

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from different official government publications, available sources from public market research and other sources from independent suppliers. In addition, we engaged Frost & Sullivan for preparing an independent industry report in respect of the [REDACTED] (the “Frost & Sullivan Report”). We believe that the sources of such information and statistics are appropriate, and we have taken reasonable care in extracting and reproducing such information and statistics. We have no reason to believe that such information and statistics are false or misleading in any material respect or that any part of the information has been omitted rendering such information false or misleading. The information and statistics have not been independently verified by the Company, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any other persons involved in the [REDACTED] or their respective directors, advisors and affiliates. Therefore, no representation is given as to the correctness or accuracy in respect of the information and statistics set out in this document. Our Directors confirm that, after taking reasonable care, there is no adverse change in the market information since the date of the Frost & Sullivan Report, which may qualify, contradict or have an impact on the information and statistics disclosed in this section. The information and statistics contained in this section may be inconsistent with other information prepared inside or outside the PRC.

The achievements of life sciences researchers and scientists in recent years have revolutionarily improved our understanding of biological systems and have led to various opportunities and growths in the life sciences research and application service and product industries. For example, the development of DNA synthesis and genetic engineering technologies enables researchers and scientists to design and modify biological systems at molecular level and can be employed to create more diverse and well-designed services and products, which in turn benefits the downstream markets.

In the life sciences research and application service and product industries, our four business segments, namely life sciences research services, life sciences research catalog products, preclinical drug development services and industrial synthetic biology products, primarily operate in three global markets, which are (i) the life sciences research service and product market, (ii) the drug development service market and (iii) the industrial enzyme market. The following chart illustrates the relationship between our business segments and the markets in which we operate:

Markets	Our business segments
(i) <i>Global life sciences research service and product market</i>	Life sciences research services Life sciences research catalog products
(ii) <i>Global drug development service market</i>	Preclinical drug development services
(iii) <i>Global industrial enzyme market</i>	Industrial synthetic biology products

The life sciences research and application service and product industries have been improving in recent years. Such improvements were primarily contributed by the considerable growth in the developing countries such as China. North America and Europe captured the highest market share in aggregate in the global life sciences research service and product market in terms of revenue in 2014.

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Increasing 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 breakthrough technologies to various bio-related industries, such as the pharmaceutical industry and industrial enzyme industry. We believe that the global life sciences research service and product market, the global drug development service market and the global industrial enzyme market will continually present significant growth potentials.

THE GLOBAL LIFE SCIENCES RESEARCH SERVICE AND PRODUCT MARKET

Life sciences research services and products are professional outsourcing services and specialized research products that are used to facilitate life sciences research and experiments. They consist primarily of three categories: (i) molecular biology services (mainly DNA synthesis and genetic analysis and engineering services); (ii) research-based protein- and antibody-related services and products (mainly recombinant protein production, peptide synthesis and customized antibody production); and (iii) life sciences research reagents (such as biochemical reagents and research kits). Life sciences research services and products provide scientists and researchers with valuable tools and information they need in designing and conducting life sciences experiments and save them precious time in generating such tools and obtaining such information themselves so that they can focus more on research and development. In addition, providers of life sciences research services and products are more specialized in providing such services and generating such products than scientists and researchers who use such products and services in their experiments and can therefore generate the tools and obtain the information more efficiently and cost-effectively.

The following chart illustrates a comparison between the industry classifications in the life sciences research services and products industries and our business segments and key categories (including our respective major service and product lines):

Industry classifications	Global molecular biology service market <ul style="list-style-type: none"> • DNA synthesis services (A) • Genetic analysis and engineering services (B) 	Global research-based protein- and antibody-related service and product market (C)	Global life sciences research reagent market (D)
Our business segments	Life sciences research services		Catalogue products
Our key categories	<ul style="list-style-type: none"> • Gene synthesis • Oligonucleotide synthesis • DNA sequencing 	<ul style="list-style-type: none"> • Protein production • Peptide synthesis • Antibody development 	<ul style="list-style-type: none"> • Antibodies • Recombinant proteins • Precast gels • Affinity resins

Life sciences research services and products are widely used in both basic research and commercial research and development activities in various disciplines and fields. Virtually all life sciences research and development laboratories use life sciences research services and products, which are essential for their daily operations.

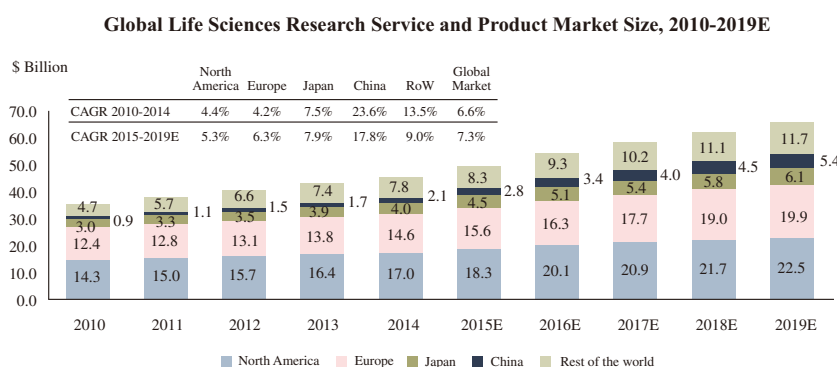
Customers of the global life sciences research service and product market primarily consist of pharmaceutical and biotech companies, academic institutions, hospitals, and government testing and diagnostic centers. In the life sciences research service and product market, online ordering is common in

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developed countries such as the United States. However, most companies in the PRC still take orders via email or phone. We have established an interactive online quotation and ordering system. Our customers can navigate directly to our websites to place orders for most of our life sciences research and application services and products online. Some suppliers have developed their in-house sales teams to provide services and products directly to end users, while some other suppliers may engage local distributors and outsourcing sales teams. We currently engage our direct sales force and some distributors to achieve a direct access to our major markets as well as a wide geographical coverage.

In the life sciences research service and product market, some customers make a prepayment to enjoy discounts and increase the efficiency of payment settlement and management. The prepayment arrangement is one of the commercial practices adopted by customers in such market. In addition, some customers maintain a system where their ordering and payment functions are separated. Payments are supposed to be made if research funds are used in the manner within the scope initially approved by the relevant government authorities.

The chart below sets forth the historical and projected total revenue of the global life sciences research service and product market from 2010 to 2019:



Source: Frost & Sullivan

According to the Frost & Sullivan Report, the global life sciences research service and product market grew at a CAGR of 6.6% from 2010 to 2014. In particular, China experienced the highest growth at a rate of 23.6% from 2010 to 2014. North America and Europe captured the highest market share in aggregate in the market in terms of revenue in 2014. The market is expected to continue to grow with a CAGR of 7.3% from 2015 to 2019, primarily due to the growing demand in the market.

