

*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.*

*Neither this announcement nor any copy thereof may be released into or distributed directly or indirectly in the United States or any other jurisdiction where such release or distribution might be unlawful.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.*

*This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities mentioned herein have not been, and will not be, registered under the United States Securities Act of 1933 (the “**U.S. Securities Act**”), and may not be offered or sold in the United States unless registered under the U.S. Securities Act or pursuant to an exemption from, or in a transaction not subject to, registration under the U.S. Securities Act. The Company has no intention to register under the U.S. Securities Act any of the securities referred to herein or to conduct a public offering of securities in the United States.*



**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) PLACING OF EXISTING SHARES AND SUBSCRIPTION OF  
NEW SHARES UNDER GENERAL MANDATE ON A FULLY  
UNDERWRITTEN BASIS**

**AND**

**(2) PLACING OF SHARES BY A CONTROLLING  
SHAREHOLDER ON A FULLY UNDERWRITTEN BASIS**

**PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES  
UNDER GENERAL MANDATE ON A FULLY UNDERWRITTEN BASIS**

On 5 June 2018 (before trading hours), the Company, the Vendor and the Placing Agents entered into the Placing and Subscription Agreement, pursuant to which the Placing Agents agreed to place, on a fully underwritten basis, 75,000,000 Shares at a price of HK\$26.50 per Share on behalf of the Vendor. The Vendor Placing Shares represent approximately 4.27% of the existing issued share capital of the Company and approximately 4.09% of the issued share capital of the Company as enlarged by the Subscription, each taking into account the number of the Option Shares.

The Vendor Placing Shares will be placed to professional, institutional or other investors who are third parties independent of and not connected with the Company or its connected persons or any person who are or will be acting in concert with the Vendor or parties acting in concert with it.

Pursuant to the Vendor Placing, the Vendor has conditionally agreed to subscribe at the Vendor Placing Price for the same number of new Shares as the Vendor Placing Shares that have been placed by the Placing Agents. The Subscription Shares represent approximately 4.27% of the existing issued share capital of the Company and approximately 4.09% of the issued share capital of the Company as enlarged by the Subscription, each taking into account the number of the Option Shares.

Completion of the Vendor Placing and Subscription is expected to take place on 12 June 2018, or such other date as may be agreed by the Vendor and the Placing Agents.

Completion of the Subscription is conditional upon:

- (i) completion of the Vendor Placing; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares.

#### **PLACING OF SHARES BY A CONTROLLING SHAREHOLDER ON A FULLY UNDERWRITTEN BASIS**

On 4 June 2018 (after trading hours), Ms. Wang and the Placing Agents reached an agreement regarding the Wang Placing. On 5 June 2018 (before trading hours), Ms. Wang and the Placing Agents entered into the Wang Placing Agreement, pursuant to which the Placing Agents agreed to place, on a fully underwritten basis, 15,000,000 Shares at a price of HK\$26.50 per Share on behalf of Ms. Wang. The Wang Placing Shares represent approximately 0.85% of the existing issued share capital of the Company and approximately 0.82% of the issued share capital of the Company as enlarged by the Subscription, each taking into account the number of the Option Shares.

The Wang Placing Shares will be placed to professional, institutional or other investors who are third parties independent of and not connected with the Company or its connected persons or any person who are or will be acting in concert with Ms. Wang or parties acting in concert with her.

Completion of the Wang Placing is expected to take place on 7 June 2018, or such other date as may be agreed by Ms. Wang and the Placing Agents.

## **GENERAL**

The Vendor Placing and Wang Placing are concurrent, but not inter-conditional.

The Vendor Placing Shares and the Wang Placing Shares will not be offered to the public in Hong Kong and it is not expected that any of the Vendor Placing Shares or Wang Placing Shares will be placed to any connected persons of the Company.

The Vendor Placing Shares and the Wang Placing Shares have not been and will not be registered under the U.S. Securities Act, and the Vendor Placing Shares and Wang Placing Shares will only be offered (i) within the United States in reliance on an exemption from registration under the U.S. Securities Act provided by, and in accordance with restrictions of, Rule 144A under the U.S. Securities Act or another exemption therefrom, and (ii) outside the United States in an offshore transaction in compliance with Regulation S under the U.S. Securities Act.

