Genscript Biotech Corporation

(*Incorporated in the Cayman Islands with limited liability*)
(Stock code: 1548)

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2024

INTERIM RESULTS HIGHLIGHTS

- The Group continuously delivered strong revenue growth. Revenue of the Group for the Reporting Period was approximately US$561.4 million, representing an increase of 43.5% as compared with approximately US$391.3 million for the Prior Period, among which, the external revenue for non-cell therapy business was approximately US$281.1 million, representing a slight decrease of 0.2% as compared with approximately US$281.8 million for the Prior Period, and the external revenue for cell therapy business was approximately US$280.3 million, representing a notable increase of 156.0% as compared with approximately US$109.5 million for the Prior Period.

- The incremental revenue has led to a strong increase in gross profit of the Group. Gross profit of the Group for the Reporting Period was approximately US$307.0 million, representing an increase of 75.4% as compared with approximately US$175.0 million recorded for the Prior Period, among which, the gross profit of non-cell therapy business before eliminations was approximately US$133.5 million, representing a slight decrease of 0.9% as compared with approximately US$134.7 million for the Prior Period, and the gross profit of cell therapy business before eliminations was approximately US$175.3 million, representing a remarkable increase of 323.4% as compared with approximately US$41.4 million for the Prior Period.

- Loss of the Group for the Reporting Period narrowed to approximately US$215.6 million as compared with approximately US$245.8 million for the Prior Period.

  The adjusted net loss of the Group for the Reporting Period was approximately US$69.0 million, whilst the adjusted net loss of the Group was approximately US$162.0 million for the Prior Period. The adjusted net profit of non-cell therapy business before eliminations was approximately US$29.2 million, representing a decrease of 13.1% as compared with approximately US$33.6 million for the Prior Period, and the adjusted net loss of cell therapy business before eliminations was approximately US$98.3 million, as compared with approximately US$195.7 million for the Prior Period.

Notes:
(1)

	For the six months ended June 30, 2024				For the six months ended June 30, 2023			
	Non-cell therapy	**Cell therapy**	**Eliminations**	**Total**	Non-cell therapy	Cell therapy	Eliminations	Total
	US$'000	***US$'000***	***US$'000***	***US$'000***	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Net profit/(loss)	**(137,739)**	**(77,989)**	**97**	**(215,631)**	65,339	(311,229)	133	(245,757)
Excluding:								
Equity-settled share-based compensation expense, net of tax	**12,844**	**40,442**	**-**	**53,286**	15,491	22,714	-	38,205
Fair value losses/(gains) of preferred shares and warrants	**113,509**	**-**	**-**	**113,509**	(51,019)	85,750	-	34,731
Losses of foreign currency forward and option contracts, net of tax	**896**	**-**	**-**	**896**	2,754	-	-	2,754
Impairment loss of long-term assets	**37,480**	**-**	**-**	**37,480**	-	-	-	-
Consultation and other related costs for the Investigation, net of tax	**-**	**-**	**-**	**-**	732	-	-	732
Exchange (gains)/losses, net of tax	**(1,309)**	**(60,704)**	**-**	**(62,013)**	(1,713)	7,020	-	5,307
Fair value losses of non-current financial assets	**1,171**	**-**	**-**	**1,171**	750	-	-	750
Service fees and finance costs for equity financing activities	**2,305**	**-**	**-**	**2,305**	1,278	-	-	1,278
Adjusted net profit/(loss)	**29,157**	**(98,251)**	**97**	**(68,997)**	33,612	(195,745)	133	(162,000)

(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) impairment loss of long-term assets; (v) consultation and other related costs for the Investigation (as defined in the announcement of the Company dated September 21, 2020), (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 "**Director(s)**") of Genscript Biotech Corporation (the "**Company**" or "**GenScript**") is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended June 30, 2024 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2023, are as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the six months ended June 30,	
		2024	2023
		(Unaudited)	(Unaudited)
	Notes	***US$'000***	*US$'000*
REVENUE	*4*	**561,371**	391,311
Cost of sales		**(254,385)**	(216,263)
Gross profit		**306,986**	175,048
Other income and gains	*4*	**112,565**	31,301
Selling and distribution expenses		**(97,338)**	(81,404)
Administrative expenses		**(120,173)**	(106,515)
Research and development expenses		**(236,384)**	(207,331)
Fair value losses of preferred shares and warrants		**(113,509)**	(34,731)
Other expenses		**(2,166)**	(6,191)
Finance costs	*6*	**(14,226)**	(12,463)
Provision for impairment of financial assets, net		**(3,863)**	(2,367)
Provision for impairment of long-term assets		**(37,480)**	-
LOSS BEFORE TAX	*5*	**(205,588)**	(244,653)
Income tax expense	*7*	**(10,043)**	(1,104)
LOSS FOR THE PERIOD		**(215,631)**	(245,757)
Attributable to:			
Owners of the parent		**(175,115)**	(93,581)
Non-controlling interests		**(40,516)**	(152,176)
		(215,631)	(245,757)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic (*US cent per share*)		**(8.27)**	(4.44)
Diluted (*US cent per share*)		**(8.27)**	(4.44)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended June 30,	
	2024	2023
	(Unaudited)	(Unaudited)
	US$'000	*US$'000*
LOSS FOR THE PERIOD	**(215,631)**	(245,757)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**(63,054)**	(15,777)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**(63,054)**	(15,777)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**(63,054)**	(15,777)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(278,685)**	(261,534)
Attributable to:		
Owners of the parent	**(207,500)**	(113,416)
Non-controlling interests	**(71,185)**	(148,118)
	(278,685)	(261,534)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**June 30, 2024 (Unaudited) *US$'000***	December 31, 2023 (Audited) *US$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**620,546**	608,107
Advance payments for property, plant and equipment		**20,196**	22,218
Investment properties		**4,775**	5,442
Right-of-use assets	*11*	**193,169**	120,620
Goodwill		**1,347**	1,356
Other intangible assets		**16,078**	18,648
Investments in associates		**14,656**	15,291
Financial assets at fair value through profit or loss	*12*	**44,002**	31,869
Deferred tax assets		**15,132**	16,506
Time deposits	*16*	**38,076**	38,247
Other non-current assets	*15*	**149,567**	155,887
Total non-current assets		**1,117,544**	1,034,191
CURRENT ASSETS			
Inventories	*13*	**50,857**	53,346
Contract costs		**19,155**	17,880
Trade and notes receivables	*14*	**130,468**	217,443
Prepayments, other receivables and other assets	*15*	**130,265**	103,320
Financial assets at fair value through profit or loss	*12*	**151,288**	105,645
Restricted cash	*16*	**9,643**	33,072
Time deposits	*16*	**1,323,350**	376,002
Cash and cash equivalents	*16*	**399,297**	1,446,403
Total current assets		**2,214,323**	2,353,111

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Notes	**June 30, 2024 (Unaudited) *US$'000***	December 31, 2023 (Audited) *US$'000*
CURRENT LIABILITIES			
Trade and bills payables	*17*	**59,205**	39,959
Other payables and accruals	*18*	**291,336**	273,405
Interest-bearing loans and other borrowings	*19*	**31,024**	57,011
Lease liabilities	*11*	**14,458**	8,867
Tax payable		**15,581**	18,132
Contract liabilities		**121,393**	97,437
Total current liabilities		**532,997**	494,811
NET CURRENT ASSETS		**1,681,326**	1,858,300
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,798,870**	2,892,491
NON-CURRENT LIABILITIES			
Interest-bearing loans and other borrowings	*19*	**305,047**	287,207
Lease liabilities	*11*	**97,599**	63,905
Contract liabilities		**2,704**	47,962
Deferred tax liabilities		**7,509**	5,622
Financial liabilities at fair value through profit or loss	*20*	**463,660**	350,151
Financial liabilities at amortised cost		**77,439**	75,363
Other non-current liabilities	*18*	**20,705**	17,927
Total non-current liabilities		**974,663**	848,137
NET ASSETS		**1,824,207**	2,044,354
EQUITY			
Share capital	*21*	**2,126**	2,121
Treasury shares	*21*	**(8,308)**	(9,445)
Reserves		**1,221,100**	1,398,403
Equity attributable to owners of the parent		**1,214,918**	1,391,079
Non-controlling interests		**609,289**	653,275
TOTAL EQUITY		**1,824,207**	2,044,354

