SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this document. You should read the whole document (including the appendices hereto, which constitute an integral part of this document) before you decide to [**REDACTED**] *in the* [**REDACTED**]. *There are risks associated with any* [**REDACTED**]. *Some of the particular risks in* [**REDACTED**] *in the* [**REDACTED**] *are set out in the section headed "Risk Factors" in this document. You should read this section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**].

OVERVIEW

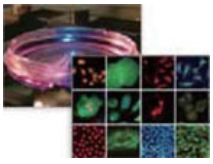
We are a well-recognized life sciences research and application service and product provider with comprehensive portfolio coverage in the world, according to the Frost & Sullivan Report. We ranked first in the global gene synthesis service market and ranked third in the global DNA synthesis service market in terms of revenue in 2014 with market share of 25.6% and 10.6%, respectively, according to the Frost & Sullivan Report. The gene synthesis service market is a subset of the global DNA synthesis service market. As gene synthesis is one of the fundamental techniques in synthetic biology and being a global leader in gene synthesis, we have strong technological advantages in the discipline of synthetic biology, and have successfully developed a number of products and services by applying synthetic biology technologies. According to the Frost & Sullivan Report, we are a well-recognized and trusted provider of synthetic biology research and application services and products with a broad portfolio coverage. Our services and products are primarily used by scientists and researchers for conducting fundamental life sciences research, translational biomedical research, and early stage pharmaceutical development. Our synthetic biology products are also used by industry users of industrial enzymes, such as those in the food industry.

Originally founded in New Jersey in the United States in 2002, we have established an extensive direct sales network, reaching over 100 countries in North America, Europe, the PRC, Asia Pacific (excluding the PRC and Japan), and Japan. As of June 30, 2015, we had established a highly diversified customer base, including over 3,100 pharmaceutical and biotech companies, 1,980 colleges and universities, 680 research institutes, 60 government bodies (including government testing and diagnostic centers), and 30 distributors. For the period ended June 30, 2015, our sales to such categories of customers generated approximately 57.9%, 25.7%, 13.1%, 1.6% and 1.7% of our total revenue, respectively. Over the 13 years of our service, we believe that we have engendered customers' trust and confidence in our Company. As of June 30, 2015, over 14,500 international peer-reviewed journal articles had cited the use of our life sciences research and application services and products, making our Company a frequently cited life sciences research and application service and product provider. These citations also indicated that many users of our services and products are leading scientists and researchers in the life sciences research industries, according to the Frost & Sullivan Report.

SERVICES AND PRODUCTS

We attribute our success to our technological advantages and application experience in the discipline of synthetic biology, and our strong research and development capabilities accumulated over the years. Our competitive advantages are based on the broad and integrated life sciences research and application service and product portfolio of four segments, namely, (i) life sciences research services, (ii) life sciences research catalog products, (iii) preclinical drug development services, and (iv) industrial synthetic biology products. Under the first three segments, we provide our customers with efficient and cost-effective solutions designed to shorten their discovery and development time in various life sciences research and development activities and preclinical drug development processes. The fourth segment is a new segment growing from the leverage over our technical expertise and experience in gene synthesis and synthetic biology. For the six months ended June 30, 2015, our sales of life sciences research services, life sciences research catalog products, preclinical drug development services, and industrial synthetic

biology products generated approximately US$36.8 million, US$1.2 million, US$2.6 million, and US$0.5 million, respectively, representing approximately 89.6%, 2.9%, 6.4%, and 1.1% of our total revenue.

Segment	Key Service/Product	Applications	Sample Picture
Life sciences research services	• Gene synthesis • Oligonucleotide synthesis • DNA sequencing • Protein production • Peptide synthesis • Antibody development	Widely used in life sciences research and application, such as basic biology studies, disease and pharmaceutical research, drug discovery, agriculture, environmental studies, and food industry.	
Life sciences research catalog products	• Precast gels • Antibodies • Recombinant proteins • Affinity resins	Widely used in life sciences research and application, such as basic biology studies, disease and pharmaceutical research, drug discovery, agriculture, environmental studies, and food industry.	
Preclinical drug development services	• Antibody and protein engineering • *In vitro* pharmacology service • *In vivo* pharmacology service	Applied in disease studies and drug discovery processes.	
Industrial synthetic biology products	• Industrial enzymes	Useful for speeding up biochemical reactions in many industries such as the food industry.	

Our world leadership in gene synthesis and our technological advantages in the discipline of synthetic biology have become a driving force that benefit the development of each of our business segments. For example, our capability of *de novo* synthesis of DNA molecules encoding novel or optimized proteins has enriched our protein and antibody-related services and products. The contract research services provided by our preclinical drug development service segment also grew from the leverage over our technical expertise and experience in gene synthesis and protein production.

BUSINESS MODEL

Direct Sales and Distribution

We primarily sell our life sciences research and application services and products through our own direct sales force to our customers worldwide, while we also sell our services and products through independent third-party distributors to expand our market presence and facilitate communication with end users. We attribute our success to our teams of well-trained sales and marketing specialists, as well as around-the-clock customer and consultation services. As of June 30, 2015, nearly 90% of the members of our U.S. sales and marketing team have attained doctoral or master's degrees in life sciences-related disciplines. To support the expansion of our PRC customer base of the industrial synthetic biology products, we intend to build a separate sales and marketing team due to the different profile of our customers of this segment compared to that of other business segments. We plan to build up our team of talents for providing interactive technical support to our PRC customers of industrial enzymes in order to capture market share. Please see the section headed "Business — Our Strategies — Increase penetration into the overseas and PRC markets by expanding and strengthening our sales and marketing team" for

details on page 178 of this document. They are dedicated to understanding customers' needs and helping to solve their research problems. We have also established an active online presence through our interactive online quotation and ordering system. A significant number of our worldwide customers navigate directly to our websites at www.genscript.com and www.bestzyme.com and can place orders for most of our life sciences research and application services and products 24 hours a day. Moreover, we plan to streamline our online quotation and ordering platform to boost our transaction efficiency and lower transaction costs, and strengthen our PRC online presence. We also intend to enhance our active presence in trade shows, symposia, conventions, seminars and other notable events in the PRC to promote our brand. In addition, we leverage the established network of independent third-party distributors to expand the breadth and depth of our market presence and facilitate communication with end users. We believe that the use of distributors is generally in line with industry practice, according to the Frost & Sullivan Report. As of June 30, 2015, we had sold our services and products to over 30 international distributors located across North America, Europe, the PRC, Asia Pacific (excluding the PRC and Japan), and Japan.