The Company reasonably believes that it is not, and will not as a result of the Proposed Vendor Placing, the Proposed Subscription and the Wang Placing become, a “passive foreign investment company” within the meaning of Section 1297 of the Internal Revenue Code, nor does it expect to become a “passive foreign investment company” within the meaning of Section 1297 of the Internal Revenue Code. If the Company were determined to be a “passive foreign investment company” within the meaning of Section 1297 of the U.S. Internal Revenue Code of 1986, as amended, there might be adverse tax consequences for a U.S. holder of the Shares.

**As completion of each of the Vendor Placing, the Subscription and the Wang Placing is subject to the satisfaction of the conditions precedent of the Vendor Placing, the Subscription and the Wang Placing, respectively, and may or may not materialize as contemplated or at all, Shareholders and investors are reminded to exercise caution when dealing in the securities of the Company.**

## **PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE ON A FULLY UNDERWRITTEN BASIS**

### **Placing and Subscription Agreement**

**Date:** 5 June 2018

**Parties:** (1) the Company;

(2) Genscript Corporation as the vendor. As at the date of this announcement, the Vendor is interested in 887,402,024 Shares, representing approximately 50.48% of the existing issued share capital of the Company, each taking into account the number of the Option Shares;

- (3) J.P. Morgan Securities (Asia Pacific) Limited, as one of the Placing Agents; and
- (4) Goldman Sachs (Asia) L.L.C., as one of the Placing Agents.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, each of the Placing Agents is an Independent Third Party.

## **Vendor Placing**

### ***Vendor Placing Shares***

75,000,000 Shares will be placed by the Placing Agents on a fully underwritten basis. Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Vendor Placing, the number of Vendor Placing Shares represent (i) approximately 4.27% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.09% of the issued share capital of the Company as enlarged by the allotment and issue of the Vendor Placing Shares, each taking into account the number of the Option Shares. The aggregate nominal value of the Vendor Placing Shares under the Vendor Placing will be US\$75,000.

### ***Vendor Placing Price***

The Vendor Placing Price is HK\$26.50 per Share and represents:

- (i) a discount of approximately 7.99% to the closing price of HK\$28.80 per Share as quoted on the Stock Exchange on 4 June 2018, the last trading day prior to the date of the Vendor Placing Agreement; and
- (ii) a discount of approximately 8.15% to the average closing price of approximately HK\$28.85 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 4 June 2018.

The Vendor Placing Price was determined after arm's length negotiations between the Vendor and the Placing Agents, with reference to the prevailing market price of the Shares. The Directors (including the independent non-executive Directors) consider that the Vendor Placing Price to be fair and reasonable under the current market conditions and is in the best interests of the Company and the Shareholders as a whole.

### ***Rights and Ranking of the Vendor Placing Shares***

The Vendor Placing Shares will be sold free of all pledges, liens, and encumbrances, and together with all rights attaching thereto as at the date of issue of the Vendor Placing Shares, including the right to receive all dividends declared, made or paid on or after the date of issue of the Vendor Placing Shares and duly listed on the Stock Exchange. The Vendor Placing Shares will be fully paid and will rank, upon issue, pari passu in all respects with the other Shares in issue on the date of allotment and issue of the Vendor Placing Shares.

### ***Independence of Placing Agents and Placees***

It is expected that the Vendor Placing Shares will be placed by the Placing Agents to professional, institutional or other investors who are third parties independent of and not connected with the Company or its connected persons or any person who are or will be acting in concert with the Vendor or parties acting in concert with it.

The Placing Agents and the placees to be procured by the Placing Agents are or will be (as the case may be) independent of the directors, chief executive or substantial shareholders of the Company or any of their respective associates.