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	For the six months ended June 30, 2024 (Unaudited) US$'000	2023 (Unaudited) US$'000
Net cash flows generated from/(used in) operating activities		**79,855**	(187,168)
Net cash flows used in investing activities		**(1,133,054)**	(454,543)
Net cash flows generated from financing activities		**5,565**	1,020,019
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(1,047,634)**	378,308
Effect of foreign exchange rate changes, net		**528**	(4,973)
Cash and cash equivalents at beginning of the period		**1,446,403**	1,023,999
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	*16*	**399,297**	1,397,334

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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's subsidiaries are principally engaged in the manufacture and sale of life science research products and services. The products and services mainly include life-science services and products, 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

The interim condensed consolidated financial information for the six months ended June 30, 2024 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2023. These interim condensed consolidated financial information 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 accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2023, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("**HKFRSs**") for the first time for the current period's financial information.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current (the "2020 Amendments")*
Amendments to HKAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")*
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The adoption of above revised HKFRSs has no significant financial effect on the Group's interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

The segment information for the six months ended June 30, 2024 is as follows:

	Life-science services and products (Unaudited) *US$'000*	Biologics development services (Unaudited) *US$'000*	Industrial synthetic biology products (Unaudited) *US$'000*	Cell therapy (Unaudited) *US$'000*	Operation unit (Unaudited) *US$'000*	Eliminations (Unaudited) *US$'000*	Total (Unaudited) *US$'000*
Segment revenue							
Sales to external customers	**217,722**	**37,132**	**26,109**	**280,320**	**88**	**-**	**561,371**
Intersegment sales	**4,633**	**3,250**	**39**	**194**	**18,046**	**(26,162)**	**-**
Total revenue	**222,355**	**40,382**	**26,148**	**280,514**	**18,134**	**(26,162)**	**561,371**
Segment cost of sales	**(103,410)**	**(38,715)**	**(15,116)**	**(105,190)**	**(15,865)**	**23,911**	**(254,385)**
Segment gross profit	**118,945**	**1,667**	**11,032**	**175,324**	**2,269**	**(2,251)**	**306,986**
Other income and gains	**-**	**7,086**	**1,296**	**93,037**	**11,222**	**(76)**	**112,565**
Selling and distribution expenses	**(31,724)**	**(6,433)**	**(3,327)**	**(54,286)**	**(1,740)**	**172**	**(97,338)**
Administrative expenses	**(20,440)**	**(15,524)**	**(2,552)**	**(67,282)**	**(14,158)**	**(217)**	**(120,173)**
Research and development expenses	**(19,257)**	**(1,567)**	**(2,848)**	**(213,590)**	**(1,264)**	**2,142**	**(236,384)**
Fair value gains/(losses) of preferred shares	**-**	**32,283**	**-**	**-**	**-**	**(145,792)**	**(113,509)**
Other expenses	**(282)**	**(34)**	**(932)**	**(2)**	**(159,982)**	**159,066**	**(2,166)**
Finance costs	**-**	**(1,622)**	**(1,213)**	**(10,959)**	**(900)**	**468**	**(14,226)**
Provision for impairment of long-term assets	**-**	**(37,480)**	**-**	**-**	**-**	**-**	**(37,480)**
Provision for impairment of financial assets, net	**(1,230)**	**(2,622)**	**(1)**	**-**	**(397)**	**387**	**(3,863)**
Profit/(loss) before tax	**46,012**	**(24,246)**	**1,455**	**(77,758)**	**(164,950)**	**13,899**	**(205,588)**

The segment information for the six months ended June 30, 2023 is as follows:

	Life-science services and products (Unaudited) *US$'000*	Biologics development services (Unaudited) *US$'000*	Industrial synthetic biology products (Unaudited) *US$'000*	Cell therapy (Unaudited) *US$'000*	Operation unit (Unaudited) *US$'000*	Eliminations (Unaudited) *US$'000*	Total (Unaudited) *US$'000*
Segment revenue							
Sales to external customers	198,755	64,652	18,113	109,547	244	-	391,311
Intersegment sales	4,230	461	110	119	23,663	(28,583)	-
Total revenue	202,985	65,113	18,223	109,666	23,907	(28,583)	391,311
Segment cost of sales	(94,095)	(49,818)	(11,050)	(68,285)	(19,935)	26,920	(216,263)
Segment gross profit	108,890	15,295	7,173	41,381	3,972	(1,663)	175,048
Other income and gains	3	7,998	688	20,994	7,202	(5,584)	31,301
Selling and distribution expenses	(30,661)	(7,523)	(2,295)	(39,383)	(1,638)	96	(81,404)
Administrative expenses	(25,185)	(16,166)	(2,237)	(49,958)	(13,077)	108	(106,515)
Research and development expenses	(20,288)	(3,983)	(2,357)	(180,680)	(1,584)	1,561	(207,331)
Fair value gains/(losses) of preferred shares and warrants	-	55,296	-	(85,750)	-	(4,277)	(34,731)
Other expenses	(74)	(1,234)	(161)	(7,117)	(7,446)	9,841	(6,191)
Finance costs	-	(1,549)	(9)	(10,298)	(951)	344	(12,463)
(Provision for) /reversal of impairment of financial assets, net	(577)	(1,619)	109	-	(280)	-	(2,367)
Profit/(loss) before tax	32,108	46,515	911	(310,811)	(13,802)	426	(244,653)

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

	For the six months ended June 30,	
	2024	2023
	(Unaudited)	(Unaudited)
	US$'000	*US$'000*
Revenue from contracts with customers	**389,455**	296,583
Revenue from contracts with a collaborator	**171,735**	94,432
Revenue from other sources:		
Gross rental income from operating leases	**157**	214
Others	**24**	82
	561,371	391,311
Other income		
Finance income	**43,778**	25,915
Subsidies	**3,971**	4,830
Others	**962**	439
Gains		
Foreign currency exchange gain, net	**62,111**	-
Fair value gains on financial assets at fair value through profit or loss	**1,722**	-
Others	**21**	117
	112,565	31,301

5. LOSS BEFORE TAX

	For the six months ended June 30,	
	2024	2023
	(Unaudited)	(Unaudited)
	US$'000	*US$'000*
Cost of services and products	**121,836**	94,223
Depreciation of property, plant and equipment	**30,276**	26,049
Depreciation of investment properties	**46**	59
Depreciation of right-of-use assets	**7,460**	7,189
Amortisation of other intangible assets	**2,513**	2,225
Impairment of financial assets, net:		
Provision for impairment of trade receivables	**3,863**	2,367
Provision for impairment of long-term assets	**37,480**	-
Provision for inventories and contract costs to net realisable value	**8,758**	9,369
Employee benefit expenses (including directors' and chief executives' remuneration):		
Wages and salaries	**255,673**	210,101
Pension scheme contributions (defined contribution schemes)	**14,640**	11,985
Equity-settled share-based compensation expense	**50,987**	38,859
Less: Amount capitalised	**2,362**	-
	323,662	260,945
Foreign exchange differences, net	**(62,111)**	4,596
Loss on disposal of property, plant and equipment	**516**	432
Service fees and finance costs for equity financing activities	**2,305**	1,278
Fair value losses of preferred shares and warrants	**113,509**	34,731
Gains on wealth management financial products	**(5,205)**	(4,777)
Losses of foreign currency forward and option contracts, net	**1,016**	3,672
Fair value losses of non-current financial assets	**1,171**	750

6. FINANCE COSTS

	For the six months ended June 30,	
	2024	2023
	(Unaudited)	(Unaudited)
	US$'000	*US$'000*
Interest on collaboration interest-bearing Funding Advances	**10,220**	9,689
Interest on financial liabilities measured at amortised cost	**2,305**	1,103
Interest on lease liabilities	**1,263**	1,310
Interest on bank loans	**679**	361
Less: Interest capitalised	**(241)**	-
	14,226	12,463

7. INCOME TAX EXPENSE

	For the six months ended June 30,	
	2024	2023
	(Unaudited)	(Unaudited)
	US$'000	*US$'000*
Current — Mainland China	**1,781**	1,715
Current — The U.S.	**4,406**	1,783
Current — Others	**457**	1,359
Deferred income tax expense/(credit)	**3,399**	(3,753)
Total tax expense for the period	**10,043**	1,104

8. DIVIDENDS

The Board of directors resolved not to declare any dividend for the six months ended June 30, 2024 (for the six months ended June 30, 2023: 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 2,116,588,240 (for the six months ended June 30, 2023: 2,106,881,564) in issue during the Reporting Period.

