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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

ANNUAL RESULTS HIGHLIGHTS

- The group delivered continued strong revenue growth. Revenue of the Group for the year ended December 31, 2023 was approximately US\$839.5 million, representing an increase of 34.2% as compared with approximately US\$625.7 million for the year ended December 31, 2022, among which, the external revenue for non-cell therapy business was approximately US\$554.5 million, representing an increase of 8.9% as compared with approximately US\$509.0 million for the year ended December 31, 2022, and the external revenue for cell therapy business was approximately US\$285.0 million, representing an increase of 144.2% as compared with approximately US\$116.7 million for the year ended December 31, 2022.
- Strong revenue growth has led to strong increase in gross profit of the Group. Gross profit of the Group for the year ended December 31, 2023 was approximately US\$409.6 million, representing an increase of 34.7% as compared with approximately US\$304.1 million for the year ended December 31, 2022, among which, the gross profit of non-cell therapy business before eliminations was approximately US\$270.6 million, representing an increase of 5.3% as compared with approximately US\$257.1 million for the year ended December 31, 2022, and the gross profit of cell therapy business before eliminations was approximately US\$140.9 million, representing an increase of 173.1% as compared with approximately US\$51.6 million for the year ended December 31, 2022.
- Loss of the Group for the year ended December 31, 2023 narrowed to approximately US\$355.1 million as compared with approximately US\$428.0 million for the year ended December 31, 2022.

The adjusted net loss of the Group for the year ended December 31, 2023 narrowed to approximately US\$298.2 million as compared with approximately US\$359.4 million for the year ended December 31, 2022, among which, the adjusted net profit of non-cell therapy business before eliminations was approximately US\$58.1 million, whilst the adjusted net profit of non-cell therapy business before eliminations was approximately US\$62.4 million for the year ended December 31, 2022, and the adjusted net loss of cell therapy business before eliminations was approximately US\$356.6 million, whilst the adjusted net loss of cell therapy business before eliminations was approximately US\$422.1 million for the year ended December 31, 2022.

- Loss attributable to owners of the Company for the year ended December 31, 2023 decreased to approximately US\$95.5 million as compared with approximately US\$226.9 million for the year ended December 31, 2022.

Notes:
(1)

	For the year ended December 31, 2023				For the year ended December 31, 2022			
	Non-cell therapy US\$ '000	Cell therapy US\$ '000	Eliminations US\$ '000	Total US\$ '000	Non-cell therapy US\$ '000	Cell therapy US\$ '000	Eliminations US\$ '000	Total US\$ '000
Net profit/(loss)	162,879	(518,254)	254	(355,121)	18,094	(446,349)	284	(427,971)
Excluding:								
Equity-settled share-based compensation expense, net of tax	12,250	47,680	-	59,930	21,980	34,338	-	56,318
Fair value (gains)/losses of preferred shares and warrants	(129,207)	85,750	-	(43,457)	2,131	(20,900)	-	(18,769)
Losses of foreign currency forward and option contracts, net of tax	3,275	-	-	3,275	6,143	-	-	6,143
Consultation and other related costs for the Investigation, net of tax	541	-	-	541	2,958	-	-	2,958
Impairment losses of long-term assets, net of tax	5,908	-	-	5,908	11,477	-	-	11,477
Exchange (gains)/losses, net of tax	(1,776)	28,224	-	26,448	(3,184)	9,159	-	5,975
Fair value losses of non-current financial assets, net of tax	628	-	-	628	1,539	-	-	1,539
Service fees and finance costs for equity financing activities	3,618	-	-	3,618	1,293	1,621	-	2,914
Adjusted net profit/(loss)	<u>58,116</u>	<u>(356,600)</u>	<u>254</u>	<u>(298,230)</u>	<u>62,431</u>	<u>(422,131)</u>	<u>284</u>	<u>(359,416)</u>

(2) In order to better reflect the key performance of the Group's current business and operations, the adjusted net loss is calculated on the basis of net loss, excluding: (i) equity-settled share-based compensation expense; (ii) fair value gains or losses of preferred shares and warrants; (iii) losses of foreign currency forward and option contracts; (iv) consultation and other related costs for the Investigation (as defined in the announcement of the Company dated September 21, 2020); (v) impairment losses of long-term assets, (vi) exchange gains or losses; (vii) fair value losses of non-current financial assets; and (viii) service fees and finance costs for equity financing activities.

The board (the “**Board**”) of directors (the “**Directors**”) of Genscript Biotech Corporation (the “**Company**” or “**GenScript**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended December 31, 2023 (the “**Reporting Period**” or the “**Year**”) as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended December 31,	
		2023	2022
	<i>Notes</i>	<i>US\$'000</i>	<i>US\$'000</i>
REVENUE	4	839,529	625,698
Cost of sales		<u>(429,976)</u>	<u>(321,615)</u>
Gross profit		409,553	304,083
Other income and gains	4	89,576	25,105
Selling and distribution expenses		(174,298)	(168,349)
Administrative expenses		(213,441)	(182,462)
Research and development expenses		(432,827)	(390,096)
Fair value gains on preferred shares and warrants		43,457	18,769
Other expenses		(29,052)	(12,842)
Finance costs	6	(27,510)	(13,269)
Provision for impairment of long-term assets		(11,659)	(11,477)
Provision for impairment of financial assets, net		<u>(4,778)</u>	<u>(1,152)</u>
LOSS BEFORE TAX	5	(350,979)	(431,690)
Income tax (expense)/credit	7	<u>(4,142)</u>	<u>3,719</u>
LOSS FOR THE YEAR		<u>(355,121)</u>	<u>(427,971)</u>
Attributable to:			
Owners of the parent		(95,477)	(226,851)
Non-controlling interests		<u>(259,644)</u>	<u>(201,120)</u>
		<u>(355,121)</u>	<u>(427,971)</u>

		Year ended December 31,	
		2023	2022
	<i>Notes</i>	<i>US\$'000</i>	<i>US\$'000</i>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic		<u>(US4.53cents)</u>	<u>(US10.82cents)</u>
Diluted		<u>(US4.53cents)</u>	<u>(US10.82cents)</u>
LOSS FOR THE YEAR		<u>(355,121)</u>	<u>(427,971)</u>
OTHER COMPREHENSIVE INCOME			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations		<u>19,494</u>	<u>(41,095)</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		<u>19,494</u>	<u>(41,095)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<u>19,494</u>	<u>(41,095)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(335,627)</u>	<u>(469,066)</u>
Attributable to:			
Owners of the parent		<u>(92,090)</u>	<u>(271,837)</u>
Non-controlling interests		<u>(243,537)</u>	<u>(197,229)</u>
		<u>(335,627)</u>	<u>(469,066)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		December 31, 2023	December 31, 2022
	<i>Notes</i>	<i>US\$'000</i>	<i>US\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment	<i>10</i>	608,107	521,567
Advance payments for property, plant and equipment		22,218	22,251
Investment properties		5,442	6,833
Right-of-use assets		120,620	103,105
Goodwill		1,356	2,547
Other intangible assets		18,648	23,811
Investments in associates		15,291	4,372
Financial assets at fair value through profit or loss	<i>11</i>	31,869	11,657
Deferred tax assets		16,506	15,045
Time deposits	<i>15</i>	38,247	-
Other non-current assets	<i>12</i>	155,887	70,245
		<hr/>	<hr/>
Total non-current assets		1,034,191	781,433
CURRENT ASSETS			
Inventories	<i>13</i>	53,346	59,935
Contract costs		17,880	16,490
Trade and notes receivables	<i>14</i>	217,443	104,089
Prepayments, other receivables and other assets		103,320	93,904
Financial assets at fair value through profit or loss	<i>11</i>	105,645	210,819
Restricted cash	<i>15</i>	33,072	27,203
Time deposits	<i>15</i>	376,002	228,511
Cash and cash equivalents	<i>15</i>	1,446,403	1,023,999
		<hr/>	<hr/>
Total current assets		2,353,111	1,764,950

		December 31, 2023	December 31, 2022
	<i>Notes</i>	<i>US\$'000</i>	<i>US\$'000</i>
CURRENT LIABILITIES			
Trade and bills payables	16	39,959	55,755
Other payables and accruals	17	273,405	303,361
Interest-bearing loans and other borrowings	18	57,011	33,681
Lease liabilities		8,867	11,104
Tax payable		18,132	16,153
Contract liabilities	19	97,437	41,675
Financial liabilities at fair value through profit or loss	20	-	84,249
		<hr/>	<hr/>
Total current liabilities		494,811	545,978
		<hr/>	<hr/>
NET CURRENT ASSETS		1,858,300	1,218,972
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,892,491	2,000,405
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Interest-bearing loans and other borrowings	18	287,207	261,006
Lease liabilities		63,905	44,008
Contract liabilities	19	47,962	2,010
Deferred tax liabilities		5,622	8,012
Financial liabilities at fair value through profit or loss	20	350,151	269,460
Financial liabilities at amortised cost	21	75,363	36,761
Other non-current liabilities		17,927	16,480
		<hr/>	<hr/>
Total non-current liabilities		848,137	637,737
		<hr/>	<hr/>
NET ASSETS		2,044,354	1,362,668
		<hr/>	<hr/>
EQUITY			
Share capital	22	2,121	2,111
Treasury shares		(9,445)	(11,922)
Reserves		1,398,403	1,020,352
		<hr/>	<hr/>
Equity attributable to owners of the parent		1,391,079	1,010,541
Non-controlling interests		653,275	352,127
		<hr/>	<hr/>
TOTAL EQUITY		2,044,354	1,362,668
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended December 31,	
	2023	2022
<i>Notes</i>	<i>US\$'000</i>	<i>US\$'000</i>
Net cash flows used in operating activities	(286,911)	(120,292)
Net cash flows used in investing activities	(357,728)	(443,296)
Net cash flows generated from financing activities	1,068,260	419,317
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	423,621	(144,271)
Effect of foreign exchange rate changes, net	(1,217)	(12,701)
Cash and cash equivalents at beginning of the year	1,023,999	1,180,971
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	1,446,403	1,023,999
<i>15</i>		

NOTES:

1. CORPORATE INFORMATION

Genscript Biotech Corporation (the “**Company**”) was incorporated on May 21, 2015 as an exempted company in the Cayman Islands with limited liability under the Companies Law of the Cayman Islands. The registered office address of the Company is 4th Floor, Harbour Place, 103 South Church Street, George Town, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company is an investment holding company. The Company through its various subsidiaries manufactures and sells products and services, mainly including life-science services and tools, biologics development services, industrial synthetic biology products and cell therapy. The shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since December 30, 2015.

In the opinion of the Directors, the ultimate holding company of the Company is GenScript Corporation (“**GS Corp**”), which was incorporated in the United States of America (the “**U.S.**”).

2. BASIS OF PREPARATION

2.1 Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets and financial liabilities which have been measured at fair value. These financial statements are presented in United States dollars (“**US\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 Changes in accounting policy and disclosures

The Group has adopted the following new and revised HKFRSs for the first time for the current year’s financial statements.

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

The adoption of the new and revised standards has no significant financial effect to the Group’s financial performance and position.

