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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)

PROFIT WARNING

This announcement is made by Genscript Biotech Corporation (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to update the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company on the Company’s financial performance for the six months ended 30 June 2020 based on the preliminary assessment of the latest unaudited management accounts of the Group and the information currently available.

- (1) net profit in the Group’s business excluding Legend Biotech Corporation (“**Legend**”) (the non-cell therapy business): The non-cell therapy business is expected to record a profit of approximately US\$16.1 million to US\$18.8 million;
- (2) the investment into Legend (the cell therapy business): Legend is expected to record a loss from approximately US\$89.0 million to US\$103.0 million from continuous operations (before one-time charges, including commission fee for issuance of Series A convertible redeemable preferred shares, changes of fair value of such preferred shares, and listing expenses), including research and development expenses of approximately US\$96.5 million to US\$111.8 million; and
- (3) one-time non-cash charge of approximately US\$80.0 million caused by the changes of fair value of Series A convertible redeemable preferred shares, which was derived from the automatic conversion of all outstanding Series A preferred shares (plus any dividends accrued but unpaid on the Series A preferred shares of Legend) into Ordinary Shares (as defined in the announcement of the Company dated 31 March 2020) upon Legend’s listing on the Nasdaq

Global Market. For details of the automatic conversion, please refer to the announcements of the Company dated 31 March 2020 and 14 April 2020. The changes in fair value led to an increase of share premium, which in essence, had no impact on the net assets of Legend and its subsidiaries.

As of 30 June 2020, Legend had approximately US\$562.4 million of cash and cash equivalents and approximately US\$75.6 million in time deposits.

Overall, the Group is expected to record a loss of approximately US\$153.1 million to US\$177.3 million for the six months ended 30 June 2020, as compared to a loss of approximately US\$33.3 million in the corresponding period in 2019.

The information contained in this announcement can only be treated as a preliminary assessment by the Board based on the latest unaudited management accounts of the Group and the information currently available, which are subject to finalisation and other potential adjustments, and is not based on any figures nor information that has been audited, confirmed or reviewed by the auditor of the Company. Shareholders and potential investors of the Company are advised to read the interim results announcement of the Company for the six months ended 30 June 2020, which is expected to be published before the end of August 2020.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Genscript Biotech Corporation
Zhang Fangliang
Chairman

Hong Kong, 2 August 2020

As at the date of this announcement, the executive Directors are Ms. Wang Ye and Mr. Meng Jiange; the non-executive Directors are Dr. Zhang Fangliang, Dr. Wang Luquan, Mr. Pan Yuexin and Ms. Wang Jiafen; and the independent non-executive Directors are Mr. Guo Hongxin, Mr. Dai Zumian and Mr. Pan Jiuan.

* *For identification purposes only*