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

	For the six months ended June 30,	
	2024	2023
	(Unaudited)	(Unaudited)
	US$'000	*US$'000*
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	**(175,115)**	(93,581)

	Number of shares For the six months ended June 30,	
	2024	2023
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period	**2,121,657,378**	2,112,788,354
Effect of shares repurchased	**(5,069,138)**	(5,906,790)
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	**2,116,588,240**	2,106,881,564

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 six months ended June 30, 2024 and 2023. For the six months ended June 30, 2024, the weighted average number of dilution effect of share options and restricted share units was 64,914,634 (for the six months ended June 30, 2023: 77,308,534).

10. PROPERTY, PLANT AND EQUIPMENT

	Total *US$'000*
As at January 1, 2023 (Audited)	521,567
Additions	151,540
Depreciation	(54,836)
Disposal	(865)
Impairment	(4,307)
Exchange realignment	(4,992)
As at December 31, 2023 and January 1, 2024 (Audited)	**608,107**
Additions	**84,353**
Depreciation	**(30,276)**
Disposal	**(738)**
Impairment	**(37,480)**
Exchange realignment	**(3,420)**
As at June 30, 2024 (Unaudited)	**620,546**

As at June 30, 2024, properties amounted to approximately US$32,707,000 (December 31, 2023: US$33,370,000) were pledged to an affiliate of the Series B Preferred Shareholder of Probio Cayman to secure the redemption right held by such preferred shareholder.

As at June 30, 2024, an impairment loss of US$37,480,000 (December 31, 2023: Nil) was recognised for certain property, plant and equipment in the biologics development services segment. The recoverable amount has been determined at the level of the cash-generating unit based on a value-in-use calculation using cash flow projections. Discount rates reflect market assessments of the time value and the specific risks relating to the industry, and discount rate applied to the cash flow projections is 16.5% (December 31, 2023: Not applicable).

11. LEASES

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the period are as follows:

	Total ***US$'000***
As at January 1, 2023 (Audited)	103,105
Additions	33,548
Depreciation	(14,580)
Disposal	(1,797)
Exchange realignment	344
As at December 31, 2023 and January 1, 2024 (Audited)	**120,620**
Additions	**81,989**
Depreciation	**(7,460)**
Disposal	**(50)**
Exchange realignment	**(1,930)**
As at June 30, 2024 (Unaudited)	**193,169**

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the period are as follows:

	June 30, 2024 (Unaudited) ***US$'000***	December 31, 2023 (Audited) *US$'000*
Carrying amount at January 1	**72,772**	55,112
New leases	**45,040**	28,148
Accretion of interest recognised during the period	**1,263**	2,683
Payments	**(5,494)**	(12,137)
Disposal	**(50)**	(1,879)
Exchange realignment	**(1,474)**	845
Carrying amount at the end of the period	**112,057**	72,772
Analysed into:		
Current portion	**14,458**	8,867
Non-current portion	**97,599**	63,905
	112,057	72,772

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2024 (Unaudited) ***US$'000***	December 31, 2023 (Audited) *US$'000*
Non-current		
Investments in financial products	**23,640**	13,044
Unlisted equity investments	**20,362**	18,825
	44,002	31,869
Current		
Investments in financial products	**151,265**	105,282
Foreign currency forward and option contracts	**-**	342
Listed equity investments	**23**	21
	151,288	105,645

13. INVENTORIES

	June 30, 2024 (Unaudited) ***US$'000***	December 31, 2023 (Audited) *US$'000*
Raw materials	**35,038**	37,873
Work in progress	**8,101**	6,461
Finished goods	**33,904**	27,792
	77,043	72,126
Provision for inventories	**(26,186)**	(18,780)
	50,857	53,346

As at June 30, 2024, the collaboration inventories with a net carrying amount of US$18,870,000 (December 31, 2023: US$19,433,000) were relating to the collaboration cost with a collaborator.

14. TRADE AND NOTES RECEIVABLES

	June 30, 2024 (Unaudited) *US$'000*	December 31, 2023 (Audited) *US$'000*
Trade receivables	**136,885**	219,064
Notes receivable	**5,237**	6,346
	142,122	225,410
Impairment of trade receivables	**(11,654)**	(7,967)
	130,468	217,443

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

	June 30, 2024 (Unaudited) *US$'000*	December 31, 2023 (Audited) *US$'000*
Within 3 months	**91,710**	179,954
3 to 6 months	**17,804**	12,556
6 to 12 months	**11,981**	14,198
Over 1 year	**15,390**	12,356
	136,885	219,064

15. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	June 30, 2024 (Unaudited) *US$'000*	December 31, 2023 (Audited) *US$'000*
Current		
Other receivables	**87,660**	56,210
Value-added tax recoverable	**16,056**	24,483
Prepaid expense	**11,576**	1,991
Prepayments	**9,305**	18,558
Deposits	**5,082**	216
Lease receivables	**344**	1,388
Prepaid income tax	**238**	471
Loan to an associate	**37**	37
	130,298	103,354
Impairment of other receivables	**(33)**	(34)
	130,265	103,320
Non-current		
Collaboration prepaid leases	**144,552**	151,216
Deposits	**3,419**	3,176
Prepaid expense	**1,370**	1,210
Lease receivables	**226**	285
	149,567	155,887

16. CASH AND BANK BALANCES

	June 30, 2024 (Unaudited) *US$'000*	December 31, 2023 (Audited) *US$'000*
Cash and bank balances	**1,770,366**	1,893,724
Less:		
Restricted cash	**9,643**	33,072
Non-pledged time deposits:		
Current portion	**1,323,350**	376,002
Non-current portion	**38,076**	38,247
Cash and cash equivalents	**399,297**	1,446,403

17. TRADE AND BILLS PAYABLES

	June 30, 2024 (Unaudited) *US$'000*	December 31, 2023 (Audited) US*$'000*
Trade payables	**58,791**	39,097
Bills payable	**414**	862
	59,205	39,959

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

	June 30, 2024 (Unaudited) *US$'000*	December 31, 2023 (Audited) *US$'000*
Within 3 months	**53,344**	36,059
3 to 6 months	**2,606**	996
6 to 12 months	**1,933**	1,516
Over 1 year	**908**	526
	58,791	39,097

18. OTHER PAYABLES AND ACCRUALS

	June 30, 2024 (Unaudited) *US$'000*	December 31, 2023 (Audited) *US$'000*
Current		
Accrued expenses	**121,293**	84,466
Payables for purchases of property, plant and equipment	**62,533**	71,489
Accrued payroll and welfare	**61,263**	72,871
Payable for Collaboration Assets	**15,350**	16,338
Other tax payables	**6,136**	7,437
Subsidies	**1,562**	1,141
Other payables	**23,199**	19,663
	291,336	273,405
Non-current		
Subsidies	**19,534**	16,716
Others	**1,171**	1,211
Total	**20,705**	17,927

19. INTEREST-BEARING LOANS AND OTHER BORROWINGS

	June 30, 2024 (Unaudited)			December 31,2023 (Audited)		
	Effective interest rate (%)	**Maturity**	***US$'000***	Effective interest rate (%)	Maturity	*US$'000*
Current						
Bank loans -unsecured	**2.38-2.6**	**2025**	**31,024**	2.4-2.6	2024	23,155
Bank loans - secured	**-**	-	**-**	1.1-1.7	2024	33,785
Current portion of long-term bank loans - secured	**-**	**-**	**-**	0.33	2024	71
Total			**31,024**			57,011
Non-current						
Other borrowings – unsecured	**8.26**	**No specific**	**291,559**	8.07	No specific	281,328
Non-current portion of long- term bank loans - secured	**4.2**	**2026**	**13,488**	4.2	2026	5,879
Total			**305,047**			287,207

20. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2024 (Unaudited) ***US$'000***	December 31, 2023 (Audited) *US$'000*
Non-current		
Probio Series A Preferred Shares	**230,494**	159,810
Probio Series C Preferred Shares	**233,166**	190,341
	463,660	350,151

