

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Genscript Biotech Corporation

金斯瑞生物科技股份有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1548)

**INSIDE INFORMATION – THE SUPPLEMENTAL AGREEMENT
TO THE INVESTMENT AGREEMENT WITH ZHENJIANG
COMMITTEE**

The Board is pleased to announce that on 20 October 2016 after trading hours, Genscript HK (an indirect wholly-owned subsidiary of the Company) and Zhenjiang Committee entered into the supplemental agreement to the Investment Agreement, in relation to the launch of polypeptide laboratory project in Zhenjiang New Area.

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Reference is made to the announcements of the Company dated 20 June 2016 and 21 June 2016 in relation to the Investment Agreement (collectively, the “**Announcements**”). The Board is pleased to announce that on 20 October 2016 after trading hours, Genscript HK (an indirect wholly-owned subsidiary of the Company) and Zhenjiang Committee entered into the supplemental agreement to the Investment Agreement, in relation to the launch of polypeptide laboratory project in Zhenjiang New Area (the “**Supplemental Agreement**”). Capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

THE SUPPLEMENTAL AGREEMENT

The Board announces that on 20 October 2016, Genscript HK and Zhenjiang Committee entered into the Supplemental Agreement to amend and supplement certain terms of the Investment Agreement. The major terms of the Supplemental Agreement are set out below:

Launch of the Polypeptide Laboratory Project in Zhenjiang New Area

Under the Supplemental Agreement, Genscript HK will launch a new polypeptide laboratory project (the “**Polypeptide Project**”) in addition to the gene synthesis services outsourcing (the “**Outsourcing Project**”) in Zhenjiang New Area, with the same schedule of commencement and completion of the construction. The target customer groups for the Polypeptide Project are primarily various large biomedical enterprises and bio-drug related scientific research institutes worldwide.

Lease of plant:	Zhenjiang Committee shall provide Genscript HK with a standard plant facility of 6,776.58 square meters (the “ Polypeptide Plant ”), at nil rent for five years with an option for Genscript HK to acquire the Polypeptide Plant at the then market price as appraised after the five-year period.
Registered capital:	The registered capital of the Project Company under the Investment Agreement shall remain unchanged with additional investment in fixed assets of RMB50 million.
Renovation period:	Genscript HK shall commence renovation of the Polypeptide Plant by 30 October 2016 and complete in seven months.
Commencement of Operation:	Operation shall commence by August 2017.
Talent attraction:	The talent attraction funds for the Outsourcing Project under the Investment Agreement shall apply to the employees under the Polypeptide Project.

Reserved Land for Phase II

Pursuant the Supplemental Agreement, Genscript HK will, in advance, plan and use the industrial-use land with an area of 100 Mu which has been reserved for Phase II (the “**Phase II Land**”) under the Investment Agreement. The Phase II Land will primarily be used for the expansion of production capacity for gene synthesis, next generation gene sequencing, customized polypeptide reagent synthesis, eukaryotic protein expression and production services, customized monocloning, polyclonal antibody preparation services and etc.

In consideration of the advance utilization of the Phase II Land, Zhenjiang Committee shall provide Genscript HK an additional funding of not more than RMB2 million calculated in accordance with the Supplemental Agreement.

Additional Reserved Land

Pursuant the Supplemental Agreement, Zhenjiang Committee shall further reserve up to 31 December 2021 an industrial-use land (the “**Further Reserved Land**”) with an area of 100 Mu for Genscript HK, which is adjacent or close to the Phase II Land. The Further Reserved Land will be reserved for projects involving the manufacture of products for preparation of ORF, diagnostic antibody products, GMP polypeptide production, and the industrialization of projects related to bio-environmental protection and energy resources. Genscript HK shall commence the new projects on the Further Reserved Land by 31 December 2021.

Subsidies by the Zhenjiang Committee

Equipment subsidies:	Upon obtaining the land use right of the Further Reserved Land by the Project Company through bidding, auction and listing process, a subsidy of RMB30 million will be provided for procurement of new equipment in three instalments.
High-end talents support funds:	<p>Zhenjiang Committee shall provide the Project Company with additional high-end talents funding of RMB5 million at specified stages.</p> <p>The high-end talents funds are for the attraction and placement of high-end talents in fields of life science, new drug development and bio-environmental protection. The specific usages include introduction of high-end talents, provision of incentives, housing subsidies, car subsidies, special R&D supporting fund, etc.</p>
Housing allowances:	Zhenjiang Committee shall provide certain housing allowances to the employees of Genscript HK and/or the Project Company in accordance with the relevant prevailing rules and regulations.

Pursuant to the Supplemental Agreement, Genscript HK may set up new project companies for the purpose of performing the Investment Agreement and the Supplemental Agreement. Save for the amendments contained in the Supplemental Agreement as stated above and corresponding consequential changes, all other major terms of the Investment Agreement shall remain in full force and effect.

Potential investors and shareholders of the Company are advised to exercise caution when dealing in shares of the Company.

By Order of the Board
Genscript Biotech Corporation
Dr. Zhang Fangliang
Chairman and Chief Executive Officer

Hong Kong, 20 October 2016

As at the date of this announcement, our executive Directors are Dr. ZHANG Fangliang, Ms. WANG Ye, and Mr. MENG Jiange; our non-executive Directors are Dr. WANG Luquan, Mr. HUANG Zuie-Chin, and Mr. PAN Yuexin; and our independent non-executive Directors are Mr. GUO Hongxin, Mr. DAI Zumian, and Ms. ZHANG Min.

* *For identification purposes only*