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**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)**

**(1) THE DEEMED DISPOSAL OF BSJ NANJING;  
(2) SUBSCRIPTION OF NEW SHARES OF LEGEND CAYMAN;  
AND  
(3) CONNECTED TRANSACTION IN RELATION TO  
THE DEEMED DISPOSAL OF LEGEND CAYMAN**

**DEEMED DISPOSALS**

**BSJ Capital Increase Agreement**

The Board is pleased to announce that on 27 June 2017 (after trading hour), BSJ Nanjing, an indirect wholly-owned subsidiary of the Company, entered into the BSJ Capital Increase Agreement with the PRC Fund and BSJ HK, pursuant to which the PRC Fund conditionally agreed to make a capital injection in the amount of RMB15,718,000.00 (equivalent to approximately US\$2,321,713.44) for the increased registered capital of BSJ Nanjing (the “**BSJ Capital Increase**”).

Upon the BSJ Completion, the registered capital of BSJ Nanjing will be increased from US\$29,000,000.00 to US\$31,321,713.44 and the equity interest in BSJ Nanjing will be directly held as to 92.590% by BSJ HK and indirectly held as to 0.074%, 0.235%, 0.707%, 1.650%, 2.358%, and 2.386% by GS Corp, Ms. Huang, Mr. Li, Ms. Wang, Mr. Zhang, and Mr. Hao, respectively, through the PRC Fund.

Upon the BSJ Completion, BSJ Nanjing will become an indirect non-wholly owned subsidiary of the Company.

## **Legend Share Subscription Agreement**

On the same date on 27 June 2017 (after trading hour), Legend Cayman, a direct wholly-owned subsidiary of the Company, entered into the Legend Share Subscription Agreement with the Company and the Cayman Fund, pursuant to which (i) Legend Cayman agreed to allot and issue, and the Company agreed to subscribe for, 8,484,000 new shares of Legend Cayman (the “**Legend-Listco Share Allotment and Issuance**”), pursuant to which the Company shall surrender all of the 50,000,000 shares of Legend Cayman it currently holds as at the date of this announcement as consideration for the Legend-Listco Share Allotment and Issuance, and (ii) subject to the completion of the Legend-Listco Share Allotment and Issuance, Legend Cayman agreed to allot and issue, and the Cayman Fund agreed to subscribe for, 1,516,000 new shares of Legend Cayman (the “**Legend-Cayman Fund Share Allotment and Issuance**”) at the aggregate subscription price of RMB10,263.32 (equivalent to approximately US\$1,516.00) .

Upon the Legend Completion, Legend Cayman will be directly held as to 84.840% by the Company and indirectly held as to 0.160%, 5.000%, and 10.000% by GS Corp, Ms. Wang, and Mr. Fan, respectively, through the Cayman Fund.

Upon the Legend Completion, Legend Cayman will become a direct non-wholly owned subsidiary of the Company.

## **LISTING RULES IMPLICATIONS**

### **BSJ Deemed Disposal**

As at the date of this announcement, BSJ Nanjing is indirectly wholly-owned by the Company through its wholly-owned subsidiary BSJ HK. Upon the BSJ Completion, the equity interest of BSJ HK in BSJ Nanjing will be diluted to 92.590%. Therefore, the BSJ Capital Increase as contemplated under the BSJ Capital Increase Agreement constitutes a deemed disposal of the Company’s equity interest in BSJ Nanjing under Rule 14.29 of the Listing Rules.

As the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the BSJ Capital Increase exceeds 0.1% but are all less than 5%, the transactions contemplated under the BSJ Capital Increase Agreement does not constitute a notifiable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

Except Dr. Zhang, Dr. Wang, and Ms. Wang, none of the Directors has any material interest in the BSJ Capital Increase Agreement and the transactions contemplated thereunder. Each of Dr. Zhang, Dr. Wang, and Ms. Wang, being a Director, is also a shareholder of GS Corp which is a party to the BSJ Capital Increase Agreement through the PRC Fund. As such, Dr. Zhang, Dr. Wang, and Ms. Wang have abstained from voting on the Board resolutions for approving the BSJ Capital Increase Agreement and the transactions contemplated thereunder.