(A) The Global DNA Synthesis Service Market

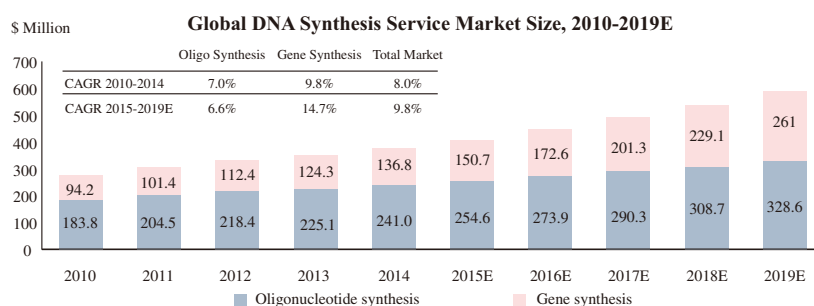
The global DNA synthesis service market is one of the sub-markets of the global molecular biology service market. DNA synthesis consists primarily of two segments, namely oligonucleotide synthesis and gene synthesis. DNA synthesis service is used in different life sciences disciplines to meet the various needs of researchers and scientists.

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According to the Frost & Sullivan Report, the growth of global DNA synthesis service market is expected to be driven by the broadening applications in life sciences research as more prevalent molecular biology tools in life sciences research expands the application of DNA synthesis service. For example, recombinant protein production is a powerful tool for structural-function analysis of target protein and is an efficient way of producing many biologics including therapeutic monoclonal antibodies. DNA synthesis, in particular gene synthesis, provides the starting material for recombinant protein expression and contributes to the diversity of recombinant proteins that may be studied or further developed.

In addition, DNA synthesis has become the more affordable method by which researchers can obtain DNA molecules in any desired sequence, primarily as a result of the technological development. With the use of advanced production equipment, DNA synthesis service providers can now offer DNA synthesis services in consistent quality, with quick turnaround time and at a low cost.

The chart below sets forth the historical and projected total revenue of the global DNA synthesis service market from 2010 to 2019:



Source: Frost & Sullivan

According to the Frost & Sullivan Report, the global DNA synthesis service market showed a stable historical growth with a CAGR of 8.0% during 2010 to 2014. With wider applications of gene synthesis technology and the rising demand for such technology in synthetic biology, the gene synthesis segment is expected to experience a significant growth. In addition, due to technological development, the costs of oligonucleotide synthesis and gene synthesis will likely become more affordable, which makes the global DNA synthesis service market likely to continue to expand as a whole. According to the Frost & Sullivan Report, the global DNA synthesis service market is expected to grow with a CAGR of 9.8% during 2015 to 2019, mainly contributed by emerging markets such as the PRC. In particular, the revenue derived from gene synthesis services is expected to maintain a double-digit growth, with a CAGR for the forecast period being 14.7%.

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Competitive Landscape

Overall Market

The table below sets forth the top five companies, in terms of revenue in 2014, in the global DNA synthesis service market:

Rank	Company	Approximate Revenue (US\$ Million)	Market Share
1	Competitor A	75.0	19.9%
2	Competitor B	69.7	18.4%
3	GenScript	40.0	10.6%
4	Competitor C	21.7	5.7%
5	Competitor D	16.3	4.3%

Source: Frost & Sullivan

According to the Frost & Sullivan Report, the global DNA synthesis service market is moderately concentrated with the top five players accounting for 58.9% of market share in aggregate in terms of revenue in 2014, primarily due to the high entry barriers, such as technological know-how accumulation, professional talents recruitment, expanded distribution channel and strong brand recognition. In 2014, we ranked third in terms of revenue, with a 10.6% market share, primarily due to our advanced technology and relatively more affordable prices. Other leading market players primarily include the following:

Competitor A. The company is headquartered in the United States. It offers an extended service and product portfolio including DNA synthesis, DNA sequencing, protein expression and purification, cell cultivation and a broad range of research kit and enzyme tools.

Competitor B. The company is headquartered in the United States. It offers an integrated pipeline of solutions for the research community, including gene design, optimization, synthesis and cloning, as well as platforms for protein and strain engineering.

Competitor C. The company is a life science and high technology company. It offers approximately 230,000 chemical and biochemical products and 40,000 equipment products.

Competitor D. The company is headquartered in the PRC. It offers a wide service and product portfolio including DNA synthesis, genetic engineering services, life sciences research consumables, and protein- and antibody-related products and services.

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Oligonucleotide Synthesis Service Market Segment

The table below sets forth the top five companies, in terms of revenue in 2014, in the global oligonucleotide synthesis service market segment:

Rank	Company	Approximate Revenue (US\$ Million)	Market Share
1	Competitor B	53.5	22.2%
2	Competitor A	45.0	18.7%
3	Competitor C	20.7	8.6%
4	Competitor D	13.8	5.7%
5	Competitor E	7.8	3.2%

Source: Frost & Sullivan

According to the Frost & Sullivan Report, the top five players accounted for 58.4% of the market share of the oligonucleotide synthesis service market segment in terms of revenue in 2014. Leading players have established their advantages of fast, quality service delivery in the global market, while dozens of small players compete in the PRC. According to the Frost & Sullivan Report, leading market players include the following:

Competitor E. The company has been focusing on the development of research tools for the life sciences and gene therapy since it commenced business in 1967. It offers an extended service and product portfolio including DNA synthesis, DNA sequencing, protein expression and purification, cell cultivation and transfection and a broad range of reagent kits and enzyme tools.

For details of Competitors A-D, please see the subsection headed “— The Global DNA Synthesis Service Market — Competitive Landscape — Overall Market”.

Gene Synthesis Service Market Segment

The table below sets forth the top five companies, in terms of revenue in 2014, in the global gene synthesis service market segment:

Rank	Company	Approximate Revenue (US\$ Million)	Market Share
1	GenScript	35.0	25.6%
2	Competitor A	30.0	21.9%
3	Competitor B	16.2	11.8%
4	Competitor F	14.7	10.7%
5	Competitor G	5.7	4.2%

Source: Frost & Sullivan

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According to the Frost & Sullivan Report, the top five players dominate the global gene synthesis service market with a 74.2% market share in terms of revenue in 2014, primarily due to the high entry barriers to the market, such as the accumulation of technological know-how and strong brand recognition.

We are the leader in the global gene synthesis service market segment and had a market share of 25.6% in terms of revenue in 2014, according to the Frost & Sullivan Report. Our ability to provide gene synthesis products of high quality with comparatively lower cost and in shorter turnaround time makes us the leader in the market. Other major market players include the following:

Competitor F. The company provides life sciences services mainly to academic, biotechnology, pharmaceutical and government institutions. It offers an extended service portfolio including gene synthesis and genome services.

Competitor G. The company is headquartered in the United States. It is a leading genome wide product company for research and diagnostic applications. It can provide a whole product solution for the molecular biology research community.

For details of Competitor A and Competitor B, please see the subsection headed “— The Global DNA Synthesis Service Market — Competitive Landscape — Overall Market”.

