Genscript Biotech Corporation
金斯瑞生物科技股份有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1548)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2022

ANNUAL RESULTS HIGHLIGHTS

- Revenue of the Group for the year ended December 31, 2022 was approximately US$625.7 million, representing an increase of 27.7% as compared with approximately US$490.1 million for the year ended December 31, 2021, among which, the external revenue for non-cell therapy business was approximately US$509.0 million, representing an increase of 19.8% as compared with approximately US$424.7 million for the year ended December 31, 2021, and the external revenue for cell therapy business was approximately US$116.7 million, representing an increase of 78.4% as compared with approximately US$65.4 million for the year ended December 31, 2021.

- Gross profit of the Group for the year ended December 31, 2022 was approximately US$304.1 million, representing an increase of 7.6% as compared with approximately US$282.5 million recorded for the year ended December 31, 2021, among which, the gross profit of non-cell therapy business before eliminations was approximately US$257.1 million, representing an increase of 15.1% as compared with approximately US$223.4 million for the year ended December 31, 2021, and the gross profit of cell therapy business before eliminations was approximately US$51.6 million, representing a decrease of 25.0% as compared with approximately US$68.8 million for the year ended December 31, 2021.

- Loss of the Group for the year ended December 31, 2022 was approximately US$428.0 million, whilst loss was approximately US$518.3 million for the year ended December 31, 2021.

  The adjusted net loss of the Group was approximately US$359.4 million, whilst the adjusted net loss of approximately US$327.8 million was recorded for the year ended December 31, 2021, among which, the adjusted net profit of non-cell therapy business before eliminations was approximately US$62.4 million,

representing an increase of 31.4% as compared with approximately US$47.5 million for the year ended December 31, 2021, and the adjusted net loss of cell therapy business before eliminations was approximately US$422.1 million, whilst the adjusted net loss of cell therapy business was approximately US$372.4 million for the year ended December 31, 2021.

- Loss attributable to owners of the Company for the year ended December 31, 2022 was approximately US$226.9 million, whilst loss attributable to owners of the Company was approximately US$358.7 million for the year ended December 31, 2021.

Notes:
(1)

	For the year ended December 31, 2022				For the year ended December 31, 2021			
	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)	**18,094**	**(446,349)**	**284**	**(427,971)**	(111,815)	(403,582)	(2,930)	(518,327)
Excluding: Share-based compensation expenses, net of tax	**21,980**	**34,338**	**-**	**56,318**	19,533	20,158	-	39,691
Fair value losses/(gains) of preferred shares and warrants	**2,131**	**(20,900)**	**-**	**(18,769)**	133,228	6,200	-	139,428
Losses/(gains) related to foreign currency forward contracts, net of tax	**6,143**	**-**	**-**	**6,143**	(2,765)	-	-	(2,765)
Consultation and other related costs for the Investigation, net of tax	**2,958**	**-**	**-**	**2,958**	3,266	-	-	3,266
Impairment loss on long-term assets	**11,477**	**-**	**-**	**11,477**	1,699	-	-	1,699
Exchange (gains)/losses, net of tax	**(3,184)**	**9,159**	**-**	**5,975**	4,145	4,845	-	8,990
Fair value losses/(gains) of non-current financial assets, net of tax	**1,539**	**-**	**-**	**1,539**	(312)	-	-	(312)
Service fees and other costs for equity financing activities	**1,293**	**1,621**	**-**	**2,914**	504	-	-	504
Adjusted net profit/(loss)	**62,431**	**(422,131)**	**284**	**(359,416)**	47,483	(372,379)	(2,930)	(327,826)

(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) share-based compensation expenses, (ii) fair value gains or losses of preferred shares and warrants, (iii) gains or losses related to foreign currency forward contracts, (iv) consultation and other related costs for the Investigation (as defined in the announcement of the Company dated September 21, 2020), (v) exchange gains or losses, (vi) fair value gains or losses of non-current financial assets, (vii) service fees and other costs for equity financing activities, and (viii) impairment loss on long-term assets.

(3) All the comparative financial figures in this announcement have been adjusted according to the restated financial statements for the year of 2021. The adjustment was solely derived from the restatement of Legend Biotech. Please refer to note 2.3 to the financial statements below for details.