### **Legend Deemed Disposal**

As at the date of this announcement, Legend Cayman is directly wholly-owned by the Company. Upon the Legend Completion, the shareholding of the Company in Legend Cayman will be diluted to 84.840%. Therefore, the Legend-Cayman Fund Share Allotment and Issuance as contemplated under the Legend Share Subscription Agreement constitutes a deemed disposal of the Company's equity interest in Legend Cayman under Rule 14.29 of the Listing Rules.

Ms. Wang is the executive Director, the chief operating officer, and a controlling shareholder of the Company. The Cayman Fund is directly held as to 32.980% by Ms. Wang and is an associate of Ms. Wang under Rule 14A.12(c) of the Listing Rules. Therefore, the Cayman Fund is a connected person of the Company. Accordingly, the Legend-Cayman Fund Share Allotment and Issuance as contemplated under the Legend Share Subscription Agreement entered into between the Cayman Fund and Legend Cayman constitutes a connected transaction of the Company under the Listing Rules.

As the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Legend-Cayman Fund Share Allotment and Issuance exceeds 0.1% but are all less than 5%, the transactions contemplated under the Legend Share Subscription Agreement constitutes a connected transaction of the Company subject to the reporting and announcement requirement but exempt from independent shareholders' approval and circular requirements under Chapter 14A of the Listing Rules.

Except Dr. Zhang, Dr. Wang, and Ms. Wang, none of the Directors has any material interest in the Legend Share Subscription Agreement and the transactions contemplated thereunder. Each of Dr. Zhang, Dr. Wang, and Ms. Wang, being a Director, is a shareholder of the Company and GS Corp, which is a party to the Legend Share Subscription Agreement through the Cayman Fund. As such, Dr. Zhang, Dr. Wang, and Ms. Wang have abstained from voting on the Board resolutions for approving the Legend Share Subscription Agreement and the transactions contemplated thereunder.

**As the BSJ Completion and the Legend Completion are conditional upon the fulfillment or waiver (as the case may be) of the conditions precedent as set out under the paragraphs headed “BSJ Conditions” and “Legend Conditions” in this announcement, respectively, the BSJ Completion and the Legend Completion may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

## **BSJ CAPITAL INCREASE AGREEMENT**

### **Date**

27 June 2017 (after trading hour)

### **Parties**

- (i) BSJ Nanjing, an indirect wholly-owned subsidiary of the Company;
- (ii) PRC Fund; and
- (iii) BSJ Hong Kong

The PRC Fund is a limited partnership enterprise formed in the PRC. The principal activity of the PRC Fund is enterprise management consulting. As at the date of this announcement, each of GS Corp, Ms. Huang, Mr. Li, Ms. Wang, Mr. Zhang, and Mr. Hao agreed to make an initial capital contribution to the PRC Fund in the amount of RMB158,000.00, RMB500,000.00, RMB1,500,000.00, RMB3,500,000.00, RMB5,000,000.00, and RMB5,060,000.00, thereby each of GS Corp, Ms. Huang, Mr. Li, Ms. Wang, Mr. Zhang, and Mr. Hao shall hold 1.010%, 3.180%, 9.540%, 22.270%, 31.810%, and 32.190% interest in the PRC Fund, respectively.

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, save and except as disclosed in this announcement, Mr. Zhang, Ms. Huang, Mr. Li, and Mr. Hao are Independent Third Parties.

Pursuant to the BSJ Capital Increase Agreement, GS Corp, Ms. Huang, Mr. Li, Ms. Wang, Mr. Zhang, and Mr. Hao shall pay the total amount of the BSJ Capital Increase in four installments, collectively contributing RMB7,823,200.00, RMB2,631,600.00, RMB2,631,600.00, and RMB2,631,600.00 on 31 August 2017, 30 June 2018, 30 June 2019, and 30 June 2020, respectively.

## Capital Increase of BSJ Nanjing

Pursuant to the terms of the BSJ Capital Increase Agreement, the registered capital of BSJ Nanjing will be increased from US\$29,000,000.00 to US\$31,321,713.44. BSJ HK has already contributed its registered capital of US\$29,000,000.00 prior to the date of signing of the BSJ Capital Increase Agreement, thus does not need to make any contribution in relation to the BSJ Capital Increase, and each of GS Corp, Ms. Huang, Mr. Li, Ms. Wang, Mr. Zhang, and Mr. Hao shall make an initial capital contribution to BSJ Nanjing through the PRC Fund in the amount of RMB158,000.00, RMB500,000.00, RMB1,500,000.00, RMB3,500,000.00, RMB5,000,000.00, and RMB5,060,000.00, respectively.