Major Raw Materials and Final Products

Raw Materials

Nucleotide monomers are the key reagents used in DNA synthesis. Different kinds of monomers are utilized in the synthesis of DNA, and their prices ranged from US\$3 to US \$50 per gram during the Track Record Period. For example, as of the Latest Practicable Date, the cost for DMT-dA(bz) phosphoramidite ranged from US\$6 to US\$30 per gram depending on the product purity, packaging and production technology. The price of nucleotide monomers remained relatively stable during the Track Record Period primarily because of the stable supply. According to the Frost & Sullivan Report, due to the advancement in production technology and increasing number of manufacturers, the price of monomers is likely to decrease.

Various types of high-fidelity DNA polymerase are used during the process of gene synthesis. Depending on the product type and brands, the prices of high-fidelity DNA polymerase vary. During the Track Record Period, the price of high-fidelity DNA polymerase ranged from US\$0.3 to US\$1 per unit remained relatively stable due to maturity of technology. The price is expected to decline slightly in the near future primarily because of the competition among suppliers in the market.

Owing to the above factors affecting the prices of nucleotide monomers and high-fidelity DNA polymerase, Frost & Sullivan has confirmed that it is difficult to provide the average purchase price of nucleotide monomers and high-fidelity DNA polymerase.

Final Products

The price of the synthesis of oligonucleotides shorter than 40 bases is approximately US\$0.1 to US\$0.2 per base, and the price of the synthesis of longer oligonucleotides is approximately US\$0.4 to US\$0.6 per base. During the Track Record Period, the price of the synthesis of oligonucleotides

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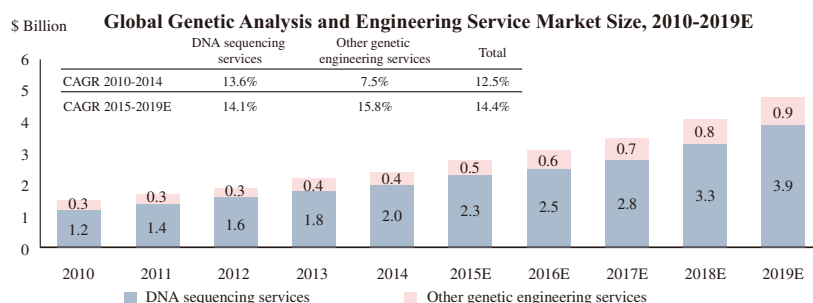
decreased by approximately 11.0% due to intensified competition and technological advancement. The price of gene synthesis is approximately US\$0.2 to US\$0.8 per base pair and varies depending on the target length. During the Track Record Period, the price of gene synthesis had a decrease by approximately 25.0%. In 2014, the price of gene synthesis was approximately US\$0.4 per base pair. According to the Frost & Sullivan Report, the price of the synthesis of oligonucleotides and the price of gene synthesis are expected to remain stable in the future, with a slight downward trend primarily due to the decreasing costs of raw materials and advancement of production technology.

(B) The Global Genetic Analysis and Engineering Service Market

The global genetic analysis and engineering service market is one of the sub-markets of the global molecular biology services market. Genetic engineering services are mainly divided into the following types of services: (i) DNA sequencing services and (ii) other genetic engineering services, primarily including a variety of manipulations, modifications and analyzes of DNA and RNA (other than artificial synthesis and sequencing). DNA sequencing is the process of determining the precise order of nucleotides within a DNA molecule. Genetic engineering, also called genetic modification, is the direct manipulation of an organism's genome using biotechnology. It is a set of technologies used to change the genetic makeup of cells, including the transfer of genes within and across species boundaries to produce improved or novel organisms. For example, CRISPR/Cas9 system is a tool recently developed to make precise and targeted changes to genomes. DNA sequencing and genetic engineering technology could be applied in various fields, including the analysis and modification of plant genome, animal genome and microbial genome, medicine and agriculture. Human genomic analysis is a major application field of DNA sequencing for disease studies.

According to the Frost & Sullivan Report, an increasing number of applications for sequencing technologies will be one of the growth drivers for the global genetic analysis and engineering service market. With the development of new applications, the customer base and market demand for DNA sequencing continue to grow rapidly. In addition, the price of sequencing services per megabase has become more affordable with the introduction of new technologies. The decrease in price coupled with the increasing maturity of sequencing technology has incentivized customers to further initiate larger-scale sequencing projects. In addition, the development of applications of genetic engineering has significantly expanded the market of genetic engineering services, covering areas of medicine and agriculture. The abovementioned factors are expected to contribute to the growth of the global genetic analysis and engineering service market.

The chart below sets forth the historical and projected total revenue of the global genetic analysis and engineering service market from 2010 to 2019:



Source: Frost & Sullivan

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The global genetic analysis and engineering service market increased from US\$1.5 billion in 2010 to US\$2.4 billion in 2014 with a CAGR of 12.5% and is expecting to enjoy a slightly faster growth in the coming years to reach US\$4.8 billion in 2019, representing a CAGR of 14.4%. According to the Frost & Sullivan Report, the growth in the global genetic analysis and engineering service market was primarily driven by the more affordable price and the wider application of genetic engineering services.

Competitive Landscape

The table below sets forth the top five companies, in terms of revenue in 2014, in the global genetic analysis and engineering service market:

Rank	Company	Approximate Revenue (US\$ Million)	Market Share
1	Competitor H	250.0	10.4%
2	Competitor I	146.0	6.1%
3	Competitor J	56.0	2.3%
4	Competitor K	44.0	1.8%
5	Competitor L	34.0	1.4%

Source: Frost & Sullivan

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. The existence of small players in some sectors in this market was primarily due to the broad customer base, the need for a localized sales team to achieve rapid sample collection and the availability of an affordable sequencing platform. As we placed stronger emphasis on oligonucleotide synthesis and gene synthesis, genetic engineering services were not our strategic focus and thus did not contribute much to our revenue. Our market share in the global genetic analysis and engineering service market was relatively less significant and was estimated to be less than 1.0% in 2014. The major market players include the following:

Competitor H. The company is headquartered in the United States. It develops, manufactures and markets integrated systems for the analysis of genetic variation and biological function. It offers a range of products and services that serve the sequencing, genotyping and gene expression markets.

Competitor I. The company is a world leader in life sciences research products and services. It has four brands that allow it to provide a highly extended product and service portfolio covering high-end analytical instruments, laboratory equipment and life sciences research software, services, consumables and reagents.

Competitor J. The company is one of the world's largest genomics service providers. It offers a broad range of genomic analysis and related downstream services.

Competitor K. The company is a provider of sample and assay technologies. It is also a leading supplier of nucleic acid purification products in the PRC. These products include consumable kits and automation systems.

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Competitor L. The company is a contract research organization, which provides a series of DNA analysis and modification services, including gene synthesis, DNA sequencing, bioinformatics and GLP (Good Laboratory Practice) regulatory services.

Major Raw Materials and Final Services/Products

Raw Materials

According to the Frost & Sullivan Report, BigDye Terminator is the key reagent used for performing fluorescence-based DNA sequencing. During the Track Record Period, the price of such reagent was approximately US\$800 to US\$1,600 per milliliter depending on the purchase volume, and such price range did not change over the same period due to patent protection. As of the Latest Practicable Date, the price was relatively stable but may decrease gradually due to the increasing number of suppliers and the expiry of relevant patents. Frost & Sullivan confirmed that it is difficult to provide the average purchase price of BigDye Terminator because the price varies significantly based on the purchase volume.

