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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)

**INSIDE INFORMATION
PROPOSED RESTATEMENT OF
THE COMPANY'S FINANCIAL STATEMENTS
ARISING FROM PROPOSED RESTATEMENT OF
LEGEND BIOTECH'S FINANCIAL STATEMENTS
AND
OVERSEAS REGULATORY ANNOUNCEMENT**

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Genscript Biotech Corporation (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.10B 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 PROPOSED RESTATEMENT OF PREVIOUS ISSUED FINANCIAL STATEMENTS BY LEGEND BIOTECH

The Board was informed by Legend Biotech Corporation (“**Legend Biotech**”), a non-wholly owned subsidiary of the Company, whose shares are listed by way of American Depositary Shares (“**ADSs**”) on the Nasdaq Global Select Market in the U.S., that Legend Biotech intends to restate its previously issued audited financial statements as of and for the years ended December 31, 2019, December 31, 2020 and December 31, 2021 and the unaudited interim financial information included in Form 6-K for the three months ended March 31, 2022 (collectively, the “**Affected Financials**”) in an amendment to its Form 20-F for the year ended December 31, 2021, and an amendment to its Form 6-K related to Legend Biotech’s interim financial information for the three months ended March 31, 2022 (the “**Legend Restatement**”).

In December 2017, Legend Biotech entered into a worldwide collaboration and license agreement with Janssen Biotech, Inc. (“**Janssen**”) for the worldwide development and commercialization of ciltacabtagene autoleucel (cilta-cel) (the “**Janssen Agreement**”). Historically, Legend Biotech has recognized revenue under the Janssen Agreement pursuant to two performance obligations: (i) the sale of the commercial license for cilta-cel (the “**Commercial License**”); and (ii) service on the Joint Steering Committee (the “**JSC**”) under the collaboration. The sale of the Commercial License was recognized as revenue at the time of sale and the revenue Legend Biotech recognized as a result of its service on the JSC was recognized over the term of the clinical development plan under the Janssen Agreement.

Management of Legend Biotech has determined that the original valuation of the Commercial License was understated and, as a result, the accounting for revenue recognition in the Affected Financials was materially incorrect. The reconsideration of revenue recognition under the Janssen Agreement will change the timing of reporting revenue under the Janssen Agreement, but will not change the expected overall revenue Legend Biotech expects to receive under the Janssen Agreement.

Legend Biotech does not expect the Legend Restatement to have any impact on Legend Biotech’s cash position, cash flow, or liquidity. Legend Biotech is in the process of evaluating and finalizing the accounting conclusions and restatement adjustments for the Affected Financials.

The Legend Restatement has been discussed between Legend Biotech with Ernst & Young Hua Ming LLP and Ernst & Young LLP. On May 3 2022, Legend Biotech changed its independent registered public accounting firm from Ernst & Young Hua Ming LLP to Ernst & Young LLP to meet the requirements of the Holding Foreign Companies Accountable Act. For details, please see the announcements of the Company dated April 14, 2022 and May 9, 2022.

Effect of the Legend Restatement on the Company’s Financial Statements

The results of operations and financial position of Legend Biotech were consolidated in the Group’s consolidated financial statements. The Group is in close communication with the management of Legend Biotech for the finalization of the accounting conclusions, the related restatement adjustments and their impact to the Group’s previously issued financial statements. The Company will make a public announcement to the market when Legend Biotech’s amended Form 20-F for the year ended December 31, 2021 and amended Form 6-K related to its interim financial information for the three months ended March 31, 2022 are filed with the U.S. Securities and Exchange Commission (the “**SEC**”).

The impact of the Legend Restatement is isolated to the Company’s cell therapy business. The reconsideration of revenue recognition under the Janssen Agreement will change the timing of reporting revenue under the Janssen Agreement, but will not change the expected overall revenue Legend Biotech expects to receive under the Janssen Agreement, and there is no change to Legend Biotech’s cash position, cash flow, nor liquidity. The Board of Directors and the audit committee of the Board consider that the Legend Restatement does not have any material effect on the financial position and operating results of the Company’s non-cell therapy business.

OVERSEAS REGULATORY ANNOUNCEMENT

On October 20, 2022 (New York Time) (before trading hours on October 21, 2022 in Hong Kong), Legend Biotech, a non-wholly owned subsidiary of the Company, whose shares are listed by way of ADSs on the Nasdaq Global Selected Market in the U.S., has filed a Form 6-K with the SEC in relation to, among others, the Legend Restatement (the “**Form 6-K**”). For details of the above, please refer to the attached Form 6-K. The Form 6-K as published on the SEC’s website is available at <https://www.sec.gov/Archives/edgar/data/1801198/000115752322001347/0001157523-22-001347-index.htm>.