For the years ended December 31, 2012, 2013, 2014, and the six months ended June 30, 2015, our direct sales generated US$52.2 million, US$59.0 million, US$69.0 million, and US$40.4 million, representing approximately 98.6%, 98.1%, 98.6% and 98.3% of our total revenue, respectively. For the same periods, our sales to distributors generated US$0.7 million, US$1.1 million, US$1.0 million, and US$0.7 million, representing approximately 1.4%, 1.9%, 1.4% and 1.7% of our total revenue, respectively.

The following table sets forth a breakdown of our revenue by sales region for the periods indicated.

	For the years ended December 31,						For the six months ended June 30,			
	2012		2013		2014		2014		2015	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
							(Unaudited)			
	(US$ in thousands, except percentages)									
North America	27,120	51.2	31,367	52.2	36,473	52.1	17,067	50.9	21,565	52.5
Europe	11,994	22.6	12,396	20.6	14,714	21.0	7,464	22.3	8,426	20.5
The PRC	5,390	10.2	7,145	11.9	8,676	12.4	3,645	10.9	5,993	14.6
Asia Pacific (excluding the PRC and Japan)	4,198	7.9	4,857	8.1	5,602	8.0	2,761	8.2	2,746	6.7
Japan	3,684	7.0	3,523	5.9	3,582	5.1	2,103	6.3	1,842	4.5
Others (including South America and Africa)	604	1.1	816	1.3	947	1.4	481	1.4	478	1.2
TOTAL	**52,990**	**100.0**	**60,104**	**100.0**	**69,994**	**100.0**	**33,521**	**100.0**	**41,050**	**100.0**

During the Track Record Period, we generated over half of our revenue from sales in North America, reaching approximately 52.5% of our total revenue for the six months ended June 30, 2015. According to the Frost & Sullivan Report, the life sciences research service and product market in North America grew at a CAGR of 4.4% from 2010 to 2014, and it is projected to continue to grow at a CAGR of 5.3% from 2015 to 2019. Whereas in the PRC, our revenue from sales in the PRC out of our total revenue grew from 10.2% for the year ended December 31, 2012 to 14.6% for the six months ended June 30, 2015. According to the Frost & Sullivan Report, the life sciences research service and product market in the PRC grew at a CAGR of 23.6% from 2010 to 2014, and it is projected to continue to grow at a CAGR of 17.8% from 2015 to 2019.

In pricing our life sciences research and application services and products, we take into consideration the market positioning of our services and products, prices of comparable products offered by our competitors, degree of saturation of the current market, market trends, and production costs. In general, we adopt a uniform pricing policy for each of our business segments. Please see the section headed "Business — Customers — Pricing Strategy" for details of our pricing strategy on page 192 of this document. For the years ended December 31, 2012, 2013 and 2014 and the six months ended June 30, 2015, the selling prices of our gene synthesis services category (including gene synthesis, custom cloning, DNA library construction and a few other services) ranged from US$500 to US$23,000, US$480 to US$23,500, US$410 to US$25,500 and US$350 to US$25,500 per order, respectively, and the average selling price of our gene synthesis service decreased from US$0.38 to US$0.34 per base pair. For the years ended December 31, 2012, 2013 and 2014 and the six months ended June 30, 2015, the sales volume

of our gene syntheses services category for the same periods were approximately 12,900, 14,600, 15,700 and 7,900 orders, respectively. During the Track Record Period, the average selling price of our gene synthesis service decreased, which we believe was in line with market trend. For the years ended December 31, 2012, 2013 and 2014 and the six months ended June 30, 2015, the average selling price of our protein production services was US$4,575, US$4,300, US$4,415 and US$4,500 per order, respectively, and the sales volume of our protein production services for the same periods were approximately 1,300, 1,600, 1,900 and 1,400 orders, respectively.

SUPPLIERS, RAW MATERIALS, AND INVENTORY

Owing to our vast array of services and products, we procure a wide variety of raw materials from a large number of suppliers for our business segments. As of December 31, 2012, 2013, and 2014 and the six months ended June 30, 2015, we had a total of over 250, 280, 270 and 210 suppliers of different raw materials for our production, respectively, that are mostly located in China. Our life sciences research service segment comprises six key categories, each of which uses different raw materials. For example, gene synthesis service uses various types of restriction endonuclease, oligonucleotide synthesis service uses nucleotide monomers, DNA sequencing service uses BigDye Terminator kit, protein production service uses culture media, peptide synthesis service uses amino acids, and antibody development service uses experimental animals such as rats and rabbits. Please see the section headed "Business — Suppliers, Raw Materials, and Inventory" on page 203 of this document for further details.

During the Track Record Period, the purchase prices of our raw materials were relatively stable. For the years ended December 31, 2012, 2013, and 2014 and the six months ended June 30, 2015, purchases from our five largest suppliers were approximately US$3.0 million, US$2.3 million, US$3.4 million, and US$2.0 million, accounting for approximately 23.7%, 16.1%, 19.8%, and 23.7% of our total purchases, respectively. During the same periods, our purchases from our largest supplier were US$1.0 million, US$0.7 million, US$1.1 million, and US$0.8 million, accounting for approximately 7.6%, 4.9%, 6.4%, and 9.2% of our total purchases, respectively.