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

	Total ***US$'000***
As at January 1, 2023 (Audited)	352,359
Issuance	193,999
Exercise of Legend Warrant	(152,750)
Fair value changes	(43,457)
As at December 31, 2023 and January 1, 2024 (Audited)	**350,151**
Fair value changes	**113,509**
As at June 30, 2024 (Unaudited)	**463,660**

21. SHARE CAPITAL AND SHARE PREMIUM

Shares

	June 30, 2024 (Unaudited) *US$'000*	December 31, 2023 (Audited) *US$'000*
Authorised:		
Ordinary shares of US$0.001 each	**5,000**	5,000
Issued and fully paid:		
Ordinary shares of US$0.001 each	**2,126**	2,121

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, 2024 (Audited)	**2,120,622,458**	**2,121**	**(9,445)**	**1,939,258**	**1,931,934**
Equity transaction with non-controlling shareholders	**-**	**-**	**-**	**175**	**175**
Exercise of share options and restricted share units	**5,331,245**	**5**	**1,137**	**35,223**	**36,365**
At June 30, 2024 (Unaudited)	**2,125,953,703**	**2,126**	**(8,308)**	**1,974,656**	**1,968,474**

22. SUBSEQUENT EVENT

With effect from July 5, 2024, (i) Ms. Jiafen Wang resigned as a non-executive Director and a member of the strategy committee of the Company (the "**Strategy Committee**") due to the attainment of statutory retirement age; (ii) Dr. Xuehai Wang resigned as an independent non-executive Director due to his intention to devote more time to other business commitments; and (iii) Dr. Chenyang Shi, an independent non-executive Director, has been appointed as a new member of the Strategy Committee. Please refer to the announcement of the Company dated July 5, 2024 for details.

On July 8, 2024, selected grantees (the "**RSA Grantees**") were granted 68,054 restricted shares, subject to acceptance of the RSA Grantees, pursuant to the restricted share award scheme adopted on August 23, 2021 (as amended on May 26, 2022 and June 21, 2024) (the "**2021 RSA Scheme**"). Please refer to the announcements of the Company dated July 8, 2024 and July 9, 2024, for details.

POSITIONING OF THE COMPANY

The Group is a well-recognised biotechnology company. Based on our proprietary gene synthesis technology and the other technology and know-hows on life-science research and application, we have well established four major platforms including (i) a life-science services and products platform to provide one-stop solutions to global research communities, (ii) a biologics contract development and manufacturing organisation (the "**CDMO**") platform, (iii) an industrial synthetic products platform, and (iv) an integrated global cell therapy platform. The above four internally built platforms collectively have demonstrated their strong growth from research and development to commercial delivery for the Reporting Period.

The Group's business operations span over 100 countries and region worldwide with legal entities located in Mainland China (the "**PRC**" or "**Mainland China**"), the U.S., Hong Kong, Japan, Singapore, Netherlands, Ireland, the United Kingdom, Korea, Belgium, Spain and Australia. Our professional workforce is consisted of 7,284 team members as at June 30, 2024.

The life-science services and products segment offers services and products covering gene synthesis, oligo nucleotide synthesis, peptide synthesis, protein production, antibody development, and life-science equipment and consumables. By servicing 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.

The CDMO platform provides end-to-end services and capabilities, from biologics discovery, development to commercialisation manufacturing services to accelerate biologics development and manufacturing for customers worldwide.

Legend Biotech Corporation ("**Legend Biotech**" or "**Legend**") is the biopharma subsidiary of the Group that specifically engages in the discovery and development of novel cell therapies for oncology and other indications. Legend's lead product candidate, ciltacabtagene autoleucel ("**cilta-cel**"), is a chimeric antigen receptor T-cell ("**CAR-T**") therapy jointly developed with Janssen Biotech, Inc. ("**Janssen**"), for the treatment of multiple myeloma ("**MM**").

Bestzyme Biotech Corporation ("**Bestzyme**") is a subsidiary of the Group engaged in the synthetic biology fields. Bestzyme uses our advanced enzyme engineering technology to develop products for feed, alcohol, food and home care industries. We believe synthetic biology offers us new opportunities from both technical and commercial perspectives.

BUSINESS REVIEW

The Group continues to deliver fast revenue growth. During the Reporting Period, the overall revenue of the Group was approximately US$561.4 million, representing an increase of 43.5% as compared with approximately US$391.3 million for the six months ended June 30, 2023 (the "**Prior Period**"). Gross profit was approximately US$307.0 million, representing an increase of 75.4% as compared with approximately US$175.0 million for the Prior Period. The loss attributable to owners of the Company (the "**Shareholder(s)**") was approximately US$175.1 million, whilst loss attributable to owners of the Company was approximately US$93.6 million for the Prior Period.

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 38.8%, 6.6%, 4.6% and 49.9% of the total revenue of the Group, respectively.

Results Analysis of the Four Major Business Segments

	For the six months ended June 30, 2024				For the six months ended June 30, 2023			
	Life-science services and products *US$'000*	**Biologics development services** *US$'000*	**Industrial synthetic biology products** *US$'000*	**Cell therapy** *US$'000*	Life-science services and products *US$'000*	Biologics development services *US$'000*	Industrial synthetic biology products *US$'000*	Cell therapy *US$'000*
Revenue	**222,355**	**40,382**	**26,148**	**280,514**	202,985	65,113	18,223	109,666
Adjusted gross profit	**119,868**	**5,927**	**11,032**	**178,434**	110,517	19,451	7,173	42,507
Adjusted selling and distribution expenses	**(30,709)**	**(5,905)**	**(3,327)**	**(52,379)**	(28,267)	(7,218)	(2,295)	(38,011)
Adjusted administrative expenses	**(21,268)**	**(14,794)**	**(2,558)**	**(49,127)**	(23,809)	(14,844)	(2,231)	(41,647)
Adjusted research and development expenses	**(18,814)**	**(1,484)**	**(2,851)**	**(196,320)**	(19,267)	(3,596)	(2,357)	(168,775)
(Provision for)/ reversal of impairment of financial assets, net	**(1,230)**	**(2,622)**	**(1)**	**-**	(577)	(1,619)	109	-
Adjusted operating profit/(loss)	**47,847**	**(18,878)**	**2,295**	**(119,392)**	38,597	(7,826)	399	(205,926)

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 loss of long-term assets.

Life-science services and products

During the Reporting Period, revenue from life-science services and products was approximately US$222.4 million, representing an increase of 9.6% as compared with approximately US$203.0 million for the Prior Period. The adjusted gross profit was approximately US$119.9 million, representing an increase of 8.5% as compared with approximately US$110.5 million for the Prior Period. The adjusted gross profit margin remains stable for the Reporting Period. The adjusted operating profit was approximately US$47.8 million, representing an increase of 23.8% from approximately US$38.6 million for the Prior Period.

The increase in revenue, adjusted gross profit and adjusted operating profit were all mainly attributable to the (i) platform upgrades through innovations and automation, particularly in molecular biology, peptide and protein platforms, delivering reliable, accelerated turnaround and superior quality standards; (ii) enhanced manufacturing efficiency improvement across production sites in Singapore, Mainland China and the U.S.; and (iii) robust commercial operations in the U.S. and European markets, characterized by appropriate value proposition and premium technical support.

Biologics development services

During the Reporting Period, revenue from biologics development services was approximately US$40.4 million, representing a decrease of 37.9% as compared with approximately US$65.1 million for the Prior Period. The adjusted gross profit was approximately US$5.9 million, representing a decrease of 69.7% as compared with approximately US$19.5 million for the Prior Period. The adjusted gross profit margin decreased to 14.7% for the Reporting Period from 30.0% for the Prior Period. The adjusted operating loss was approximately US$18.9 million, while the adjusted operating loss was approximately US$7.8 million for the Prior Period.

The decrease in revenue and adjusted gross profit was mainly impacted by (i) lower demand caused by declined biotech venture capital funding and intensified market competition resulting in price reductions, and (ii) lower capacity utilisation. The adjusted operating loss was primarily attributable to the (i) increased operating costs associated with the expansion of the U.S. capacity and strategic investments in growth initiatives, and (ii) continuous investment in talent resources development and reserving. The Company will continue (i) optimising pricing strategies and leveraging both the U.S. and the PRC sites to effectively enhance global market penetration, and (ii) implementing strategic measures to improve supply chain management and streamline operations, thereby leading to increased efficiency, cost-effectiveness and overall performance.