For other genetic engineering services, the raw material involved depends on the type of services provided. Apart from DNA sequencing, CRISPR service is one of our major genetic engineering services. Mammalian cell lines are widely employed as raw materials in the provision of CRISPR services. During the Track Record Period, the prices for different cell lines ranged from US\$200 to US\$10,000 per 10 million cells. According to the Frost & Sullivan Report, the prices of such cell lines remained stable during the Track Record Period and as of the Latest Practicable Date due to the maturity and stability of the market. Frost & Sullivan has confirmed that it is difficult to provide the average purchase price of cell lines primarily because such price varies significantly among different types, brands and quality of cell lines.

Final Services/Products

The price of DNA sequencing based on the first-generation sequencing technology, Sanger sequencing, is approximately US\$3 to US\$5 for a single reaction capable of achieving read lengths of 600-1,000bp. During the Track Record Period, the price decreased by approximately 20.0% due to the maturity of technology and the entry of new players. Since Sanger sequencing remains the benchmark for accuracy and is widely adopted in low-throughput analysis and verification, its price is expected to remain relatively stable in the near future.

Depending on the type of services required, the prices of the other genetic engineering services vary. As an example of the genetic engineering services other than DNA sequencing, the price of CRISPR services ranged from US\$7,000 to US\$15,000 per cell line during the Track Record Period, depending on whether knock-in or knock-out service was required. The price of traditional genetic engineering services is expected to decline gradually due to the maturity of technology and the increasing number of competitors, while the price of novel genetic engineering services with newly-developed technologies employed is expected to remain high.

(C) The Global Research-Based Protein- and Antibody-Related Service and Product Market

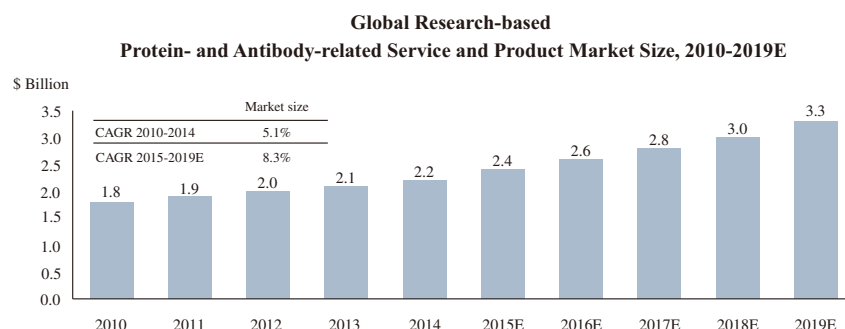
Research-based protein- and antibody-related services and products include primarily synthesis, expression, modification and purification of specific proteins and antibodies so as to facilitate the relevant analysis and production. Based on the applied method and product substances, these services and

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products can be further classified into five categories, namely (i) peptide synthesis, (ii) recombinant protein production and expression, (iii) custom antibody service, (iv) single domain antibodies and (v) protein analysis service. The growth potentials in each respective category are expected to contribute to the development of the global research-based protein- and antibody-related service and product market.

In recent years, there has been an increasing demand for recombinant therapeutic proteins, primarily because such proteins can be used as treatment alternatives for various fatal diseases, and more biotech and pharmaceutical companies are under pressure to develop biologic drugs and relevant protein expression systems to meet their customer demand. With the development of proteomics, there is also a rising demand on protein function and structure study, resulting in a new field for protein analysis and antibody preparation market. Moreover, the development in genomic analysis tools has created high demand for downstream protein analysis to facilitate the study on gene function. With the emergence of some new platforms for recombinant protein production, the application of the recombinant protein production technology may be further expanded. Together with the higher affordability of the protein- and antibody-related services and products resulting from the maturity of the production technology, these factors may further drive the growth of the global research-based protein- and antibody- related service and product market.

The chart below sets forth the historical and projected total revenue of the global research-based protein- and antibody-related service and product market from 2010 to 2019:



Source: Frost & Sullivan

According to the Frost & Sullivan Report, the global research-based protein- and antibody-related service and product market is comparably small, with a total revenue of US\$1.8 billion in 2010 and US\$2.2 billion in 2014 respectively, representing a CAGR of 5.1%. Most academic customers generally assign protein expression and modification tasks to students so as to improve their experimental skills. With the rapid growth of DNA synthesis, the need for the downstream research such as production, expression and analysis of synthetic protein is expected to increase. Along with the technological advancement, the use of recombinant proteins in clinical treatment has become more popular. As such, according to the Frost & Sullivan Report, the global research-based protein- and antibody-related service and product market is expected to grow with a CAGR of 8.3% during 2015 to 2019.

Competitive Landscape

According to the Frost & Sullivan Report, the global research-based protein- and antibody-related service and product market is highly fragmented, primarily due to the relatively low demand for protein

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expression and proteomic analysis services when compared to other life sciences services. As synthetic biology develops, an increasing demand in the global research-based protein- and antibody-related service and product market is expected.

With our technical advantage in the gene synthesis sector, we are one of the leading suppliers who can expand into downstream recombinant protein production business by creating a one-stop integrated service platform covering the comprehensive process from gene synthesis to protein expression and purification. In 2014, our market share in the global research-based protein- and antibody-related service and product market was relatively less significant and was estimated to be less than 1.0%.

Major Raw Materials and Final Services/Products

Raw Materials

In providing protein- and antibody-related services and products, a group of highly educated professional talents are required. The costs of skilled labor generally account for the majority of the costs incurred in providing the services.

Laboratory animals, such as mice, may also be required during the provision of protein- and antibody-related services and products. During the Track Record Period, the price of young wild-type laboratory mice in the PRC was approximately US\$3 to US\$10 per mouse, while it was generally more than US\$20 per mouse in the United States. The prices of such mice in each region remained stable during the Track Record Period. Due to more stringent regulations and higher labor cost, the prices of laboratory animals may rise gradually. Frost & Sullivan has confirmed that it is difficult to provide the average purchase price of laboratory mice primarily because such price varies significantly between regions.

In addition, depending on types of hosts (such as bacteria or mammalian cells) used for protein production and expression, different culture media are used. Frost & Sullivan has confirmed that it is difficult to provide the average purchase price of culture media as the prices vary significantly depending on the types of nutrients and ingredients added to the media. For bacteria culture, the prices of the media generally varied from US\$1.5 to US\$7 per liter during the Track Record Period. For mammalian cell culture, the prices of the most used media, DMEM, generally varied between US\$15 and US\$50 per liter during the Track Record Period. According to the Frost & Sullivan Report, the prices of these culture media remained relatively stable during the Track Record Period and are expected to slightly decline due to intensified competition among suppliers in the market.