PRODUCTION

As of the Latest Practicable Date, we had three production facilities in operation in China and the United States. Our principal research and development base and production facility covers a site area of approximately 71,838.18 sq.m. in Jiangning Science Park located in Nanjing, China* (南京江寧科學園). As of the Latest Practicable Date, we had three five-story research and development and production buildings and two two-story animal housing buildings in Jiangning Science Park in Nanjing, which are AAALAC- and OLAW-accredited facilities. We leased our second production facility located in Pukou, Nanjing, which is used primarily for the production of peptides. We also leased and operated a facility for express gene synthesis and DNA sequencing service at GS US. As of June 30, 2015, we operated a total of 12 key production lines and employed more than 600 production personnel. For the six months ended June 30, 2015, the utilization rate of our production facilities for the production and provision of life sciences research services, life sciences research catalog products, and preclinical drug development services were 85.0%, 85.1%, and 91.2%. While we substantially produce almost all services and products at our production facility, we outsource certain steps of production. We also engage independent third-party OEM contractors in the PRC to expand and diversify our product offerings under the life sciences research catalog product segment. Please see the section headed "Business — Production Equipment and Maintenance" for a discussion on the designed annual production capacity, production volume, and the utilization rates in respect of each of our three business segments during the Track Record Period on page 218 of this document.

Under the industrial synthetic biology product segment, we have invested significantly in the research and development of industrial enzymes, and have developed product lines for a number of enzymes in the past two years under our Bestzyme brand. Currently, we maintain the design and laboratory-scale production of our industrial synthetic biology products in-house, and outsource the large-scale industrial production and formulation processes to third-party outsourced suppliers under our on-site technical supervision and according to our specifications.

OUR COMPETITIVE STRENGTHS

Our core strengths are set out below:

- We have achieved world market leadership in the global gene synthesis service market with recognized stature in synthetic biology, and we offer a broad and integrated life sciences research and application service and product portfolio.

- We are a well-known and trusted brand underpinned by our high quality life sciences research and application services and products.
- We maintain a strong sales and marketing team and operate an interactive online quotation and ordering platform to support our global sales.
- We possess strong research and development capabilities, with a proven track record and a robust service and product pipeline.
- We have an experienced and professional management team supported by a strong talent base.

OUR STRATEGIES

Our business strategies and development direction are set out below:

- Increase investment in research and development projects to expand our research and application service and product portfolio.
- Enhance production capacity to capitalize on the strong demand for our life sciences research and application services and products.
- Increase penetration into the overseas and PRC markets by expanding and strengthening our sales and marketing team.
- Pursue strategic acquisitions to complement organic growth.

COMPETITIVE LANDSCAPE

The global life sciences research service and product market

(A) The global DNA synthesis service market

According to the Frost & Sullivan Report, the global DNA synthesis service market is moderately concentrated in terms of revenue in 2014. According to the Frost & Sullivan Report, we ranked third in the global DNA synthesis service market, with a market share of approximately 10.6% in terms of revenue in 2014. The top five players in the global oligonucleotide synthesis service market segment accounted for 58.4% of the market share in terms of revenue in 2014. Similarly, the top five players in the global gene synthesis service market segment dominate the market segment with a 74.2% market share in terms of revenue in 2014. We are the largest provider of gene synthesis service in the world, and had a market share of 25.6% in the global gene synthesis service market in terms of revenue in 2014.

(B) The global genetic analysis and engineering service market

According to the Frost & Sullivan Report, the global genetic analysis and engineering service market is a relatively less concentrated market, with the top five players accounting for 22.0% of market share in terms of revenue in 2014. According to the Frost & Sullivan Report, we had a market share of less than 1% in the global genetic analysis and engineering service market in terms of revenue in 2014.

(C) The global research-based protein and antibody-related service and product market

According to the Frost & Sullivan Report, the global research-based protein and antibody-related service and product market is highly fragmented. We had a market share of less than 1% in the global research-based protein and antibody-related service and product market in terms of revenue in 2014.

(D) The global life sciences research reagent market

According to the Frost & Sullivan Report, the global life sciences research reagent market is highly fragmented, with a significant number of suppliers available both locally and internationally. We had a market share of less than 1% in the global life sciences research reagent market in terms of revenue in 2014.

Entry barriers of the global life sciences research service and product market include accumulated technical know-how and operational expertise, research and development talents, substantial capital investment, and strong market recognition.

The global drug development service market

According to the Frost & Sullivan Report, the global drug development service market is a moderately concentrated market, with the top five players accounting for 38.3% of market share in terms of revenue in 2014. Entry barriers of the global drug development service market include access to research and development talents, substantial capital investment, and the establishment of strategic partnership with drug developers.

The global industrial enzyme market

According to the Frost & Sullivan Report, the global industrial enzyme market is highly concentrated, with two market players accounting for 62.7% of the market share in terms of revenue in 2014. Entry barriers of the global industrial enzyme market include establishment of economies of scale, existing major players, and biotechnology expertise. There is great growth potential for the global industrial enzyme market due to the demand for more environmentally friendly industries with higher productivity at lower cost.

Please see the section headed "Industry Overview" beginning on page 95 of this document for details of the market share and ranking of the key market players.

OUR SHAREHOLDERS

As of the Latest Practicable Date, Dr. Zhang, our co-founder, together with our two other co-founders, Dr. Wang and Ms. Wang are parties acting in concert, and hence are our Controlling Shareholders. Dr. Zhang, together with Dr. Wang and Ms. Wang (together known as the "Concerted Parties"), hold approximately 75.585% of the shares of GS Corp and GS Corp owns approximately 75.71% of the shares of GS Cayman, which in turn owns the entire issued share capital of our Company. Immediately after the completion of the [**REDACTED**] and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and that no [**REDACTED**] have been issued pursuant to the exercise of any option that has been or may be granted under the Share Option Schemes), Dr. Zhang, together with the Concerted Parties, will hold approximately [**REDACTED**]% of shares of GS Corp, and GS Corp will hold approximately [**REDACTED**] of the [**REDACTED**]. As part of the [**REDACTED**] Reorganization, GS Cayman will not remain as our Controlling Shareholder, but Dr. Zhang, each of the Concerted Parties and GS Corp will remain as our Controlling Shareholders.

