on net sales of the Licensed Products, subject to certain customary deductions as set forth in the Collaboration Agreement. Additionally, AstraZeneca has the option to include additional programs in the Collaboration over the next five years, and the parties have the option to extend the terms of the agreement for an additional five years upon mutual agreement.

To support the collaboration programs under the Collaboration Agreement and other joint initiatives between the two parties, the Group will establish an innovation center in Beijing, China to be co-located with AstraZeneca.

The transactions contemplated under the Collaboration Agreement do not constitute any notifiable transactions or connected transactions of the Company under the Listing Rules.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND THE COLLABORATION

The Company entered into the Subscription with AstraZeneca Holdings and the Collaboration with AstraZeneca to advance the Company's strategic, commercial and financial objectives. The Directors are of the view that the equity investment at a premium is reflective of the Company's view of its long term growth potential as a leading biopharmaceutical company in China. The Subscription will initially add a significant amount of capital to the Company's cash balance, providing financial support for developing the Company's in-house research and development capabilities and expanding its global presence. This strategic collaboration with AstraZeneca marks a significant step in advancing next-generation antibody therapeutics, reinforcing the Company's position as a leader in multi-specific biologics innovation. By combining the Company's cutting-edge discovery capabilities with AstraZeneca's expertise in global drug development, the Company aims to accelerate the creation of transformative therapies for patients with high unmet medical needs.

The Directors, including all the independent non-executive Directors, are of the view that the terms and conditions of the Subscription (including the Subscription Price) and the Collaboration are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECT ON SHAREHOLDING STRUCTURE FOLLOWING THE SUBSCRIPTION

Assuming that there are no changes in the issued share capital (excluding treasury shares) of the Company between the date of this announcement and the Closing Date other than as a result of the Subscription, the shareholding structure of the Company (i) as of the date of this announcement and (ii) immediately following Closing (excluding treasury shares) are summarized as follows:

Name of Shareholder	As of the date of this announcement		Immediately following Closing (assuming no other changes in the issued share capital of the Company)	
	<i>Number of Shares</i>	<i>Approximate percentage of the issued share capital of the Company</i>	<i>Number of Shares</i>	<i>Approximate percentage of the issued share capital of the Company</i>
Golden Link Investment Limited	92,122,360	12.16%	92,122,360	11.05%
LC Healthcare Fund I, L.P.	68,601,000	9.06%	68,601,000	8.23%
HARBOURBIO LLC	60,334,400	7.97%	60,334,400	7.24%
The Subscriber	–	–	76,271,762	9.15%
Other Shareholders	536,241,650	70.81%	536,241,650	64.33%
Total	757,299,410	100.00%	833,571,172	100.00%

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not completed any equity fund raising activities in the twelve-month period immediately before the date of this announcement.

INFORMATION ABOUT THE PARTIES

The Company and HBM Shanghai

The Company is an exempted company with limited liability incorporated in the Cayman Islands on 20 July 2016. The Company is a clinical-stage biopharmaceutical company committed to the discovery, development and commercialization of novel antibody therapeutics in immune-oncology and immunology.

HBM Shanghai is a company established under the laws of the PRC on 26 December 2016 and an indirect wholly-owned subsidiary of the Company. It is principally engaged in the research and development of innovative therapeutics.

AstraZeneca Entities

AstraZeneca Holdings B.V. is a company incorporated in the Netherlands and a wholly-owned subsidiary of AstraZeneca PLC, which is a company listed on the London Stock Exchange, the Nasdaq Stockholm and the Nasdaq Global Select Market under the stock symbol “AZN”.

AstraZeneca PLC is a global, science-led biopharmaceutical company that focuses on the discovery, development, and commercialisation of prescription medicines in Oncology, Rare Diseases, and BioPharmaceuticals, including Cardiovascular, Renal & Metabolism, and Respiratory & Immunology.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, each of AstraZeneca Holdings and AstraZeneca and their respective ultimate beneficial owners are third parties independent of the Company or any of its connected persons.

GENERAL MANDATE

The Subscription Shares will be issued and allotted under the General Mandate. Pursuant to the General Mandate, the Directors are authorized to issue, allot and deal with up to 153,775,282 Shares, representing 20% of the issued share capital of the Company as at the date of the 2024 AGM. Since the date of the 2024 AGM and up to and including the date of this announcement, no Shares have been allotted and issued under the General Mandate. As of the date of this announcement, 153,775,282 Shares, representing approximately 20% of the issued share capital of the Company as of the date of the 2024 AGM are available for issue under the General Mandate. Accordingly, the General Mandate is sufficient for the allotment and issue of the Subscription Shares and the allotment and issue of the Subscription Shares is not subject to the Shareholders’ approval.