The registered capital and percentage of equity interest in BSJ Nanjing before and after the BSJ Capital Increase are set out below:

	Capital contribution before the BSJ Capital Increase US\$	% of equity interest before the BSJ Capital Increase %	Contribution to the additional registered capital in cash RMB	Total capital contribution after completion of the BSJ Capital Increase US\$ (or equivalent to US\$)	% of equity interest after completion of the BSJ Capital Increase %
BSJ HK	29,000,000	100.000	–	29,000,000.000	92.590
PRC Fund	–	–	15,718,000	2,321,713.442	7.410
GS Corp	–	–	158,000	23,338.257	0.074
Ms. Huang	–	–	500,000	73,855.244	0.235
Mr. Li	–	–	1,500,000	221,565.731	0.707
Ms. Wang	–	–	3,500,000	516,986.706	1.650
Mr. Zhang	–	–	5,000,000	738,552.437	2.358
Mr. Hao	–	–	5,060,000	747,415.066	2.386
	<u>29,000,000</u>	<u>100.000</u>	<u>15,718,000</u>	<u>31,321,713.442</u>	<u>100.000</u>

Upon the BSJ Completion, the registered capital of BSJ Nanjing will be increased from US\$29,000,000.00 to US\$31,321,713.44 and the equity interest in BSJ Nanjing will be directly held as to 92.590% by BSJ HK and indirectly held as to 0.074%, 0.235%, 0.707%, 1.650%, 2.358%, and 2.386% by GS Corp, Ms. Huang, Mr. Li, Ms. Wang, Mr. Zhang, and Mr. Hao, respectively, through the PRC Fund.

Upon the BSJ Completion, BSJ Nanjing will become an indirect non-wholly owned subsidiary of the Company.

## **BSJ Conditions Precedent**

The BSJ Completion is subject to the satisfaction of the following conditions precedent: (i) filing for registration and obtaining approvals for the increase of the registered capital of BSJ Nanjing from the relevant department of commerce; (ii) filing for modification registration with the relevant industrial and commercial authority and obtaining a new business license reflecting the BSJ Capital Increase; and (iii) obtaining any other required governmental or regulatory approvals.

If the BSJ Conditions have not been fulfilled by the BSJ Conditions Fulfillment Date or such later date as the parties to the BSJ Capital Increase Agreement may agree in writing, the BSJ Capital Increase Agreement shall lapse and have no further effect and none of the parties shall make any claims against any other parties pursuant to the terms and conditions of the BSJ Capital Increase Agreement.

## **BSJ Completion**

Subject to the BSJ Conditions being fulfilled (if not waived), the BSJ Completion shall take place on the date on which the BSJ Conditions have been satisfied or waived (or such other date and at such place as may be agreed in writing between the relevant parties), and in any event no later than the BSJ Conditions Fulfillment Date.

## **BASIC INFORMATION OF BSJ NANJING**

BSJ Nanjing is a company established in the PRC with limited liability, and is principally engaged in, among other things, the research and development and production of the industrial synthetic biology products under the industrial synthetic biology product segment.

BSJ Nanjing currently has a registered capital of US\$29,000,000.00 and is wholly-owned by BSJ HK.

## **FINANCIAL INFORMATION OF BSJ NANJING AND ITS SUBSIDIARIES**

The unaudited consolidated financial information of BSJ Nanjing for the two years ended 31 December 2015 and 2016 is set forth below:

	<b>For the years ended 31</b>	
	<b>December,</b>	
	<b>2015</b>	<b>2016</b>
	<i>US\$</i>	<i>US\$</i>
Turnover	1,354,864.54	9,708,155.78
Net (loss)/profit before tax	(1,461,579.41)	856,597.58
Net (loss)/profit after tax	(1,461,579.41)	720,037.07

As at 31 December 2015 and 2016, the unaudited net asset value of BSJ Nanjing was approximately US\$3,343,194.53 and US\$25,304,088.06, respectively.

## **REASONS FOR AND BENEFITS OF THE BSJ DEEMED DISPOSAL**

The principal business activity of the Company is the provision of life sciences research and application service and product. The Group is principally engaged providing life sciences research and application services and products under four business segments, namely, (i) life sciences research services, (ii) life sciences research catalog products, (iii) preclinical drug development services, (iv) industrial synthetic biology products.