### ***Termination Events***

The obligations of the Placing Agents to proceed to completion of the Vendor Placing is conditional upon, amongst other conditions, the requirement that none of the following shall have occurred prior to completion:

- (i) any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Group taken as a whole;
- (ii) any suspension or limitation of trading (i) in any of the Company's securities by the Stock Exchange, or (ii) generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the London Stock Exchange, the New York Stock Exchange or the Nasdaq National Market;
- (iii) any outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong, the Cayman Islands, the PRC, the United States, the United Kingdom, any other member of the EEA or any other jurisdictions relevant to any member of the Group (together, the “**Relevant Jurisdictions**”) of a national emergency or war or other calamity or crisis;

- (iv) any material disruption in commercial banking or securities settlement or clearance services in any of the Relevant Jurisdictions and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in any of the Relevant Jurisdictions;
- (v) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in any of the Relevant Jurisdictions or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation, pursuant to which and in the sole opinion of the Placing Agents has or is likely to have material adverse effect, to the success of the Vendor Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith;
- (vi) any new law or regulation or any change or development involving a prospective change in existing laws or regulations in any of the Relevant Jurisdictions which in the sole opinion of the Placing Agents has or is likely to have material adverse effect, on the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Company and its subsidiaries taken as a whole, or to the success of the Vendor Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith;
- (vii) any event, or series of events beyond the reasonable control of the Placing Agents (including, without limitation, any calamity, act of government, strike, labour dispute, lock-out, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, epidemic, pandemic, outbreak of infectious disease, outbreak or escalation of hostilities, act of terrorism and act of God) involving any of the Relevant Jurisdictions, or the declaration by any of the Relevant Jurisdictions of war or a state of emergency or calamity or crisis;
- (viii) the representations and warranties made by any of the Company and the Vendor pursuant to the Placing and Subscription Agreement being untrue and inaccurate and misleading; or
- (ix) the non-compliance by the Company and/or the Vendor of the agreements and undertakings and of the conditions on its part to be complied with or satisfied under the Placing and Subscription Agreement.

In the event that the Placing Agents terminate the Placing and Subscription Agreement, the obligations of the parties thereunder shall cease and determine and no party shall have any claim against any other party save for any antecedent breach, the total payment payable by the Vendor to the Placing Agents and the indemnity provisions under the Placing and Subscription Agreement.



## ***Completion of the Vendor Placing***

Completion of the Vendor Placing and Subscription is expected to take place on 12 June 2018, or such other date as may be agreed by the Vendor and the Placing Agents. For the avoidance of doubt, completion of the Vendor Placing is not conditional upon completion of the Wang Placing.

## ***Undertakings***

The Vendor has undertaken to the Placing Agents that, except for the sale of the Vendor Placing Shares pursuant to the Placing and Subscription Agreement, for a period from the date of the Placing and Subscription Agreement up to 90 days from the Vendor Closing Date, it will not and will procure that none of its nominees and companies controlled by it and trusts associated with it (whether individually or together and whether directly or indirectly) will (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Subscription Shares) or any interests therein beneficially owned or held by the Vendor or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, unless with the prior written consent of the Placing Agents.

The Company has undertaken to the Placing Agents, and the Vendor has undertaken to the Placing Agents to procure, that, for a period from the date of the Placing and Subscription Agreement up to 90 days from the Vendor Closing Date, the Company will not, except for the Subscription Shares and save pursuant to (i) the terms of any employee share option scheme of the Company as announced by the Company in accordance with the Listing Rules; or (ii) bonus or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with its articles of association:

- (i) effect or arrange or procure placement of existing or new Shares or any other securities (in whatever form), allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Share(s) or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to Shares or interest in Shares;

- (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above; or
- (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, without first having obtained the written consent of the Placing Agents.

## **Subscription**

### ***Subscription Shares***

75,000,000 new Shares will be subscribed by the Vendor, representing approximately 4.27% of the existing issued share capital of the Company and approximately 4.09% of the issued share capital of the Company as enlarged by the Subscription, each taking into account the number of the Option Shares.

### ***Subscription Price***

The subscription price per Share is equivalent to the Vendor Placing Price of HK\$26.50 per Share. The Subscription Shares have a nominal value of US\$75,000 and a market value of HK\$2,160,000,000, based on the closing price of HK\$28.80 per Share on 4 June 2018, the last trading day prior to the date of the Placing and Subscription Agreement. The net price of the Subscription is HK\$2.30.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription are fair and reasonable under the current market conditions and are in the interest of the Company and Shareholders as a whole.

