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Genscript Biotech Corporation
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1548)

**INSIDE INFORMATION –
VARIATION OF THE DEPOSIT AGREEMENT RESULTING IN
DECONSOLIDATION OF
LEGEND BIOTECH CORPORATION AND ITS SUBSIDIARIES**

This announcement is made by the Board of Directors of Genscript Biotech Corporation pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to: (i) the announcement of the Company dated July 23, 2020 in relation to the Prior Deposit Agreement entered into on June 5, 2020 among Legend Biotech, the Depositary and all holders and beneficial owners of American depositary receipts issued thereunder evidencing the ADSs from time to time for, among other things, the creation of the ADSs representing the Legend Biotech Shares so deposited and the execution and delivery of American depositary receipts (the “**Prior Receipts**”) evidencing the ADSs; (ii) the overseas regulatory announcements of the Company dated June 10, 2021, October 18, 2022 and September 25, 2023 in relation to the granting of the Discretionary Proxy (as defined below) to the chairman of the board of directors of Legend Biotech at the specified annual general meetings of Legend Biotech; (iii) the annual report of the Company published on April 22, 2024 for the year ended December 31, 2023 (“**2023 Annual Report**”) and (iv) the overseas regulatory announcement of the Company dated October 22, 2024, in relation to the voting results of the 2024 annual general meeting of Legend Biotech.

As disclosed in the 2023 Annual Report, as at December 31, 2023, the Company beneficially owned 174,497,556 Legend Biotech Shares, representing approximately 47.96% of the outstanding share capital of Legend Biotech. Therefore, the Company, together with the Discretionary Proxy (as defined below) granted by the Depositary to the chairman of the board of directors of Legend Biotech (who was designated by the Company to be the director and chairman of Legend Biotech) pursuant to the Prior Deposit Agreement, previously controlled the exercise of over 50% of the voting rights in Legend Biotech. Hence, in accordance with Hong Kong Financial Reporting Standards (HKFRSs), the financial results of Legend Biotech had been consolidated into the financial statements of the Group up to the Deconsolidation Date (as defined below).

VARIATION OF THE DEPOSIT AGREEMENT

On October 18, 2024 (New York time), Legend Biotech and the Depositary entered into the Letter Agreement to amend the Prior Deposit Agreement and the Prior Receipts.

Under the Prior Deposit Agreement, if any holder of ADSs does not provide voting instructions on a particular agenda item in a timely manner, such holder is deemed to have instructed the Depositary to give a discretionary proxy to a person designated by Legend Biotech to vote the underlying ordinary shares represented by such holder's ADSs for which actual instruction were not given by such holder on such agenda item(s) (the "**Discretionary Proxy**") at the relevant shareholders' meeting. A Discretionary Proxy will not be given with respect to an agenda item if, among others, Legend Biotech has instructed the Depositary that it does not wish a Discretionary Proxy to be given with respect to such item.

Pursuant to the Letter Agreement, effective on the date thereof, Legend Biotech irrevocably notified the Depositary that it has determined to no longer exercise the Discretionary Proxy and notwithstanding the Prior Receipts, the Depositary's ability to grant any Discretionary Proxy has been terminated ("**Termination of the Discretionary Proxy**").

IMPLICATION OF THE VARIATION OF THE PRIOR DEPOSIT AGREEMENT AND THE DECONSOLIDATION

As at September 30, 2024, the Company beneficially owned 174,497,556 Legend Biotech Shares, representing approximately 47.56% of the outstanding share capital of Legend Biotech.

Following the Termination of the Discretionary Proxy, considering the active participation of Legend Biotech's shareholders at shareholders meeting (i.e. an aggregate of 95.7% of Legend Biotech Shares were voted in the 2024 annual general meeting of shareholders of Legend Biotech on October 21, 2024 (New York time)), the Board is of the view that in practice, the Company has no power to unilaterally govern the financial and operation policies of the Legend Group due to the loss of power to cast the majority of votes at the general meeting of Legend Biotech. Hence, the Board has resolved to deconsolidate the Legend Group (the "**Deconsolidation**") and treat it as an investment in associates of the Company.

Accordingly, in accordance with the requirements of Hong Kong Financial Reporting Standards (HKFRS) 10 Consolidated Financial Statements, effective from October 18, 2024 (the "**Deconsolidation Date**"), (i) the assets and liabilities of Legend Biotech were derecognized from the consolidated statement of financial position of the Group, (ii) the retained investment in Legend Biotech is recognized at its fair value and (iii) the gain or loss associated with the loss of control attributable to the former controlling interest was recognized.