The BSJ Deemed Disposal and the cash inflow to be generated by the BSJ Deemed Disposal will increase the financial flexibility of BSJ Nanjing, which would in turn enhance the Group's capability in seizing future development and investment opportunities. In addition, the BSJ Capital Increase could provide investment opportunities and serve as an incentive to GS Corp, Ms. Wang, Mr. Fan, Ms. Huang, Mr. Li, Mr. Zhang, and Mr. Hao for retaining and further motivating them to devote themselves to the development of BSJ Nanjing which is beneficial to the long-term growth of BSJ Nanjing.

The terms of the BSJ Capital Increase Agreement have been arrived at after arm's length negotiations among the parties. The Directors (including independent non-executive Directors) are of the view and confirmed that the terms of the BSJ Capital Increase Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **LEGEND SHARE SUBSCRIPTION AGREEMENT**

### **Date**

27 June 2017 (after trading hour)

### **Parties**

- (i) the Company;
- (ii) Legend Cayman, a direct wholly-owned subsidiary of the Company; and
- (iii) the Cayman Fund



The Cayman Fund is an exempted limited partnership established in the Cayman Islands. The principal activity of the Cayman Fund is investment holding. As at the date of this announcement, each of GS Corp, Ms. Wang, and Mr. Fan agreed to make an initial capital contribution to the Cayman Fund in the amount of RMB40,000, RMB1,250,000, and RMB2,500,000, thereby each of GS Corp, Ms. Wang, and Mr. Fan shall hold 1.060%, 32.980%, and 65.960% interest in the Cayman Fund, respectively.

Ms. Wang is the executive Director, the chief operating officer, and a controlling shareholder of the Company. The Cayman Fund is directly held as to 32.980% by Ms. Wang and is an associate of Ms. Wang under Rule 14A.12(c) of the Listing Rules. Therefore, the Cayman Fund is a connected person of the Company. Accordingly, the Legend-Cayman Fund Share Allotment and Issuance as contemplated under the Legend Share Subscription Agreement entered into between the Cayman Fund and Legend Cayman constitutes a connected transaction of the Company under the Listing Rules.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, save and except as disclosed in this announcement, Mr. Fan is an Independent Third Party.

### **Share Allotment and Issuance by Legend Cayman**

Pursuant to the Legend Share Subscription Agreement, (i) the Company agreed to subscribe for the Listco Subscription Shares, pursuant to which the Company shall surrender all of the 50,000,000 shares of Legend Cayman it currently holds as at the date of this announcement on the Legend Completion Date as consideration for the Listco Subscription Shares, and (ii) subject to the completion of the Legend-Listco Share Allotment and Issuance, the Cayman Fund agreed to subscribe in cash for the Cayman Fund Subscription Shares at the aggregate subscription price of RMB\$10,263.32 (equivalent to approximately US\$1,516.00) which shall be satisfied by the Cayman Fund on the Legend Completion Date.

The Subscription Shares will, when fully paid, rank pari passu in all respects with the other shares in issue or to be issued by Legend Cayman on or prior to the date of the Legend Share Subscription Agreement, and free from all encumbrances and together with all rights and benefits attached to the Subscription Shares as at the date of the Legend Share Subscription Agreement.



The number of issued shares and the percentage of equity interest in Legend Cayman before and after the Legend Share Allotment and Issuance are set out below:

	Number of issued shares before the Legend Share Allotment and Issuance	% of equity interest before the completion of the Legend Share Allotment and Issuance %	Number of Subscription Shares	Subscription Price RMB	% of equity interest after completion of the Legend Share Allotment and Issuance %
Company	50,000,000 <sup>(note)</sup>	100.000	8,484,000 <sup>(note)</sup>	– <sup>(note)</sup>	84.840
Cayman Fund	–	–	1,516,000	3,790,000	15.160
GS Corp	–	–	–	40,000	0.160
Ms. Wang	–	–	–	1,250,000	5.000
Mr. Fan	–	–	–	2,500,000	10.000
	<u>50,000,000<sup>(note)</sup></u>	<u>100.000</u>	<u>10,000,000</u>	<u>3,790,000</u>	<u>100.000</u>

*Note:* The Company agreed to subscribe for the Listco Subscription Shares, pursuant to which the Company shall surrender all of the 50,000,000 shares of Legend Cayman it currently holds as at the date of this announcement on the Legend Completion Date as consideration for the Listco Subscription Shares.