3. OPERATING SEGMENT INFORMATION

The segment information for the year ended December 31, 2023, is as follows:

	Life-science services and products <i>US\$'000</i>	Biologics development services <i>US\$'000</i>	Industrial synthetic biology products <i>US\$'000</i>	Cell therapy <i>US\$'000</i>	Operation unit <i>US\$'000</i>	Eliminations <i>US\$'000</i>	Total <i>US\$'000</i>
Segment revenue							
Sales to external customers	404,518	106,677	42,892	284,964	478	-	839,529
Intersegment sales	8,394	2,813	159	179	52,675	(64,220)	-
Total revenue	412,912	109,490	43,051	285,143	53,153	(64,220)	839,529
Segment cost of sales	(190,328)	(85,524)	(26,497)	(144,214)	(44,581)	61,168	(429,976)
Segment gross profit	222,584	23,966	16,554	140,929	8,572	(3,052)	409,553
Other income and gains	3	16,754	1,555	58,126	18,313	(5,175)	89,576
Selling and distribution expenses	(59,578)	(12,607)	(4,879)	(94,158)	(3,272)	196	(174,298)
Administrative expenses	(49,362)	(27,871)	(5,112)	(106,769)	(24,524)	197	(213,441)
Research and development expenses	(39,283)	(6,129)	(4,815)	(382,218)	(3,018)	2,636	(432,827)
Fair value gains/(losses) of preferred shares and warrants	-	144,823	-	(85,750)	-	(15,616)	43,457
Other expenses	(103)	(763)	(1,210)	(28,484)	(19,257)	20,765	(29,052)
Finance costs	-	(3,268)	(1,254)	(21,794)	(1,960)	766	(27,510)
Provision for impairment of long-term assets	(11,659)	-	-	-	-	-	(11,659)
(Provision for) /reversal of impairment of financial assets, net	(1,285)	(3,405)	297	-	(385)	-	(4,778)
Profit/(loss) before tax	61,317	131,500	1,136	(520,118)	(25,531)	717	(350,979)

The segment information for the year ended December 31, 2022, is as follows:

	Life-science services and products <i>US\$ '000</i>	Biologics development services <i>US\$ '000</i>	Industrial synthetic biology products <i>US\$ '000</i>	Cell therapy <i>US\$ '000</i>	Operation unit <i>US\$ '000</i>	Eliminations <i>US\$ '000</i>	Total <i>US\$ '000</i>
Segment revenue							
Sales to external customers	349,803	120,155	38,227	116,677	836	-	625,698
Intersegment sales	<u>10,737</u>	<u>4,854</u>	<u>437</u>	<u>328</u>	<u>55,284</u>	<u>(71,640)</u>	<u>-</u>
Total revenue	360,540	125,009	38,664	117,005	56,120	(71,640)	625,698
Segment cost of sales	<u>(162,207)</u>	<u>(90,361)</u>	<u>(22,055)</u>	<u>(65,363)</u>	<u>(47,606)</u>	<u>65,977</u>	<u>(321,615)</u>
Segment gross profit	<u>198,333</u>	<u>34,648</u>	<u>16,609</u>	<u>51,642</u>	<u>8,514</u>	<u>(5,663)</u>	<u>304,083</u>
Other income and gains	1,364	5,519	1,291	12,049	12,472	(7,590)	25,105
Selling and distribution expenses	(54,359)	(15,321)	(3,559)	(93,417)	(1,935)	242	(168,349)
Administrative expenses	(47,836)	(24,929)	(5,464)	(80,631)	(25,736)	2,134	(182,462)
Research and development expenses	(42,524)	(7,854)	(4,768)	(335,648)	(3,377)	4,075	(390,096)
Fair value gains on preferred shares and warrants	-	2,229	-	20,900	-	(4,360)	18,769
Other expenses	(190)	(47)	(49)	(9,823)	(14,257)	11,524	(12,842)
Finance costs	-	(1,959)	(22)	(10,796)	(1,334)	842	(13,269)
Provision for impairment of long-term assets	(11,477)	-	-	-	-	-	(11,477)
Provision for impairment of financial assets, net	<u>(502)</u>	<u>-</u>	<u>(422)</u>	<u>-</u>	<u>(228)</u>	<u>-</u>	<u>(1,152)</u>
Profit/(loss) before tax	<u>42,809</u>	<u>(7,714)</u>	<u>3,616</u>	<u>(445,724)</u>	<u>(25,881)</u>	<u>1,204</u>	<u>(431,690)</u>

4. REVENUE, OTHER INCOME AND GAINS

	Year ended December 31,	
	2023	2022
	US\$'000	US\$'000
Revenue from contracts with customers	589,122	558,073
Revenue from contracts with a collaborator	249,804	66,677
Revenue from other sources		
Gross rental income from operating leases	425	419
Others	178	529
	<u>839,529</u>	<u>625,698</u>
Other income and gains		
Other income		
Finance income	73,186	13,218
Subsidies	11,943	9,068
Others	245	88
	<u>85,374</u>	<u>22,374</u>
Gains		
Fair value gains on financial assets at fair value through profit or loss, net	2,425	-
Others	1,777	2,731
	<u>4,202</u>	<u>2,731</u>
	<u>89,576</u>	<u>25,105</u>

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Year ended December 31,	
	2023 US\$'000	2022 US\$'000
Cost of services and products	213,555	139,052
Depreciation of property, plant and equipment	54,836	46,637
Depreciation of right-of-use assets	14,580	12,104
Amortisation of other intangible assets	4,530	5,417
Depreciation of investment properties	100	90
Impairment of financial assets, net:		
Provision for impairment of trade receivables and other receivables	4,778	1,152
Provision for impairment of long-term assets	11,659	11,477
Lease payments not included in the measurement of lease liabilities	4,401	3,358
Provision for inventories to net realisable value	10,546	4,087
Provision for contract costs to net realisable value	2,056	-
Share of losses of associates	1,384	27
Auditors' remuneration	749	1,492
Employee benefit expenses (including directors' and chief executives' remuneration):		
Wages and salaries	424,756	354,317
Pension scheme contributions (defined contribution schemes)	25,082	20,500
Equity-settled share-based compensation expense	63,462	65,154
Less: Amount capitalised	(2,871)	-
	<u>510,429</u>	<u>439,971</u>
Foreign exchange differences, net	25,684	3,896
Losses of disposal of property, plant and equipment and other intangible assets	691	772
Service fees and finance costs for equity financing activities	3,618	2,914
Fair value gains on preferred shares and warrants	(43,457)	(18,769)
Gains on wealth management products	(11,811)	(2,593)
Losses of foreign currency forward and option contracts, net	4,366	8,191
Fair value losses of other investments	<u>628</u>	<u>1,409</u>

6. FINANCE COSTS

	Year ended December 31,	
	2023	2022
	US\$'000	US\$'000
Interest on collaboration interest-bearing funding advances	20,400	10,269
Interest on financial liabilities measured at amortised cost	3,443	1,103
Interest on lease liabilities	2,683	1,632
Interest on bank loans	999	265
Less: Interest capitalised	(15)	-
	<u>27,510</u>	<u>13,269</u>

7. INCOME TAX

	Year ended December 31,	
	2023	2022
	US\$'000	US\$'000
Current — Mainland China	4,881	3,618
Current — the U.S.	5,886	416
Current — Others	(2,775)	1,744
Deferred	(3,850)	(9,497)
	<u>4,142</u>	<u>(3,719)</u>
Total tax charge/(credit) for the year	<u>4,142</u>	<u>(3,719)</u>

8. DIVIDENDS

The Board resolved not to declare any dividend for the year ended December 31, 2023 (2022: Nil).

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the Reporting Period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,109,365,328 (2022: 2,097,134,700) in issue during the Reporting Period.

The calculations of basic and diluted loss per share are based on:

	Year ended December 31,	
	2023	2022
	<i>US\$'000</i>	<i>US\$'000</i>
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	<u>(95,477)</u>	<u>(226,851)</u>
	Number of shares	
	2023	2022
Shares		
Weighted average number of ordinary shares in issue during the year	2,115,102,955	2,104,127,410
Effect of shares repurchased	<u>(5,737,627)</u>	<u>(6,992,710)</u>
Total	<u><u>2,109,365,328</u></u>	<u><u>2,097,134,700</u></u>

The diluted loss per share is the same as the basic loss per share because the effect of share options and restricted share units were anti-dilutive for the years ended December 31, 2023 and 2022. For the Reporting Period, the weighted average number of dilution effect of share options and restricted share units was 93,107,379 (2022: 91,675,566).

10. PROPERTY, PLANT AND EQUIPMENT

	Land, buildings and leasehold improvements US\$'000	Machinery and equipment US\$'000	Transportation equipment US\$'000	Computer and office equipment US\$'000	Construction in progress US\$'000	Total US\$'000
December 31, 2023						
At December 31, 2022, and at January 1, 2023:						
Cost	265,520	238,653	959	17,585	142,061	664,778
Accumulated depreciation and impairment	(38,533)	(91,509)	(491)	(12,678)	-	(143,211)
Net carrying amount	<u>226,987</u>	<u>147,144</u>	<u>468</u>	<u>4,907</u>	<u>142,061</u>	<u>521,567</u>
At January 1, 2023, net of accumulated depreciation and impairment	226,987	147,144	468	4,907	142,061	521,567
Additions	2,478	6,707	-	673	141,682	151,540
Disposals	(87)	(177)	(14)	(581)	(6)	(865)
Depreciation provided during the year	(18,282)	(33,992)	(80)	(2,482)	-	(54,836)
Impairment	-	(2,947)	-	-	(1,360)	(4,307)
Transfers	85,105	62,447	89	2,505	(150,146)	-
Exchange realignment	(1,798)	(1,127)	(8)	(63)	(1,996)	(4,992)
At December 31, 2023, net of accumulated depreciation and impairment	<u>294,403</u>	<u>178,055</u>	<u>455</u>	<u>4,959</u>	<u>130,235</u>	<u>608,107</u>
At December 31, 2023						
Costs	350,488	302,966	1,018	15,639	131,595	801,706
Accumulated depreciation and impairment	(56,085)	(124,911)	(563)	(10,680)	(1,360)	(193,599)
Net carrying amount	<u>294,403</u>	<u>178,055</u>	<u>455</u>	<u>4,959</u>	<u>130,235</u>	<u>608,107</u>

	Land, buildings and leasehold improvements US\$'000	Machinery and equipment US\$'000	Transportation equipment US\$'000	Computer and office equipment US\$'000	Construction in progress US\$'000	Total US\$'000
December 31, 2022						
At December 31, 2021, and at January 1, 2022:						
Cost	188,579	207,975	855	15,946	91,224	504,579
Accumulated depreciation and impairment	(25,577)	(70,751)	(456)	(11,128)	-	(107,912)
Net carrying amount	<u>163,002</u>	<u>137,224</u>	<u>399</u>	<u>4,818</u>	<u>91,224</u>	<u>396,667</u>
At January 1, 2022, net of accumulated depreciation and impairment	163,002	137,224	399	4,818	91,224	396,667
Additions	12,557	998	-	394	184,500	198,449
Disposals	-	(821)	-	(283)	-	(1,104)
Depreciation provided during the year	(14,559)	(29,224)	(76)	(2,778)	-	(46,637)
Transfers	77,511	48,576	173	3,045	(129,305)	-
Exchange realignment	(11,524)	(9,609)	(28)	(289)	(4,358)	(25,808)
At December 31, 2022, net of accumulated depreciation and impairment	<u>226,987</u>	<u>147,144</u>	<u>468</u>	<u>4,907</u>	<u>142,061</u>	<u>521,567</u>
At December 31, 2022						
Costs	265,520	238,653	959	17,585	142,061	664,778
Accumulated depreciation and impairment	(38,533)	(91,509)	(491)	(12,678)	-	(143,211)
Net carrying amount	<u>226,987</u>	<u>147,144</u>	<u>468</u>	<u>4,907</u>	<u>142,061</u>	<u>521,567</u>

As at December 31, 2023, property, plant and equipment with a net book value of US\$2,895,000 were pledged for an interest-bearing bank loan (December 31, 2022: US\$2,168,000).

As at December 31, 2023, the properties in amount of approximately US\$33,370,000 (December 31, 2022: US\$34,869,000) were pledged to an affiliate of the Series B Preferred Shareholder of Probio Technology Limited ("**Probio Cayman**") to secure the redemption right held by such preferred shareholder.

During the year ended December 31, 2023, the management of the Group identified impairment indicators of certain property, plant and equipment belonging to life-science segment, and recognized impairment amount of US\$4,307,000 (2022: Nil).