There is no competition between the business of our Controlling Shareholders and our businesses. The Directors believe that our Group is capable of carrying out its businesses independently of our Controlling Shareholders and their associates.

For more details, please see the sections headed "Relationship with Controlling Shareholders" and "Directors and Senior Management" in this document.

[**REDACTED**] SHARE OPTION

The purpose of the [**REDACTED**] Share Option Scheme is to attract skilled and experienced personnel, to incentivize them to remain with our Group and to motivate them to strive for the future development and expansion of our Group by providing them with the opportunity to acquire equity interests in our Company. The principal terms of the [**REDACTED**] Share Option Scheme were approved by our Board on July 15, 2015.

We have granted options to 170 persons (the "Grantees" and each a "Grantee") to subscribe for 155,538,420 Shares (immediately before the [**REDACTED**] Reorganization) or [**REDACTED**] (immediately before completion of the [**REDACTED**] and the [**REDACTED**]), both representing approximately [**REDACTED**] of the then respective issued share capital of our Company. The [**REDACTED**] to be subjected to the [**REDACTED**] Share Option Scheme shall be [**REDACTED**], representing approximately [**REDACTED**]% of the issued share capital of our Company immediately after the completion of the [**REDACTED**] and the [**REDACTED**] (assuming the [**REDACTED**] Share Options are exercised in full and without taking into account of any Shares which may be issued pursuant

to the exercise of the [**REDACTED**] and the options which have been or may be granted under the [**REDACTED**] Share Option Scheme). The exercise prices of the [**REDACTED**] Share Options immediately before completion of the [**REDACTED**] and the [**REDACTED**] range from US$[**REDACTED**] to US$[**REDACTED**] and the adjusted exercise prices of the [**REDACTED**] Share Options immediately after the completion of the [**REDACTED**] and the [**REDACTED**] (assuming the [**REDACTED**] Share Options are exercised in full and without taking into account of any Shares which may be issued pursuant to the exercise of the [**REDACTED**] and the options which have been or may be granted under the [**REDACTED**] Share Option Scheme) range from US$[**REDACTED**] to US$[**REDACTED**]. The vesting dates of the [**REDACTED**] Share Options range from [**REDACTED**] to [**REDACTED**]. Among the 170 Grantees, two of them are executive Directors, one of them is a non-executive Director, and four of them are members of the senior management of our Group, five of them are other grantees who have been granted [**REDACTED**] Share Options to subscribe for more than [**REDACTED**] (the "Grantees With More Than [**REDACTED**]") and 158 of them are employees of our Group (the "Employee Grantees").

Assuming all outstanding options as of the Latest Practicable Date were exercised as of January 1, 2015 prior to the [**REDACTED**] and the [**REDACTED**], this would have a dilutive effect on the shareholdings of our Shareholders of approximately 20.12% and, as a result of the adjustment in share-based compensation expenses for the six months ended June 30, 2015, an anti-dilutive effect of approximately 11.34% on our earnings per Share for the six months ended June 30, 2015.

For more details, please refer to the Note 27 of Accountants' Report as set out in Appendix I and the section headed "Statutory and General Information — 8. [**REDACTED**] Share Option Scheme" in Appendix V of this document.

[REDACTED] INVESTMENT

On April 3, 2009, GS Cayman entered into a [**REDACTED**] Investment Agreement with KPCB China Fund, KPCB China Founders Fund and TBIG Healthcare, pursuant to which GS Cayman agreed to issue and sell to the [**REDACTED**] Investors, at the price of US$0.10 per share, an aggregate of 150,000,000 Series A-1 Preference Shares and issue Series A-2 Warrants to the [**REDACTED**] Investors to purchase up to an aggregate of 25,641,029 Series A-2 Preference Shares.

On April 15, 2009, KPCB China Fund paid an aggregate purchase price of US$11,162,400 for 111,624,000 Series A-1 Preference Shares and 19,081,028 Series A-2 Warrants; KPCB China Founders Fund paid an aggregate purchase price of US$837,600 for 8,376,000 Series A-1 Preference Shares and 1,431,795 Series A-2 Warrants; and TBIG Healthcare paid an aggregate purchase price of US$3,000,000 for 30,000,000 Series A-1 Preference Shares and 5,128,206 Series A-2 Warrants. On the same day, KPCB China Fund, KPCB China Founders Fund and TBIG Healthcare hold 18.08%, 1.35% and 4.86% of the then total issued share capital of GS Cayman, respectively. Immediately before the [**REDACTED**], all the Series A-1 Preference Shares held by KPCB China Fund, KPCB China Founders Fund and TBIG Healthcare will be converted into ordinary shares of GS Cayman. GS Cayman will repurchase all the ordinary shares of GS Cayman held by GS Corp, KPCB China Fund, KPCB China Founders Fund and TBIG Healthcare, in consideration of which, GS Cayman will transfer [**REDACTED**] Shares, [**REDACTED**] Shares, [**REDACTED**] Shares and [**REDACTED**] Shares to GS Corp, KPCB China Fund, KPCB China Founders Fund and TBIG Healthcare, respectively.

Immediately after the completion of the [**REDACTED**] and the [**REDACTED**] (without taking into account any Shares which may be issued upon the exercise of the [**REDACTED**]and the options that have been and may be granted under the Share Option Schemes), KPCB China Fund, KPCB China Founders Fund and TBIG Healthcare will hold [**REDACTED**], [**REDACTED**] and [**REDACTED**] Shares, respectively, representing approximately [**REDACTED**]%, [**REDACTED**]% and [**REDACTED**]%, respectively, of the issued share capital of the Company.