The Subscription Shares represent 100.000% of the entire issued share capital of Legend Cayman upon completion of the Legend Share Allotment and Issuance.

The subscription price was arrived at after arm's length negotiations between the Legend Cayman and the Cayman Fund and was determined with reference to (i) the future prospects of Legend Cayman, and (ii) the factors as set out in the paragraph headed "REASONS FOR AND BENEFITS OF THE LEGEND DEEMED DISPOSAL" below. Accordingly, the Directors are of the view that the consideration is fair and reasonable and in the interests of the Company and its shareholders as a whole.

### **Legend Conditions Precedent**

The Legend Completion is subject to the satisfaction of the following conditions precedent:

In respect of the Legend-Listco Share Allotment and Issuance:

- (i) the Company having obtained any and all approvals necessary for the Legend-Listco Share Allotment and Issuance;

- (ii) the board of directors of Legend Cayman having approved the execution and performance of the Legend Share Subscription Agreement and the Legend-Listco Share Allotment and Issuance;
- (iii) the Board having approved the execution and performance of the Legend Share Subscription Agreement and the Legend-Listco Share Allotment and Issuance;
- (iv) the Board having approved the surrender of all of the 50,000,000 shares of Legend Cayman it currently holds as at the date of this announcement on the Legend Completion Date as consideration for the Listco Subscription Shares and the execution of the surrender letter; and
- (v) the Company having executed and delivered the surrender letter in relation to the surrender of all the 50,000,000 shares of Legend Cayman it currently holds to Legend Cayman.

In respect of the Legend-Cayman Fund Share Allotment and Issuance:

- (i) the Legend-Listco Share Allotment and Issuance having been completed;
- (ii) the Cayman Fund having obtained any and all approvals necessary for the Legend-Cayman Fund Share Allotment and Issuance;
- (iii) the board of directors of Legend Cayman having approved the Legend-Cayman Fund Share Allotment and Issuance;
- (iv) each of GS Corp, Ms. Wang, and Mr. Fan having made an initial capital contribution to the Cayman Fund in the amount of RMB40,000.00, RMB1,250,000.00, and RMB2,500,000.00 (equivalent to approximately US\$5,908.00, US\$184,638.00 and US\$369,276.00, respectively), thereby holding as to 1.060%, 32.980%, and 65.960% interest in the Cayman Fund, respectively;
- (v) the Cayman Fund having made full payment of the subscription price by wire transfer of funds without any deduction or set-off to Legend Cayman; and
- (vi) the board of directors of GS Corp acting as the general partner of the Cayman Fund having approved the execution and performance of the Legend Share Subscription Agreement and the Legend-Cayman Fund Share Allotment and Issuance.

If the Legend Conditions have not been fulfilled by the Legend Conditions Fulfillment Date or such later date as the parties to the Legend Share Subscription Agreement may agree in writing, the Legend Share Subscription Agreement shall lapse and have no further effect and none of the parties shall make any claims against any other parties pursuant to the terms and conditions of the Legend Share Subscription Agreement.

## **Legend Completion**

Subject to the Legend Conditions being fulfilled (if not waived), the Legend Completion shall take place remotely by means of the exchange of documents and signatures on the date on which the Legend Conditions have been satisfied or waived (or such other date and at such place as may be agreed in writing between the relevant parties), and in any event no later than the Legend Conditions Fulfillment Date.

## **BASIC INFORMATION OF LEGEND CAYMAN**

Legend Cayman is an exempted company incorporated under the laws of the Cayman Islands with limited liability and is principally engaged in investment holding.

Legend Cayman currently has an authorized share capital of US\$50,000 divided into 50,000,000 ordinary shares of par value USD0.001 each and is directly wholly-owned by the Company.

## **FINANCIAL INFORMATION OF LEGEND CAYMAN AND ITS SUBSIDIARIES**

The unaudited consolidated financial information of Legend Cayman for the two years ended 31 December 2015 and 2016 is set forth below:

	<b>For the years ended 31</b>	
	<b>December,</b>	
	<b>2015</b>	<b>2016</b>
	<i>US\$</i>	<i>US\$</i>
Turnover	—	—
Net loss before tax	(6,883.15)	(884,138.6)
Net loss after tax	(6,883.15)	(884,138.6)

As at 31 December 2015 and 2016, the unaudited net liability value of Legend Cayman was approximately US\$0.00 and US\$3,928.66, respectively.