The board (the "**Board**") of directors (the "**Directors**") of Genscript Biotech Corporation (the "**Company**" or "**GenScript**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended December 31, 2022 (the "**Reporting Period**" or the "**Year**"), together with the restated comparative figures for the year 2021 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended December 31,	
		2022	2021
			(Restated)
	Notes	***US$'000***	*US$'000*
REVENUE	4	**625,698**	490,096
Cost of sales		**(321,615)**	(207,578)
Gross profit		**304,083**	282,518
Other income and gains	*4*	**25,105**	17,250
Selling and distribution expenses		**(168,349)**	(167,969)
Administrative expenses		**(182,462)**	(134,508)
Research and development expenses		**(390,096)**	(358,401)
Fair value gains/(losses) of preferred shares and warrants		**18,769**	(139,428)
Other expenses		**(24,292)**	(13,011)
Finance costs	*6*	**(13,269)**	(2,378)
Share of losses of an associate		**(27)**	-
Provision for impairment of financial assets, net		**(1,152)**	(1,436)
LOSS BEFORE TAX	*5*	**(431,690)**	(517,363)
Income tax credit/(expense)	*7*	**3,719**	(964)
LOSS FOR THE YEAR		**(427,971)**	(518,327)
Attributable to:			
Owners of the parent		**(226,851)**	(358,712)
Non-controlling interests		**(201,120)**	(159,615)
		(427,971)	(518,327)

	Notes	Year ended December 31, 2022 US$'000	2021 (Restated) US$'000
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic		**(US10.82cents)**	(US17.67 cents)
Diluted		**(US10.82cents)**	(US17.67 cents)
LOSS FOR THE YEAR		**(427,971)**	(518,327)
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		**(41,095)**	14,939
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		**(41,095)**	14,939
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**(41,095)**	14,939
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(469,066)**	(503,388)
Attributable to:			
Owners of the parent		**(271,837)**	(346,306)
Non-controlling interests		**(197,229)**	(157,082)
		(469,066)	(503,388)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**December 31, 2022**	December 31, 2021 *(Restated)*	January 1, 2021 *(Restated)*
		US$'000	*US$'000*	*US$'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*10*	**521,567**	396,667	304,466
Advance payments for property, plant and equipment		**22,251**	18,512	5,906
Investment properties		**6,833**	6,882	7,726
Right-of-use assets	*11*	**103,105**	90,244	65,550
Goodwill		**2,547**	14,151	14,116
Other intangible assets		**23,811**	26,423	26,020
Investments in associates		**4,372**	3,318	3,433
Financial assets at fair value through profit or loss	*12*	**11,657**	10,444	10,555
Deferred tax assets		**15,045**	5,090	3,702
Time deposits		**-**	4,705	-
Other non-current assets		**70,245**	18,372	12,758
Total non-current assets		**781,433**	594,808	454,232
CURRENT ASSETS				
Inventories	*13*	**59,935**	44,358	31,745
Contract costs	*14*	**16,490**	8,877	5,785
Trade and notes receivables	*15*	**104,089**	142,345	141,770
Prepayments, other receivables and other assets		**93,867**	37,152	33,898
Financial assets at fair value through profit or loss	*12*	**210,819**	2,208	5,866
Financial assets measured at amortised cost		**-**	29,937	-
Loans to associates		**37**	1,680	2,422
Restricted cash	*16*	**27,203**	1,444	7,471
Time deposits		**228,511**	190,088	136,245
Cash and cash equivalents	*17*	**1,023,999**	1,180,971	629,058
Total current assets		**1,764,950**	1,639,060	994,260

	Notes	**December 31, 2022**	December 31, 2021 *(Restated)*	January 1, 2021 *(Restated)*
		US$'000	*US$'000*	*US$'000*
CURRENT LIABILITIES				
Trade and bills payables	*18*	**55,755**	30,176	23,376
Other payables and accruals	*19*	**300,709**	213,563	169,599
Interest-bearing loans and other borrowings	*20*	**33,681**	521	44,642
Lease liabilities		**11,104**	7,510	2,588
Tax payable		**16,153**	15,724	12,327
Contract liabilities		**41,675**	34,733	29,400
Government grants	*21*	**2,652**	740	379
Financial liabilities at fair value through profit or loss	*22*	**84,249**	110,338	-
Total current liabilities		**545,978**	413,305	282,311
NET CURRENT ASSETS		**1,218,972**	1,225,755	711,949
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,000,405**	1,820,563	1,166,181
NON-CURRENT LIABILITIES				
Interest-bearing loans and other borrowings	*20*	**261,006**	121,070	1,260
Lease liabilities		**44,008**	27,349	6,513
Contract liabilities		**2,010**	2,234	1,981
Deferred tax liabilities		**8,012**	7,730	11,271
Government grants	*21*	**16,167**	13,301	11,495
Financial liabilities at fair value through profit or loss	*22*	**269,460**	260,790	-
Financial liability at amortised cost		**36,761**	-	-
Other non-current liabilities		**313**	396	554
Total non-current liabilities		**637,737**	432,870	33,074
NET ASSETS		**1,362,668**	1,387,693	1,133,107
EQUITY				
Share capital	*23*	**2,111**	2,096	1,954
Treasury shares	*23*	**(11,922)**	(15,753)	(16,712)
Reserves		**1,020,352**	1,059,649	1,096,922
Equity attributable to owners of the parent		**1,010,541**	1,045,992	1,082,164
Non-controlling interests		**352,127**	341,701	50,943
TOTAL EQUITY		**1,362,668**	1,387,693	1,133,107