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31,	
	2023	2022
	US\$'000	US\$'000
Non-current		
Unlisted equity investments	18,825	11,657
Wealth management financial products	<u>13,044</u>	<u>-</u>
	<u>31,869</u>	<u>11,657</u>
Current		
Wealth management financial products	105,282	210,819
Foreign currency forward and option contracts	342	-
Listed equity investment	<u>21</u>	<u>-</u>
	<u>105,645</u>	<u>210,819</u>

12. OTHER NON-CURRENT ASSETS

	December 31,	
	2023	2022
	US\$'000	US\$'000
Collaboration prepaid leases	151,216	65,276
Deposits	3,176	3,482
Prepaid expense	1,210	1,092
Lease receivables	<u>285</u>	<u>395</u>
	<u>155,887</u>	<u>70,245</u>

13. INVENTORIES

	December 31,	
	2023	2022
	<i>US\$'000</i>	<i>US\$'000</i>
Raw materials	37,873	38,672
Work in progress	6,461	4,976
Finished goods	27,792	24,550
	<u>72,126</u>	<u>68,198</u>
Provision for inventories	<u>(18,780)</u>	<u>(8,263)</u>
	 <u><u>53,346</u></u>	 <u><u>59,935</u></u>

As at December 31, 2023, the collaboration inventories with a net carrying amount of US\$19,433,000 (December 31, 2022: US\$10,354,000) were relating to the collaboration cost with a collaborator.

14. TRADE AND NOTES RECEIVABLES

	December 31,	
	2023	2022
	<i>US\$'000</i>	<i>US\$'000</i>
Trade receivables	219,064	100,293
Notes receivable	6,346	7,157
	<u>225,410</u>	<u>107,450</u>
Impairment of trade receivables	<u>(7,967)</u>	<u>(3,361)</u>
	 <u><u>217,443</u></u>	 <u><u>104,089</u></u>

An ageing analysis of the gross carrying amount of trade receivables as at the end of the year, based on the invoice date, is as follows:

	December 31,	
	2023	2022
	<i>US\$'000</i>	<i>US\$'000</i>
Within 3 months	179,954	80,595
3 to 6 months	12,556	10,397
6 to 12 months	14,198	6,179
Over 1 year	12,356	3,122
	<u>219,064</u>	<u>100,293</u>
	 <u><u>219,064</u></u>	 <u><u>100,293</u></u>

15. CASH AND BANK BALANCES

	December 31,	
	2023	2022
	US\$'000	US\$'000
Cash and bank balances	1,893,724	1,279,713
Less:		
Restricted cash	33,072	27,203
Non-pledged time deposits:		
Current portion	376,002	228,511
Non-current portion	38,247	-
Cash and cash equivalents	1,446,403	1,023,999

16. TRADE AND BILLS PAYABLES

	December 31,	
	2023	2022
	US\$'000	US\$'000
Trade payables	39,097	54,310
Bills payable	862	1,445
	39,959	55,755

An ageing analysis of the trade payables as at the end of the year, based on invoice date, is as follows:

	December 31,	
	2023	2022
	US\$'000	US\$'000
Within 3 months	36,059	50,260
3 to 6 months	996	2,431
6 to 12 months	1,516	854
Over 1 year	526	765
	39,097	54,310

The trade payables are non-interest-bearing and are normally settled on turnover of 30 to 90 days.

17. OTHER PAYABLES AND ACCRUALS

	December 31,	
	2023	2022
	<i>US\$'000</i>	<i>US\$'000</i>
Accrued expenses	84,466	140,336
Accrued payroll and welfare	72,871	63,871
Payables for purchases of property, plant and equipment	71,489	53,117
Payable for collaboration assets	16,338	22,852
Other payables	19,663	14,711
Subsidies	1,141	2,652
Other tax payables	7,437	5,822
	<u>273,405</u>	<u>303,361</u>

18. INTEREST-BEARING LOANS AND OTHER BORROWINGS

	December 31,					
	2023			2022		
	Effective interest rate (%)	Maturity	<i>US\$'000</i>	Effective interest rate (%)	Maturity	<i>US\$'000</i>
Current						
Bank loans – unsecured	2.4-2.6	2024	23,155	2.5-2.6	2023	12,348
Bank loans – secured	1.1-1.7	2024	33,785	1.3-1.4	2023	20,882
Current portion of long-term bank loans – secured	0.33	2024	<u>71</u>	0.33	2023	<u>451</u>
			<u>57,011</u>			<u>33,681</u>
Non-current						
Other borrowings – unsecured	8.07	No specific	281,328	7.98	No specific	260,932
Non-current portion of long-term bank loans – secured	4.2	2026	<u>5,879</u>	0.33	2024	<u>74</u>
			<u>287,207</u>			<u>261,006</u>

19. CONTRACT LIABILITIES

	December 31,	
	2023	2022
	<i>US\$'000</i>	<i>US\$'000</i>
Current		
Rendering of services and sales of products (note)	<u>97,437</u>	<u>41,675</u>
Non-current		
Rendering of services and sales of products (note)	47,962	-
License and collaboration revenue	<u>-</u>	<u>2,010</u>
	<u>47,962</u>	<u>2,010</u>

Note:

On November 11, 2023, Legend Biotech Ireland Limited (“**Legend Ireland**”) entered into an exclusive, global license agreement with Novartis Pharma AG (“**Novartis**”) and granted Novartis the rights to develop, manufacture and commercialize LB2102 and other potential chimeric antigen receptor T-cell (CAR-T) therapies selectively targeting Delta-like Ligand 3 (DLL3) (“**Novartis License Agreement**”). The Novartis License Agreement was effective on December 28, 2023, and Novartis made to Legend an upfront payment of US\$100,000,000 after closing the transaction and has agreed to pay up to US\$1,010,000,000 in milestone payments, as well as tiered royalties on net sales.

As at December 31, 2023, the Group presented current and non-current portion of contract liabilities of US\$53,010,000 and US\$47,962,000 in accordance with the allocation of transaction prices to each performance obligation, and the amount and timing of the revenues that are expected to be recognized from each performance obligation under the Novartis License Agreement.

20. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31,	
	2023	2022
	<i>US\$'000</i>	<i>US\$'000</i>
Current		
Legend Warrant	-	67,000
Probio Warrant	-	15,899
Foreign currency forward contracts	<u>-</u>	<u>1,350</u>
	-	84,249
Non-current		
Probio Series A Preferred Shares	159,810	269,460
Probio Series C Preferred Shares	<u>190,341</u>	<u>-</u>
	350,151	269,460
	<u>350,151</u>	<u>353,709</u>

The movements of the above preferred shares and warrants are set out below:

	Total US\$'000
As at January 1, 2023	352,359
Issuance	193,999
Fair value changes	(43,457)
Exercise of Legend Warrant	<u>(152,750)</u>
As at December 31, 2023	<u><u>350,151</u></u>
As at January 1, 2022	371,128
Fair value changes	<u>(18,769)</u>
As at December 31, 2022	<u><u>352,359</u></u>

21. FINANCIAL LIABILITIES AT MEASURED AT AMORTIZED COST

	December 31,	
	2023	2022
	US\$'000	US\$'000
Non-current		
Probio Series B Preferred Shares	38,987	36,761
BSJ Series A Capital Increase	<u>36,376</u>	<u>-</u>
	<u><u>75,363</u></u>	<u><u>36,761</u></u>

The movements of the above financial liabilities at measured at amortized cost are set out below:

	Total US\$'000
As at January 1, 2023	36,761
Issuance	35,089
Interest expenses accrued during the year	3,443
Exchange realignment	<u>70</u>
As at December 31, 2023	<u><u>75,363</u></u>
As at January 1, 2022	-
Issuance	35,657
Interest expenses accrued during the year	<u>1,104</u>
As at December 31, 2022	<u><u>36,761</u></u>

22. SHARE CAPITAL AND SHARE PREMIUM

December 31,
2023 2022
US\$'000 US\$'000

Authorised:

Ordinary shares of US\$0.001 each 5,000 5,000

Issued and fully paid:

Ordinary shares of US\$0.001 each 2,121 2,111

A summary of movements in the Group's share capital and share premium is as follows:

	Number of shares in issue	Share capital US\$'000	Treasury shares US\$'000	Share premium US\$'000	Total US\$'000
At January 1, 2022	<u>2,095,686,208</u>	<u>2,096</u>	<u>(15,753)</u>	<u>1,274,271</u>	<u>1,260,614</u>
Transactions with non- controlling shareholders	-	-	-	(1,182)	(1,182)
Issuance of ordinary shares of Legend Cayman	-	-	-	182,464	182,464
Exercise of share options and restricted share units	<u>15,539,427</u>	<u>15</u>	<u>3,831</u>	<u>17,474</u>	<u>21,320</u>
At December 31, 2022 and January 1, 2023	<u>2,111,225,635</u>	<u>2,111</u>	<u>(11,922)</u>	<u>1,473,027</u>	<u>1,463,216</u>
Issuance of ordinary shares of Legend Cayman for registered direct offering, private placements and exercise of Legend Warrant, net of issuance costs	-	-	-	429,065	429,065
Exercise of share options and restricted share units	<u>9,396,823</u>	<u>10</u>	<u>2,477</u>	<u>37,166</u>	<u>39,653</u>
At December 31, 2023	<u>2,120,622,458</u>	<u>2,121</u>	<u>(9,445)</u>	<u>1,939,258</u>	<u>1,931,934</u>

POSITIONING OF THE COMPANY

The Group is a well-recognized biotechnology company with the mission of “Make People and Nature Healthier through Biotechnology”. The Group has established four major business units including (i) a life-science services and products business unit, (ii) a biologics contract development and manufacturing organization (the “**CDMO**”) business unit, (iii) an industrial synthetic products business unit, and (iv) an integrated global cell therapy company. The Group has demonstrated continued strong growth from research and development (“**R&D**”) to commercial delivery for the Reporting Period.

The Group’s business operations span over 100 countries and regions worldwide with legal entities located in the U.S., Hong Kong, Mainland China (the “**PRC**” or “**Mainland China**”), Japan, Singapore, Netherlands, Ireland, the United Kingdom, Korea, Belgium and Spain. Our professional workforce is consisted of approximately 6,937 team members as at December 31, 2023.

The Group's life-science services and products segment provides a wide range of offerings, including customized DNA synthesis, oligo nucleotide synthesis, peptide synthesis, protein production, antibody development, and catalog equipment and consumables. By supporting early stage research and discovery projects at pharma, biotech and academic institutions, our business has made significant contributions to the global life science research community. Our services and products have been cited in over 87,745 international peer reviewed journal articles as at December 31, 2023.

GenScript ProBio is the CDMO division of the Group. Leveraging deep expertise across multiple modalities, GenScript ProBio provides integrated services to customers' discovering, developing and manufacturing large molecules therapeutics from concept to clinical trials and to commercialization. GenScript ProBio is a leading provider for companies developing antibody/protein-based therapeutics, cell therapies, and gene therapies.

Legend Biotech Corporation (“**Legend Biotech**” or “**Legend**”) is a subsidiary of the Group that is dedicated to treating, and one day curing, life-threatening diseases. As a global biotech company, Legend is developing advanced cell therapies across a diverse array of technology platforms, including autologous and allogeneic chimeric antigen receptor T cell, gamma-delta T cell and natural killer (NK) cell-based immunotherapy. From Legend's three R&D sites around the world, Legend applies these innovative technologies to pursue the discovery of cutting-edge therapeutics for patients worldwide.

Bestzyme Biotech Corporation (“**Bestzyme**”) is a subsidiary of the Group that leverages our technical experience in synthetic biology to engineer proteins and construct cell factory microorganism strains to produce high-quality industrial enzymes and functional proteins that can be used in a variety of industries, such as feed, alcohol, food and household care. We believe synthetic biology offers us new opportunities from both technical and commercial perspectives.

We have established an extensive direct sales network, reaching over 100 countries globally. We primarily sell our services and products through our own direct sales force to customers worldwide, while we also sell our services and products through independent third-party distributors to expand our market presence and facilitate communication with end users. For the year ended December 31, 2023, we had generated approximately US\$506.0 million, US\$162.5 million, US\$99.5 million, US\$53.2 million, and US\$18.3 million from our sales to customers in the U.S., Mainland China, Europe, Asia Pacific (excluding Mainland China), and others, representing approximately 60.2%, 19.4%, 11.9%, 6.3%, and 2.2% of our total external revenue, respectively.

BUSINESS REVIEW

The Group continues to deliver fast revenue growth. During the Reporting Period, the overall revenue of the Group was approximately US\$839.5 million, representing an increase of 34.2% as compared with approximately US\$625.7 million for the year ended December 31, 2022. Gross profit was approximately US\$409.6 million, representing an increase of 34.7% as compared with approximately US\$304.1 million for the year ended December 31, 2022. The increase in revenue and gross profit was primarily attributable to the (i) continued growth of non-cell therapy business from major strategic customers and competitive commercial operations in the U.S. and European markets, and (ii) fast expansion of CARVYKTI sales after receiving commercialization approvals in the U.S. and European markets.