## **REASONS FOR AND BENEFITS OF THE LEGEND DEEMED DISPOSAL**

The principal business activity of the Company is the provision of life sciences research and application service and product. The Group is principally engaged providing life sciences research and application services and products under four business segments, namely, (i) life sciences research services, (ii) life sciences research catalog products, (iii) preclinical drug development services, (iv) industrial synthetic biology products.

The Legend Deemed Disposal and the cash inflow to be generated by the Legend Deemed Disposal will increase the financial flexibility of Legend Cayman, which would in turn enhance the Group's capability in seizing future development and investment opportunities. In addition, the Legend-Cayman Fund Share Allotment and Issuance could provide investment opportunities and serve as an incentive GS Corp, Ms. Wang, and Mr. Fan for retaining and further motivating them to devote themselves to the development of Legend Cayman which is beneficial to the long-term growth of Legend Cayman.

The terms of the Legend Share Subscription Agreement have been arrived at after arm's length negotiations among the parties. The Directors (including independent non-executive Directors) are of the view and confirmed that the terms of the Legend Share Subscription Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **THE FINANCIAL IMPACT OF DEEMED DISPOSALS ON THE COMPANY**

### **BSJ Deemed Disposal**

As at the date of this announcement, BSJ Nanjing is indirectly wholly-owned by the Company through its wholly-owned subsidiary BSJ HK. Upon the BSJ Completion, the equity interest of BSJ HK in BSJ Nanjing will be decreased to 92.590% and BSJ Nanjing will become an indirect non-wholly owned subsidiary of the Company. The results of operations and financial position of BSJ Nanjing will continue to be recorded in the Group's consolidated financial statements. As the effect of the BSJ Capital Increase will not cause a loss of the Group's control over BSJ Nanjing, the BSJ Deemed Disposal due to the BSJ Capital Increase will be accounted for as an equity transaction that will not result in the recognition of any gain or loss in profit or loss.

### **Legend Deemed Disposal**

As at the date of this announcement, Legend Cayman is directly wholly-owned by the Company. Upon the Legend Completion, the equity interest of the Company in Legend Cayman will be decreased to 84.840% and Legend Cayman will become a direct non-wholly owned subsidiary of the Company. The results of operations and financial position of Legend Cayman will continue to be recorded in the Group's consolidated financial statements. As the effect of the Legend-Cayman Fund Share Allotment and Issuance will not cause a loss of the Group's control over Legend Cayman, the Legend Deemed Disposal due to the Legend-Cayman Fund Share Allotment and Issuance will be accounted for as an equity transaction that will not result in the recognition of any gain or loss in profit or loss.

## **LISTING RULES IMPLICATION**

### **BSJ Deemed Disposal**

As at the date of this announcement, BSJ Nanjing is indirectly wholly-owned by the Company through its wholly-owned subsidiary BSJ HK. Upon the BSJ Completion, the equity interest of BSJ HK in BSJ Nanjing will be diluted to 92.590%. Therefore, the BSJ Capital Increase as contemplated under the BSJ Capital Increase Agreement constitutes a deemed disposal of the Company's equity interest in BSJ Nanjing under Rule 14.29 of the Listing Rules.

The Board has approved the BSJ Capital Increase Agreement and the transactions contemplated thereunder. Except Dr. Zhang, Dr. Wang, and Ms. Wang, none of the Directors has any material interest in the BSJ Capital Increase Agreement and the transactions contemplated thereunder. Each of Dr. Zhang, Dr. Wang, and Ms. Wang, being a shareholder of GS Corp which is a party to the BSJ Capital Increase Agreement through the PRC Fund, has abstained from voting on the Board resolutions for approving the BSJ Capital Increase Agreement and the transactions contemplated thereunder.

As the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the BSJ Capital Increase exceeds 0.1% but are all less than 5%, the transactions contemplated under the BSJ Capital Increase Agreement does not constitute a notifiable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

### **Legend Deemed Disposal**

As at the date of this announcement, Legend Cayman is directly wholly-owned by the Company. Upon the Legend Completion, the equity interest of the Company in Legend Cayman will be diluted to 84.840%. Therefore, the Legend-Cayman Fund Share Allotment and Issuance as contemplated under the Legend Share Subscription Agreement constitutes a deemed disposal of the Company's equity interest in Legend Cayman under Rule 14.29 of the Listing Rules.