Peptides are chains of amino acids. Therefore, the synthesis of peptides uses amino acids as the building blocks. There are 20 different amino acids in human bodies. Depending on the product purity and grade, the prices of amino acids vary significantly. For example, during the Track Record Period, the prices of L-Cysteine with purity of at least 98.5% ranged from US\$1,200 to US\$2,200 per kilogram. Based on the above reasons, Frost & Sullivan has confirmed that it is difficult to provide the average purchase price of amino acids. The prices of each type of amino acids remained stable during the Track Record Period and as of the Latest Practicable Date due to the maturity and stability of the market. The prices of amino acids are likely to decline gradually in the future due to the relatively low market entry barrier and the large number of suppliers worldwide.

Final Services/Products

The price of custom antibody services depends on the type, titer and functional specifications of antibodies produced. According to the Frost & Sullivan Report, the price of custom polyclonal antibodies

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was generally US\$290 to US\$1,950 per order, while the price of custom monoclonal antibodies was generally US\$3,500 to US\$11,500 per order during the Track Record Period. The price of custom antibody services with traditional techniques is expected to show a downward movement due to technological advancement, whereas the price of custom antibody services with new cutting-edge technologies may increase as more favorable attributes of final custom antibodies can be obtained through such technologies.

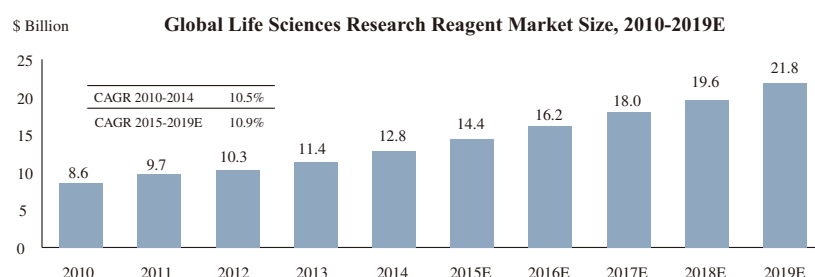
The price of peptide synthesis services ranged from US\$3 to over US\$160 per amino acid depending on the volume and purity of the final product, while the price of recombinant protein production services also varied from US\$500 to over US\$5,000 per milligram depending on the protein production technology system, the species of proteins and the family of recombined proteins. The prices of both the peptide synthesis services and the recombinant protein production services remained relatively stable during the Track Record Period primarily because of the stable supply. According to the Frost & Sullivan Report, the prices of both peptide synthesis and recombinant protein production services are expected to slightly decrease primarily because of the declining prices of raw materials.

(D) The Global Life Sciences Research Reagent Market

Life sciences research reagents consist primarily of biochemical reagents, research kits and enzyme tools which are specially developed for and used in life sciences research experiments. Biochemical reagents are substances that bring out biochemical reactions. These reagents include a wide variety of substances such as enzymes, substrates and buffer solutions, as well as other organic and inorganic compounds. Research kits consist of sets of reagents and materials that are requisite to perform one or more designated research experiments. Enzyme tools include a broad category of enzymes involved in genetic engineering, such as DNA polymerases used in PCR and restriction enzymes used in cloning.

According to the Frost & Sullivan Report, life sciences has become a priority for government-and private-funded research worldwide. As a result, researchers and scientists purchase more high-quality research reagents. In addition, the price of research reagents and kits has decreased as a result of the competition in the market in recent years, while more research reagents and kits have been developed for almost all routine procedures in life sciences research experiments. All these serve as the growth drivers for the global life sciences research reagent market.

The chart below sets forth the historical and projected total revenue of the global life sciences research reagent market from 2010 to 2019:



Source: Frost & Sullivan

The revenue generated from the life sciences research reagent market has experienced a stable growth with a CAGR of 10.5% during the period of 2010 to 2014, primarily attributable to the increasing

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research and development expenditure in the public and private sectors for life sciences research worldwide. From 2015 to 2019, the life sciences research reagent market is also expected to experience a stable growth with a CAGR of 10.9% due to increasing funding and a greater variety in the availability of research products.

According to the Frost & Sullivan Report, customer base and sales volume of the life sciences research reagent market will continue to expand primarily attributable to the more affordable product prices and more diversified product offerings.

Competitive Landscape

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. The relatively low technical barrier and the extensive range of life sciences research reagent products allow the entrance and survival of small suppliers. The high degree of price sensitivity of academic and government customers further contributes to the low level of market concentration.

In 2014, we had a market share of less than 1.0% in terms of revenue in the global life sciences research reagent market. Our broad customer base from gene synthesis service enables us to attract potential customer for our reagent products more easily. We plan to further develop our service and product portfolio to expand our market share in the global life sciences research reagent market.

Major Raw Materials and Final Products

Raw Materials

Since the global life sciences research reagent market consists of hundreds of types of products ranging from cell culture medium to reagent kits, there are numerous types of raw materials which relate to such market. Gel cassettes, gel reagents and Sepharose are three examples of the raw materials involved in the production of life sciences research reagents.

Gel cassettes and related reagents are the raw materials used in the production of precast gels, which are widely used in the protein analysis and other relevant experiments. Depending on the electrophoresis and gel transfer systems used and the design of the cassettes, the general prices of the gel cassettes varied from US\$0.5 to US\$3.85 per unit during the Track Record Period. Such price range remained stable during the Track Record Period because of the maturity and stability of the market. As confirmed by Frost & Sullivan, it is difficult to provide the average purchase price of gel cassettes due to the abovementioned reason.

For gel reagents to cast protein gels, assuming all reagents for casting the gels are purchased individually, the price was approximately US\$0.2 to US\$1.5 per gel during the Track Record Period, according to the Frost & Sullivan Report. Such price ranges remained stable during the Track Record Period. Frost & Sullivan confirmed that it is difficult to provide the average purchase price of gel reagents primarily because the price varies significantly due to the different specifications of the products. As of the Latest Practicable Date, the price ranges of gel cassettes and gel reagents remained the same due to the maturity of the production technology and the market.

Sepharose is one of the major raw materials for the production of affinity resins. During the Track Record Period, the price of Sepharose ranged from US\$400 to US\$800 per liter. Such price range

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remained stable during the Track Record Period and is expected to remain stable in the near future due to the maturity of technology. Frost & Sullivan has confirmed that it is difficult to provide the average purchase price of Sepharose primarily because the price varies significantly due to different agarose content and purchase volume.

Final Products

According to the Frost & Sullivan Report, due to the significant number of types of products of the global life sciences research reagent market, it is difficult to provide an average purchase price of the final products of such market. For example, the price of affinity resins varied from US\$10 to US\$450 per milliliter during the Track Record Period, depending on the purchase amount, specifications of the resins and brands. In general, the global life sciences research reagent market represented a gradual downward trend in price primarily due to the relatively low entry barriers, increasing number of suppliers and intensified competition during the Track Record Period. Such price trend is expected to continue in the near future based on the same reasons.