In the meanwhile, the Group is also reducing losses. During the Reporting Period, the loss of the Group narrowed to approximately US\$355.1 million, whilst loss of the Group was approximately US\$428.0 million for the year ended December 31, 2022. The adjusted net loss of the Group narrowed to approximately US\$298.2 million, whilst adjusted net loss of the Group was approximately US\$359.4 million for the year ended December 31, 2022.

During the Reporting Period, the loss attributable to owners of the Company was approximately US\$95.5 million, whilst loss attributable to owners of the Company was approximately US\$226.9 million for the year ended December 31, 2022.

During the Reporting Period, the external revenue of (i) life-science services and products, (ii) biologics development services, (iii) industrial synthetic biology products, and (iv) cell therapy accounted for approximately 48.2 %, 12.7 %, 5.1 %, and 33.9 % of the total revenue of the Group, respectively.

Results Analysis of the Four Business Segments

	For the year ended December 31, 2023				For the year ended December 31, 2022			
	Life-science services and products <i>US\$'000</i>	Biologics development services <i>US\$'000</i>	Industrial synthetic biology products <i>US\$'000</i>	Cell therapy <i>US\$'000</i>	Life-science services and products <i>US\$'000</i>	Biologics development services <i>US\$'000</i>	Industrial synthetic biology products <i>US\$'000</i>	Cell therapy <i>US\$'000</i>
Revenue	412,912	109,490	43,051	285,143	360,540	125,009	38,664	117,005
Adjusted gross profit	224,498	19,761	16,554	143,855	201,120	42,857	16,609	53,038
Adjusted selling and distribution expenses	56,020	12,956	4,879	91,082	51,414	13,898	3,559	89,796
Adjusted administrative expenses	46,442	27,234	5,108	90,362	43,382	22,847	5,437	68,700
Adjusted research and development expenses	38,142	5,859	4,815	356,947	40,214	7,260	4,755	316,637
Provision for / (reversal of) impairment of financial assets, net	1,285	3,405	(297)	-	502	-	422	-
Adjusted provision for impairment of long-term assets	4,307	-	-	-	-	-	-	-
Adjusted operating profit/(loss)	78,302	(29,693)	2,049	(394,536)	65,608	(1,148)	2,436	(422,095)

The adjusted cost and expenses exclude the impact from: (i) equity-settled share-based compensation expense, (ii) service fees and finance costs for equity financing activities, and (iii) impairment losses of long-term assets.

Life-science services and products

Results

During the Reporting Period, revenue from life-science services and products was approximately US\$412.9 million, representing an increase of 14.5% as compared with approximately US\$360.5 million for the year ended December 31, 2022. The adjusted gross profit was approximately US\$224.5 million, representing an increase of 11.6% as compared with approximately US\$201.1 million for the year ended December 31, 2022. The adjusted gross profit margin decreased slightly from 55.8% for the same period in 2022 to 54.4% this Reporting Period. The adjusted operating profit of life-science services and products was approximately US\$78.3 million, representing an increase of 19.4% as compared with approximately US\$65.6 million for the same period in 2022.

The increase in revenue was mainly attributable to the successful commercial operations in the U.S. and European markets that serviced our customers' increased demand, with particular strength in molecular biology, protein and peptide. Besides the contribution of gross profit, the increased adjusted operating profit was also positively impacted by the improvement of operation efficiency. The Group is continuously building up more automated manufacturing capacity to support business growth and improve operating efficiency.

Development Strategies

The Company intends to (i) invest in R&D to expand technical and manufacturing capabilities to provide innovative enabling products and services for cell and gene therapy ("CGT") and other advanced therapeutics; (ii) improve reliability, quality and cost effectiveness of our products and services through continuous lean management and process automation; and (iii) bolster global manufacturing capacity to support sustained business growth with locally based supply chain solutions in the U.S., Singapore, and China.

Biologics development services

Results

During the Reporting Period, revenue from biologics development services was approximately US\$109.5 million, representing a decrease of 12.4% as compared with approximately US\$125.0 million for the year ended December 31, 2022. The adjusted gross profit was approximately US\$19.8 million, representing a decrease of 53.7% as compared with approximately US\$42.8 million for the year ended December 31, 2022. The adjusted gross profit margin decreased from 34.2% for the same period in 2022 to 18.1% this Reporting Period. The adjusted operating loss of biologics development services was approximately US\$29.7 million, while the adjusted operating loss was approximately US\$1.1 million for the same period in 2022.

The reduction of revenue and adjusted gross profit was primarily due to the (i) lower demand caused by declined biotech venture capital funding and more competitive pricing in the global markets in the past year; (ii) depreciation of RMB and other major currencies against to U.S.

dollars, leading to a decrease of revenue realised from contracts denominated in non-U.S. dollar currencies; and (iii) limited contribution from new plant in the initial ramp-up phase. The increase of adjusted operating loss was primarily due to the (i) increased operation costs for new facilities; (ii) continuous investment in expanding global markets; and (iii) impairment losses from certain slow-moving raw materials and customers' account receivables. Despite the challenging market environment, our viral vector and mRNA service offerings have achieved continued growth.

Development strategies

The Company intends to (i) increase market penetration in North America by pursuing new customers in the advanced therapeutics area with our differentiated quality, speed, and technical expertise; (ii) expand relationships with existing customers to encourage customers to consolidate multiple pipeline development and production projects onto our integrated service platform for both drug substance and drug product development and manufacturing; (iii) expand manufacturing footprint in North America and other regions to improve delivery time and reduce supply chain risk; and (iv) further investment in manufacturing platforms upgrade and quality improvement.

Industrial synthetic biology products

Results

During the Reporting Period, revenue from industrial synthetic biology products was approximately US\$43.1 million, representing an increase of 11.4% as compared with approximately US\$38.7 million for the year ended December 31, 2022. The adjusted gross profit kept stable at approximately US\$16.6 million as compared with the same period in 2022. The adjusted gross profit margin decreased from 42.9% for the same period in 2022 to 38.5% this Reporting Period. The adjusted operating profit of industrial synthetic biology products was approximately US\$2.0 million, representing a decrease of 16.7% as compared with approximately US\$2.4 million for the same period in 2022.

The increase of revenue was primarily attributable to the (i) increased feed enzyme demand from customers due to the rebound in feed market; and (ii) continuous improvement of competitiveness of industrial enzyme products in alcohol, food, household care and other markets. The adjusted gross profit margin and adjusted operating profit was positively impacted by the optimization and upgrade of production process, while negatively impacted by the non-repeat of patents licensing profit and the increase in selling and marketing expenses.

Development Strategies

The Company intends to be a leading synthetic biology company. The Company intends to (i) drive enzyme business revenue growth and profit improvement through innovation and process optimization; (ii) strengthen commercial capability to focus on key accounts and increase presence in ex-China markets; and (iii) leverage R&D competency in synthetic biology to deliver more innovative products in new application areas.

Cell therapy

Results

During the Reporting Period, revenue from cell therapy segment was approximately US\$285.1 million, representing an increase of 143.7% as compared with approximately US\$117.0 million for the year ended December 31, 2022. The adjusted gross profit from cell therapy segment was approximately US\$143.9 million, representing an increase of 171.5% as compared with approximately US\$53.0 million for the year ended December 31, 2022. The increase in revenue and adjusted gross profit was primarily attributed to the collaboration revenue generated from sales of CARVYKTI in connection with the collaboration and license agreement between Legend and Janssen Biotech, Inc. (“**Janssen**”) for the worldwide development and commercialization of cilta-cel (the “**Janssen Agreement**”).

During the Reporting Period, the cell therapy segment incurred an adjusted operating loss of approximately US\$394.5 million, whilst the adjusted operating loss for the same period in 2022 was approximately US\$422.1 million. Operating expenses mainly include continued investment in research and development to advance cilta-cel in early lines of treatment for multiple myeloma as well as progressing other pipeline programs. The adjusted research and development costs of approximately US\$356.9 million during the Reporting Period compared with approximately US\$316.6 million for the same period in 2022. Additionally, Legend incurred approximately US\$91.1 million in the adjusted selling and distribution expenses and approximately US\$90.4 million in the adjusted administrative expenses during the Reporting Period, as compared with approximately US\$89.8 million and approximately US\$68.7 million, respectively, for the same period in 2022.

Development Strategies

A key element of Legend’s strategy is to use its expertise in tumor biology and cell programming technologies to develop safer and more effective CAR-T and CAR-NK cell therapies. Legend’s focus is to develop a pipeline of cell therapy product candidates for the treatment of cancers and to progress these product candidates through clinical development. In addition to product candidates, Legend intends to develop platform technologies, including manufacturing technologies, armoring strategies and other next-generation CAR technologies.

In addition to cilta-cel, Legend has a broad portfolio of earlier-stage autologous CAR-T product candidates targeting various cancers, including Non-Hodgkins Lymphoma (NHL), acute lymphoblastic leukemia (ALL), gastric cancer, esophageal cancer, pancreatic cancer,

colorectal cancer, hepatocellular carcinoma, small cell lung cancer, and non-small cell lung cancer. Legend is also developing an allogeneic gamma delta CAR-T product candidate targeting B-cell maturation antigen (“**BCMA**”) for multiple myeloma, which is currently in an investigator-initiated Phase 1 clinical trial. Additionally, Legend is developing allogeneic CAR-NK product candidates targeting BCMA. There is no assurance that these or any other future clinical trials of our product candidates will be successful or will generate positive clinical data, and Legend may not receive marketing approval from the FDA or other regulatory agencies, for any of its product candidates.

FINANCIAL REVIEW

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>	Change <i>US\$'000</i>
Revenue	839,529	625,698	213,831
Gross profit	409,553	304,083	105,470
Loss after income tax	(355,121)	(427,971)	72,850
Adjusted net loss	(298,230)	(359,416)	61,186)
Loss attributable to owners of the Company	(95,477)	(226,851)	131,374
Loss per share (<i>US cent</i>)	<u>(4.53)</u>	<u>(10.82)</u>	<u>6.29</u>
Adjusted profit and expenses:			
Gross profit	410,196	316,477	93,719
Selling and distribution expenses	167,690	159,846	7,844
Administrative expenses	186,036	154,844	31,192
Research and development expenses	<u>405,996</u>	<u>367,966</u>	<u>38,030</u>

Revenue

In 2023, the Group recorded revenue of approximately US\$839.5 million, representing an increase of 34.2% from approximately US\$625.7 million in 2022. This was primarily attributable to the (i) continued growth of non-cell therapy business from major strategic customers and competitive commercial operations in the U.S. and European markets, and (ii) expanded product sales of CARVYKTI after receiving the commercialization approvals in the U.S. and Europe.

Gross Profit

In 2023, the Group's gross profit increased by 34.7% to approximately US\$409.6 million from approximately US\$304.1 million in 2022. The increase in gross profit was primarily attributable to the expansion of the revenue, and the gross profit generated from sales of CARVYKTI in connection with the Janssen Agreement. The adjusted gross profit increased by 29.6% over the same period in 2022.

Selling and distribution expenses

In 2023, the Group's selling and distribution expenses increased by 3.6% to approximately US\$174.3 million from approximately US\$168.3 million in 2022. The adjusted selling and distribution expenses increased by 4.9% over the same period in 2022.

Administrative expenses

The administrative expenses increased by 16.9% to approximately US\$213.4 million in 2023 from approximately US\$182.5 million in 2022. This was mainly caused by the (i) increased investment on talent to recruit experienced personnel with competitive package and equity-settled share-based compensation expense; (ii) reinforcement of some key administrative functions to support the Group's overall business expansion and compliance; and (iii) expenditures associated with the preparation for capacity expansion. The adjusted administrative expenses increased by 20.2% over the same period in 2022.