Industrial synthetic biology products

During the Reporting Period, revenue from industrial synthetic biology products was approximately US$26.1 million, representing an increase of 43.4% as compared with approximately US$18.2 million for the Prior Period. The adjusted gross profit was approximately US$11.0 million, representing an increase of 52.8% as compared with approximately US$7.2 million for the Prior Period. The adjusted gross profit margin increased to 42.2% for the Reporting Period from 39.4% for the Prior Period. The adjusted operating profit

was approximately US$2.3 million, as compared with approximately US$0.4 million for the Prior Period.

The increase of revenue was primarily attributable to the (i) market rebound and increased penetration of feed and industrial enzyme customers in Mainland China; and (ii) swift expansion of feed and industrial enzyme business outside of Mainland China. The adjusted gross profit margin and adjusted operating profit were positively impacted by higher capacity utilisation, production process upgrade, and product portfolio optimisation.

Cell therapy

During the Reporting Period, revenue from cell therapy segment was approximately US$280.5 million, representing a notable increase of 155.7% compared with approximately US$109.7 million for the Prior Period. The increase in revenue was primarily attributed to the collaboration revenue generated from sales of CARVYKTI, the trade name of cilta-cel, in connection with the license and collaboration agreement with Janssen ("**Janssen Agreement**"), and the increase in the license revenue driven by the nature and timing of milestones achieved pursuant to the Janssen Agreement and the global license agreement with Novartis Pharma AG ("**Novartis License Agreement**").

During the Reporting Period, the adjusted operating loss was approximately US$119.4 million whilst the adjusted operating loss was approximately US$205.9 million for the Prior Period. The adjusted research and development costs were approximately US$196.3 million during the Reporting Period compared with approximately US$168.8 million for the Prior Period, mainly due to Legend's continuous investment in research and development activities in cilta-cel, including start-up costs for clinical production in Belgium, and in solid tumor programs. Additionally, Legend incurred approximately US$52.4 million in the adjusted selling and distribution expenses and approximately US$49.1 million in the adjusted administrative expenses during the Reporting Period, compared with approximately US$38.0 million and approximately US$41.6 million, respectively, for the Prior Period.

FINANCIAL REVIEW

	For the six months ended June 30,		
	2024	2023	
	(Unaudited)	(Unaudited)	Change
	US$'000	*US$'000*	*US$'000*
Revenue	**561,371**	391,311	170,060
Gross profit	**306,986**	175,048	131,938
Loss after income tax expense	**(215,631)**	(245,757)	30,126
Adjusted net loss	**(68,997)**	(162,000)	93,003
Loss attributable to owners of the Company	**(175,115)**	(93,581)	(81,534)
Loss per share *(US cent)*	**(8.27)**	(4.44)	(3.83)
Adjusted profit and expenses:			
Gross profit	**315,288**	181,961	133,327
Selling and distribution expenses	**93,736**	76,881	16,855
Administrative expenses	**96,586**	91,395	5,191
Research and development expenses	**218,526**	193,877	24,649

Revenue

During the Reporting Period, the Group recorded revenue of approximately US$561.4 million, representing an increase of 43.5% from approximately US$391.3 million for the Prior Period. This is mainly attributable to the (i) stable non-cell therapy business revenue with growth from life-science and industrial synthetic biology products business units, partially offset by the performance in the CDMO business unit, (ii) expanded product sales of CARVYKTI, and (iii) license revenue recognised under Janssen Agreement as new milestones thereunder have been achieved and Novartis License Agreement.

Gross profit

During the Reporting Period, the Group's gross profit increased by 75.4% to approximately US$307.0 million from approximately US$175.0 million for the Prior Period. The increase in gross profit was primarily attributable to the expansion of revenue, especially the license revenue in the cell therapy segment. The adjusted gross profit increased by 73.3% over the Prior Period.

Selling and distribution expenses

During the Reporting Period, the Group's selling and distribution expenses increased by 19.5% to approximately US$97.3 million from approximately US$81.4 million for the Prior Period. This is mainly attributable to the rise in costs associated with commercial activities for cilta-cel, including the expansion of the sales force and second line indication launch preparation. The adjusted selling and distribution expenses increased by 21.9% over the Prior Period.

Administrative expenses

During the Reporting Period, the Group's administrative expenses increased by 12.9% to approximately US$120.2 million from approximately US$106.5 million for the Prior Period. This is mainly attributable to the expenditures associated with the infrastructure for capacity expansion and enhanced administrative functions. The adjusted administrative expenses increased by 5.7% over the Prior Period.

Research and development expenses

During the Reporting Period, the Group's research and development expenses increased by 14.0% to approximately US$236.4 million from approximately US$207.3 million for the Prior Period. This is mainly attributable to continuous research and development activities in cilta-cel and solid tumor programs by Legend. The adjusted research and development expenses increased by 12.7% over the Prior Period.

Fair value gains or losses of preferred shares and warrants

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 were 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 June 30, 2024, the fair value of the Probio Series A Preferred Shares and Probio Series C Preferred Shares were assessed at approximately US$463.7 million. Fair value losses of approximately US$113.5 million were recorded during the Reporting Period due to the changes in their fair value.

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 Preferred 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 June 30, 2024, the equity component of Probio Series B Preferred Shares in other reserves was assessed at approximately US$1.6 million, and the liability component was assessed at approximately US$40.1 million with interest expenses assessed at approximately US$1.1 million during the Reporting Period. The financial liabilities at amortised cost of the BSJ Series A Capital Increase was assessed at approximately US$37.3 million with interest expenses at approximately US$1.2 million during the Reporting Period.

Income tax expense

During the Reporting Period, the income tax expense increased from approximately US$1.1 million for the Prior Period to approximately US$10.0 million for the Reporting Period. The increase of tax expense was mainly caused by the valuation allowance for deferred tax assets derived from the CDMO business.

Net loss

During the Reporting Period, net loss of the Group was approximately US$215.6 million, whilst the net loss for the Prior Period was approximately US$245.8 million. The adjusted net loss of the Group was approximately US$69.0 million.

Working capital and financial resources

As at June 30, 2024, the cash and cash equivalents of the Group amounted to approximately US$399.3 million (as at December 31, 2023: approximately US$1.4 billion), and the restricted cash of the Group amounted to approximately US$9.6 million (as at December 31, 2023: approximately US$33.1 million).

As at June 30, 2024, the Group had available unutilised bank facilities of approximately US$231.0 million (as at December 31, 2023: approximately US$373.9 million).

Capital expenditure

During the Reporting Period, capital expenditure incurred in purchasing software was approximately US$112,000, the prepayment for collaboration assets was approximately US$33.7 million, and the expenditure of constructing and purchasing property, plant and equipment was approximately US$100.3 million.

Significant investments held, material acquisitions and disposals

Significant investments held

As at June 30, 2024, significant investments held by the Group are as follows:

	As at June 30, 2024 ***US$'000***	As at December 31, 2023 *US$'000*
Financial assets at fair value through profit or loss		
Current		
Wealth management financial products (a)	**151,265**	105,282
Foreign currency forward and option contracts	**-**	342
Listed equity investments	**23**	21
	151,288	105,645
Non-current		
Wealth management financial products (a)	**23,640**	13,044
Unlisted equity investments (b)	**20,362**	18,825
	44,002	31,869
Total	**195,290**	137,514

The majority of the wealth management financial products we purchased during the Reporting Period were issued by banks and financial institutions in the Mainland China, Hong Kong and the U.S., and mainly included the money market fund and credit-linked notes with floating expected return rates ranging from 2.5% to 5.9% per annum and with maturity days between one day and about three years. These products did not guarantee the return of principals upon maturity. As at June 30, 2024, we preserved all our invested capital in these products and did not encounter any default by the issuing banks and institutions, and none of our investments was past due or impaired. The Group has redeemed those wealth management financial products at maturation and has no intention to dispose the investments in the long term. None of our investments had been pledged to secure our borrowings as at June 30, 2024.

As part of our treasury management plan, we have purchased wealth management financial products as an auxiliary mean to improve utilisation 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 years and allocated accordingly, and (ii) our management has carefully assessed the risks and benefits and decides to make such purchases (including, among others, the availability of certain wealth management financial products which have high liquidity and generate finance income meeting our standards).