### ***General Mandate to issue the Subscription Shares***

The issue of the Subscription Shares will not be subject to Shareholders' approval and the Subscription Shares will be issued under the General Mandate granted by the Shareholders to the Directors pursuant to the resolution of the Shareholders passed in the annual general meeting held on 1 June 2018. Pursuant to the General Mandate, the Directors were granted authority to issue up to 348,573,421 Shares, representing 20% of the total number of Shares of the Company in issue as at 1 June 2018. The Company has not issued any Shares pursuant to such general mandate.

### ***Ranking of the Subscription Shares***

The Subscription Shares, when fully paid, will rank pari passu in all respects with the Shares in issue on or prior the completion date of the Subscription including the right to any dividends or distributions after the date of completion of the Subscription.



### ***Conditions of the Subscription***

The Subscription is conditional upon:

- (i) completion of the Vendor Placing; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares.

In the event that the conditions are not fulfilled within 14 days after the date of the Placing and Subscription Agreement (or such later date as may be agreed between the Company and the Vendor) the Subscription and all rights and obligations thereunder shall be null and void and neither the Company nor the Vendor shall have any claim against the other for costs, damages, compensation or otherwise.

### ***Completion of the Subscription***

Completion of the Subscription shall take place on the second Business Day following the fulfillment of the above conditions, provided that it shall take place on a date no later than 14 days after the date of the Placing and Subscription Agreement (or such other time and/or date as the Vendor and the Company may agree in writing).

### **PLACING OF SHARES BY A CONTROLLING SHAREHOLDER ON A FULLY UNDERWRITTEN BASIS**

On 4 June 2018, (after trading hours), the Board has been informed that Ms. Wang had exercised 15,000,000 options granted to her under the pre-IPO share option scheme of the Company adopted on 15 July 2015 and subscribed for an aggregate of 15,000,000 Shares (the “**Option Shares**”) of US\$0.001 each.

On 4 June 2018 (after trading hours), Ms. Wang and the Placing Agents reached an agreement regarding the Wang Placing. On 5 June 2018 (before trading hours), Ms. Wang and the Placing Agents entered into the Wang Placing Agreement pursuant to which the Placing Agents have agreed to place the Wang Placing Shares, representing approximately 0.85% of the issued share capital of the Company as at the date of this announcement taking into account the number of the Option Shares, held by Ms. Wang to Independent Third Parties at the price of HK\$26.50 per Share.

## **Wang Placing Agreement**

**Date:** 5 June 2018

**Parties:** (1) Ms. Wang;

(2) J.P. Morgan Securities (Asia Pacific) Limited, as one of the Placing Agents; and

(3) Goldman Sachs (Asia) L.L.C., as one of the Placing Agents.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, each of the Placing Agents is an Independent Third Party.

## **Wang Placing**

### ***Wang Placing Shares***

15,000,000 Shares will be placed by the Placing Agents on a fully underwritten basis. Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Wang Placing, the number of Wang Placing Shares represent (i) approximately 0.85% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 0.82% of the issued share capital of the Company as enlarged by the Subscription, each taking into account the number of the Option Shares. The aggregate nominal value of the Wang Placing Shares under the Wang Placing will be US\$15,000.

### ***Wang Placing Price***

The Wang Placing Price is HK\$26.50 per Share and represents:

- (i) a discount of approximately 7.99% to the closing price of HK\$28.80 per Share as quoted on the Stock Exchange on 4 June 2018, the last trading day prior to the date of the Wang Placing Agreement; and
- (ii) a discount of approximately 8.15% to the average closing price of approximately HK\$28.85 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 4 June 2018.

The Wang Placing Price was determined after arm's length negotiations between Ms. Wang and the Placing Agents, with reference to the prevailing market price of the Shares.