APPLICATION FOR LISTING

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

WARNING

Closing of the Share Subscription Agreement is subject to the fulfilment and/or waiver (as appropriate) of the Conditions. If any of the Conditions is not satisfied or waived (where applicable), the transactions contemplated by the Share Subscription Agreement will not proceed. Shareholders and investors are therefore advised to exercise caution when dealing in the Shares.

DEFINITIONS

“2024 AGM”	the annual general meeting of the Company held on June 6, 2024
“Affiliate”	has the meaning ascribed to it under the Share Subscription Agreement
“AstraZeneca”	AstraZeneca PLC, a company listed on the London Stock Exchange, the Nasdaq Stockholm and the Nasdaq Global Select Market under the stock symbol “AZN”, or one of its Affiliates
“AstraZeneca Holdings” or “the Subscriber”	AstraZeneca Holdings B.V., a company incorporated in the Netherlands
“Board”	the board of Directors of the Company
“Business Day”	a day (other than a Saturday or Sunday or public holiday in Hong Kong, London or New York and any day on which a tropical cyclone warning no.8 or above or a “black” rain warning signal is hoisted in Hong Kong at any time between 9.00 am and 5.00 pm) on which banks are open in Hong Kong, London and New York for general commercial business
“China” or “PRC”	the People’s Republic of China
“CICC”	China International Capital Corporation Hong Kong Securities Limited, a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO, the sole financial adviser to the Company in relation to the Subscription
“Closing”	completion of the Subscription pursuant to the Share Subscription Agreement
“Closing Date”	the date on which Closing occurs
“Collaboration”	the collaboration between HBM Shanghai and AstraZeneca under the Collaboration Agreement
“Collaboration Agreement”	the collaboration, option and license agreement dated 21 March 2025 and entered into between HBM Shanghai and AstraZeneca in respect of, among other things, the research collaboration and related option and license grant

“Collaboration Programs”	programs of development and manufacturing activities, as agreed in the Collaboration Agreement
“Company”	HBM Holdings Limited (和鉑醫藥控股有限公司), a company with limited liability incorporated in the Cayman Islands on 20 July 2016
“Condition(s)”	the condition(s) precedent to Closing set forth in the Share Subscription Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Dr. Wang”	Dr. Jingsong Wang, M.D., Ph.D. (王勁松), an executive Director, the chief executive officer and chairman of the Board of our Company
“Equity Securities”	has the meaning ascribed to it under the Share Subscription Agreement
“Field”	all human and non-human diagnostic, prophylactic, analgesic, palliative, and therapeutic uses
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the 2024 AGM to issue, allot and deal with up to 20% of the then issued share capital of the Company as at the date of the 2024 AGM
“Group”	the Company and its subsidiaries
“HBM Shanghai”	Harbour BioMed (Shanghai) Co., Ltd. (和鉑醫藥(上海)有限責任公司), a company established under the laws of the PRC on 26 December 2016 and an indirect wholly-owned subsidiary of the Company

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Licensed Product(s)”	any pharmaceutical or biologic product that contains a compound identified or developed during a Collaboration Program in respect of which AstraZeneca has exercised an option, and other similar compounds as specified in the Collaboration Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Lock-Up Period”	the period beginning from the Closing Date until the first anniversary of the Closing Date
“Long Stop Date”	30 April 2025
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share Subscription Agreement”	the share subscription agreement dated 21 March 2025 entered into between the Company and AstraZeneca Holdings in respect of the Subscription
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.000025 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for, and the allotment and issue of, the Subscription Shares under the Share Subscription Agreement
“Subscription Price”	US\$1.38 per Share (equivalent to approximately HK\$10.74 per Share) as set out in the Share Subscription Agreement

“Subscription Shares”	a total of 76,271,762 new Shares to be allotted and issued by the Company to AstraZeneca Holdings under the Share Subscription Agreement
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“Territory”	the entire world
“Unconditional Date”	the first Business Day on or by which all Conditions have been fulfilled or, as applicable, waived in accordance with the Share Subscription Agreement
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

The US\$/HK\$ exchange rate used for the purpose of this announcement is the rate of US\$1.00: HK\$7.7826

By order of the Board
HBM Holdings Limited
Dr. Jingsong Wang
Chairman and Executive Director

Hong Kong, 21 March 2025

As at the date of this announcement, the Board comprises Dr. Jingsong Wang and Dr. Yiping Rong as executive Directors; Dr. Robert Irwin Kamen, Dr. Xiaoping Ye, Dr. Albert R. Collinson and Ms. Weiwei Chen as independent non-executive Directors.