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

Any purchase and early redemption of our investments in wealth management financial products shall be reviewed and approved by chief finance officer of the Group or other authorised personnel based on internal approval authority matrix.

(a) Information in relation to the wealth management financial products as at June 30, 2024 are set out as follows:

	Banks/Financial institutions	Product type/description	Original amount	Investment cost	Fair value as at June 30, 2024	Purchase date (Month/Day/Year)	Maturity date (Month/Day/Year)	Redemption date
			RMB or US$	*US$'000*	*US$'000*			
1.	JPMorgan Chase Financial Company LLC	Credit Linked Notes	US$10,000,000	10,000	10,244	1/11/2024	1/11/2027	Not Applicable
2.	CMB International Capital Corporation Limited	Money Market Fund	US$29,799,770	29,800	30,349	2/9/2024	Not Applicable	On call
3.	China Merchants Bank	Non-guaranteed floating-income product	RMB40,000,000	5,613	5,633	5/23/2024	Not Applicable	On call
4.	China Merchants Bank	Non-guaranteed floating-income product	RMB10,000,000	1,403	1,403	5/13/2024	Not Applicable	On call
5.	China Merchants Bank	Non-guaranteed floating-income product	RMB14,000,000	1,964	1,971	5/13/2024	Not Applicable	On call
6.	China Merchants Bank	Non-guaranteed floating-income product	RMB36,000,000	5,051	5,187	1/5/2024	Not Applicable	On call
7.	China Merchants Bank	Non-guaranteed floating-income product	RMB10,000,000	1,403	1,408	5/14/2024	Not Applicable	On call
8.	JPMorgan Asset Management (Europe) S.à r.l.	Money Market Fund	US$42,000,000	42,000	42,201	3/11/2024	Not Applicable	On call
9.	China Merchants Bank	Non-guaranteed floating-income product	RMB19,771,787	2,774	2,852	10/13/2023	Not Applicable	On call
10.	China Merchants Bank	Non-guaranteed floating-income product	RMB15,000,000	2,105	2,168	7/7/2023	Not Applicable	On call
11.	China Merchants Bank	Non-guaranteed floating-income product	RMB43,805,919	6,147	6,314	9/13/2023	Not Applicable	On call
12.	China Merchants Bank	Non-guaranteed floating-income product	RMB90,000,000	12,628	13,016	6/30/2023	Not Applicable	On call

13.	J.P. Morgan Structured Products B.V	Credit Linked Notes	US$17,000,000	17,000	17,852	8/24/2023	9/6/2024	Not Applicable
14.	J.P. Morgan Structured Products B.V	Credit Linked Notes	US$15,000,000	15,000	15,696	9/22/2023	10/15/2024	Not Applicable
15.	JPMorgan Chase Financial Company LLC	Credit Linked Notes	US$13,000,000	13,000	13,396	12/8/2023	12/20/2025	Not Applicable
16.	CMB International Capital Corporation Limited	Money Market Fund	RMB1,571,442	1,571	1,674	10/31/2023	Not Applicable	On call
17.	CMB International Capital Corporation Limited	Money Market Fund	RMB3,348,727	3,349	3,541	11/10/2023	Not Applicable	On call
	Total:			**170,808**	**174,905**			

(*Note*) Given the value of certain wealth management financial products is insignificant and 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 5.0% of the total assets of the Group as at June 30, 2024, the Company did not prepare any analysis on their prospects.

(b) Information in relation to the unlisted equity instruments as at June 30, 2024 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 June 30, 2024	Investment Cost	Fair value as at June 30, 2024	Percentage to the Group's total assets as at June 30, 2024	Unrealised gain/(loss) on change in fair value during the six months ended June 30, 2024
				%	*US$'000*	*US$'000*	*%*	*US$' 000*
Yuanming Prudence SPC – Healthcare Fund I Segregated Portfolio	Fund investment	Investment in fund/securities	486.43	0.28	261	294	0.01	43
Panacea Venture Healthcare Fund I, L.P.	Fund investment	Investment in fund/securities	Not applicable	5.54	9,370	8,152	0.25	(1,214)
Shenzhen Emma Biotechnology Co., Ltd.	Equity investment	Investment in corporation	Not applicable	3.96	1,123	1,614	0.05	-
AffyXell Therapeutics Co., Ltd.	Equity investment	Investment in corporation	113,637	1.13	810	710	0.02	-
Fund A*	Fund investment	Investment in fund/securities	Not applicable	57.89	3,163	3,151	0.09	-
Fund B*	Fund investment	Investment in fund/securities	Not applicable	90.91	3,785	3,967	0.12	-
7G BIOVENTURES I, L.P.	Fund investment	Investment in fund/securities	Not applicable	29.56	3,000	2,474	0.07	-
Total:					**21,512**	**20,362**	**0.61**	**(1,171)**

*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, to the best knowledge of the Company, 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 these instruments is immaterial and 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 5.0% of the total assets of the Group as at June 30, 2024, the Company did not prepare any analysis on their prospects.

During the Reporting Period, we recorded the investment gains on the financial assets at fair value through profit or loss of approximately US$1.3 million and fair value gains at approximately US$1.7 million.

Save as disclosed above, the Group did not have any other significant investments held as at June 30, 2024, or engage in any material acquisitions or disposals of subsidiaries and associated companies during the Reporting Period.

Treasury Policy

The Group follows a set of funding and treasury policies to manage its capital resources and prevent risks involved. The Group invests surplus cash in the instruments issued by reputable and large-scale banks and financial institutions, only with reasonable expected return rates and controllable or predictable risks. The Group expects to fund its working capital and other capital requirements from a combination of various sources, including but not limited to necessary bank facilities.

To mitigate the risks arising from volatility of foreign exchange market and its impact to the Group's operation, the Group uses proper derivative instruments to hedge the foreign currency risks in the ordinary course of business, including foreign currency forward contracts and collar contracts, based on the cashflow forecast by currency.

Bank loans and other borrowings

As at June 30, 2024, Nanjing GenScript Biotech Co., Ltd. ("**GS China**") had short-term interest-bearing loans from Citibank for a total amount of RMB47.0 million (equivalent to approximately US$6.6 million) with a fixed interest rate at 2.4% per annum. Such loans are secured by credit. GS China, Nanjing Probio Biotech Co., Ltd., and Jiangsu GenScript Probio Biotech Co., Ltd. ("**Probio Jiangsu**") had short-term interest-bearing loans from China Merchants Bank for a total amount of approximately RMB174.1 million (equivalent to approximately US$24.4 million) with fixed interest rates ranging from 2.38% to 2.6% per annum. These loans were used for the daily operation of each entity.

As at June 30, 2024, Probio Jiangsu had long-term interest-bearing loans from China Construction Bank and Jiangsu Bank for a total amount of approximately RMB96.1 million (equivalent to approximately US$13.5 million) with a floating interest rate at LPR (Loan Prime Rate) per annum, which were secured by the leasehold land held by Probio Jiangsu. Such loans were used for the facility construction of Probio Jiangsu.

As at June 30, 2024, 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 US$250.0 million in total one after another during 2021 to 2022, by reducing the same amount of other payables due to the collaborator (the "**Funding Advances**"), with interest amounted to US$41.6 million upon the principal. The respective interest rate was 12-month CME term SOFR plus LIBOR/SOFR adjustment (12 months) plus a margin of 2.5%.

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 Legend under the Janssen Agreement. Legend's management estimated that 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 or other borrowings as at June 30, 2024.

Provision, contingent liabilities and guarantees

The Group did not have any material provision, contingent liabilities or guarantees as at June 30, 2024.

No material adverse change

The Directors confirm that there has been no material adverse change in the financial or trading position of the Group from the information disclosed under "Management's Discussion and Analysis" in the Company's annual report for the year ended December 31, 2023 up to the date of this announcement.

Charges on group assets

As at June 30, 2024, the leasehold land located in Jiangsu, China of approximately RMB35.3 million (equivalent to approximately US$4.9 million) was pledged by Probio Jiangsu to secure loans of RMB96.1 million (equivalent to approximately US$13.5 million).

As at June 30, 2024, bank balances of approximately US$361,000 were pledged for credit cards' facilities, of approximately US$7.7 million were pledged as security deposits for rentals, and of approximately US$1.6 million were pledged for the letters of guarantee to suppliers.