Ms. Wang is the executive Director, the chief operating officer, and a controlling shareholder of the Company. The Cayman Fund is directly held as to 32.980% by Ms. Wang and is an associate of Ms. Wang under Rule 14A.12(c) of the Listing Rules. Therefore, the Cayman Fund is a connected person of the Company. Accordingly, the Legend-Cayman Fund Share Allotment and Issuance as contemplated under the Legend Share Subscription Agreement entered into between the Cayman Fund and Legend Cayman constitutes a connected transaction of the Company under the Listing Rules.

The Board (including the independent non-executive Directors) has approved the Legend Share Subscription Agreement and the transactions contemplated thereunder, and the independent non-executive Directors have confirmed that the terms of the transactions are fair and reasonable, the transactions are on normal commercial terms and in the interests of the Company and its shareholders as a whole.

Except Dr. Zhang, Dr. Wang, and Ms. Wang, none of the Directors has any material interest in the Legend Share Subscription Agreement and the transactions contemplated thereunder. Each of Dr. Zhang, Dr. Wang, and Ms. Wang, being a shareholder of the Company and GS Corp, which is a party to the Legend Share Subscription Agreement through the Cayman Fund, has abstained from voting on the Board resolutions for approving the Legend Share Subscription Agreement and the transactions contemplated thereunder.

As the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Legend-Cayman Fund Share Allotment and Issuance exceeds 0.1% but are all less than 5%, the transactions contemplated under the Legend Share Subscription Agreement constitutes a connected transaction of the Company subject to the reporting and announcement requirement but exempt from independent shareholders' approval and circular requirements under Chapter 14A of the Listing Rules.

**As the BSJ Completion and the Legend Completion are conditional upon the fulfillment or waiver (as the case may be) of the conditions precedent as set out under the paragraph headed “BSJ Conditions” and “Legend Conditions” in this announcement, respectively, the BSJ Completion and the Legend Completion may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors;
“BSJ Capital Increase Agreement”	the capital increase agreement dated 27 June 2017 entered into among BSJ Nanjing, the PRC Fund, and BSJ HK in respect of the subscription of additional registered capital of BSJ Nanjing, as a result of which BSJ Nanjing will be directly held as to 92.590% by BSJ HK and indirectly held as to 0.074%, 0.235%, 0.707%, 1.650%, 2.358%, and 2.386% by GS Corp, Ms. Huang, Mr. Li, Ms. Wang, Mr. Zhang, and Mr. Hao, respectively, through the PRC Fund;



“BSJ Completion”	the completion of BSJ Capital Increase pursuant to the terms and conditions of the BSJ Capital Increase Agreement;
“BSJ Conditions”	the conditions precedent of the BSJ Completion, details of which is set out in the paragraph headed “BSJ Conditions Precedent” of this announcement;
“BSJ Conditions Fulfillment Date”	31 August 2017 or such later date as the parties to the BSJ Capital Increase Agreement may agree in writing;
“BSJ Deemed Disposal”	the deemed disposal of 7.410% equity interest in BSJ Nanjing to GS Corp, Ms. Huang, Mr. Li, Ms. Wang, Mr. Zhang, and Mr. Hao through the PRC Fund as a result of the BSJ Capital Increase;
“BSJ HK”	Bestzyme Biotech HK Limited (香港百斯杰生物科技有限公司), a company incorporated under the laws of Hong Kong with limited liability, and an indirect wholly owned subsidiary of the Company;
“BSJ Nanjing”	Nanjing Bestzyme Bioengineering Co., Ltd.* (南京百斯杰生物工程有限公司), a limited liability company incorporated under the laws of the PRC, which is 100% owned by BSJ HK and an indirect wholly owned subsidiary of the Company prior to the BSJ Capital Increase;
“Cayman Fund”	AquaPoint L.P., an exempted limited partnership established in the Cayman Islands which is held as to 1.060%, 32.980%, and 65.960% interest by GS Corp, Ms. Wang, and Mr. Fan, respectively;
“Cayman Fund Subscription Shares”	1,516,000 new ordinary shares of Legend Cayman with par value of US\$0.001 each to be issued and allotted by Legend Cayman and to be subscribed by the Cayman Fund;
“Company”	Genscript Biotech Corporation 金斯瑞生物科技股份有限公司* (Stock Code: 1548), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange;