Our Directors and the Sole Sponsor confirm that they consider the [**REDACTED**] investments, after the lapse of all special rights relating to [**REDACTED**] investment upon the [**REDACTED**], are under normal commercial terms and in compliance with the Guidance Letters HKEx-GL29-12, HKEx-GL44-12 and HKEx-GL43-12 issued by the Stock Exchange, based on the relevant documentation. For more details, please see the section headed "History and Reorganization — [**REDACTED**] Investment" in this document.

SUMMARY OF OUR FINANCIAL INFORMATION

Our combined financial information has been prepared in accordance with HKFRS. Selected items of our combined financial statements are set out below.

Information on our combined statements of profit or loss

	Year ended December 31,						Six months ended June 30,			
	2012		2013		2014		2014		2015	
	Revenue US$'000	*% of total revenue*	*Revenue US$'000*	*% of total revenue*	*Revenue US$'000*	*% of total revenue*	*Revenue US$'000 (unaudited)*	*% of total revenue*	*Revenue US$'000*	*% of total revenue*
Life sciences research services	48,571	91.6	55,354	92.1	63,220	90.3	30,320	90.4	36,775	89.6
Life sciences research catalog products	1,793	3.4	1,527	2.5	2,044	2.9	943	2.8	1,181	2.9
Preclinical drug development services	2,626	5.0	3,223	5.4	4,382	6.3	2,163	6.5	2,641	6.4
Industrial synthetic biology products	–	–	–	–	348	0.5	95	0.3	453	1.1
TOTAL	**52,990**	**100.0**	**60,104**	**100.0**	**69,994**	**100.0**	**33,521**	**100.0**	**41,050**	**100.0**

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	Gross profit margin (%)	*Gross profit margin (%)*	*Gross profit margin (%)*	*Gross profit margin (%) (unaudited)*	*Gross profit margin (%)*
Life sciences research services	67.3	64.0	63.2	64.5	66.3
Life sciences research catalog products	59.8	58.3	66.5	58.4	62.6
Preclinical drug development services	64.4	60.2	63.8	64.3	64.3
Industrial synthetic biology products	–	–	–	(60.0)	5.7
OVERALL GROSS PROFIT MARGIN	**66.9**	**63.7**	**63.0**	**63.9**	**65.4**

Our revenue increased from 2012 to 2014 at a CAGR of 14.9%, primarily attributable to increases in revenues from our life sciences research service, life sciences research catalog product and preclinical drug development service businesses. Our revenue increased by US$7.6 million, or 22.7%, from US$33.5 million for the six months ended June 30, 2014 to US$41.1 million for the six months ended June 30, 2015, primarily attributable to increases in revenues from all our business segments. During the Track Record Period, revenues from our four business segments increased, respectively, due to the following factors:

- *Life sciences research services:* (i) an increase in revenue generated from the sale of our gene synthesis services, which in turn was mainly a result of (a) our strengthened sales and marketing efforts on key customers and (b) our provision of GenPlus™ next-generation gene synthesis technology and GenPlus™ high-throughput gene synthesis service; (ii) an increase in revenue generated from the sale of our protein production service, which in turn, was mainly a result of (a) our improved services, including more efficient delivery, and (b) our provision of a variety of protein and antibody-related complex projects; (iii) an increase in sales generated through our interactive online quotation and ordering system; and (iv) an increase in demand from our existing customers as a result of our one-stop integrated service platform.

- *Life sciences research catalog products:* the revenue generated from our newly launched recombinant protein products, precast gel products, and eStain® and eBlot® products.

- *Preclinical drug development services:* (i) an increase in revenue generated from our antibody and protein engineering service, which in turn, was mainly a result of our commercial introduction of our half-life extension technology for single domain antibody drugs; and (ii) an increase in revenue generated from our *in vivo* pharmacology service as a result of the operational expansion.

- *Industrial synthetic biology products:* we launched the industrial synthetic biology product segment in 2013, and continued to grow our production and sales of our industrial synthetic biology products in 2014 and first half of 2015.

The following table sets forth a breakdown of (i) our cost of sales, which consists of labor costs, cost of raw materials, depreciation and amortization charges, and others, (ii) our gross profit, (iii) research and development expenses, which are recognized as administrative expenses and (iv) net profit for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2012	**2013**	**2014**	**2014**	**2015**
	US$'000	*US$'000*	*US$'000*	*US$'000 (unaudited)*	*US$'000*
Cost of sales	17,547	21,846	25,896	12,089	14,192
Gross profit	35,443	38,258	44,098	21,432	26,858
Research and development expenses (recognized as administrative expenses)	5,508	6,064	5,589	2,516	2,439
Net profit	9,182	6,000	6,175	4,046	5,746

Our overall gross profit margin decreased from 2012 to 2014, primarily as a result of a decrease in the gross profit margin for our life sciences research service segment. In turn, such decrease was mainly a result of (i) an increase in labor costs, which was attributable to the employment of more skilled labors; (ii) the launch of a few new services, which have had relatively lower gross profit margin as they were still in early stages of development; (iii) an increase in our operation costs, which was attributable to the expanded operation at our new facilities in Jiangning Science Park in Nanjing in 2013; and (iv) the lowering of the sales price of certain gene synthesis service. Our gross profit margin increased from 63.9% for the six months ended June 30, 2014 to 65.4% for the six months ended June 30, 2015, which, in turn, was primarily attributable to an increase in the gross profit margin of our life sciences research service segment. The increase was a result of a decrease in cost of raw materials and our enhanced production efficiency as we improved our gene synthesis technology. Our net profit decreased by US$3.2 million, or 34.8% from 2012 to 2013, primarily because of: (i) an increase in our selling and distribution expenses, which, in turn, was attributable to an increase in salary and benefit expenses for employees involved in selling and distribution activities; (ii) an increase in our administrative expenses, which, in turn, was attributable to the increase in our equity-settled share option expenses, the audit and consultancy fees and the average salary level of our administrative employees; and (iii) an increase in our foreign exchange losses, which, in turn, was attributable to the effect of the appreciation of Renminbi against U.S. Dollars on our monetary assets as of December 31, 2013. Our net profit margin decreased from 17.3% for the year ended December 31, 2012 to 10.0% for the year ended December 31, 2013, primarily attributable to a decrease in our overall gross profit margin from 2012 to 2013. Our net profit margin for the year ended December 31, 2014 further decreased to 8.8%, primarily attributable to an increase in our administrative expenses in 2014 as a result of an increase in our equity-settled share option expenses. Our net profit margin increased from 12.1% for the six months ended June 30, 2014 to 14.0% for the six months ended June 30, 2015, primarily attributable to an increase in our overall gross profit margin. Please see the section headed "Financial Information — Description of Certain Combined Income Statement Items" starting on page 295 of this document for further discussion.