### ***Rights and Ranking of the Wang Placing Shares***

The Wang Placing Shares will be sold free of all pledges, liens, and encumbrances, and together with all rights attaching thereto as at the date of issue of the Wang Placing Shares, including the right to receive all dividends declared, made or paid on or after the date of issue of the Wang Placing Shares and duly listed on the Stock Exchange. The Wang Placing Shares will be fully paid and will rank, upon issue, pari passu in all respects with the other Shares in issue on the date of allotment and issue of the Wang Placing Shares.

### ***Independence of Placing Agents and Placees***

It is expected that the Wang Placing Shares will be placed by the Placing Agents to professional, institutional or other investors who are third parties independent of and not connected with the Company or its connected persons or any person who are or will be acting in concert with Ms. Wang or parties acting in concert with it.

The Placing Agents and the placees to be procured by the Placing Agents are or will be (as the case may be) independent of the directors, chief executive or substantial shareholders of the Company or any of their respective associates.

### ***Termination Events***

The obligations of the Placing Agents to proceed to completion of the Wang Placing is conditional upon, amongst other conditions, the requirement that none of the following shall have occurred prior to completion:

- (i) any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Group taken as a whole;
- (ii) any suspension or limitation of trading (i) in any of the Company's securities by the Stock Exchange, or (ii) generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the London Stock Exchange, the New York Stock Exchange or the Nasdaq National Market;
- (iii) any outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong, the Cayman Islands, the PRC, the United States, the United Kingdom, any other member of the EEA or any other jurisdictions relevant to any member of the Group (together, the “**Relevant Jurisdictions**”) of a national emergency or war or other calamity or crisis;

- (iv) any material disruption in commercial banking or securities settlement or clearance services in any of the Relevant Jurisdictions and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in any of the Relevant Jurisdictions;
- (v) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in any of the Relevant Jurisdictions or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation, pursuant to which and in the sole opinion of the Placing Agents has or is likely to have material adverse effect, to the success of the Wang Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith;
- (vi) any new law or regulation or any change or development involving a prospective change in existing laws or regulations in any of the Relevant Jurisdictions which in the sole opinion of the Placing Agents has or is likely to have material adverse effect, on the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Company and its subsidiaries taken as a whole, or to the success of the Wang Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith;
- (vii) any event, or series of events beyond the reasonable control of the Placing Agents (including, without limitation, any calamity, act of government, strike, labour dispute, lock-out, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, epidemic, pandemic, outbreak of infectious disease, outbreak or escalation of hostilities, act of terrorism and act of God) involving any of the Relevant Jurisdictions, or the declaration by any of the Relevant Jurisdictions of war or a state of emergency or calamity or crisis;
- (viii) the representations and warranties made by Ms. Wang pursuant to the Wang Placing Agreement being untrue and inaccurate and misleading; or
- (ix) the non-compliance by Ms. Wang of the agreements and undertakings and of the conditions on its part to be complied with or satisfied under the Wang Placing Agreement.

In the event that the Placing Agents terminate the Wang Placing Agreement, the obligations of the parties thereunder will cease and determine and no party will have any claim against any other party save for any antecedent breach, the total payment payable by Ms. Wang to the Placing Agents and the indemnity provisions under the Wang Placing Agreement.

### ***Completion of the Wang Placing***

Completion of the Wang Placing is expected to take place on 7 June 2018, or such other date as may be agreed by Ms. Wang and the Placing Agents (the “**Wang Closing Date**”). For avoidance of doubt, completion of the Wang Placing is not conditional upon the Vendor Placing.

### ***Undertakings***

Ms. Wang has undertaken to the Placing Agents that, except for the sale of the Wang Placing Shares pursuant to the Wang Placing Agreement, for a period from the date of the Placing Agreement up to 90 days from the Wang Closing Date, she will not and will procure that none of her nominees and companies controlled by her and trusts associated with her (whether individually or together and whether directly or indirectly) to (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests therein beneficially owned or held by the Ms. Wang or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above.

