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Genscript Biotech Corporation
金斯瑞生物科技股份有限公司*
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1548)

PROFIT WARNING

This announcement is made by Genscript Biotech Corporation (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that based on the preliminary assessment of the latest unaudited management accounts of the Group and the information currently available, the Group is expected to record a loss of approximately US\$114.0 million to US\$144.0 million for the year ended 31 December 2019, as compared to a profit of approximately US\$20.8 million in 2018. The Board believes that the expected loss of the Group for the year ended 31 December 2019 was mainly attributable to the following factors:

- (1) a substantial increase in research and development expenses arising from the commencement of clinical trials of BCMA and new cell therapy pipelines for treating diseases such as hematologic malignancies, solid tumors, and infectious diseases;
- (2) a substantial increase in research and development expenses arising from bio-science services and products and biologics development service, to enable more competitive new products and services to be launched onto the market, thereby expanding the customer range and reinforcing customers’ loyalty, in addition to the enhancement of our core competitiveness; and
- (3) the investment into strengthening our talent pool by recruiting more experienced personnel and improving the incentive packages of our employees, with the aim to improve our businesses.

The information contained in this announcement can only be treated as a preliminary assessment by the Board based on the latest unaudited management accounts of the Group and the information currently available, which are subject to finalisation and other potential adjustments, and is not based on any figures nor information that has been audited, confirmed or reviewed by the auditor of the Company. Shareholders and potential investors of the Company are advised to read the annual results announcement of the Company for the year ended 31 December 2019, which is expected to be published before the end of March 2020.

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
Zhang Fangliang
Chairman and Chief Executive Officer

Hong Kong, 24 February 2020

As at the date of this announcement, the executive Directors are Dr. Zhang Fangliang, Ms. Wang Ye and Mr. Meng Jiange; the non-executive Directors are Dr. Wang Luquan, Mr. Pan Yuexin and Ms. Wang Jiafen; and the independent non-executive Directors are Mr. Guo Hongxin, Mr. Dai Zumian and Mr. Pan Jiuan.

** For identification purposes only*