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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)

DISCLOSEABLE TRANSACTION
DEEMED DISPOSAL OF EQUITY INTEREST IN
LEGEND BIOTECH

DEEMED DISPOSAL

The Board is pleased to announce that on 19 May 2023 (New York Time) (after trading hours in Hong Kong), Legend Biotech entered into a Subscription Agreement with the Investor, pursuant to which, among other things, Legend Biotech agreed to issue and sell, and the Investor agreed to purchase, 692,782 Legend Biotech Shares in a private placement for the consideration of approximately US\$22.2 million (equivalent to approximately HK\$173.7 million) at the Closing which took place on 19 May 2023 (New York Time) (after trading hours in Hong Kong).

LISTING RULES IMPLICATION

Immediately prior to the Closing, Legend Biotech was non-wholly owned by the Company as to approximately 48.38%. Immediately upon the completion of the Private Placement, the shareholding of the Company in Legend Biotech was diluted and reduced to 48.29%, without taking into account the future allotment, issuance, exercise and vesting of the ESOP Shares. Therefore, the Private Placement constituted a deemed disposal of the Company's equity interest in Legend Biotech under Rule 14.29 of the Listing Rules. As all of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Private Placement are less than 5%, the Private Placement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

According to Rule 14.22 of the Listing Rules, the Stock Exchange will aggregate a series of transactions and treat them as if they were one transaction if they are all completed within a 12-month period or are otherwise related. As each of the Aggregated Transactions involves a reduction of the percentage shareholding of the Company in Legend Biotech and constitutes a deemed disposal on the part of the Company, the Aggregated Transactions will be required to be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the deemed disposals arising from the Aggregated Transactions, in aggregate, exceeds 5% but is less than 25%, the

Aggregated Transactions constitute a discloseable transaction for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

PRIVATE PLACEMENT BY LEGEND BIOTECH

The Board is pleased to announce that on 19 May 2023 (New York Time) (after trading hours in Hong Kong), 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 United States, entered into a subscription agreement (the “**Subscription Agreement**”) with LGN Holdings Limited (the “**Investor**”), pursuant to which, among other things, Legend Biotech agreed to issue and sell, and the Investor agreed to purchase, 692,782 Legend Biotech Shares (the “**Subscription Shares**”) in a private placement for the consideration of approximately US\$32.00 (equivalent to approximately HK\$250.75) per Subscription Share, equivalent to a price of US\$64.00 (equivalent to approximately HK\$501.50) per ADS (the “**Private Placement**”). The Subscription Agreement contains customary representations, warranties and covenants of Legend Biotech and the Investor, and customary indemnification provisions for a transaction of this type.

The closing of the Private Placement (the “**Closing**”) took place on 19 May 2023 (New York Time) (after trading hours in Hong Kong).

Subscription Agreement

Date: 19 May 2023 (New York Time) (after trading hours in Hong Kong)

Parties:

- (1) Legend Biotech, as the issuer; and
- (2) The Investor.

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, the Investor and its ultimate beneficial owners/investment managers/general partners is an Independent Third Party.

Consideration

According to the terms of the Subscription Agreement, the aggregate purchase price of the Subscription Shares is approximately US\$22.2 million (equivalent to approximately HK\$173.7 million).

The price of each Subscription Share is determined based on the offering price of each ADS offered in the Registered Direct Offering.

Use of Proceeds

Legend Biotech intends to utilize the net proceeds from the Private Placement for general working capital, business expansion, and other corporate purposes.

Shareholding structure

The shareholding structure of Legend Biotech immediately prior to and immediately after the Closing is set out below:

Name of the Shareholders	Legend Biotech Shares	ADSs ⁽¹⁾	Shareholding percentage immediately prior to the Closing	Shareholding percentage immediately after the Closing	Shareholding Percentage immediately after the Closing on the Fully Diluted Basis ⁽²⁾
Company	174,497,556	87,248,778	48.38%	48.29%	45.70%
The Investor and Other Shareholders	186,862,402	93,431,201	51.62%	51.71%	48.93%
Legend ESOP ⁽³⁾	20,503,544	10,251,772	-	-	5.37%
Total	381,863,502	190,931,751	100.00%	100.00%	100.00%