Information on our combined balance sheets

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	US$'000	*US$'000*	*US$'000*	*US$'000*
Non-current assets	45,490	45,274	48,588	50,402
Current assets	30,099	38,561	43,792	43,768
Net current (liabilities)/assets	(153)	8,676	14,604	20,029
Non-current liabilities	1,181	1,387	1,445	1,436
Current liabilities	30,252	29,885	29,188	23,739
Total equity	44,156	52,563	61,747	68,995

Please see the section headed "Financial Information — Discussion of Selected Item from the Combined Statement of Financial Position" starting on page 320 of this document for further discussion.

Extract of combined statements of cash flows

The following table sets forth selected cash flow data from our combined statements of cash flows for the periods indicated. For more information, please see the section headed "Accountants' Report" in Appendix I to this document.

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	US$'000	*US$'000*	*US$'000*	*US$'000 (unaudited)*	*US$'000*
Cash and cash equivalents at beginning of year/period	16,778	18,660	22,457	22,457	25,637
Net cash flows from operating activities	9,190	12,024	12,206	5,822	9,274
Net cash flows used in investing activities	(7,317)	(10,914)	(9,114)	(3,156)	(1,121)
Net cash flows from financing activities	(99)	1,988	395	(215)	(8,178)
Net foreign exchange difference	108	699	(307)	(445)	72
Cash and cash equivalents at end of the year/period	18,660	22,457	25,637	24,463	25,684

Key financial ratios

The following table sets forth certain key financial ratios as of the dates or for the periods indicated. Please see the section headed "Financial Information — Key Financial Ratios" starting on page 339 of this document for descriptions of the calculations and the relevant analysis of the ratios below.

	As of December 31,			As of June 30,
	2012	2013	2014	2015
Current ratio	1.0	1.3	1.5	1.8
Gearing Ratio (%)	17.0	18.9	17.4	3.7

	For the year ended December 31,			For the six months ended June 30,
	2012	2013	2014	2015
Gross profit margin (%)	66.9	63.7	63.0	65.4
Net profit margin (%)	17.3	10.0	8.8	14.0
Effective tax rate (%)	17.3	20.3	21.2	27.2
Return on equity (%)	23.5	12.4	10.8	17.6
Return on total assets (%)	14.4	7.5	7.0	12.4
EBITDA margin (%)	28.2	20.6	18.6	25.2
Interest coverage	66.3	23.3	20.1	N/A

DIVIDEND POLICY

During the Track Record Period, we have not declared and/or paid any dividends to our Shareholders. Currently, we do not have any dividend policy or specific dividend plan. Subject to the Companies Law and our Memorandum and Articles, through a general meeting, we will declare dividends from the profit of the forthcoming periods, but no dividends shall exceed the amount recommended by our Directors. Our Directors will consider, from time to time, to pay to our shareholders such interim dividends as our Directors deem to be justified by our financial conditions and profits. The amount of any dividends to be declared or paid in the future will depend on, among other things, our results of operations, cash flows, financial condition, operating and capital requirements, future prospects and other factors that our Directors may deem relevant.

SUMMARY OF MATERIAL RISK FACTORS

There are a number of risk factors involved in our business operations, including:

- Our future growth is dependent upon our ability to develop new services and products, which requires significant research and development efforts, and our investment in new services and products may not result in any commercially viable services and products
- If our customers are not receptive to our services and products, our sales will decline, and we will be unable to increase our sales and profit
- Unauthorized use of our brand names by third parties and our failure to develop, maintain and enhance our brands may adversely affect the level of market recognition of, and trust in, our services and products
- Our business, financial condition and results of operations may be harmed if our customers discontinue or spend less on research and development or are unable to obtain funding for their research and development, or our customers fail to obtain, maintain or renew relevant licenses or permits required for their businesses
- If we experience a significant disruption in our information technology systems or if we fail to implement new systems and software successfully, our business could be adversely affected
- Our failure to obtain or renew certain approvals, licenses, permits, and certificates required for our business may materially and adversely affect our business, financial condition and results of operations

A detailed discussion of the risk factors is set forth in "Risk Factors" section beginning on page 42 of this document.

NON-COMPLIANCE INCIDENTS

During the Track Record Period, we had certain non-compliance incidents in relation to (i) the discharge of pollutants prior to obtaining pollutants discharge permits and the discharge of waste gas beyond the permitted level, (ii) failure to attend to "Occupational Health Three Simultaneities" procedures* ("職業衛生三同時"手續) and "Safety Facilities Three Simultaneities" procedures* ("安全設施三同時"手續) in relation to certain construction projects, (iii) failure to obtain construction work

commencement permit, inspection and acceptance on completion of construction, and building ownership certificate in relation to certain construction projects and buildings, (iv) failure to file information of projects posing occupational disease and to conduct a testing of factors in connection with occupational disease and assessment on the current status of occupational disease, (v) failure to undertake the design examination and acceptance procedures of the fire prevention inspection in relation to a leased property, (vi) failure to comply with the ITSR in respect of one sales transaction with a customer in Iran, (vii) failure to convene annual general meetings and lay audited financial statements at annual general meetings, (viii) failure to inform the IRD of the chargeability to tax within the prescribed time limit, and (ix) failure to submit the profits tax returns to the IRD within the prescribed time limit. Please see the section headed "Business — Historical Non-compliance Incidents" for further details, beginning on page 238 of this document. All such non-compliance incidents had not resulted, and are not expected to result, in any material impact on our business operation financial condition. Please see the section headed "Business — Sales to Sanctioned Countries" beginning on page 196 of this document for further details on our non-compliance with ITSR during the Track Record Period.