Research and development expenses

The research and development expenses increased by 10.9% to approximately US\$432.8 million in 2023 from approximately US\$390.1 million in 2022. This was mainly due to the (i) continued investment in talents with competitive package and equity-settled share-based compensation expense; (ii) sustained investment in research and development activities in clita-cel, including higher patient enrollment for Phase 3 clinical trials for clita-cel, and other pipeline programs; and (iii) continuous investment in new products and services to enhance our competitiveness. The adjusted research and development expenses increased by 10.3% over the same period in 2022.

Fair value gains or losses of preferred shares and warrants

On May 13, 2021 (New York time), Legend entered into a subscription agreement with an investor relating to (i) the offer and sale of 20,809,850 ordinary shares of Legend in a private placement at a purchase price of US\$14.41625 per ordinary share of Legend (the "**Legend Offering**"), and (ii) the issuing of a warrant exercisable for up to an aggregate of 10,000,000 ordinary shares of Legend (the "**Legend Warrant**", together with the Legend Offering, the "**Legend Subscription**") at an aggregate consideration of US\$300.0 million. The completion of the Legend Subscription took place on May 21, 2021 (the "**Legend Closing Date**"). The Legend Warrant will be exercisable, in whole or in part, at an exercise price of US\$20.0 per ordinary share of Legend. The Legend Warrant is exercisable after the Legend Closing Date and prior to the two-year anniversary of the Legend Closing Date. Please refer to the announcements of the Company dated May 14, 2021 and May 23, 2021 for details.

On May 11, 2023, the warrant holder exercised the Legend Warrant in full for an aggregate exercise price of US\$200.0 million, and as a result, Legend issued 10,000,000 ordinary shares of Legend to the warrant holder. The Legend Warrant was accounted for as a financial liability because the Legend Warrant was net share settleable at the holder's option. Upon the exercise of the Legend Warrant, Legend recorded a fair value loss of approximately US\$85.8 million during the Reporting Period. Please refer to the announcement of the Company dated May 14, 2023 for details.

On August 18, 2021 (New York time), Probio Technology Limited ("**Probio Cayman**"), an indirectly owned subsidiary of the Company, entered into a purchase agreement with certain investors, whereby Probio Cayman sold 300,000,000 shares of series A preferred shares of Probio Cayman (the "**Probio Series A Preferred Shares**") and a warrant exercisable for up to an aggregate of 189,393,939 ordinary shares of Probio Cayman (the "**Probio Warrant**", and collectively the "**Probio Cayman Purchase**"). The total proceeds from the Probio Cayman Purchase was US\$150.0 million. Pursuant to the purchase agreement, Probio Cayman issued the Probio Warrant to the investors to purchase the ordinary shares of Probio Cayman at a certain price per share for up to an aggregate amount of

US\$125.0 million. Please refer to the announcements of the Company dated May 14, 2021, June 7, 2021, August 19, 2021 and September 5, 2021 for details.

On January 17, 2023, Probio Cayman entered into a subscription agreement with certain investors (including the Company), pursuant to which Probio Cayman issued and sold, and the investors purchased an aggregate of 319,998,370 series C preferred shares of Probio Cayman (the “**Probio Series C Preferred Shares**”) for an aggregate consideration of approximately US\$224.0 million at the applicable closing (the “**Probio Series C Financing**”). Please refer to the announcements of the Company dated January 17, 2023, February 10, 2023, and April 21, 2023 for details.

The Probio Series A Preferred Shares, Probio Series C Preferred Shares and the Probio Warrant are accounted for as financial liabilities measured at fair value with changes through profit or loss in accordance with relevant HKFRSs.

As at December 31, 2023, the fair value of the Probio Series A Preferred Shares, Probio Series C Preferred Shares and Probio Warrant were assessed at approximately US\$350.2 million. Fair value gains of approximately US\$129.2 million were recorded during the Reporting Period due to the changes in fair value of these financial liabilities.

Financial liabilities at amortised cost

On July 2, 2022, Probio Cayman entered into a subscription agreement with an investor, pursuant to which Probio Cayman issued and sold and the investor purchased 57,314,000 series B preferred shares of Probio Cayman (the “**Probio Series B Shares**”) at an aggregate consideration of approximately US\$37.3 million (the “**Probio Series B Financing**”). The completion of the Probio Series B Financing took place on July 6, 2022. Please refer to the announcements of the Company dated July 4, 2022 and July 6, 2022 for details.

The Probio Series B Preferred Shares is accounted for as financial liabilities at amortised cost for liability component and other reserves for equity component.

On May 26, 2023, Nanjing Bestzyme Bioengineering Co., Ltd.* (南京百斯傑生物工程有限公司) (“**BSJ Nanjing**”), an indirect non-wholly owned subsidiary of the Company, entered into a capital increase agreement with certain investors, pursuant to which the investors subscribed for the additional registered capital of BSJ Nanjing of RMB37,609,070 (equivalent to approximately US\$5.3 million) for a total consideration of RMB250.0 million (equivalent to approximately US\$35.2 million) to acquire approximately 10.4168% equity interest in BSJ Nanjing upon the closing (the “**BSJ Series A Capital Increase**”). In connection with the BSJ Series A Capital Increase, the investors are entitled to the redemption right pursuant to the shareholder agreement dated May 26, 2023 entered into by, among others, the investors and BSJ Nanjing. Please refer to the announcements of the Company dated May 28, 2023 and June 25, 2023 for details.

The BSJ Series A Capital Increase is accounted for as financial liabilities at amortised cost.

As at December 31, 2023, the equity component of Probio Series B Preferred Shares in other reserves were assessed at approximately US\$1.6 million. The financial liabilities at amortised cost of the Probio Series B Preferred Shares were approximately US\$39.0 million with interest expenses at approximately US\$2.2 million during the Reporting Period. The financial liabilities at amortised cost

of the BSJ Series A Capital Increase was approximately US\$36.4 million with interest expenses at approximately US\$1.2 million during the Reporting Period.

Income tax expense/(credit)

The income tax expense was approximately US\$4.1 million in 2023, whilst the income tax credit was approximately US\$3.7 million in 2022.

Net loss

During the Reporting Period, net loss of the Group was approximately US\$355.1 million, whilst the net loss of the Group for the same period in 2022 was approximately US\$428.0 million. The adjusted net loss of the Group was approximately US\$298.2 million.

Trade receivables

	2023	2022
Trade receivables turnover day	<u>76</u>	<u>72</u>

The slight increase of trade receivables turnover days of the Group was mainly caused by late payment of customers in biologics development services segment.

Inventories

	2023	2022
Inventory turnover day	<u>62</u>	<u>71</u>

The decrease of inventory turnover days of the Group was mainly caused by the lean management on supply chain and production process, which led to reduced stock of raw materials and higher turnover of inventories.

Contract costs

The contract costs mainly include the costs to fulfill contracts under biologics development services and life-science services. As at December 31, 2023, the Group's contract costs amounted to approximately US\$17.9 million, representing an increase of 8.5% from approximately US\$16.5 million as at December 31, 2022.

Property, plant and equipment

Property, plant and equipment include buildings, machinery equipment and construction in progress. As at December 31, 2023, the property, plant and equipment of the Group amounted to approximately US\$608.1 million, representing an increase of 16.6% from approximately US\$521.6 million as at December 31, 2022. This was mainly due to the facility constructions and the acquisition of equipment to support the business expansion.

Other intangible assets

Other intangible assets include software, patents and licenses. As at December 31, 2023, the Group's net other intangible assets amounted to approximately US\$18.6 million, representing a decrease of 21.8% from approximately US\$23.8 million as at December 31, 2022. The decrease was mainly due to the amortisation of existing assets and the impairment of the acquired trademark and technology.

Right-of-use assets

Right-of-use assets mainly include leasehold land, buildings, office premises and share of collaboration assets. As at December 31, 2023, the Group's right-of-use assets amounted to approximately US\$120.6 million, representing an increase of 17.0% from approximately US\$103.1 million as at December 31, 2022. The increase was mainly due to the addition of collaboration assets, representing Legend's share of assets leased to the collaboration from Janssen, which purchased the assets on behalf of the collaboration, in connection with the Janssen Agreement.

Working capital and financial resources

As at December 31, 2023, the cash and cash equivalents of the Group amounted to approximately US\$1.4 billion (2022: approximately US\$1.0 billion). As at December 31, 2023, the restricted cash of the Group amounted to approximately US\$33.1 million (2022: approximately US\$27.2 million). The increase of restricted cash was mainly caused by the insurance of bills payable and the letters of guarantee to suppliers.

As at December 31, 2023, the Group had available unutilised bank facilities of approximately US\$373.9 million (2022: approximately US\$146.9 million).

Cash flow analysis

During the Reporting Period, the cash outflow in operating activities of the Group was approximately US\$286.9 million.

During the Reporting Period, the cash outflow in investing activities of the Group was approximately US\$357.7 million. This was mainly due to the (i) cash paid for the purchases of property, plant and equipment, other intangible assets and collaboration assets in the amount of approximately US\$256.5 million; (ii) net cash received from the redemption of the financial assets in the amount of approximately US\$93.4 million; (iii) net payment for the purchases of time deposits in the amount of approximately US\$174.4 million; and (iv) capital injected into an associate and funds in the amount of approximately US\$20.6 million.

During the Reporting Period, the cash inflow from financing activities of the Group was approximately US\$1.1 billion. This was mainly due to the (i) net proceeds from new issuance of ordinary shares and the exercise of the Legend Warrant in the amount of approximately US\$783.4 million; (ii) proceeds from issuance of preferred shares of Probio to external institutional investors in the amount of approximately US\$194.0 million; (iii) net proceeds from the additional registered capital of BSH Nanjing of subscription to institutional investors in the amount of approximately US\$35.1 million, (iv) net cash received from bank loans in the amount of approximately US\$49.8 million, (v) proceeds from exercise of share options by employees in the amount of approximately

US\$17.7 million, (v) payment for principle portion of lease payments in the amount of approximately US\$9.5 million, and (vii) net payment of cash pledged for the issuance of bill payables in the amount of approximately US\$2.2 million.

Capital expenditure

During the Reporting Period, the expenditure of purchasing other intangible assets, namely software, patents and license, was approximately US\$4.1 million, the prepayment for collaboration right-of-use assets was approximately US\$98.8 million, and the expenditure of constructing and purchasing property, plant and equipment amounted to approximately US\$153.6 million.

Significant investments held, material acquisitions and disposals

Significant investments held

As at December 31, 2023, significant investments held by the Group are as follows:

	December 31,	
	2023	2022
	<i>US\$'000</i>	<i>US\$'000</i>
Financial assets at fair value through profit or loss		
Current		
Wealth management financial products (a)	105,282	210,819
Foreign currency forward and option contracts	342	-
Listed equity investment	21	-
	105,645	210,819
Non-current		
Wealth management financial products (a)	13,044	-
Unlisted equity investments (b)	18,825	11,657
	31,869	11,657
Total	137,514	222,476

The wealth management products which we purchased during the Reporting Period were all issued by banks and financial institutions in the PRC, Hong Kong, Netherlands and the U.S., and mainly included the money market fund and credit linked notes with floating expected return rates ranging from 1.4% to 5.9% per annum and with maturity days between one day and about two years. These products did not guarantee the return of principals upon maturity, and none of them was past due or impaired as of December 31, 2023. As at December 31, 2023, the Group has redeemed those wealth management products at maturation and has no intention to dispose the investments in the long term.

As part of our treasury management plan, we have purchased wealth management products as an auxiliary mean to improve utilization of our cash on hand in line with our cashflow forecast. We

have made such purchases only when (i) we have surplus funds after we have fully considered the cash requirement of our operations for the future two years and allocated accordingly; and (ii) our management has carefully assessed the risks and benefits and decided to make such purchases (including, among others, the availability of certain wealth management products which have high liquidity and generate finance income meeting our standards).

All investments were made in low-risk, liquid and sound wealth management products, such as capital preservation products, fixed-income products and trust products with agreed yield expectations and adequate safeguards.

Any purchase and redemption of our investments in wealth management products shall be reviewed and approved by chief finance officer of the Group or its subsidiaries.

During the Reporting Period, we had only invested in wealth management products issued by major reputable banks and financial institutions in the PRC, Hong Kong, Netherlands and the U.S., and we preserved all our invested capital in these products and did not encounter any default by the issuing banks or financial institutions. Our investments had not been pledged to secure our borrowings as at December 31, 2023.