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	2022	2021 *(Restated)*
	US$'000	*US$'000*
Net cash flows used in operating activities	(120,292)	(136,790)
Net cash flows used in investing activities	(443,296)	(212,548)
Net cash flows generated from financing activities	419,317	902,141
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(144,271)	552,803
Effect of foreign exchange rate changes, net	(12,701)	(890)
Cash and cash equivalents at beginning of the year	1,180,971	629,058
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	1,023,999	1,180,971

NOTES:

1. CORPORATE INFORMATION

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

The Company is an investment holding company. The Company's subsidiaries are principally engaged in the manufacturing 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

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

2.2. Changes in accounting policy and disclosures

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

Amendments to HKFRS 3	*Reference to the Conceptual Framework*
Amendments to HKAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to HKAS 37	*Onerous Contracts - Cost of Fulfilling a Contract*
Annual Improvements to HKFRSs 2018-2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

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

2.3. Restatement of previously issued audited consolidated financial statements

On February 17, 2023, Legend Biotech Corporation ("**Legend Biotech**" or "**Legend**"), which is the biopharma subsidiary of the Group, has restated its consolidated statements of financial position at December 31, 2021 and 2020, consolidated statements of profit or loss, consolidated statement of comprehensive income, changes in equity and cash flows for each of the fiscal years ended December 31, 2021, December 31, 2020 and December 31, 2019, included in Legend's Annual Report on Form 20-F for the fiscal year ended December 31, 2021, which was originally filed with the U.S. Securities and Exchange Commission (the "**SEC**") on March 31, 2022.

The Legend's restatement further affects the Group's previously issued audited consolidated financial statements and the Group has restated its comparative financial figures, including the Group's consolidated statements of financial position at December 31, 2021 and January 1, 2021, the Group's consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the fiscal year ended December 31, 2021. The restatement adjustments also affected periods prior to January 1, 2021 and such adjustments have been reflected in the restated opening equity balances as at January 1, 2021.

The individual restatement matters that underlie the restatement adjustments are described below.

Revenue Recognition Adjustments

As previously disclosed in the Company's announcements dated December 22, 2017, in December 2017, Legend Biotech entered into a worldwide collaboration and license agreement with Janssen Biotech, Inc. ("**Janssen**") for the worldwide development and commercialization of cilta-cel (the "**Janssen Agreement**"). Historically, Legend Biotech has recognised revenue under the Janssen Agreement pursuant to two performance obligations: (i) the sale of the commercial license for cilta-cel (the "**Commercial License**"), and (ii) service on the Joint Steering Committee (the "**JSC**") under the collaboration. The sale of the Commercial License was recognised as revenue at the time of sale and the service on the JSC was recognised as revenue over the term of the clinical development plan under the Janssen Agreement. Legend Biotech concluded that the transaction price, at inception of the Janssen Agreement, includes the fixed upfront fee of US$350.0 million and US$50.0 million of milestone payments that were highly probable of being achieved. All other potential milestone payments were considered variable consideration.

Legend's management has since determined the Janssen Agreement contains a contract with a customer (Janssen) in the scope of *HKFRS 15* for a right to use Legend's intellectual property (in the form of a license) and technology transfer service that form a single performance obligation. These elements of the Janssen Agreement are representative of a vendor-customer relationship as Janssen contracted with Legend to obtain a license of its intellectual property for LCAR-B38M and related technology transfer, which is an output of Legend's ordinary activities, in exchange for consideration. Janssen is not a customer for collaborative activities, including participation on the JSC, which are in the scope of other HKFRS standards. Also, Legend's management determined that the original stand-alone selling price of the Commercial License performance obligation was understated.

The Group has revised its accounting treatment to recognise revenue for the US$350.0 million upfront fee and US$50.0 million milestone license revenue in 2018, the year in which the single performance obligation to deliver the license of intellectual property, including a technology

transfer service, was satisfied. Subsequent development, manufacturing and regulatory milestones will be recognised in full in the period in which it is highly probable a significant reversal of the cumulative revenue recognised for the *HKFRS 15* contract will not occur, as they are associated with the performance obligation to deliver the license of intellectual property that was satisfied in 2018. Revenue for sales-based milestones will be recognised when the milestone is achieved pursuant to the royalty recognition constraint.

In connection with the restatement, the Group has also corrected the corresponding contract liabilities of previously deferred license and collaboration revenue as a result of the change in performance obligations identified.

