

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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)**

## **ISSUE OF NEW SHARES UNDER GENERAL MANDATE**

On 14 May 2021 (after 12:00 pm and before afternoon trading hours), the Company and the Investor entered into the Subscription Agreement, pursuant to which the Investor has agreed to subscribe for 102,981,853 new Shares to be issued by the Company, representing approximately 5.00% of the issued share capital of the Company as enlarged by the Subscription Shares. The Subscription Price is HK\$18.658 per Share. The Subscription Price represents a discount of approximately 5.00% below the closing price of HK\$19.64 per Share as quoted on the Stock Exchange on 13 May 2021, being the date preceding the date of the Subscription Agreement.

Immediately following completion of the transactions under the Subscription Agreement, the Investor is expected to become a holder of a total of 102,981,853 Shares, representing approximately 5.00% of the issued share capital of the Company as enlarged by the Subscription Shares.

**Completion is subject to the satisfaction (or, as the case may be, the waiver) of the conditions to the Subscription as stated in this announcement and as such, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

On 14 May 2021 (after 12:00 pm and before afternoon trading hours), the Company and the Investor entered into the Subscription Agreement, the principal terms of which are set out below:

### **Date**

14 May 2021 (after 12:00 pm and before afternoon trading hours)

## **Parties**

- (1) the Investor, as subscriber
- (2) the Company

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, the Investor and its ultimate beneficial owners are independent of, and not connected with, the Company and the connected persons of the Company.

## **Number of Subscription Shares**

The Investor has agreed to subscribe for 102,981,853 new Shares to be issued by the Company, representing approximately 5.00% of the issued share capital of the Company as enlarged by the Subscription Shares.

The Subscription Shares will be fully paid and will rank *pari passu* in all aspects with, and having the same rights in all aspects as the other Shares.

## **Subscription Price**

The Subscription Price is HK\$18.658 per Share and represents:

- (a) a discount of approximately 5.00% below the closing price of HK\$19.64 per Share as quoted on the Stock Exchange on 13 May 2021, being the preceding date of the Subscription Agreement;
- (b) a discount approximately 1.70% below HK\$18.98, being the average closing price as quoted on the Stock Exchange for the last five consecutive trading days prior to and including 13 May 2021; and
- (c) a premium of approximately 10.05% over HK\$16.95, being the average closing price as quoted on the Stock Exchange for the last 30 consecutive trading days prior to and including 13 May 2021.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Investor with reference to the trading prices of the Shares and the results and prospects of the Company.

## Conditions

Completion of the Subscription under the Subscription Agreement is conditional upon the following conditions having been satisfied (or, as the case may be, waived):

- (i) with respect to the obligations of the Investor to effect the Completion only, the Company having obtained all the approvals from its Board and the Shareholders in connection with the transactions contemplated under the Subscription Agreement in accordance with the Listing Rules (if required);
- (ii) with respect to the obligations of the Investor to effect the Completion only, the Listing Committee of the Stock Exchange having granted the listing of and the permission to deal in the Subscription Shares, and such approval and granting of permission not having been withdrawn or revoked;
- (iii) with respect to the obligations of the Investor to effect the Completion only, there being no material breach of any of the warranties of the Company as given on the date of the Subscription Agreement; and there being no material breach of any of such warranties if they were repeated at Completion by reference to the facts and circumstances then existing (on the basis that references in such warranties to the date of the Subscription Agreement were references to the date of the Completion);
- (iv) with respect to the obligations of the Company to effect the Completion only, there being no material breach of any of the warranties of the Investor as given on the date of the Subscription Agreement; and there being no material breach of any of such warranties if they were repeated at Completion by reference to the facts and circumstances then existing (on the basis that references in such warranties to the date of the Subscription Agreement were references to the date of Completion);
- (v) with respect to the obligations of the Investor to effect the Completion only, there being no material breach by the Company of its obligations or undertakings under the Subscription Agreement;
- (vi) with respect to the obligations of the Company to effect the Completion only, there being no material breach by the Investor of its obligations or undertakings under the Subscription Agreement; and
- (vii) with respect to the obligations of the Investor to effect the Completion only, no Material Adverse Effect having occurred.

None of the conditions stated above may be waived by either party under any circumstance unless such waiver have been agreed by all the parties in writing, provided always that (a) the parties cannot waive the conditions (i) and (ii) in any event; (b) the Investor may waive the conditions under (iii), (v) and (vii) in any event; and (c) the Company may waive the conditions (iv) and (vi) in any event.

In the event that the conditions are not fulfilled (or, as the case may be, waived) within forty-five days from the date of the Subscription Agreement (or such later date as the party not in default in connection with the non-satisfaction of the relevant condition(s) may designate), the Subscription Agreement and everything therein contained shall be null and void and of no effect, and neither the Company and the Investor shall have any claim against the other in respect of any matter or thing arising out of or in connection with the Subscription Agreement (save in respect of any antecedent breach of any obligation under the Subscription Agreement).

## **Completion**

The Completion of the Subscription is expected to take place on the second Business Day after satisfaction (or, as the case may be, waiver) of the last of above conditions, or at such date as designated by the party not in default in connection with the non-satisfaction of the relevant condition(s).