BUSINESS ACTIVITIES IN SANCTIONED COUNTRIES

The United States, the European Union, Australia, the United Nations Security Council and Hong Kong, collectively, have broad economic sanctions targeting the Sanctioned Countries. In addition, the United States and other jurisdictions have certain sanctions that target Sanctioned Persons regardless of whether they are located in the Sanctioned Countries. For details on relevant sanctions laws, see "Regulations — Descriptions of Sanctions Laws" beginning on page 136 of this document. During the Track Record Period, we made certain sales of our products and services to customers in the following Sanctioned Countries: Belarus, Egypt, Iran, Iraq, Lebanon, Libya, Russia, Serbia and Ukraine. Our revenue derived from sales made to these Sanctioned Countries, in aggregate, accounted for approximately 0.20%, 0.10%, 0.12% and 0.10% of our revenue for the years ended December 31, 2012, 2013 and 2014 and the six months ended June 30, 2015, respectively. On advice of our International Sanctions Legal Advisors, on August 25, 2015 (as supplemented by further information on October 30, 2015), we made a voluntary self-disclosure ("VSD") to OFAC because three U.S. dollar payments that we received from Iran after March 8, 2013 and one replacement shipment to a customer in Iran in November 2013 appeared to be violations of the U.S. sanctions. In the VSD, we provided OFAC with full details and relevant documents regarding those three payments and that shipment. In addition, we filed an interpretive guidance request with OFAC requesting OFAC's guidance as to whether U.S. dollar payments that we received in connection with our sales in Iran during the Track Record Period and before March 8, 2013 were lawful under the U.S. sanctions. We also included details about those payments in the VSD. On November 24, 2015, OFAC responded to the VSD with a Cautionary Letter representing a final enforcement response. In the Cautionary Letter, OFAC informed us that the three U.S. dollar payments that we received from Iran after March 8, 2013 and the single replacement shipment were apparent violations of the U.S. sanctions. However, OFAC indicated that it was not pursuing any civil monetary penalty against us. On November 30, 2015, OFAC also advised our International Sanctions Legal Advisors that, due to the resolution of the VSD through the Cautionary Letter, OFAC considered the underlying question in the interpretive guidance request to have been resolved through the Cautionary Letter and asked us to withdraw the interpretive guidance request from further OFAC consideration. On December 5, 2015, through our International Sanctions Legal Advisors, we withdrew the interpretive guidance request from further OFAC consideration. Accordingly, both we (as advised by our International Sanctions Legal Advisors) and OFAC now consider the possible legal issues raised through the VSD and the interpretive guidance request to be fully closed with the issuance of the Cautionary Letter and without the imposition of any civil monetary penalty.

As of the Latest Practicable Date/ prior to the [**REDACTED**], all of our sales transactions with customers in the Sanctioned Countries have been completed. We have no present intention to undertake any future business or make any future sales to the Sanctioned Countries. We undertake to the Hong Kong Stock Exchange that (i) we will not use the [**REDACTED**] from the [**REDACTED**], as well as any other funds raised through the Hong Kong Stock Exchange, whether directly or indirectly, to finance or facilitate any projects or businesses in the Sanctioned Countries, (ii) we will not undertake any sanctionable transactions that would expose the Hong Kong Stock Exchange, the [**REDACTED**] of the Stock Exchange, [**REDACTED**], [**REDACTED**] Nominees, our Shareholders and/or investors (collectively, the "Relevant Persons") or us to risk of being sanctioned, and (iii) we will make timely disclosure on the Hong Kong Stock Exchange's website and our own website if we believe our business would put Relevant Persons or ourselves at risk of being sanctioned and in our annual reports or interim reports our efforts on monitoring our business exposure to sanctions risks and our business intention relating to the Sanctioned Countries. If we breach any of these undertakings to the Hong Kong Stock Exchange after the [**REDACTED**], it is possible that the Hong Kong Stock Exchange may [**REDACTED**] our Shares. Our Directors believe that the Relevant Persons are unlikely to face sanctions risk due to our

transactions with the Sanctioned Countries. In order to ensure our compliance with these undertakings to the Hong Kong Stock Exchange, we will continuously monitor and evaluate our business and take measures to protect the interests of our Group and our Shareholders. For details of our internal control procedures, please see the section headed "Business — Sales to Sanctioned Countries — Our Undertakings and Internal Control Procedures" beginning on page 201 of this document. In addition, for related risks, please see the section headed "Risk Factors — Risks Relating to Our Business — We could be adversely affected as a result of our operations in certain countries that are subject to evolving economic sanctions of the United States, the European Union, Australia and the United Nations Security Council and other relevant sanctions authorities" beginning on page 50 of this document.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our business model, revenue structure and cost structure have remained unchanged since June 30, 2015. Our business achieves a strong growth rate and the contribution by each business segment is in line with the historical record.

We believe that demand for our life sciences research and application services and products will continue to increase. Such improvements are primarily contributed by the considerable growth in developing countries such as China. Recovering research and development funding and declining cost of major raw materials and technology further facilitate the development of such industries, resulting in the wide applications of some breakthrough technologies to various bio-related industries. There has also been increasing demand for innovative therapeutic options in recent years, owing to the rise in cases of disease incidence across predominant therapeutic categories. Such demand, coupled with constraints faced by drug manufacturers and drug development service providers' access to advanced research tools and technologies, contributes to the increasing popularity of drug development services. Due to their environmental friendliness and the ability to achieve higher productivity with lower manufacturing cost, industrial enzymes are becoming more and more popular in a variety of industries such as the food and textile industries.