(a) Information in relation to the wealth management products as at December 31, 2023 are set out as follows:

	Banks/Financial institutions	Product type/description	Original amount In RMB or US\$	Investment cost In US\$ '000	Fair value as of December 31, 2023 In US\$ '000	Purchase date (Month/Day/Year)	Maturity date (Month/Day/Year)	Redemption date
1.	China Merchants Bank	Non-guaranteed floating-income product	RMB19,771,787	2,792	2,795	10/13/2023	7/8/2024	Not Applicable
2.	China Merchants Bank	Non-guaranteed floating-income product	RMB15,000,000	2,118	2,120	7/7/2023	3/24/2024	Not Applicable
3.	China Merchants Bank	Non-guaranteed floating-income product	RMB43,805,919	6,185	6,192	9/13/2023	6/9/2024	Not Applicable
4.	China Merchants Bank	Non-guaranteed floating-income product	RMB90,000,000	12,707	12,721	6/30/2023	3/24/2024	Not Applicable
5.	Bank of China	Non-guaranteed floating-income product	RMB36,000,000	5,083	5,084	12/28/2023	Not Applicable	On call
6.	J.P. Morgan Structured Products B.V.	Credit Linked Notes	US\$15,000,000	15,000	15,247	9/22/2023	10/15/2024	Not Applicable
7.	J.P. Morgan Structured Products B.V.	Credit Linked Notes	US\$17,000,000	17,000	17,353	8/24/2023	9/6/2024	Not Applicable
8.	JPMorgan Chase Financial Company LLC	Credit Linked Notes	US\$13,000,000	13,000	13,044	12/8/2023	12/20/2025	Not Applicable
9.	JPMorgan Chase Financial Company LLC	Credit Linked Notes	US\$30,000,000	30,000	30,043	5/30/2023	6/20/2024	Not Applicable
10.	CMB International Capital Corporation Limited	Money Market Fund	US\$7,348,727	7,349	7,451	11/10/2023	Not Applicable	On call

11.	CMB International Capital Corporation Limited	Money Market Fund	US\$5,561,442	5,561	5,613	10/31/2023	Not Applicable	On call
12.	JPMorgan Chase & Co.	Money Market Fund	US\$214,850	215	215	7/15/2023	Not Applicable	Partial redemption on 12/26/2023
13.	JPMorgan Chase & Co.	Money Market Fund	US\$222,349	222	222	10/14/2023	Not Applicable	Partial redemption on 12/26/2023
14.	JPMorgan Chase & Co.	Money Market Fund	US\$225,351	226	226	10/14/2023	Not Applicable	Partial redemption on 12/26/2023
Total:				117,458	118,326			

Performance and prospects of the financial assets at fair value through profit or loss - Credit Linked Notes

As at December 31, 2023, the Group invested US\$75.0 million in Credit Linked Notes linked to the PRC (the “**Reference Entity**”), of which US\$43.0 million is issued by JPMorgan Chase Financial Company LLC and guaranteed by JPMorgan Chase & Co., with ratings from Standard & Poor's / Fitch / Moody's: A- / AA- / A1, and US\$32.0 million is issued by J.P. Morgan Structured Products B.V. and guaranteed by JPMorgan Chase Bank, N.A., with ratings from Standard & Poor's / Fitch / Moody's: A+ / AA / Aa2.

According to information from J.P. Morgan Structured Products Programme, Credit Linked Notes the Group invested provide fixed annual interest rates of 5.20%, 5.35%, 5.80% and 5.92%, respectively, if no credit event occurs on or prior to the credit observation end date. Such credit event includes (i) if failure to pay is applicable to the Reference Entity, (ii) if repudiation/moratorium is applicable to the Reference Entity, and (iii) if restructuring is applicable to the Reference Entity. The management have assessed this risk carefully and concluded that such credit events had an extremely low probability of occurrence.

(b) Information in relation to the unlisted equity instruments as at December 31, 2023 are set out as follows:

Name of investee company/fund	Principal business or investment scope	Nature of investment	Number of shares / units / amount of investments held	Percentage of total share capital/units owned by the Group as at December 31, 2023 %	Investment Cost US\$'000	Fair value as at December 31, 2023 US\$'000	Percentage to the Group's total assets as at December 31, 2023 %	Unrealised gain/(loss) on change in fair value for the year ended December 31, 2023 US\$'000	Dividends received for the year ended December 31, 2023 US\$'000
Yuanming Prudence SPC – Healthcare Fund I Segregated Portfolio	Fund investment	Investment in fund/securities	486.43	0.28	500	251	0.01	(69)	44
Panacea Venture Healthcare Fund I, L.P.	Fund investment	Investment in fund/securities	Not applicable	5.54	8,977	8,973	0.26	(103)	-
Shenzhen Emma Biotechnology Co., Ltd.	Equity investment	Investment in corporation	Not applicable	3.96	1,130	1,623	0.05	-	-
AffyXell Therapeutics Co., Ltd.	Equity investment	Investment in corporation	113,637	1.13	810	710	0.02	(100)	-
Fund A*	Fund investment	Investment in fund/securities	Not applicable	57.89	2,238	2,226	0.07	(12)	-
Fund B*	Fund investment	Investment in fund/securities	Not applicable	90.91	2,385	2,568	0.08	183	-
7G BIOVENTURES I, L.P.	Fund investment	Investment in fund/securities	Not applicable	29.56	3,000	2,474	0.07	(526)	-
Total:					19,040	18,825	0.56	(627)	44

*The Company is subject to strict confidentiality obligations under which the name of the fund cannot be disclosed to any third party. As at the date of this announcement, each of the general partners, limited partners, and their ultimate beneficial owners of Fund A and Fund B is an 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.

(Note) Given the value of investments is immaterial and does not constitute a notifiable transaction of the Company pursuant to Chapter 14 of the Listing Rules, as the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules), whether on a standalone or aggregate basis, are less than 1.0% of the total assets of the Group as of December 31, 2023, the Company has not prepared any analysis on their prospects.

During the Reporting Period, we recorded the investment gain at approximately US\$4.4 million and a fair value gain at approximately US\$2.4 million on the financial assets at fair value through profit or loss.

Material disposals

Deemed disposal of equity interest in Probio Cayman

On January 17, 2023, Probio Cayman entered into a subscription agreement with certain investors (including the Company), pursuant to which Probio Cayman issued and sold and the investors purchased an aggregate of 319,998,370 Probio Series C Preferred Shares for an aggregate consideration of approximately US\$224.0 million. The initial closing and additional closing of the Probio Series C Financing took place on February 10, 2023 and April 21, 2023, respectively. Please refer to the announcements of the Company dated January 17, 2023, February 10, 2023 and April 21, 2023 for details.

As at the date of this announcement, Probio Cayman remains a non-wholly owned subsidiary of the Company and the financial results of Probio Cayman continues to be consolidated into the financial statements of the Group.

Deemed disposal of equity interest in BSJ Nanjing

On May 26, 2023, BSJ Nanjing entered into the capital increase agreement with certain investors, pursuant to which the investors subscribed for the additional registered capital of BSJ Nanjing of RMB37,609,070 (equivalent to approximately US\$5.3 million) for a total consideration of RMB250.0 million (equivalent to approximately US\$35.2 million) to acquire approximately 10.4168% equity interest in BSJ Nanjing. The completion of BSJ Series A Capital Increase took place on June 25, 2023. Please refer to the announcements of the Company dated May 28, 2023 and June 25, 2023 for details.

As at the date of this announcement, BSJ Nanjing remains a non-wholly owned subsidiary of the Company and the financial results of BSJ Nanjing continues to be consolidated into the financial statements of the Group.

Deemed disposal of equity interest in Legend

During the Reporting Period, Legend completed the following fundraising activities by way of private placement and registered direct offering: (i) Legend sold 7,656,968 ordinary shares of Legend (the “**Legend Biotech Shares**”) to an investor in a private placement at a purchase price of US\$26.12 per Legend Biotech Share (equivalent to US\$52.24 per ADS), of which the completion took place on April 24, 2023 (New York time). Please refer to the announcements of the Company dated April 20, 2023 and April 25, 2023 for details; (ii) Legend sold 484,992 Legend Biotech Shares to an investor in a private placement at a purchase price of approximately US\$26.12 per Legend Biotech Share (equivalent to US\$52.24 per ADS), of which the completion took place on May 2, 2023. Please refer to the announcement of the Company dated May 7, 2023 for details; (iii) Legend sold 5,468,750 American Depositary Shares (“**ADS(s)**”), representing

10,937,500 Legend Biotech Shares at a purchase price of US\$64.0 per ADS in a registered direct offering, of which the completion took place on May 11, 2023. Please refer to the announcements of the Company dated May 8, 2023 and May 12, 2023; and (iv) Legend sold 692,782 Legend Biotech Shares to an investor in a private placement at a purchase price of approximately US\$32.0 per Legend Biotech Share (equivalent to US\$64.0 per ADS), of which the completion took place on May 19, 2023. Please refer to the announcement of the Company dated May 21, 2023 for details.

As at the date of this announcement, Legend remains a non-wholly owned subsidiary of the Company and the financial results of Legend continues to be consolidated into the financial statements of the Group.

Save as disclosed above, the Group did not have any other significant investments held, material acquisitions or disposals of subsidiaries and associated companies during the Reporting Period.

Bank loans and other borrowings

As at December 31, 2023, GenScript Japan Inc. (“**GS JP**”) had a long-term interest-bearing mortgage loan from Mizuho Bank for a total amount of JPY10.0 million (equivalent to approximately US\$71,000) with a floating interest rate at the TIBOR (Tokyo Interbank Offered Rate) plus 0.25%, which was secured by the buildings and freehold land held by GS JP.

As at December 31, 2023, Nanjing GenScript Biotech Co., Ltd. (“**GS China**”) had short-term interest-bearing loans from China Citibank for a total amount of approximately RMB94.0 million (equivalent to approximately US\$13.3 million) with a fixed interest rate at 2.4% per annum, and from China Merchants Bank for a total amount of approximately RMB50.0 million (equivalent to approximately US\$7.1 million) with a fixed interest rate at 2.5% per annum. GS China used such loans for daily operation.

As at December 31, 2023, GS China had short-term interest-bearing loans from China CITIC Bank for a total amount of approximately RMB121.2 million (equivalent to approximately US\$17.1 million) with fixed interest rates ranging from 1.4% to 1.7% per annum. Such loans were derived from discounting of bank notes.

As at December 31, 2023, Jiangsu Genscript Biotech Co., Ltd. (“**Jiangsu Jinsirui**”) had short-term interest-bearing loans from China CITIC Bank for a total amount of approximately RMB23.7 million (equivalent to approximately US\$3.4 million) with fixed interest rates ranging from 1.4% to 1.5% per annum. Such loans were derived from discounting of bank notes.

As at December 31, 2023, Nanjing Probio Biotech Co., Ltd. (“**Probio Nanjing**”) had short-term interest-bearing loans from China Merchants Bank for a total amount of approximately RMB10.0 million (equivalent to approximately US\$1.4 million) with a fixed interest rate at 2.6% per annum. Probio Nanjing used such loans for daily operation.

As at December 31, 2023, Probio Nanjing had short-term interest-bearing loans from China CITIC Bank for a total amount of approximately RMB72.4 million (equivalent to approximately US\$10.2 million) with fixed interest rates ranging from 1.5% to 1.7% per annum. Such loans were derived from discounting of bank notes.

As at December 31, 2023, Jiangsu Probio Biotech Co., Ltd. (“**Probio Jiangsu**”) had a short-term interest-bearing loan from China Merchants Bank for a total amount of approximately RMB10.0 million (equivalent to approximately US\$1.4 million) with a fixed interest rate at 2.6% per annum. Probio Jiangsu used such a loan for daily operation.

As at December 31, 2023, Probio Jiangsu had long-term interest-bearing loans from China Construction Bank and Jiangsu Bank for a total amount of approximately RMB41.6 million (equivalent to approximately US\$5.9 million) with a fixed interest rate at 4.2% per annum, which was secured by the leasehold land held by Probio Jiangsu. Probio Jiangsu used such a loan for facility construction.