## **GENERAL MANDATE**

Pursuant to a general mandate granted by the Shareholders at the annual general meeting of the Company held on 1 June 2020, the Directors may exercise all powers of the Company to allot, issue and deal with additional Shares up to 20% of the number of the issued Shares of the Company as at the date of that annual general meeting. As at the date of this announcement, no Shares have been allotted and issued pursuant to such general mandate. Accordingly, such general mandate is sufficient for the issue of the Subscription Shares and therefore the issue of the Subscription Shares is not subject to separate Shareholders' approval.

## **APPLICATION FOR LISTING**

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

## **FUND-RAISING ACTIVITIES BY THE COMPANY IN THE LAST 12 MONTHS**

Other than the listing of its non-wholly owned subsidiary Legend Biotech Corporation on Nasdaq Global Select Market on 5 June 2020 for total gross proceeds of approximately \$423.8 million, the Company has not raised any funds by issuing equity securities during the 12 months immediately before the date of this announcement.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

The Directors consider that the proceeds to be generated from the Subscription will increase the financial flexibility of the Group and enhance the capability in the investment of research and development and the manufacturing capacity.

The Directors consider that the terms of the Subscription Agreement (including the Subscription Price) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## USE OF PROCEEDS

The gross proceeds from the Subscription are expected to be approximately HK\$1,921,435,413.27.

The Company intends to apply such net proceeds for general working capital of the Group, primary use in the research and development and expansion of manufacturing facilities, as well as general corporate expenses.

## INFORMATION OF THE GROUP

The Company was incorporated on 21 May 2015 in the Cayman Islands as an exempted company with limited liability. Originally founded in New Jersey, United States in 2002, the Group has grown into a well-recognised 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.

## INFORMATION OF THE INVESTOR

The Investor is a company formed under the laws of the Cayman Islands. Hillhouse Capital Management, Ltd. (“**Hillhouse Capital**”) serves as the sole investment manager of the Investor. Founded in 2005, Hillhouse Capital is a global firm of investment professionals and operating executives who are focused on building and investing in high quality business franchises that achieve sustainable growth. Independent proprietary research and industry expertise, in conjunction with world-class operating and management capabilities, are key to Hillhouse Capital’s investment approach. Hillhouse Capital partners with exceptional entrepreneurs and management teams to create value, often with a focus on enacting innovation and technological transformation. Hillhouse Capital invests in the healthcare, consumer, TMT, advanced manufacturing, financial and business services sectors in companies across all equity stages. Hillhouse Capital and its group members manage assets on behalf of global institutional clients.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out a summary of the shareholding structure of the Company (i) as at the date of this announcement, and (ii) after the Completion, assuming there is no change in the issued share capital of the Company save for the issuance of the Subscription Shares:

	<b>As at the date of this announcement</b>		<b>Following the Completion</b>	
	<i>Number of Shares held</i>	<i>%</i>	<i>Number of Shares held</i>	<i>%</i>
The Investor	—	—	102,981,853	5.00
Other Shareholders	1,957,157,111	100.00	1,957,157,111	95.00
<b>Total issued Shares</b>	<b>1,957,157,111</b>	<b>100.00</b>	<b>2,060,138,964</b>	<b>100.00</b>

**Completion is subject to the satisfaction (or, as the case may be, the waiver) of the conditions to the Subscription as stated above in this announcement and as such, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

In this announcement, the following expressions have the following meanings unless otherwise requires:

- “Board” the board of directors of the Company;
- “Business Days” means any day other than a Saturday or Sunday or public holiday on which commercial banks in the PRC, U.S., Hong Kong or the Cayman Islands are required or authorized by law or executive order to be closed or on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m., Hong Kong time;
- “Company” GenScript Biotech Corporation, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
- “Completion” the completion of the Subscription in accordance with the Subscription Agreement;
- “Directors” the directors of the Company;
- “Group” the Company and its subsidiaries;
- “Investor” GNS Holdings Limited , a company limited by shares incorporated in the Cayman Islands;
- “Listing Rules” the Rules Governing the Listing of Securities on the Stock Exchange;
- “Material Adverse Effect” means
- (i) any suspension or limitation of trading in any of the Company’s ordinary shares by the Stock Exchange (save for any temporary suspension or halt in trading pending the release of an announcement in connection with the Subscription Agreement); or
  - (ii) any outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong or the PRC of a national emergency or war or other calamity or crisis; or

(iii) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in Hong Kong or the PRC, or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation,

that would make the enforcement of contracts to purchase the Subscription Shares impracticable, or would materially prejudice trading of the Subscription Shares in the secondary market;

“PRC”	means the People’s Republic of China excluding, for the purposes of this Agreement, Hong Kong, the Special Administrative Regions of Macao and the territory of Taiwan;
“Shareholders”	the shareholders of the Company;
“Shares”	the ordinary shares of US\$0.001 each of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription of the Subscription Shares pursuant to the terms of the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 14 May 2021 entered into between the Company and the Investor;
“Subscription Price”	HK\$18.658 per Subscription Share; and
“Subscription Shares”	the 102,981,853 new Shares, with an aggregate subscription price of HK\$1,921,435,413.27, to be issued by the Company to the Investor under the Subscription Agreement.

By order of the Board  
**GenScript Biotech Corporation**  
**MENG Jiange**  
*Chairman and Executive Director*

Hong Kong, 14 May 2021

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

\* *For identification purposes only*