For the ten months ended October 31, 2015, we had incurred expenses in connection with the [**REDACTED**] (the "[**REDACTED**] Expenses") in the amount of [**REDACTED**] and expenses of equity-settled share option expenses in the amount of [**REDACTED**] in relation to the [**REDACTED**] Share Option Scheme. We expect to incur expenses of share-based payment to approximately [**REDACTED**] in relation to the [**REDACTED**] Share Option Schemes for the year ending December 31, 2015.

The depreciation of the Renminbi against the U.S. dollar in August 2015 may have a positive effect on our financial results as our cost of sales is mainly denominated in Renminbi. At the same time, as far as we are aware, there was no material change in the general economic, market and regulatory conditions in our industry that had materially and adversely affected our business operations or financial conditions since June 30, 2015 and up to the Latest Practicable Date. Our Directors confirm that, save as the [**REDACTED**] Expenses and equity-settled share option expenses, up to the date of this document, there has been no other material adverse change in our financial or [**REDACTED**] position or prospects since June 30, 2015, being the date to which our latest audited financial statements were prepared.

In connection with the US Lawsuit as disclosed in "Business — Legal Proceedings and Compliance", we and the relevant defendants entered into a settlement agreement on November 11, 2015. Under the settlement agreement, instead of the full amount of damages awarded to us by the court, we agreed to accept a sum that we considered and negotiated primarily based on the amount of damages payable by the relevant defendants under the court order and that will represent a substantial gain of the Group for the year ending December 31, 2015. We expect that there will be a significant increase in our net profit for the year ending December 31, 2015, mainly due to the increase in other gain. In connection with the Suzhou Lawsuit as disclosed in "Business — Legal proceedings and Compliance", we and the plaintiff agreed to settle the dispute under the same settlement agreement as abovementioned with respect to the US Lawsuit.

[**REDACTED**] EXPENSES

The [**REDACTED**] of our Shares generates [**REDACTED**] expenses including professional fees, [**REDACTED**] commissions and other expenses. The estimated [**REDACTED**] expenses (including [**REDACTED**] commissions) are approximately US$[**REDACTED**], among which, approximately US$[**REDACTED**] is directly attributable to the [**REDACTED**] of our Shares generates and will be capitalized, and approximately US$[**REDACTED**] has been or is expected to be reflected in our income statement. For the six months ended June 30, 2015, we have incurred [**REDACTED**] expenses of approximately US$[**REDACTED**], which have already been reflected in our income statement, and approximately US$[**REDACTED**] is expected to incur after June 30, 2015.

[**REDACTED**] STATISTICS

All statistics in the following table are based on the assumptions that: (i) completion of the [**REDACTED**]; (ii) the [**REDACTED**] has been completed and [**REDACTED**] are newly [**REDACTED**] in the [**REDACTED**]; (iii) [**REDACTED**] Shares are issued and outstanding following completion of the [**REDACTED**]; and (iv) the [**REDACTED**] is not exercised.

	Based on an [REDACTED] of HK$[REDACTED] per Share		**Based on an [REDACTED] of HK$[REDACTED] per Share**	
	US$	*HK$*	*US$*	*HK$*
Market capitalization of our Shares upon completion of the [**REDACTED**][(1)]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Unaudited [**REDACTED**] adjusted combined net tangible assets per [**REDACTED**][(2)]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

Notes:

(1) Taking no account of any shares which may be allotted and issued pursuant to the exercise of the [**REDACTED**], the options granted or to be granted under the [**REDACTED**] Share Option Schemes or the [**REDACTED**] Share Option Scheme and any shares which may be issued or repurchased by our Company pursuant to the General Mandate to Issue Shares and General Mandate to Purchase Shares.

(2) The unaudited [**REDACTED**] adjusted net tangible assets per Share is calculated after making the adjustments referred to in Appendix II to this document and based on [**REDACTED**] Shares which are expected to be in issue immediately after completion of the [**REDACTED**] and the [**REDACTED**] and taking into no account of any Shares which may be issued pursuant to the [**REDACTED**], the options which have been or may be granted under the Share Option Schemes and any Shares which may be issued or repurchased by our Company pursuant to the [**REDACTED**]. Please refer to Appendix II to this document for further details regarding the assumptions and calculation method.

USE OF [**REDACTED**]

We estimate that the aggregate net [**REDACTED**] to our Company from the [**REDACTED**] (after deducting [**REDACTED**] fees and estimated expenses in connection with the [**REDACTED**] payable by us and assuming that the [**REDACTED**] is not exercised and an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] stated in this document) will be approximately HK$[**REDACTED**]. We currently intend to apply such net proceeds for the following purposes. Please see the section headed "Future Plans and Use of [**REDACTED**]" on pages 347 of this document for details.

Amount of net proceeds	**Intended application**	**Intended year of application**
• approximately [**REDACTED**]%, or [**REDACTED**] million	• expanding our current life sciences research and application service and product portfolio	• 2016–2017
• approximately [**REDACTED**]%, or [**REDACTED**] million	• expanding production capacity	• 2016–2017
• approximately [**REDACTED**]%, or [**REDACTED**] million	• enhancing our information technology capability	• 2016
• approximately [**REDACTED**]%, or [**REDACTED**] million	• reinforcing the sales and marketing team	• 2016–2018
• approximately [**REDACTED**]%, or [**REDACTED**] million	• potential acquisition in attractive segments of the industry	• no specific acquisition target identified as of the Latest Practicable Date
• approximately [**REDACTED**]%, or [**REDACTED**] million	• supplement our working capital and for general corporate purposes	• 2016–2018