As at June 30, 2024, the properties acquired by Jiangsu GenScript Biotech Co., Ltd. and Probio Jiangsu amounted to approximately RMB233.1 million (equivalent to approximately US$32.7 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 June 30, 2024.

Current ratio and gearing ratio

As at June 30, 2024, the Group's current ratio (current assets to current liabilities) was approximately 4.2 (as at December 31, 2023: approximately 4.8); and gearing ratio (total liabilities to total assets) was approximately 45.2% (as at December 31, 2023: approximately 39.6%).

Subsequent events

As at June 30, 2024, the subsequent events of the Group are set out in note 22 to the interim condensed consolidated financial information headed "Subsequent Event" above.

Saved as disclosed in this announcement, no other important events affecting the Company occurred since June 30, 2024 and up to the date of this announcement.

Future plans for material investments or capital assets

The Group plans to actively build manufacturing capacity globally, including in the U.S., Singapore, and Mainland China to satisfy the strong customer demand.

For life-science services and products, the Group plans to continue to invest and expand molecular biology and protein capable production capacity globally, as well as to expand Good Manufacturing Practice ("**GMP**") grade manufacturing capacity for peptide and key reagents in the CGT supply chain including sgRNA and payloads.

For biologics development services, the Group plans to expand viral vectors production at the U.S. facility with additional production lines starting in late 2024 to better serve U.S. and European customers.

For industrial synthetic biology products, the Group plans to further optimise our manufacturing facility and expand manufacturing capacity in Mainland China, in order to support the growing business needs in the future. We are also planning to expand our synthetic biology laboratories in order to enhance our research and development ("**R&D**") capabilities.

For cell therapy business, the Group will continue to expand manufacturing capacity for CARVYKTI in both North America and Europe in anticipation of an enlarged addressable patient population following the approvals by the U.S. Food and Drug Administration ("**FDA**") and European Commission ("**EC**") for second-line treatment of patients with relapsed and refractory MM 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 June 30, 2024.

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 regions and transacts in multiple foreign currencies. The Group seeks to limit its exposure to foreign currency risk by closely monitoring and minimising 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 cash flows. We attempt to limit counterparty risk by executing foreign exchange contracts with only reputable financial institutions and banks.

As at June 30, 2024, there was no outstanding foreign currency forward or option contracts (as at December 31, 2023: approximately US$60.0 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.

The foreign currency forward and option contracts are derivatives and are recorded at fair 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 were settled within one year.

Cash flow and fair value interest rate risk

As at June 30, 2024, other than bank balances with variable interest rates and time deposits with fixed interest rates, the Group has financial products of approximately US$170.8 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 has not entered into any hedging instrument for either the fair value interest rate risk or 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 points higher or lower and all other variables were held constant, our pre-tax loss would have been approximately US$0.4 million lower or higher for the Reporting Period.

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 points higher or lower and all other variables were held constant, our pre-tax loss would have been approximately US$0.7 million higher or lower for the Reporting Period.

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 monthly to ensure that adequate impairment losses are made for irrecoverable amounts.

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

In recent years, there have been more material uncertainties arising from geopolitical factors, including international trade agreements, tariffs and import/export regulations as well as export control and sanctions. If any new legislation and/or regulations are implemented, or if existing trade agreements are renegotiated, or if the U.S. or China 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 risk, the Group has continuously diversified the global manufacturing footprint and supply chain partners.

(i) Impact of potential legislative change
A bill entitled "BIOSECURE Act" was introduced by the U.S. House Select Committee on China earlier in this year. If and when enacted, the "BIOSECURE ACT" may prohibit executive agencies of U.S. Federal Government from contracting with a "biotechnology company of concern", which may further impact pharmaceutical and biotechnology companies and supply chains, particularly if they or their customers do business with the U.S. Federal Government. We do not believe that this legislation will materially impact our business, but we have implemented measures to monitor progress of this legislation and will take all appropriate measures to mitigate any risk that would arise therefrom.

(ii) Change in tariff, export & import regulations
US-China trade tension remains palpable. Recently, both the China and the U.S. imposed new tariff on goods from the other. If additional burdens or restrictions were imposed 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.

(iii) Export controls and economic sanctions

As the international trade regulatory environment in the United States, Europe and other countries/regions grows increasingly tightened, additional regulatory measures may be imposed by sanctions, import and export controls, and other trade control laws and regulations in the U.S. and abroad. We have been keeping a close eye on the change of the regulatory rules from various regulatory authorities/jurisdictions and constantly updating and improving our programs and policies to mitigate the potential compliance risks.

IMPORTANT EVENTS

Legend Biotech made significant progress in the clinical and commercialisation of cilta-cel, whose trade name is CARVYKTI, during the Reporting Period, including (i) EC and U.S. FDA approved CARVYKTI label expansion in earlier lines of treatment for adult patients with relapsed and lenalidomide-refractory multiple myeloma; and (ii) Legend Biotech and Johnson & Johnson enter into Master Manufacturing and Commercial Supply Services Agreement with Novartis Pharmaceuticals Corporation; (iii) CARVYKTI generated approximately $186 million in net trade sales during the quarter ended June 30, 2024; (iv) medicines and healthcare products regulatory agency ("**MHRA**") approved CARVYKTI® in earlier lines of treatment for adult patients with relapsed and lenalidomide-refractory multiple myeloma; (v) CARVYKTI demonstrates positive overall survival results in second interim analysis of CARTITUDE-4 study.

In order to align with the latest regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers and the relevant amendments made to the Listing Rules which took effect from December 31, 2023, on June 21, 2024, the fourth amended and restated memorandum of association and the fourth amended and restated 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 12, 2024 and June 23, 2024, the circular dated April 22, 2024 and the M&A displayed on June 24, 2024 on the websites of the Stock Exchange and the Company for details.

PROSPECTS

The life science business stands steadily as the foundation of the Group. Since our inception in 2002, we have innovated and revolutionized our services to make them better, faster, more affordable, and accessible to scientists across the globe. We have served over 200,000 customers across over 100 countries in academic and industrial settings with various application areas including vaccine development, antibody therapeutics, gene and cell therapy, diagnostics and agriculture. As of June 30, 2024, we have been cited by over 100,000 peer reviewed journals. We are committed to continuously keep building and improving our comprehensive platforms to serve life sciences research and development.

The CDMO industry continues to struggle as biotech funding recovery has been slow. U.S. and European CDMO markets are modestly improving as compared with 2023 while the China market continues to face price erosion due to fierce competition. Besides, the geopolitical climate in the U.S. continues to be a challenge to the growth of our business outside of China. We acquired a plasmid and viral vector production capacity in the U.S. and intend to help customers to mitigate the supply chain risk and their data storage/protection concerns. With a customer centric approach that focuses excellent service and supply chain risk mitigation, we have been able to support our global customers and grow new sales in the first half of 2024 as compared with the second half of 2023. We have secured our first GMP order for the 2000L scale antibody production and a viral vector production order in support of the Biologics License Application submission for a CAR-T product. We will continue to invest in commercial excellence and innovation to differentiate our services and solutions to gain market share and accelerate growth. From our perspective, global CDMOs continue to optimise their capabilities as they divest businesses with excess capacity while investing in growth areas. Partnerships and consolidation deals will continue as the CDMO industry optimise its solutions and value proposition.

After years of dedicated efforts on product optimisation 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.

In the cell therapy field, our top priority is to accelerate the clinical and commercial development of CARVYKTI as well as to build more manufacturing capacity to bring it to earlier lines of patients. We will also continue to push forward Legend's pipeline programs through our internal resources and potential collaborations with external partners. Legend plans to continue to utilize investigator initiated trials ("**IIT**") in Mainland China to generate clinical data in a fast and cost effective way and plans to continue to pursue Investigational New Drug-based trials in the U.S., which may, where beneficial, leverage data generated from these IITs.

EMPLOYEES AND REMUNERATION POLICIES

As at June 30, 2024, the Group had a total of 7,284 employees. The Group had entered into employment contracts covering positions, employment conditions and terms, compensation, responsibilities for breach of contractual obligations, and reasons for termination with its employees. The remuneration package of the Group's employees includes basic salary, allowance, other employee benefits, short-term and long-term incentives, which are determined with reference to their capability, responsibility, performance, and other general factors.