“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“Deemed Disposals”	collectively, the BSJ Deemed Disposal and the Legend Deemed Disposal;
“Director(s)”	the director(s) of the Company;
“Dr. Wang”	Dr. Wang Luquan 王魯泉, the non-executive Director, one of the controlling shareholders of the Company, and a shareholder of GS Corp;
“Dr. Zhang”	Dr. Zhang Fangliang 章方良, the executive Director, chief executive officer, one of the controlling shareholders of the Company, and a shareholder of GS Corp;
“Group”	the Company and its subsidiaries;
“GS Corp”	Genscript Corporation, a company incorporated under the laws of the State of Delaware of the United States, which is one of the controlling shareholders of the Company;
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	the independent third party who is, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company;
“Legend Cayman”	Legend Biotech Corporation, an exempted company incorporated under the laws of the Cayman Islands with limited liability, which is a direct wholly owned subsidiary of the Company prior to the Legend Share Allotment and Issuance;

“Legend Completion”	the completion of Legend Share Allotment and Issuance pursuant to the terms and conditions of the Legend Share Subscription Agreement;
“Legend Completion Date”	the date when the Legend Completion takes place;
“Legend Conditions”	the conditions precedent of the Legend Completion, details of which is set out in the paragraph headed “Legend Conditions Precedent” of this announcement;
“Legend Conditions Fulfillment Date”	29 December 2017, or such later date as the parties to the Legend Share Subscription Agreement may mutually agree;
“Legend Deemed Disposal”	the deemed disposal of 15.160% equity interest in Legend Cayman to GS Corp, Ms. Wang, and Mr. Fan through the Cayman Fund as a result of the Legend-Cayman Fund Share Allotment and Issuance;
“Legend Share Allotment and Issuance”	collectively, the Legend-Listco Share Allotment and Issuance and the Legend-Cayman Fund Share Allotment and Issuance;
“Legend Share Subscription Agreement”	the subscription agreement dated 27 June 2017 entered into among the Company, Legend Cayman, and the Cayman Fund in respect of the subscription of the relevant portion of the Subscription Shares by the Company and the Cayman Fund in accordance with the terms of the Legend Share Subscription Agreement, as a result of which Legend Cayman will be directly held as to 84.840% by the Company and indirectly held as to 0.160%, 5.000%, and 10.000% by GS Corp, Ms. Wang, and Mr. Fan, respectively, through the Cayman Fund;
“Listco Subscription Shares”	8,484,000 new ordinary shares of Legend Cayman with par value of US\$0.001 each to be issued and allotted by Legend Cayman and to be subscribed by the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Fan”	Mr. Frank Fan 范曉虎, the chief scientific officer of Legend Nanjing, and an Independent Third Party;

“Mr. Hao”	Mr. Hao Jieming 郝結明, the general manager of Nornoon, and an Independent Third Party;
“Mr. Li”	Mr. Li Feng 李峰, the chief of research and development of BSJ Nanjing, and an Independent Third Party;
“Mr. Zhang”	Mr. Zhang Chifa 張遲發, the general manager of BSJ Nanjing, and an Independent Third Party;
“Ms. Huang”	Ms. Huang Ke 黃珂, the manager of BSJ Nanjing, and an Independent Third Party;
“Ms. Wang”	Ms. Ye Wang 王燁, the executive Director, chief operating officer, one of the controlling shareholders of the Company, and a shareholder of GS Corp;
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of China and Taiwan;
“PRC Fund”	南京金百企業管理中心(有限合夥), a limited partnership enterprise established in the PRC which is held as to 1.010%, 3.180%, 9.540%, 22.270%, 31.810%, and 32.190% interest by GS Corp, Ms. Huang, Mr. Li, Ms. Wang, Mr. Zhang, and Mr. Hao, respectively;
“Shareholders”	the holders of shares of the Company;
“Shares”	ordinary share(s) of US\$0.001 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Shares”	collectively, the Cayman Fund Subscription Shares and the Listco Subscription Shares;
“US\$”	United States Dollar, the lawful currency of the United States of America; and
“%”	per cent.

*For the purposes of illustration only, any amount denominated in US\$ in this announcement was translated into RMB at the rate of US\$1 = RMB6.77. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.*

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

Hong Kong, 28 June 2017

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

\* *For identification purposes only*