### **USE OF PROCEEDS**

The estimated net proceeds from the Vendor Placing and the Subscription is approximately HK\$2,367,763,903. The Company intends to apply the net proceeds to be received by it for (i) building up CAR-T R&D and production facility in China, the US and Europe; (ii) global team building for the Group’s talent program and CAR-T therapies, including regulatory, R&D, production and commercialization; (iii) building up the GMP manufactory facilities for plasmid and biologics products; and (iv) as general working capital purpose.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and immediately after the Vendor Placing, the Subscription and the Wang Placing will be as follows:

Shareholder	As at the date of this announcement	Immediately after completion of only the Vendor Placing (assuming the Subscription and the Wang Placing are not completed)	Immediately after completion of only the Wang Placing (assuming the Vendor Placing and the Subscription are not completed)	Immediately after completion of the Vendor Placing and the Subscription (assuming the Wang Placing is not completed)	Immediately after completion of the Vendor Placing, the Subscription and the Wang Placing
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>
The Vendor <i>(Note)</i>	887,402,024.00	50.48	887,402,024.00	50.48	887,402,024.00
Placers	-	0.00	75,000,000.00	4.27	90,000,000.00
Other Shareholders	870,488,771.00	49.52	870,488,771.00	49.52	855,488,771.00
Total	1,757,890,795.00	100.00	1,757,890,795.00	100.00	1,832,890,795.00

*Note:*

As at the date of this announcement, the Vendor is interested in 887,402,024 Shares, representing approximately 50.48% of the existing issued share capital of the Company taking into account the number of Option Shares. The Vendor is owned as to approximately 28.83%, approximately 23.69%, approximately 22.36%, approximately 6.02%, approximately 1.04%, approximately 12.04% and approximately 6.02% by Zhang Fangliang (the Chairman and Chief Executive Officer of the Company), Wang Luquan (a Director), Wu Yongmei, Ms. Wang, Mu Yingjun, 2017 Fangliang Zhang Family Trust and 2017 Ye Wang Family Trust respectively.



## **FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS**

The Company has not conducted any fund raising activities involving the issue of equity securities within the 12 months immediately prior to the date of this announcement.

## **INFORMATION ABOUT THE GROUP AND THE VENDOR**

The Group is a well-recognized life sciences research and application service and product provider that applies its proprietary technology to various fields from basic life sciences research to translational biomedical development, industrial synthetic products, and cell therapeutic solutions. The services and products include (i) bio-science services and products, (ii) industrial synthetic biology products, and (iii) cell therapy.

The Vendor is 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. The Vendor is an investment holding company.

## **DISPENSATION FROM RULE 26 OF THE TAKEOVERS CODE**

The Vendor is a controlling shareholder of the Company. The entire issued share capital of the Vendor is beneficially owned by, among others, Dr. Zhang Fangliang, Ms. Wang and Dr. Wang Luquan as parties acting in concert. The Vendor and Dr. Zhang Fangliang, Ms. Wang and Dr. Wang Luquan are together deemed to be parties acting in concert under Rule 26 of the Takeovers Code.

The Vendor has confirmed that, as at the date of this announcement, the Vendor and the parties acting in concert with it (i.e. Dr. Zhang Fangliang, Ms. Wang and Dr. Wang Luquan) have collectively been holding more than 50% of the issued share capital and voting rights of the Company continuously for more than 12 months immediately preceding the Placing and Subscription Agreement. Pursuant to Note 6 on dispensations from Rule 26 of the Takeovers Code, a waiver under Rule 26 of the Takeovers Code is not required where a shareholder, together with persons acting in concert with it have continuously held more than 50% of the voting rights of a company for at least 12 months immediately preceding the relevant placing and top-up transaction.

Given the Vendor and persons acting in concert with it (i.e. Dr. Zhang Fangliang, Ms. Wang and Dr. Wang Luquan) have continuously held more than 50% of the voting rights of the Company for the past 12 months immediately preceding the Placing and Subscription Agreement, a waiver under Rule 26 of the Takeovers Code is not required for the Subscription.

## GENERAL

The Vendor Placing and Wang Placing are concurrent, but not inter-conditional.

The Vendor Placing Shares and the Wang Placing Shares will not be offered to the public in Hong Kong and it is not expected that any of the Vendor Placing Shares or Wang Placing Shares will be placed to any connected persons of the Company.