During the Reporting Period, the Group's total expenses (excluding equity-settled share-based compensation expense) on the remuneration of employees (including the Directors and the chief executives) was approximately US$270.3 million, representing approximately 48.1% of the total revenue of the Group, which was mainly due to that the Group views this as the necessary long-term investment in our talents pool. This investment has demonstrated the Group's desires and resolutions to continue to strengthen its talent uplifting strategy. This talent uplifting strategy not only involves the recruitment of experienced professional and managerial personnel to fulfill the front-line posts of R&D, commercial and production functions, but also systematically increases the overall salary and benefits packages to sustain the stability of the employees to drive for long-term commitment and performance improvement as well. The number of employees of the Group categorized by function as at June 30, 2024 is set forth as follows:

Function	**Number of employees**	**Percentage of Total**
Production	3,858	53.0%
Sales and marketing	634	8.7%
Administration	1,090	14.9%
Research and development	858	11.8%
Management	844	11.6%
Total	7,284	100.0%

The Group's remuneration policy and structure for remuneration of the Directors and senior management of the Group are based on the Group's operating results, individual performance and comparable market statistics and are reviewed by the remuneration committee of the Company (the "**Remuneration Committee**") periodically.

The remuneration of the non-executive Directors is recommended by the Remuneration Committee and is decided by the Board, while the remuneration of the executive Directors and senior management members is determined by the Remuneration Committee, having regard to their merit, qualifications and competence, the Group's operating results and comparable market statistics.

SHARE SCHEMES

Share Option Schemes

The Company adopted the pre-IPO share option scheme (the "**Pre-IPO Share Option Scheme**") on July 15, 2015 and 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 December 7, 2015 (as amended on June 21, 2024).

No further options have been granted pursuant to the Pre-IPO Share Option Scheme since the listing of Company on the Stock Exchange. During the Reporting Period, no options have been granted under the Post-IPO Share Option Scheme.

Restricted Share Award Schemes

The Company adopted the restricted share award scheme (the "**2019 RSA Scheme**") on 22 March 2019 (as amended on June 21, 2024) and the restricted share award scheme on 23 August 2021 (as amended on May 26, 2022 and June 21, 2024) (the "**2021 RSA Scheme**", together with the 2019 RSA Scheme, the "**RSA Schemes**").

During the Reporting Period, 1,219,801 restricted shares were granted and accepted under the 2019 RSA Scheme on June 12, 2024. Please refer to the announcement of the Company dated June 13, 2024 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, 444,598 restricted shares and 11,380,508 restricted shares were granted and accepted under the 2021 RSA Scheme on March 13, 2024 and June 12, 2024 respectively. Please refer to the announcements of the Company dated March 13, 2024 and June 13, 2024 for details. Save as disclosed, no other restricted shares have been granted under the 2021 RSA Scheme during the Reporting Period.

For details regarding the share schemes adopted by the Company, please refer to the section headed "Share Schemes" of the Company's interim report.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, neither the Directors nor any of their close associates had any interests in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group.

PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company had maintained a sufficient public float of more than 25% of the Company's issued share capital as required under the Listing Rules as at the date of this announcement.

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the Reporting Period.

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.

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 Listing Rules 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. Zumian Dai (chairman of the Audit Committee), Mr. Jiuan Pan and Mr. Yiu Leung Andy Cheung, 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's unaudited condensed consolidated interim results for the six months ended June 30, 2024.

REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended June 30, 2024 and was of the opinion that such interim results had been prepared in accordance with the relevant accounting standards, laws and regulations, and that adequate disclosures have been made in accordance with the requirements of the Listing Rules.

SANCTIONS RISK CONTROL COMMITTEE

During the Reporting Period to the date of this announcement, the sanctions risk control committee of the Company (the "**Sanctions Risk Control Committee**") held two meetings on January 31, 2024 and May 29, 2024 to review the activities, relevant policies and procedures in relation to economic sanctions, the guidance on the compliance with contractual covenants including those made in connection with the Global Offering and Listing of Shares on the Stock Exchange, and the internal control policies and procedures with respect to the sanctions risks. The Sanctions Risk Control Committee reviewed the activities of the Group that may be subject to economic sanctions for the Reporting Period and monitored the Group's exposure to risks of sanctions violations. The Sanctions Risk Control Committee resolved that the activities that may be subject to economic sanctions were being monitored effectively and was satisfied with the effectiveness of the relevant policies, procedures, guidance, and internal control measures.

CLARIFICATION TO THE ANNOUNCEMENT OF THE COMPANY DATED 8 JULY 2024

References are made to the announcements of the Company dated July 8, 2024 ("**July 8 Announcement**") and July 9, 2024 ("**Clarification Announcement**"). Unless otherwise defined in this section of this announcement, terms used in this section of this announcement shall have the same meanings as those defined in the July 8 Announcement.

The Board noted an inadvertent error in the July 8 Announcement and would like to clarify that the fourth paragraph under the heading of the section headed "Listing Rules Implications" shall be amended and replaced as follows:

"After the RSA Grant, 212,700,597 Shares will be available for future grants under the RSA Scheme 2021 and any other share schemes adopted by the Company, and among which, 21,208,811 Shares are available for future grant under the service provider sublimit of the RSA Scheme 2021 and any other share schemes adopted by the Company."

Save as disclosed above, all other information and contents set out in the July 8 Announcement remain unchanged. This clarification should be read in conjunction with the July 8 Announcement and the Clarification Announcement.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes of information on the Directors are as follows:

Mr. Yiu Leung Andy Cheung has been appointed as an independent non-executive Director and a member of the Nomination Committee (the "**Nomination Committee**") on April 12, 2024, and a member of the Audit Committee and the risk management and ESG committee (the "**Risk Management and ESG Committee**") of the Company on June 21, 2024.

Dr. Chenyang Shi has been appointed as an independent non-executive Director and a member of the Nomination Committee on April 12, 2024, a member of the Remuneration Committee on June 21, 2024, and a member of the Strategy Committee on July 5, 2024.

Mr. Zumian Dai has been re-designated from a member to the chairman of the Remuneration Committee and has been appointed as a member of the Strategy Committee on June 21, 2024.

Mr. Jiuan Pan has been appointed as a member of the Strategy Committee on June 21, 2024.

Mr. Yuexin Pan resigned as a non-executive Director and a member of the Strategy Committee with effect from June 21, 2024 due to the attainment of statutory retirement age.

Mr. Hongxin Guo resigned as an independent non-executive Director, the chairman of the Remuneration Committee, a member of the Audit Committee and a member of the Risk Management and ESG Committee with effect from June 21, 2024 due to having served as an independent non-executive Director for nine years by August 24, 2024.

Ms. Jiafen Wang resigned as a non-executive Director and a member of the Strategy Committee due to the attainment of statutory retirement age, with effect from July 5, 2024.

Dr. Xuehai Wang resigned as an independent non-executive Director with effect from July 5, 2024 due to his intention to devote more time to other business commitments.

Please refer to the announcements of the Company dated April 12, 2024, June 23, 2024 and July 5, 2024 for details.

PUBLICATION OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED RESULTS AND INTERIM REPORT FOR THE REPORTING PERIOD ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This unaudited interim condensed consolidated results announcement for the Reporting Period is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.genscript.com), and the interim report for the Reporting Period containing all the information required by the Listing Rules will be dispatched to the Shareholders and will be published on the respective websites of the Stock Exchange and the Company in due course.

PRESS RELEASE OF UNAUDITED FINANCIAL RESULTS FOR THE SECOND QUARTER AND HALF YEAR 2024 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., has issued a press release regarding its unaudited financial results for the second quarter, half year 2024 and recent business highlights. The press release is available at the website of Legend at https://investors.legendbiotech.com/node/8711/pdf.

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
Jiange MENG
Chairman and Executive Director

Hong Kong, August 9, 2024

As at the date of this announcement, the executive Directors are Dr. Fangliang Zhang, Mr. Jiange Meng, Ms. Ye Wang and Dr. Li Zhu; the non-executive Director is Dr. Luquan Wang; and the independent non-executive Directors are Mr. Zumian Dai, Mr. Jiuan Pan, Mr. Yiu Leung Andy Cheung and Dr. Chenyang Shi.

* *For identification purposes only*