Notes:

- (1) Each ADS will represent two Legend Biotech Shares.
- (2) The shareholding percentages are calculated on the Fully Diluted Basis assuming all the Legend ESOP Shares are allotted and issued.
- (3) The employee stock ownership plan of Legend (the “**Legend ESOP**”) includes (i) the share option scheme of Legend Biotech adopted and approved by the shareholder of the Legend Biotech on 21 December 2017, pursuant to which a maximum of 20,000,000 Legend Biotech Shares may be issued upon the exercise of the options granted thereunder, and (ii) a share incentive plan of Legend Biotech adopted and approved by the shareholder of Legend Biotech on 26 May 2021, pursuant to which a maximum of 11,000,000 Legend Biotech Shares may be issued pursuant to the vesting of the restricted stock units granted thereunder. The exercise of the options granted or to be granted, and the vesting of the restricted stock units to be granted under the Legend ESOP shall be subject to a vesting schedule as specified in the relevant scheme documents.

GENERAL INFORMATION

Information of the Investor

LGN Holdings Limited

LGN Holdings Limited is an exempted company incorporated with limited liability under the laws of the Cayman Islands, and its sole investment manager is Hillhouse Investment Management, Ltd. (“**Hillhouse**”), an exempted company incorporated under the laws of Cayman Islands.

Founded in 2005, Hillhouse is a global private equity 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 our investment approach. Hillhouse partners with exceptional entrepreneurs and management teams to create value, often with a focus on innovation and growth. Hillhouse invests in the fields of healthcare, business services, broad consumption and industrials. Hillhouse manages assets on behalf of institutional clients from across the globe.

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 Legend Biotech

Legend Biotech is an exempted company incorporated under the laws of the Cayman Islands with limited liability. Legend Biotech principally engages in the development of CAR-T cell therapies. Immediately prior to the completion of the Private Placement, it is directly held as to 48.38% by the Company.

Set out below is certain financial information in relation to the Legend Biotech for the two years ended 31 December 2022 as disclosed in Legend Biotech's Form 20-F:

	For the year ended 31 December,	
	2021	2022
	<i>Audited (US\$ in thousands)</i>	
Revenue	68,826	117,005
Loss before tax	(407,196)	(445,724)
Net loss attributable to ordinary shareholders	(403,582)	(446,349)

As at 31 December 2022, the net assets of Legend Biotech was approximately US\$744.3 million.

Shareholders should note that the figures above are extracted from the public filing of the Form 20-F of Legend Biotech and the audited consolidated financial statements therein contained have been prepared in accordance with International Financial Reporting Standards as issued by the IASB, which comprise all standards and interpretations approved by the IASB.

FINANCIAL IMPACT OF DEEMED DISPOSAL

Immediately prior to the Private Placement, Legend Biotech was owned as to 48.38% by the Company. Immediately upon the completion of the Private Placement, the shareholding of the Company in Legend Biotech was diluted and reduced to 48.29%, without taking into account the future allotment, issuance, exercise and vesting of the ESOP Shares. Although the Company holds less than 50% of the equity interests and voting rights in Legend Biotech, the Company has de facto control of Legend Biotech since the equity interests held by other shareholdings are dispersed and the other shareholders of Legend Biotech have not organized their interests in such a way that they exercise more votes than the Company. On the basis of the above, Legend Biotech will continue to be a non-wholly owned subsidiary of the Company. The results of operations and financial position of Legend Biotech will continue to be recorded in the Group's consolidated financial statements. As the effect of the Private Placement will not cause a loss of the Group's control over Legend Biotech, the deemed disposal due to the Private Placement will be accounted for as an equity transaction that will not result in the recognition of any gain or loss in profit or loss.

REASONS FOR, AND BENEFITS OF, THE PRIVATE PLACEMENT

Legend Biotech intends to utilize the net proceeds from the Private Placement for general working capital, business expansion, and other corporate purposes.

The Board believes that the Private Placement will be beneficial to both the Company and the Legend Biotech Group as the raising of additional capital by Legend Biotech to finance its potential future growth and expansion opportunities and its working capital requirements will benefit the Company as a shareholder of Legend Biotech.