Growth Drivers of the Global Life Sciences Research Service and Product Market

- (i) *Increasing research and development expenditure.* The spending on research and development worldwide has indicated an increasing general trend, led by the United States, which recorded a US\$410.9 billion of gross domestic spending on research and development in 2014. The PRC has also shown a significant increase in research and development spending in recent years. This trend is expected to lead to a direct increase in demand for life sciences services and products.
- (ii) *Emergence of innovative facilitating platforms.* Due to technological advancement, some innovative platforms emerged. These platforms provide DNA synthesis and sequencing services with much lower cost and higher efficiency, which further facilitates the synthetic biology development and the variety of the commercial applications of such services.
- (iii) *Growing demands for revolutionizing therapies for major diseases.* As the population ages and life expectancy increases, there is a rising demand for therapies for major diseases such as cancers and diabetes. Life sciences research services and products can help identify new practical therapies.
- (iv) *Applications in environmental industry.* Facilitated by genetic engineering services, synthetic biology can contribute to the development of economical and renewable biofuels. For example, with the application of synthetic biology, one can alter and genetically engineer new pathways in organisms to maximize an organism's energy production efficiency. Some researches have also demonstrated that synthetic microorganisms can convert agricultural waste material into useful new surfactants and such kind of surfactants are much more effective than similar commercially available surfactants.

Entry Barriers of the Global Life Sciences Service and Product Market

- (i) *Accumulated technological know-how and operational expertise.* Since many life sciences experiments require precise design and delicate maneuver, life sciences research service and product providers have to accumulate operational know-how. As the life sciences research service and product market is characterized by rapid and significant changes in technologies, suppliers have to develop and market new and more advanced services and products in a timely fashion to adjust to changing market preferences and technologies.

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- (ii) *Research and development talents.* Because the life sciences research service and product market requires continuous innovation to keep up with emerging new technologies, the productivity of the suppliers’ research and development highly depend on the quality and quantity of the talents recruited. In recent years, the average labor cost in some major countries, such as the PRC, has been steadily increasing as the competition for qualified employees among suppliers has become more intensive.
- (iii) *Substantial capital investment.* In order to render high-throughput processing services cost-efficient to customers, suppliers are required to make substantial capital investments in expensive high-throughput analyzers and/or synthesizers for a large-scale processing capacity.
- (iv) *Strong market recognition.* The business in life sciences research services and products is highly dependent on the receptiveness from the customers. With the increasing service affordability and project scale, end users generally select well-recognized suppliers for large scale and technically-demanding projects based on their appraisal of each supplier’s hardware condition, know-how accumulation and talent recruitment.
- (v) *Scale of operations.* Academic customers are generally price sensitive due to their limited access to government research fund, whereas enterprise customers tend to purchase services and products at lower cost due to the volume of their orders and their bargaining power. Large suppliers that benefit from their economies of scale operations can offer quality services and products at competitive prices to customers.
- (vi) *Extensive sales and distribution network.* The end-user segments are highly fragmented. Market players are required to invest substantial resources and make efforts to establish their sales and distribution network with broad geographic reach for their strong market presence and customers’ easy access to their services.

THE GLOBAL DRUG DEVELOPMENT SERVICE MARKET

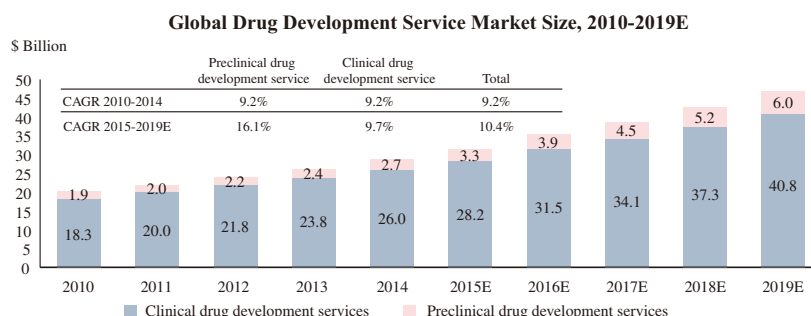
Drug development process largely comprises preclinical drug development and clinical drug development. Preclinical drug development process comprises four major stages, namely target identification, target validation, high-throughput screening for lead identification and lead optimization. Since drug development is a complicated, time-consuming and expensive process, many drug developers, mainly pharmaceutical and biotech companies, engage service providers to conduct parts of the drug development process so as to save time, money and focus their effort on their core competencies, such as clinical drug development, manufacturing and marketing. According to the Frost & Sullivan Report, a contract research organization (“CRO”) is an organization that mainly provides drug development services to the pharmaceutical, biotechnology, and medical device industries and research institutes in the form of project-based research services outsourced on a contract basis. In addition, companies that mainly focus on drug development outsourcing services are considered pure CRO companies. There are also other companies that provide such services but do not take it as their main business, and such companies usually offer much more diverse product and service portfolio.

Preclinical drug development service has become increasingly important, as it enables drug developers to validate an identified therapeutic target, identify a new medicinal entity for the target, and gain a better understanding of a disease’s biological mechanism and the interactions between the drug candidate and the target.

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Preclinical drug development services primarily involve the complex and time-consuming process of drug candidate discovery and screening for drug developers, mainly pharmaceutical or biotech companies, to obtain higher quality experiment results and to shorten their drug screening process. During the process of providing preclinical drug development services, regular communication between service providers and drug developers are very important in ensuring satisfactory results.

The chart below sets forth the historical and projected total revenue of the global drug development service market from 2010 to 2019:



Source: Frost & Sullivan

According to the Frost & Sullivan Report, the revenue generated from the global drug development service market accounted for US\$20.2 and US\$28.7 billion in 2010 and 2014, respectively, which represented a CAGR of 9.2%. The revenue generated from the global drug development service market is expected to increase to US\$46.8 billion in 2019, representing a CAGR of 10.4%. Such significant increase in market size is primarily due to the rising emphasis placed on drug development and the technological advancement in this market.

Competitive Landscape

The table below sets forth the top five companies, in terms of revenue in 2014, in the global drug development service market:

Rank	Company	Approximate Revenue (US\$ Million)	Market Share
1	Competitor M	4,166.0	14.5%
2	Competitor N	2,595.0	9.0%
3	Competitor O	1,503.0	5.2%
4	Competitor P	1,455.0	5.1%
5	Competitor Q	1,304.0	4.5%

Source: Frost & Sullivan

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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. The top market player, Competitor K, accounted for 14.5% of the market share in terms of revenue in 2014 primarily due to its establishment of long-term partnerships with many major pharmaceutical companies.

According to Frost & Sullivan, there is a trend for major drug development service providers to strengthen their market presence by acquiring other service providers. Because synthetic biology can provide helpful tools in elucidating disease mechanisms and target identification, and in discovery of both small molecules and antibodies, drug development service providers who can offer services with a shorter turnaround time and higher efficiency with their expertise in synthetic biology will have competitive advantages. Despite our market share being less than 1.0% in 2014, we expect to gain an expanding market share in the global drug development service market in the future with our technical expertise and experience in synthetic biology. The major market players include the following:

Competitor M. The company is headquartered in the United States. It provides an extended service and product portfolio including drug discovery, clinical development, peri-approval and market access across all major therapeutics, such as in cardiovascular and central nervous system (CNS) diseases, endocrinology and oncology.