The Vendor Placing Shares and the Wang Placing Shares have not been and will not be registered under the U.S. Securities Act, and the Vendor Placing Shares and Wang Placing Shares will only be offered (i) within the United States in reliance on an exemption from registration under the U.S. Securities Act provided by, and in accordance with restrictions of, Rule 144A under the U.S. Securities Act or another exemption therefrom, and (ii) outside the United States in an offshore transaction in compliance with Regulation S under the U.S. Securities Act.

The Company reasonably believes that it is not, and will not as a result of the Proposed Vendor Placing, the Proposed Subscription and the Wang Placing become, a “passive foreign investment company” within the meaning of Section 1297 of the Internal Revenue Code, nor does it expect to become a “passive foreign investment company” within the meaning of Section 1297 of the Internal Revenue Code. If the Company were determined to be a “passive foreign investment company” within the meaning of Section 1297 of the U.S. Internal Revenue Code of 1986, as amended, there might be adverse tax consequences for a U.S. holder of the Shares.

**As completion of the Vendor Placing, the Subscription and the Wang Placing is subject to the satisfaction of the conditions precedent of the Vendor Placing, the Subscription and the Wang Placing, respectively, and may or may not materialize as contemplated or at all, Shareholders and investors are reminded to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors;
“Business Day”	means any day (excluding a Saturday) on which banks are generally open for business in Hong Kong and the Cayman Islands;
“Company”	Genscript Biotech Corporation, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1548);

“connected person”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Goldman Sachs”	Goldman Sachs (Asia) L.L.C.;
“Group”	the Company and its subsidiaries;
“Independent Third Party(ies)”	person(s) who is(are) third party(ies) independent of the Company and its connected persons (as defined under the Listing Rules);
“J.P. Morgan”	J.P. Morgan Securities (Asia Pacific) Limited;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Ms. Wang”	Ms. Wang Ye 王燁, the executive Director, president, and one of the controlling shareholders of the Company;
“Placing Agents”	J.P. Morgan and Goldman Sachs;
“Placing and Subscription Agreement”	the agreement entered into between the Company, the Vendor, J.P. Morgan, and Goldman Sachs in relation to the Vendor Placing and the Subscription;
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement;
“Shareholders”	the shareholders of the Company;
“Shares”	ordinary shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription of the Subscription Shares by the Vendor;
“Subscription Price”	HK\$26.50 per Share;

“Subscription Shares”	75,000,000 Shares;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Transaction Date”	means the date when the sale of the Vendor Placing Shares shall be reported as a cross-trade to the Stock Exchange which shall be (i) 5 June 2018 or, (ii) if dealings in the Shares on the Stock Exchange are suspended at all times on 5 June 2018, the first day on which dealings resume and the cross-trade can be reported to the Stock Exchange in accordance with its rules, or such other date as the Vendor and the Placing Agents may agree in writing;
“U.S.”	the United States of America;
“U.S. Securities Act”	the United States Securities Act of 1933, as amended;
“US\$”	United States dollars, the lawful currency of the United States of America;
“Vendor”	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;
“Vendor Closing Date”	means two trading days after the Transaction Date or such other date as the Vendor and the Placing Agents may agree in writing;
“Vendor Placing”	the placing of Vendor Placing Shares on the terms and subject to the conditions set out in the Placing and Subscription Agreement;
“Vendor Placing Price”	HK\$26.50 per Share;
“Vendor Placing Shares”	the Shares to be placed by J.P. Morgan and Goldman Sachs pursuant to the Vendor Placing;
“Wang Placing”	the placing of 15,000,000 Shares;
“Wang Placing Agreement”	the agreement entered into between Ms. Wang, J.P. Morgan, and Goldman Sachs in relation to the Wang Placing;

“Wang Placing Price”	HK\$26.50 per Share;
“Wang Placing Shares”	the Shares to be placed by J.P. Morgan and Goldman Sachs pursuant to the Wang Placing; and
“%”	per cent.

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

Hong Kong, 5 June 2018

*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 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*