As at December 31, 2023, BSJ Nanjing had a short-term interest-bearing loan from China CITIC Bank in amount of approximately RMB22.0 million (equivalent to approximately US\$3.1 million) with a fixed interest rate at 1.1% per annum. Such loan was derived from discounting of bank notes.

As at December 31, 2023, Legend took funding advances with principal amounted to US\$250.0 million with a collaborator. Pursuant to the license and collaboration agreement entered into with a collaborator, Legend is entitled to receive funding advances from the collaborator when certain operational conditions are met. As a result, Legend took an initial funding advance with principal amounting to US\$17.3 million on June 18, 2021, a second funding advance with principal amounting to US\$53.1 million on September 17, 2021, a third funding advance with principal amounting to US\$49.3 million on December 17, 2021, a fourth funding advance with principal amounting to US\$5.3 million on March 18, 2022, a fifth funding advance with principal amounting to US\$60.9 million on June 17, 2022, a sixth funding advance with principal amounting to US\$60.5 million on September 16, 2022, and a seventh funding advance with principal amounting to US\$3.6 million on December 16, 2022, by offsetting the same amount of other payables due to the collaborator (collectively, the “**Funding Advances**”). As at December 31, 2023, Legend recorded interest payables of US\$31.3 million for the Funding Advances.

These Funding Advances are accounted for as interest-bearing borrowings funded by the collaborator, constituted by a principal and applicable interests upon such principal. The respective interest rate of each borrowing is based on 12-month CME term SOFR plus LIBOR/SOFR adjustment (12 month) plus a margin of 2.5%, calculated on the number of days from the date on which Legend applied such borrowings.

Pursuant to the terms of the license and collaboration agreement, the collaborator may recoup the aggregate amount of Funding Advances together with interest thereon from Legend’s share of pre-tax profits from the first profitable year of the collaboration program and, subject to some

limitations, from milestone payments due to the Company under the Janssen Agreement. Legend's management estimated the loan will not be recouped by the collaborator within one year, nor does Legend expect to repay the funding advances within one year, and thus the loan was classified as a long-term liability.

Save as disclosed above, the Group did not have any other outstanding, unpaid bank loans and/or other borrowings.

Provision, contingent liabilities and guarantees

The Group did not have any material provision, contingent liabilities or guarantees as at December 31, 2023.

No material adverse change

The Directors confirm that there has been no material adverse change in the financial or trading position of the Group since December 31, 2023 and up to the date of this announcement.

Charges on group assets

As at December 31, 2023, the building and freehold land located in Tokyo, Japan of approximately JPY1.2 billion (equivalent to approximately US\$8.3 million) was pledged by GS JP to secure a loan of JPY10.0 million (equivalent to approximately US\$71,000).

As at December 31, 2023, the leasehold of land located in Jiangsu, China of approximately RMB35.7 million (equivalent to approximately US\$5.0 million) was pledged by Probio Jiangsu to secure a loan of RMB41.6 million (equivalent to approximately US\$5.9 million).

As at December 31, 2023, bank balances of approximately US\$357,000 were pledged for credit cards' facilities, of approximately US\$23.1 million were pledged for bills payable, and of approximately US\$9.7 million were pledged for the letters of guarantee to suppliers.

As at December 31, 2023, the properties acquired by GenScript Jiangsu and Probio Jiangsu amounted to approximately RMB236.3 million (equivalent to approximately US\$33.4 million) were pledged to an affiliate of the Series B Investor (as defined in the announcement of the Company dated July 4, 2022) so as to secure the performance of the redemption obligation of the Company and Probio Cayman. Please refer to the announcements of the Company dated June 29, 2022 and July 4, 2022 for details.

Save as disclosed above, the Group did not have any other material charges over its assets as at December 31, 2023.

Current ratio and gearing ratio

As at December 31, 2023, the Group's current ratio (current assets to current liabilities) was 4.8 (as at December 31, 2022: 3.2); and gearing ratio (total liabilities to total assets) was 39.6% (as at December 31, 2022: 46.5%).

Future plans for material investments or capital assets

The Group plans to actively build manufacturing capacity globally to satisfy the strong customer demand.

For life-science services and products, the Group plans to continue to invest and upgrade molecular biology and protein production capacity, as well as to expand GMP grade manufacturing capacity for peptide, oligo and other key reagents in the CGT supply chain.

For biologics development services, the Group plans to expand GMP manufacturing facilities for antibody, plasmid and virus production.

For industrial synthetic biology products, the Group plans to further optimize our manufacturing facility, in order to improve output. We are also planning to expand our synthetic biology laboratories in order to enhance our R&D capabilities.

For cell therapy business, the Group plans to aggressively expand manufacturing capacity for CARVYKTI in both North America and Europe in anticipation of an enlarged addressable patient population for treating earlier line multiple myeloma patients.

The Group also plans to invest in upgrading supply chain and IT infrastructures as well as other supporting functions to improve operating efficiency and accommodate the strong business growth.

Save as disclosed above, there was no other specific plan for material investments or capital assets as at December 31, 2023.

The Group has sufficient resources in the form of cash and cash equivalents, time deposits and other financial assets to support the planned capital investments.

RISK MANAGEMENT

Foreign exchange risk

The Group conducts business in several countries and region and transacts in multiple foreign currencies. The Group seeks to limit its exposure to foreign currency risk by closely monitoring and minimizing its cash outflow position of non-U.S. dollars. Since January 2019, the Group has engaged in a series of forward and option contracts to manage the Group's currency risk, which are usually placed and adjusted quarterly. The Group may choose not to hedge certain foreign exchange exposures due to immateriality, prohibitive economic cost of hedging particular exposures, or limited availability of appropriate hedging instruments. The Group currently focuses on the management of our exposure to foreign exchange risk in relation to RMB, aiming to control foreign exchange risk to an acceptable level by ensuring that we will only consider hedging operational flows. We attempt to limit counterparty risk by executing foreign exchange contracts with only reputable financial institutions and banks.

As at December 31, 2023, the Group had outstanding foreign currency forward and option

contracts in respect of U.S. dollar against RMB of notional principal amounts of approximately US\$60.0 million (as at December 31, 2022: approximately US\$22.0 million). The management of the Company will continue to evaluate the Group's foreign exchange risk management procedures and take actions as appropriate to minimise the Group's exposure whenever necessary.

These foreign currency forward and option contracts are derivatives and are recorded at fair market value. The changes in fair value of them were recognised in the consolidated statement of profit or loss. All of the foreign currency forward and option contracts are to be settled within one year.

Cash flow and fair value interest rate risk

As at December 31, 2023, other than bank balances with variable interest rates and time deposits with fixed interest rates, the Group has financial products of approximately US\$117.5 million related to fair value interest rate risk. The Group is also exposed to fair value interest rate risk in relation to lease liabilities and cash flow interest rate risk in relation to variable-rate bank loans and other borrowings. The Company currently does not enter into any hedging instrument for both of the fair value interest rate risk and cash flow interest rate risk.

The sensitivity analysis for fair value interest rate risk is prepared on the exposure to financial assets at the end of the Reporting Period. If the interest rates had been 50 basis point higher or lower and all other variables were held constant, our pre-tax loss would have been approximately US\$0.6 million lower or higher for the year ended December 31, 2023.

The sensitivity analysis for cash flow interest rate risk is prepared on the exposure to interest rates for interest-bearing bank loans and other borrowings at the end of the Reporting Period. If the interest rates had been 50 basis point higher or lower and all other variables were held constant, our pre-tax loss would have been approximately US\$1.3 million higher or lower for the year ended December 31, 2023.

Credit risk

The carrying amounts of cash and cash equivalents, trade and other receivables and other current assets are the Group's maximum exposure to credit risk in relation to its financial assets. The objective of the Group's measures to manage credit risk is to control potential exposure to recoverability problems.

In respect of trade and other receivables, individual credit rating is performed on customers and counterparties. These evaluations focus on the counterparty's business performance, including but not limited to, financing activities, financial position, market economic environment, and past history of payment punctuality. Prepayment requirement is determined and credit limit is granted based on the credit rating and historical contracting amount, which will be reviewed quarterly. Monitoring procedures have been implemented to ensure that follow-up actions will be taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual transaction and accounts' revenue volume, outstanding balances, long-time past due invoices and payment records semi-yearly to ensure that adequate impairment losses are made for irrecoverable amounts.

Regulatory risk

The Biosecurity Law of the PRC (《中華人民共和國生物安全法》) (the “**Biosecurity Law**”), promulgated by the Standing Committee of National People’s Congress on October 17, 2020 and came into effect on April 15, 2021, establishes an integrated system to regulate biosecurity-related activities in China, including the security regulation of human genetic resources (the “**HGR**”) and biological resources. The Biosecurity Law declares that China enjoys sovereignty over its HGR and biological resources and further endorsed the Regulation for the Administration of Human Genetic Resources of the PRC (《中華人民共和國人類遺傳資源管理條例》) by recognizing the fundamental regulatory principles and systems established by it over the preservation, collection, transaction or exportation of China’s HGR by foreign organizations and individuals. On March 7, 2022, the second plenary session of the first session of the National People’s Congress announced the reform plan of The State Council of the PRC. The China Center for Biotechnology Development, formerly under the Ministry of Science and Technology, was placed under the National Health Commission, and the China Human Genetic Resources Management Office under the center was also put under the administration of the Health Commission. We believe that future approvals will be more professional, faster and more conducive to the development of the biopharmaceutical industry.

The Group has formed a biosecurity committee which comprises professionals with years of experiences and diversified backgrounds in different industries and functions. The committee members are responsible for actively following new laws, regulations and guidelines published by regulatory authorities and promoting improvements in the compliance of the Group with such laws, regulations and guidelines.

Risk Related to geopolitical factors, international trade agreements, tariffs and import/export regulations

In recent years, there have been more material uncertainties arising from geopolitical factors, including international trade agreements, tariffs and import/export regulations.

If any new legislation and/or regulations are implemented, or if existing trade agreements are renegotiated, or if the U.S. or the PRC imposes additional burdens on international trade that negatively affect the ability of both countries to import and export goods and services, it may lead to a decline in material supply and demand of the Group’s services. In order to mitigate this, the Group has continuously increased the layout of global service capacities.

We note that proposed legislation entitled “Biosecure Act” is pending in the U.S. Congress, which if and when enacted, may restrict or prohibit U.S. federal government from procuring certain goods and services from providers located in China. We do not believe that this legislation will materially impact our business, but have implemented measures to monitor progress of this legislation and will take all appropriate measures to mitigate any risk that would arise therefrom.

IMPORTANT EVENTS

On April 19, 2023 (New York Time), Legend Biotech entered into the subscription agreement with an investor, pursuant to which Legend Biotech sold 7,656,968 Legend Biotech Shares in a private placement at a purchase price of US\$26.12 per share. The closing of the private placement took place on April 24, 2023 (New York Time). Please refer to the announcements of the Company dated April 20, 2023 and April 25, 2023.

On April 26, 2023 and May 19, 2023 (New York Time), Legend Biotech entered into subscription agreements with an investor, pursuant to which Legend Biotech sold 484,992 Legend Biotech Shares at a purchase price of US\$26.12 per Legend Biotech Share and 692,782 Legend Biotech Shares at a purchase price of US\$32.00 per Legend Biotech Share in private placements, respectively. Please refer to the announcements of the Company dated May 7, 2023 and May 21, 2023 for details.

On May 5, 2023 (U.S. Eastern Time), Legend Biotech entered into the purchase agreement with an investment adviser and certain purchasers (through the investment adviser), pursuant to which Legend Biotech sold an aggregate of 5,468,750 ADSs, representing 10,937,500 Legend Biotech Shares, at a purchase price of US\$64.00 per ADS in a registered direct offering. The closing of Registered Direct Offering took place on May 11, 2023 (U.S. Eastern Time). Please refer to the announcements of the Company dated May 8, 2023 and May 12, 2023 for details.

On May 11, 2023 (after trading hours in Hong Kong), LGN Holdings Limited exercised in full the Legend Warrant it held to purchase 10,000,000 Legend Biotech Shares, at an exercise price of US\$20.00 per Legend Biotech Share for an aggregate exercise price of US\$200,000,000, and as a result, Legend Biotech issued 10,000,000 Legend Biotech Shares to LGN Holdings Limited. Please refer to the announcement of the Company dated May 14, 2023 for details.