Competitor N. The company is headquartered in the United States, with an extended service and product portfolio including drug discovery, non-clinical development, clinical development, peri-approval and market access across major therapeutics, such as in inflammatory diseases, oncology, neuroscience, cardiovascular disease and diabetes.

Competitor O. The company is a global provider of outsourced drug development services to the pharmaceutical, biotechnology and medical device industries. It offers a broad range of specialized services including preclinical and clinical drug development, laboratories, consulting, staffing, commercialization and outcomes, and adaptive trials.

Competitor P. The company is headquartered in the United States. It provides global regulatory expertise, Phase I-IV clinical research services, integrated eClinical technologies and advanced commercialization services.

Competitor Q. The company is headquartered in the United States. It offers research and development, clinical support and process manufacturing services mostly in the fields of cardiovascular and CNS diseases, endocrine and metabolic diseases and oncology.

Major Raw Materials and Final Services/Products

Raw Materials

Every drug development order is tailor-made based on customers' specific requirements and targets. As such, Frost & Sullivan confirmed that the raw material prices vary significantly among different orders and it is difficult to provide their average purchase price. For our provision of drug development services, laboratory mice with genetic defects are generally used. The price of such laboratory mice varies significantly based on the strains, age and genetic modifications of such mice. For example, there are ready-made mice for some well-established genetic modifications. The prices of such mice ranged from US\$100 to US\$300 per mouse during the Track Record Period. For the mice with customized

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genetic modifications, the price ranged from US\$8,000 to over US\$20,000 per mouse during the Track Record Period. The price ranges of such mice remained stable during the Track Record Period and as of the Latest Practicable Date, but are likely to decline in the future owing to the emergence of the more advanced gene-editing technologies and the availability of more well-trained personnel to create various kinds of genetic modifications in the mice.

Final Services/Products

In general, drug development orders are placed on a project basis. The drug development orders are tailor-made based on customers' specific requirements and targets for the particular projects. Qualified scientists and/or researchers are hired to render drug development services. The prices for their services vary depending on their qualifications, experiences and level of commitment required. As such, Frost & Sullivan confirmed that the final service/product prices vary significantly among different orders and it is difficult to provide their average purchase price.

Growth Drivers of the Global Drug Development Service Market

- (i) *Increasing demand for innovative therapeutic options.* Innovation in drug formulations in both chemicals and biologics drugs have been widely observed in the market. The rise in disease incidence cases across predominant therapeutic categories, such as oncology, autoimmune, cardiovascular and infectious diseases, generates demand for improved treatment.
- (ii) *Constraints faced by drug manufacturers.* Due to several constraints faced by drug manufacturers, such as the expensive development costs and the lack of commercial incentives to improve existing research tools, drug manufacturers have higher incentives to engage drug development service providers so as to reduce the cost and time required for the entire drug development process.
- (iii) *Access to advanced research tools and technologies.* As compared with the in-house research and development technology of drug manufacturers, large and well-established drug development service providers can offer more specialized research technologies to produce a higher success rate in drug development to meet the rising demand in such area.

Entry Barriers of the Global Drug Development Service Market

- (i) *Research and development talents.* In order to conduct research across different niche areas, market players are required to have access to talents with professional knowledge. The unavailability of talents with such knowledge of the market players impedes the entry into the market.
- (ii) *Substantial capital investment.* The initial investment for a drug discovery service provider is relatively high due to the need to acquire expensive laboratory equipment and research supplies for the provision of drug discovery services.
- (iii) *Strategic partnership.* Drug development service providers tend to establish strategic partnerships with drug developers for all phases of the drug discovery process, which increases the barriers for new companies to gain more shares in this market.

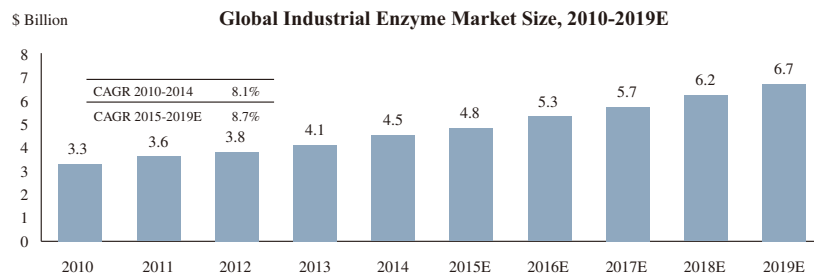
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THE GLOBAL INDUSTRIAL ENZYME MARKET

Enzymes can speed up a biochemical reaction in an efficient way. Given their high efficiency and wide application, enzymes are used in many areas, such as biofuel and biological detergent production, starch processing and brewing. The advancement in synthetic biology has further increased the applications of enzymes in many industrial processes and major research and development activities. The growth of inexpensive DNA synthesis and sequencing technology, the emergence of protein design algorithms and the ability to screen many protein variants have led to rapid advancement in the field of enzyme engineering.

Customers of the global industrial enzyme market are diversified, ranging from the agriculture and food industries to the energy and material industries. Most industrial enzyme providers sell their industrial enzyme products to other manufacturing companies who use industrial enzymes as the raw materials or components for the production of their final consumer products to various end users in textile, food, leather and other industries. Some industrial enzyme providers, generally the leading players, directly offer their products to the end users.

The chart below sets forth the historical and projected total revenue of the global industrial enzyme market from 2010 to 2019:



Source: Frost & Sullivan

As facilitated by the development of synthetic biology, the revenue generated from the global industrial enzyme market has shown a steady rise from US\$3.3 billion in 2010 to US\$4.5 billion in 2014, representing a CAGR of 8.1%, according to the Frost & Sullivan Report. Given that there is an increasing industrial demand for enzymes, the global industrial enzyme market is expected to reach US\$6.7 billion in 2019, representing a CAGR of 8.7%.

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Competitive Landscape

The table below sets forth the top five companies, in terms of revenue in 2014, in the global industrial enzyme market:

Rank	Company	Approximate Revenue (US\$ Million)	Market Share
1	Competitor R	1,920.0	42.7%
2	Competitor S	900.0	20.0%
3	Competitor T	430.0	9.6%
4	Competitor U	230.0	5.1%
5	Competitor V	200.0	4.4%

Source: Frost & Sullivan

The global industrial enzyme market is highly concentrated, with the top two market players accounting for 62.7% of the market share in terms of revenue in 2014. The top market player, Competitor R, accounted for 42.7% of the market share in terms of revenue in 2014, primarily due to its long time establishment, strong technology platform, innovative products and a broad customer base. Since our industrial synthetic biology product segment is still in its infancy, we occupied less than 1.0% of the market share in 2014. With our technical expertise and experience in synthetic biology, we believe our industrial synthetic biology product segment will grow in the future. The major market players include the following:

Competitor R. The company is a leader in bio-innovation, producing a wide range of industrial enzymes and bio-products. It offers products for applications in diverse areas such as detergents, biofuels, agriculture, food and beverages, biopharmaceuticals, wastewater, textiles and paper.