The Directors, including the independent non-executive Directors, are of the view that the terms of the Subscription Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

LISTING RULES IMPLICATION

Immediately prior to the Closing, Legend Biotech was non-wholly owned by the Company as to approximately 48.38%. Immediately upon the completion of the Private Placement, the shareholding of the Company in Legend Biotech was diluted and reduced to 48.29%, without taking into account the future

allotment, issuance, exercise and vesting of the ESOP Shares. Therefore, the Private Placement constituted a deemed disposal of the Company's equity interest in Legend Biotech under Rule 14.29 of the Listing Rules. As all of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Private Placement are less than 5%, the Private Placement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

According to Rule 14.22 of the Listing Rules, the Stock Exchange will aggregate a series of transactions and treat them as if they were one transaction if they are all completed within a 12-month period or are otherwise related. As each of the Aggregated Transactions involves a reduction of the percentage shareholding of the Company in Legend Biotech and constitutes a deemed disposal on the part of the Company, the Aggregated Transactions will be required to be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the deemed disposals arising from the Aggregated Transactions, in aggregate, exceeds 5% but is less than 25%, the Aggregated Transactions constitute a discloseable transaction for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Directors (including independent non-executive Directors) are of the view and have confirmed that the terms of the 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.

GENERAL

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

DEFINITIONS

- “Aggregated Transactions” collectively, the (i) the deemed disposal of the Company's equity interest in Legend Biotech pursuant to the Follow-on Public Offering, and (ii) the deemed disposal of the Company's equity interest in Legend Biotech pursuant to the RA Previous Private Placement, (iii) the deemed disposal of the Company's equity interest in Legend Biotech pursuant to the Hillhouse Previous Private Placement, (iv) the deemed disposal of the Company's equity interest in Legend Biotech pursuant to the Registered Direct Offering, and (v) the deemed disposal of the Company's equity interest in Legend Biotech pursuant to the Private Placement;
- “Board” the board of Directors of the Company;
- “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;
- “Director(s)” the director(s) of the Company;
- “ESOP Shares” an aggregate of 31,000,000 Legend Biotech Shares that have been reserved for (i) the share option scheme of Legend Biotech adopted and approved by the Company on 21 December 2017, pursuant to which a maximum of 20,000,000 Legend Biotech Shares may be issued upon exercise of the options granted thereunder, and (ii) a share incentive plan of Legend Biotech adopted and approved by the shareholder of Legend Biotech on 26 May

	2020, pursuant to which a maximum of 11,000,000 Legend Share may be issued pursuant to the vesting of the restricted stock units granted thereunder;
“Fully Diluted Basis”	for the purpose of calculating share numbers, that the calculation is made assuming that all the ESOP Shares have been allotted, issued, exercised and vested;
“Group”	the Company and its subsidiaries;
“Hillhouse Previous Private Placement”	the private placement of Legend Biotech Shares. Please see the announcement of the Company dated 7 May 2023;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party”	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 Biotech Group”	Legend Biotech and its subsidiaries;
“Legend Biotech Shares”	ordinary shares of par value US\$0.0001 each in the capital of Legend Biotech;
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
“Follow-on Public Offering”	the follow-on public offering of ADSs completed on 29 July 2022. Please see the announcements of the Company dated 26 July 2022, 27 July 2022, 28 July 2022 and 31 July 2022 for details;
“RA Previous Private Placement”	the private placement of Legend Biotech Shares. Please see the announcements of the Company dated 20 April 2023 and 25 April 2023;
“Registered Direct Offering”	the registered direct offering of ADSs completed on 11 May 2023 (U.S. Eastern Time). Please see the announcements of the Company dated 8 May 2023 and 12 May 2023;
“Shareholder(s)”	the holders of shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“US\$”	United States Dollar, the lawful currency of the United States of America; and
“%”	per cent.

For illustrative purpose of this announcement, US\$1 = HK\$7.8360.

This announcement has been issued in the English language with a separate Chinese language translation. If there is any inconsistency or ambiguity between the English version and the Chinese version, the English version shall prevail.

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, 21 May 2023

As at the date of this announcement, the executive Directors are Dr. Zhang Fangliang, 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*