Cautionary Note Regarding Forward-Looking Statements

Statements in this announcement about future expectations, plans and prospects, as well as any other statements regarding matters that are not historical facts, may constitute “forward-looking statements” within the meaning of The Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements relating to the Legend Restatement, the filing of the amendments to Legend Biotech’s 20-F and 6-K and the impacts of the Legend Restatement on the Group’s financial statements. The words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” “would” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including, but not limited to, statements regarding the impact of the Legend Restatement on certain historical financial statements and the Group’s liquidity position, and other factors discussed in the “Risk Factors” section of Legend Biotech’s Annual Report on Form 20-F for the year ended December 31, 2021 filed with the SEC, as well as in Legend Biotech’s other filings with the SEC. These statements are based on current expectations on the date of this announcement and involve a number of risks and uncertainties that may cause actual results to differ significantly, including that the process of preparing the restated Affected Financials or other subsequent events would require the Company to make additional adjustments to its previously issued financial statements. The Company does not assume any obligation to update or revise any such forward-looking statements, whether as the result of new developments or otherwise. Readers are cautioned not to put undue reliance on forward-looking statements.

Shareholders and potential investors of the Company are advised to pay attention to investment risks and exercise caution when they deal or contemplate dealing in the securities of the Company.

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

Hong Kong, October 21, 2022

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. 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, Mr. Pan Jiuan and Dr. Wang Xuehai.

* For identification purposes only

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 6-K

**Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934**

Date of Report: October 20, 2022

Commission File Number: 001-39307

Legend Biotech Corporation
(Exact Name of Registrant as Specified in its Charter)

**2101 Cottontail Lane
Somerset, New Jersey 08873
(Address of principal executive office)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

☒ Form 20-F ☐ Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

Non-Reliance on Previously Issued Financial Statements

On October 19, 2022, the audit committee (the “**Audit Committee**”) of Legend Biotech Corporation (the “**Company**”), based on the recommendation of, and after consultation with, the Company’s management, concluded that the Company’s previously issued audited financial statements as of and for the years ended December 31, 2021, December 31, 2020 and December 31, 2019 (the “**Audited Affected Financials**”) and the unaudited interim financial information included in Form 6-K for the three months ended March 31, 2022 (the “**Unaudited Affected Financials**” and together with the Audited Affected Financials, the “**Affected Financials**”) should no longer be relied upon. This has been discussed with Ernst & Young Hua Ming LLP (“**EYHM**”), the Company’s independent registered public accounting firm for the Audited Affected Financials, and with Ernst & Young LLP (“**EY**”), the Company’s current independent registered public accounting firm. Similarly, related press releases, shareholder communications, investor presentations or other communications describing relevant portions of the Affected Financials should no longer be relied upon.

As previously disclosed, in December 2017, the Company entered into a worldwide collaboration and license agreement with Janssen for the worldwide development and commercialization of cilta-cel (the “**Janssen Agreement**”). Historically, the Company has recognized revenue under the Janssen Agreement pursuant to two performance obligations: (i) the sale of the commercial license for cilta-cel (the “**Commercial License**”) and (ii) service on the Joint Steering Committee (the “**JSC**”) under the collaboration. The sale of the Commercial License was recognized as revenue at the time of sale and the revenue the Company recognized as a result of its service on the JSC was recognized over the term of the clinical development plan under the Janssen Agreement.

Management has determined that the original valuation of the Commercial License was understated and, as a result, the accounting for revenue recognition in the Affected Financials was materially incorrect. The reconsideration of revenue recognition under the Janssen Agreement will change the timing of reporting revenue under the agreement, but will not change the expected overall revenue the Company expects to receive under the agreement.

The Company intends to restate the Audited Affected Financials in an amendment to its Form 20-F for the year ended December 31, 2021, and the Unaudited Affected Financials in an amendment to its Form 6-K related to the Company’s interim financial information for the three months ended March 31, 2022 (the “**Restatement**”). The Company does not expect any of the above changes to have any impact on the Company’s cash position, cash flow, or liquidity. The Company is in the process of evaluating and finalizing the accounting conclusions and restatement adjustments for the Affected Financials.

The Company’s management and the Audit Committee have discussed the matters disclosed in this Form 6-K with EYHM and EY.

Forward-Looking Statements

Statements in this Form 6-K about future expectations, plans and prospects, as well as any other statements regarding matters that are not historical facts, may constitute “forward-looking statements” within the meaning of The Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements relating to the Restatement, the filing of the amendments to the Company’s 20-F and 6-K and the impacts of the Restatement on the Company’s financial statements. The words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” “would” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including, but not limited to, statements regarding the impact of the Restatement on certain historical financial statements and the Company’s liquidity position, and other factors discussed in the “Risk Factors” section of the Company’s Annual Report on Form 20-F for the year ended December 31, 2021 filed with the SEC, as well as in the Company’s other filings with the SEC. These statements are based on current expectations on the date of this Form 6-K and involve a number of risks and uncertainties that may cause actual results to differ significantly, including that the process of preparing the restated Affected Financials or other subsequent events would require the Company to make additional adjustments to its previously issued financial statements. The Company does not assume any obligation to update or revise any such forward-looking statements, whether as the result of new developments or otherwise. Readers are cautioned not to put undue reliance on forward-looking statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Legend Biotech Corporation

Date: October 20, 2022

By: /s/ Ying Huang

Name Ying Huang, Ph.D.

Title: Chief Executive Officer