After the Deconsolidation, Legend Biotech will be reclassified as an associate (as defined in the Listing Rules) and the Company will subsequently account for the investment in Legend Biotech using equity method as the Company is assessed to have significant influence in Legend Biotech. At the Deconsolidation Date, the carrying amount of Company's investment value will reflect the fair market value of its share of Legend Biotech. The difference of the carrying amount of this investment at the Deconsolidation Date and the Company's share of Legend Biotech's assets and liabilities will be allocated towards identifiable intangible assets such as intellectual properties, trademark, etc. and goodwill, if there is any. Correspondingly, the Company expects to recognize a one-time tax-free gain reflecting the difference of its share of Legend Biotech's fair market value and the Company's share of Legend Biotech's net assets at the Deconsolidation Date. Subsequently, the Company will recognize its share of Legend Biotech's profit or loss, subject for appropriate adjustments made in order to account, for example, for amortization of the identifiable intangible assets based on the fair values at the Deconsolidation Date.

The Board considered that the consolidated financial statements of the Group for the year ended December 31, 2024 be prepared on such basis will present the results and state of affairs of the Group fairly as a whole in light of the current situation of the Legend Group.

IMPACT OF THE DECONSOLIDATION

The Company is a well-recognised life-science research and application service and product provider. The Group's broad and integrated life-science research and application service and product portfolio comprises main four business units, namely, (i) life-science services and products, (ii) biologics development services, (iii) industrial synthetic biology products, and (iv) cell therapy, among which, the cell therapy segment was initiated from the Company's proprietary antibody development platform and is primarily conducted through the Legend Group.

The Board expects that the Deconsolidation will have a significant impact on the consolidated financial statements of the Group for the year ended December 31, 2024. It is expected that a significant amount of gain will be recognized upon Deconsolidation due to the large gap between the market value of Legend Biotech's shares and the carrying amount of Legend Biotech's assets and liabilities at the Deconsolidation Date.

As at the date of this announcement, the Company is in the course of quantifying the financial impact of the Deconsolidation on the Group and intends to disclose details in the 2024 annual report of the Company.

DEFINITIONS

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| “ADS(s)” | American depositary share(s), each representing two Legend Biotech Shares, which are listed on the Nasdaq Global Select Market; |
| “Board” | the board of Directors of the Company; |
| “Company” | Genscript Biotech Corporation (Stock Code: 1548), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange; |
| “Depositary” | JPMORGAN CHASE BANK, N.A.; |
| “Director(s)” | the director(s) of the Company; |
| “Group” | collectively, the Company and its subsidiaries; |
| “Legend Biotech” | Legend Biotech Corporation, an exempted company incorporated under the laws of the Cayman Islands with limited liability, whose shares are listed by way of ADSs on the Nasdaq Global Select Market in the United States; |
| “Legend Biotech Share(s)” | ordinary shares of par value US\$0.0001 each in the capital of Legend Biotech; |
| “Legend Group” | collectively, Legend Biotech and its subsidiaries; |
| “Letter Agreement” | the letter agreement dated October 18, 2024 entered into between Legend Biotech and the Depositary; |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended; |

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| “Prior Agreement” | Deposit | the deposit agreement, dated as of June 5, 2020, among Legend Biotech, the Depository and all holders and beneficial owners of American depositary receipts evidencing the ADSs, from time to time; |
| “SEC” | | The United States Securities and Exchange Commission; |
| “Shareholder(s)” | | the holders of shares of the Company; |
| “Stock Exchange” | | The Stock Exchange of Hong Kong Limited; |
| “US\$” | | United States Dollar, the lawful currency of the United States of America; and |
| “%” | | per cent. |

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

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

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

Hong Kong, October 22, 2024

*As at the date of this announcement, the executive Directors are Dr. Fangliang Zhang (“**Dr. Frank Zhang**”), Mr. Jiange Meng (“**Mr. Robin Meng**”), Ms. Ye Wang (“**Ms. Sally Wang**”) and Dr. Li Zhu; the non-executive Directors are Dr. Luquan Wang (“**Dr. Larry Wang**”) and Dr. Ross Allen Grossman; and the independent non-executive Directors are Mr. Zumian Dai (“**Mr. Edward Dai**”), Mr. Jiuan Pan (“**Mr. Ethan Pan**”), Mr. Yiu Leung Andy Cheung, Dr. Chenyang Shi (“**Dr. Victor Shi**”) and Dr. Alphonse Galdes.*