Competitor S. The company has a long history of operations in diverse industries. The major products of the company cover the areas of chemicals, personal protective equipment, polymers and fibers, agriculture, food, personal care, high-performance materials and industrial biotechnology.

Competitor T. The company is a leader in the production of plant, microbial and animal-based enzymes. It is the largest manufacturer and exporter of enzyme products in India. It offers enzyme products across a range of industries.

Competitor U. The company is a Netherlands-based multinational life sciences and material sciences company. Its business covers various global markets such as food and dietary supplements, personal care, feed, medical devices, automotive, paints, electrical and electronics, alternative energy and bio-based materials.

Competitor V. The company is headquartered in Germany. It invented the first industrial enzyme for the leather industry. The company has different product lines covering industrial application in baking, food and specialties, animal feed and industrial enzymes.

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Major Raw Materials and Final Products

Raw Materials

There are hundreds of various types of raw materials for the production of industrial enzymes, depending on the ultimate application of the enzyme products. In some of our current product lines, glucoamylase is a component of our final industrial enzyme products. Glucoamylase is one of the oldest and widely used biocatalysts in food industry. The major application of glucoamylase is the saccharification of partially processed starch or dextrin to produce glucose, which is an essential substrate for numerous fermentation processes and a range of food and beverage industries.

During the Track Record Period, the prices of glucoamylase ranged from less than US\$0.8 to more than US\$5.8 per kilogram. Such price range remained stable during the Track Record Period and as of the Latest Practicable Date, due to the maturity of the technology and the sufficient supply in the market. Frost & Sullivan has confirmed that it is difficult to provide the average purchase price of glucoamylase, primarily because the price of glucoamylase varies significantly, depending on its product specifications such as catalytic efficiency.

Final Products

During the Track Record Period, the prices of industrial enzymes ranged from less than US\$0.1 to over US\$1,000 per kilogram, depending on the product type and production volume. In particular, the prices for industrial enzymes made of glucoamylase ranged from US\$10 to over US\$100 per kilogram. According to the Frost & Sullivan Report, the price for each kind of industrial enzyme remained stable during the Track Record Period. The price of traditional industrial enzymes is expected to decrease, primarily due to the pricing competition in the market, while the price of novel industrial enzymes with enhanced features produced with new technologies may increase due to the more favorable attributes brought by such new technologies.

Growth Drivers of the Global Industrial Enzyme Market

- (i) *Making industries more environmentally friendly.* Enzymes can often replace chemicals or processes that present safety or environmental issues. For example, enzymes can replace acids in the starch processing industry and alkalis or oxidizing agents in the fabric industry, which can reduce the amount of hazardous industrial waste produced and protect the environment.
- (ii) *Higher productivity with lower cost.* Compared with traditional chemical treatments, the use of enzyme allows a better control of the degree to which a desired technical effect is achieved. The required energy to initiate an activity can be reduced through the use of enzyme. These benefits of the use of enzyme lead to higher productivity and lower manufacturing cost.

Entry Barriers of the Global Industrial Enzyme Market

- (i) *Scale of operations.* Large suppliers, which benefit from their economies of scale operations, can offer more competitive prices to customers. Substantial capital investment is required in order to establish economies of scale in manufacturing and production.
- (ii) *Entry barriers imposed by major players.* The top two market players accounted for over 60% of the market share, and such players are continuously innovating new product lines and technology, which results in even more diversified product portfolios creating synergies.

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- (iii) *Biotechnology expertise.* Market players are required to accumulate extensive technological know-how in biotechnology, in particular, innovative synthetic techniques and engineering capabilities, so as to obtain enzymes at lower cost and in an efficient manner.

NON-DISCLOSURE OF AVERAGE PURCHASE PRICES OF RAW MATERIALS

Frost & Sullivan has confirmed that it is difficult to provide the average purchase prices of the raw materials used in our businesses, primarily because such prices are subject to various factors including, among other things, product quality, purity level, packaging, applications and product brands. Given there is no industry practice in the markets we operate to standardize a wide variety of relevant major raw materials, Frost & Sullivan has confirmed that the average of different purchase prices of such raw materials may not fairly and accurately provide meaningful information to [REDACTED].

Based on the above reasons, and given the facts that (i) the total procurement costs of our raw materials accounted for 30.9%, 32.1%, 31.5% and 27.2% of our cost of sales for the years ended December 31, 2012, 2013 and 2014, and the six months ended June 30, 2015, respectively, as set out in the “Financial Information — Factors Affecting our Results of Operations and Financial Condition”; (ii) most of our raw materials accounted for less than 5% of the total costs of raw materials during the Track Record Period, and there exists no single foreseeable factor which may have a material effect on our total procurement costs of raw materials (in other words, each type of raw materials alone does not have a material impact on our financial performance), and (iii) the qualitative analysis on the historical and latest trends of the purchase prices of our raw materials has been set out above in this section, our Directors are of the view that the current disclosure in this document provides [REDACTED] with sufficient information so that they are able to understand the market landscapes of our raw materials.

REPORT COMMISSIONED FROM FROST & SULLIVAN

We commissioned Frost & Sullivan, an independent market research and consulting company, to conduct an analysis of, and to report on, global life sciences research service and product markets (including the DNA synthesis service market, the genetic analysis and engineering service market, the research-based protein- and antibody-related service and product market, and the life sciences research reagent market), global drug development service market and the global industrial enzyme market, and their respective categories, as well as other market and economic data, which have been quoted in this document, for the period from 2010 to 2019.

The report we commissioned, or the Frost & Sullivan Report, has been prepared by Frost & Sullivan, independent of our influence. We paid Frost & Sullivan a fee of RMB1,100,000, which we consider reflects market rates. Founded in 1961, Frost & Sullivan has more than 40 global offices with more than 1,800 industry consultants, market research analysts, technology analysts and economists. It offers industry research and market strategies and provides growth consulting and corporate training. Frost & Sullivan has been covering the global market from its offices in China since the 1990s. Its worldwide industry coverage includes agriculture, chemicals, materials, healthcare and food, among others.

In preparing the Frost & Sullivan Report, Frost & Sullivan conducted both primary and secondary research on the market trends within the abovementioned markets. Primary research involved in-depth interviews with leading industry participants and industry experts. Secondary research involved reviews of company reports, independent research reports and data based on Frost & Sullivan’s own research

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database. Forecast data was obtained from historical data analysis plotted against macroeconomic data as well as specific industry-related drivers. The Frost & Sullivan Report was prepared based on the following assumptions: (i) the global economy is expected to grow at a steady rate; and (ii) the global governments’ policy on life sciences research and application service and product providers and their role in life science and healthcare system remain unchanged. All statistics are reliable and are based on information available as of the date of the Frost & Sullivan Report. Other sources of information, including government, trade associates or market place participants, may have provided some of the information on which the analysis or data is based. As of the Latest Practicable Date, our Directors, after reasonable consideration, confirm that there were no adverse changes in the market information since the date of the Frost & Sullivan Report that may qualify, contradict or have an impact on the information in this section.