On May 25, 2023, the third amended and restated memorandum and articles of association (the "M&A") of the Company was adopted by a special resolution of the Shareholders. Please refer to the announcements of the Company dated April 6, 2023 and May 25, 2023 and the M&A displayed on the website of the Stock Exchange for details.

In early August 2023, Legend received a milestone payment in the amount of US\$15.0 million for the European Medicines Agency's acceptance of the Type II variation application for CARVYKTI and earned a milestone payment in the amount of US\$20.0 million in connection with the U.S. Food and Drug Administration's acceptance of the supplemental Biologics License Application (sBLA), respectively, in accordance with the Janssen Agreement. Please refer to the announcement of the Company dated August 15, 2023.

In November 2023, Legend entered into the license agreement with Novartis Pharma AG ("Novartis"), pursuant to which Legend Biotech granted Novartis an exclusive worldwide license under certain intellectual property rights controlled by Legend Biotech in order to develop, manufacture, commercialize and otherwise exploit certain CAR-T therapies targeting Delta-like ligand protein 3 (DLL3), including Legend's existing autologous CAR-T cell therapy candidate which Legend Biotech refers to as "LB2102". Pursuant to the license

agreement, Legend is entitled to receive a US\$100 million upfront cash payment and up to an aggregate of US\$1.01 billion in milestone payments upon achievement of specified clinical, regulatory and commercial milestones. Please see the announcement of the Company dated November 13, 2023 for details.

On December 12, 2023, GS Corp, a controlling shareholder of the Company entered into an agreement with an investor, pursuant to which GenScript Corporation sold and the purchaser purchased 8,578,000 Shares at the aggregate consideration of HK\$156,119,600, of which the closing took place on December 19, 2023. Please see the announcements of the Company dated December 13, 2023 and December 19, 2023 for details.

PROSPECTS

During 2023, the healthcare industry continues to confront a range of challenges, including geographic tensions, inflation, decreased biotech funding, regulatory pressures, and other uncertainties stemming from the post-COVID-19 era.

Nevertheless, our strategic focus remains on the CGT industry. Alongside our partner Janssen, our CAR-T product for treating Relapsed or Refractory Multiple Myeloma has achieved promising sales since its initial launch. Our investments in CGT-related services and products have also enabled our customers to enhance their R&D and cost efficiency. Over the long term, CGT holds the potential to significantly improve healthcare cost efficiency while delivering precision and efficacy for next-generation therapy.

The life science business stands as the cornerstone of our Group, offering a unique perspective that allows us to closely monitor industry trends. Since our inception in 2002, we have served over 200,000 customers in academic and industrial settings with various application areas. Our business footprint has expanded to more than 100 countries and regions. Our ongoing efforts involve enhancing our technological platform and developing enabling tools and services, all geared towards facilitating research within the life science community. Our life science business has become deeply intertwined with the industry, playing a pivotal role in the Group to seize emerging opportunities for the future.

The slowdown in biotech funding had a profound impact on the CDMO industry. Emerging biotech companies have to optimize their pipelines and review R&D priorities to cut down costs. Some biotech companies that previously built manufacturing capacities for their own pipeline programs are now looking to sell such assets or use them for CDMO purposes. The CDMO industry in aggregate now has an oversupply of manufacturing capacity, particularly in Mainland China. Nevertheless, we believe our unwavering emphasis on quality and global commercial network offer unique value proposition. Our disciplined approach to capacity expansion and financing also positioned us favorably. We believe the industry participants are now much more rational, and we have the opportunity to gain market share and accelerate growth as the macro environment improves.

After years of dedicated efforts on product optimization and production efficiency improvements, Bestzyme has successfully achieved healthy growth and profitability. We are

also developing new synthetic biologic products to explore potential business opportunities in new areas. We believe synthetic biology will serve more industrial applications with health and environmental benefits.

FUTURE DEVELOPMENT STRATEGIES

The Group will continue to execute a three-pronged strategy to allocate capital to capture growth opportunities, improve efficiency and reduce risk.

We will expand our investment in research and development to improve the competitiveness of our products and services. We will also improve operational efficiency with digital transformation and lean management system. To shorten our response time to our customers' needs and mitigate global supply chain risk, we are also expanding capacity globally.

In the life-science services and products segment, we will continue to increase throughput and reduce costs through automation. We will strengthen our research and development capabilities through the integration of artificial intelligence. We will continue to upgrade the quality and delivery speed of our life-science products and services through innovation, reinforcing our commitment to excellence in the ever-evolving landscape of life science.

In the biologics CDMO segment, we are committed to expanding our capabilities through multifaceted efforts with integrity, excellence, and customer centricity: (i) increase commercial resources and manufacturing capabilities in the North America market, (ii) continuously improve technical capabilities through innovation, (iii) build a global quality management system, (iv) maintain rigorous data integrity governance and information security practices to appropriately safeguard our customers' intellectual property and trade secret.

In the synthetic biology segment, we are committed to shaping Bestzyme into one of the leading synthetic biology solution providers by continuing investment in research and development, expanding target markets and optimizing production efficiency. In future, the Group will leverage our bioinformatics platform, gene editing technology, large-scale industrial fermentation and metabolic engineering technology to strengthen Bestzyme's competitiveness in the synthetic biology industry.

In the cell therapy segment, we will continue to push forward Legend's pipeline programs through our internal resources as well as collaborations with external partners. Legend continues to engage with potential partners for further business development opportunities.

EMPLOYEES AND REMUNERATION POLICIES

As at December 31, 2023, the Group had a total of approximately 6,937 employees. The Group had entered into employment contracts covering positions, employment conditions and terms, compensation, responsibilities for breach of contractual obligations, and reason for termination with its employees. The remuneration package of the Group's employees includes basic salary, subsidies, other employee benefits, short-term and long-term incentives, which are determined with reference to their capability, responsibility, performance, and other general factors.

On July 15, 2015, the Company adopted the pre-IPO share option scheme (the “**Pre-IPO Share Option Scheme**”). On December 7, 2015, the Company adopted the post-IPO share option scheme (the “**Post-IPO Share Option Scheme**”, together with the Pre-IPO Share Option Scheme, the “**Share Option Schemes**”). On March 22, 2019, the Company adopted the restricted share award scheme (the “**2019 RSA Scheme**”). On August 23, 2021, the Company adopted the restricted share award scheme, which was amended on May 26, 2022 pursuant to the resolutions of the Board (the “**2021 RSA Scheme**”, together with the 2019 RSA Scheme, the “**RSA Schemes**”).

No further options have been granted under the Pre-IPO Share Option Scheme since the Company was listed on the Stock Exchange.

During the Reporting Period, no options have been granted under the Post-IPO Share Option Scheme.

During the Reporting Period, 74,645 restricted shares, 1,002,343 restricted shares, 6,315,784 restricted shares and 120,184 were granted and accepted under the 2019 RSA Scheme on January 18, 2023, April 3, 2023, June 1, 2023, and November 28, 2023, respectively. Please refer to our announcements dated January 18, 2023, April 3, 2023, June 1, 2023, June 15, 2023 and November 28, 2023 for details. Save as disclosed, no other restricted shares have been granted under the 2019 RSA Scheme during the Reporting Period.

During the Reporting Period, 2,619,525 restricted shares, 965,155 restricted shares, 5,072,636 restricted shares, 53,881 restricted shares and 129,926 restricted shares were granted and accepted under the 2021 RSA Scheme on January 18, 2023, April 3, 2023, June 1, 2023, August 24, 2023 and November 28, 2023, respectively. Please refer to our announcements dated January 18, 2023, April 3, 2023, June 1, 2023, June 15, 2023, August 24, 2023 and November 28, 2023 for details. Save as disclosed, no other restricted shares have been granted under the 2021 RSA Scheme during the Reporting Period.

Further details of the restricted shares will be disclosed in the annual report.

FINAL DIVIDEND

In order to retain resources for the Group's business development, the Board did not recommend the payment of final dividend for the year ended December 31, 2023.

PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

USE OF PROCEEDS

Use of Proceeds from the Subscription Under General Mandate

On May 14, 2021, the Company and GNS Holdings Limited entered into a subscription agreement (the "**Subscription Agreement**"), pursuant to which GNS subscribed for an aggregate 102,981,853 new Shares issued by the Company of HK\$18.658 per Share under the Company's general mandate (the "**Subscription**"). The conditions of the Subscription Agreement have been fulfilled and the completion of the Subscription took place on June 10, 2021. The total amount of net proceeds received by the Company was approximately HK\$1.9 billion (equivalent to approximately US\$247.9 million). Please refer to the announcements dated May 14, 2021, June 7, 2021 and June 10, 2021.

A detailed breakdown and description of the use of the net proceeds from the Subscription is set forth as follows:

Item	Unutilized amount as at January 1, 2023 <i>US\$ million</i>	Utilized amount during the Reporting Period <i>US\$ million</i>	Unutilized amount as at December 31, 2023 <i>US\$ million</i>	Intended year of application
Expansion of manufacturing facilities	<u>8.1</u>	<u>8.1</u>	<u>-</u>	Not applicable

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to The Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") (as in effect from time to time) as its own code of corporate governance.

The Company has complied with all the applicable code provisions as set out in the CG Code during the Reporting Period and up to the date of this announcement.

The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own Code for Securities Transaction by Directors and Specified Individuals (the “**Model Code**”) on terms no less exacting than the required standard set out in the Model Code as set out in Appendix C3 of the Listing Rules. Specific inquiry has been made to all the Directors and each of the Directors has confirmed that he/she has complied with the Model Code during the Reporting Period.

The Model Code is also applicable to the Company’s relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the Company’s securities. No incidents of non-compliance with the Model Code by the Directors and the relevant employees of the Company were noted by the Company during the Reporting Period.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”). The Audit Committee currently comprises three members, namely, Mr. Dai Zumian (chairman of the Audit Committee), Mr. Pan Juan and Mr. Guo Hongxin, all being independent non-executive Directors. The principal duties of the Audit Committee are (i) to review and monitor the Company’s financial reporting system, risk management and internal control systems, (ii) to maintain the relations with the external auditor of the Company, and (iii) to review the financial information of the Company.

The Audit Committee has, together with the management and external auditors, reviewed the accounting principles and practices adopted by the Group and the annual results for the year ended December 31, 2023.

SCOPE OF AUDITOR’S WORK ON ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of cash flows and the related notes thereto for the year ended December 31, 2023 as set out in this preliminary announcement have been agreed by the Company’s auditor to the amounts set out in the Group’s audited consolidated financial statements for the year. The auditor made no comments as to the reasonableness or appropriateness of those assumptions of the “adjusted net profit/(loss)” as presented in the preliminary announcement. The work performed by the Company’s auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company’s auditor on this preliminary announcement.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting (the “AGM”) of the Company is scheduled to be held on Friday, May 17, 2024. A notice convening the AGM will be issued and disseminated to the shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement of shareholders to attend and vote at the forthcoming AGM to be held on Friday, May 17, 2024, the register of members of the Company will be closed from Monday, May 13, 2024 to Friday, May 17, 2024 (both dates inclusive), during which period no transfer of shares will be registered. All transfer documents, accompanied by the relevant share certificates, shall be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, May 10, 2024.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND 2023 ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.genscript.com), and the 2023 annual report containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

ANNUAL REPORT FOR THE FULL YEAR OF 2023 BY A LISTED SUBSIDIARY — LEGEND BIOTECH CORPORATION

Legend, a non-wholly owned subsidiary of the Company, whose shares are listed by way of ADSs on the NASDAQ Global Select Market in the U.S., will issue annual report for the full year of 2023. The annual report will be available at the website of Legend at <https://investors.legendbiotech.com/earnings-releases> after the issuance.

ACKNOWLEDGEMENT

The steady development of the Group has always been trusted and supported by the Shareholders, investors and business partners of the Company as well as the loyalty of our staff members. On behalf of the Board, I express my heartfelt gratitude.

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

Hong Kong, March 10, 2024

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*