Collaboration Assets Adjustments

Legend has identified and corrected errors related to the accounting treatment of assets purchased by Legend Biotech or Janssen that are solely to be used by the collaboration and subject to the cost sharing terms and conditions in the Janssen Agreement (the "**Collaboration Assets**"). Historically, Legend recorded the Collaboration Assets it purchased from third party vendors, net of Janssen's share of these costs, as well as its share of the cost of the Collaboration Assets purchased by Janssen as property, plant and equipment.

The Group has revised its accounting treatment to record its share of the Collaborations Assets that are leased to and by the collaboration in accordance with *HKFRS 16, Leases* to correctly reflect the assets associated with the collaboration.

If Legend Biotech's collaboration partner owns the asset, and on the basis of the terms and conditions of the collaboration agreement, there is a lease from Legend Biotech's collaboration partner to the collaboration, the Group recognises a right-of-use asset and lease liability for its share of the asset leased from the collaboration partner to the collaboration. This is usually the case when the collaboration, through the JSC and other governance committees, has the right to direct the use and obtains substantially all of the economic benefits from using the asset. Lease payments the Group makes prior to lease commencement are recorded as prepaid rent within other non-current assets and will be reclassified to a right-of-use asset upon lease commencement.

If Legend Biotech owns the asset, and on the basis of the terms and conditions of the collaboration agreement, there is a lease from Legend Biotech to the collaboration, the Group recognises a finance lease for the asset it leases to the collaboration. In such cases, the Group's share of the asset that is jointly controlled by the collaboration is recorded in property, plant and equipment, and a lease receivable, which was included and presented in the Group's prepayments, other receivables and other assets, is recognised for the collaboration partner's share of the assets.

Income Taxes

The Group recorded adjustments to income taxes to reflect the impact of the restatement adjustments, as well as additional income tax adjustments related to the accounting for the Janssen Agreement.

The tables below present the impact of the restatement of the Group's previously issued audited consolidated financial statements, including the Group's consolidated statements of financial position at December 31, 2021 and January 1, 2021, the Group's consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the fiscal year ended December 31, 2021.

Consolidated statement of profit or loss for the year ended December 31, 2021

	Consolidated statement of profit or loss for the year ended December 31, 2021					
		Adjustments by category				
	As previously reported *US$'000*	Revenue Recognition *US$'000*	Collaboration assets *US$'000*	Tax impacts *US$'000*	Total Adjustments *US$'000*	As Restated *US$'000*
REVENUE	**511,062**	**(20,966)**	**-**	**-**	**(20,966)**	**490,096**
Cost of sales	(207,578)	-	-	-	-	(207,578)
Gross profit	303,484	(20,966)	-	-	(20,966)	282,518
Other income and gains	17,250	-	-	-	-	17,250
Selling and distribution expenses	(167,969)	-	-	-	-	(167,969)
Administrative expenses	(134,508)	-	-	-	-	(134,508)
Research and development expenses	(358,401)	-	-	-	-	(358,401)
Fair value losses of preferred shares and warrants	(139,428)	-	-	-	-	(139,428)
Other expenses	(13,011)	-	-	-	-	(13,011)
Finance costs	(2,378)	-	-	-	-	(2,378)
Provision for impairment of financial assets, net	(1,414)	(22)	-	-	(22)	(1,436)
LOSS BEFORE TAX	**(496,375)**	**(20,988)**	**-**	**-**	**(20,988)**	**(517,363)**
Income tax (expense)/credit	(4,579)	-	-	3,615	3,615	(964)
LOSS FOR THE YEAR	**(500,954)**	**(20,988)**	**-**	**3,615**	**(17,373)**	**(518,327)**
Attributable to:						
Owners of the parent	(347,865)				(10,847)	(358,712)
Non-controlling interests	(153,089)				(6,526)	(159,615)
	(500,954)				**(17,373)**	**(518,327)**
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic (US cent per share)	(17.13)				(0.54)	(17.67)
Diluted (US cent per share)	(17.13)				(0.54)	(17.67)

Consolidated statement of comprehensive income for the year ended December 31, 2021

	Consolidated statement of comprehensive income for the year ended December 31, 2021					
		Adjustments by category				
	As previously reported *US$'000*	Revenue Recognition *US$'000*	Collaboration assets *US$'000*	Tax impacts *US$'000*	Total Adjustments *US$'000*	As Restated *US$'000*
LOSS FOR THE YEAR	**(500,954)**	**(20,988)**	**-**	**3,615**	**(17,373)**	**(518,327)**
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	20,344				(5,405)	14,939
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	20,344				(5,405)	14,939
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**20,344**				**(5,405)**	**14,939**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(480,610)**				**(22,778)**	**(503,388)**
Attributable to:						
Owners of the parent	(332,088)				(14,218)	(346,306)
Non-controlling interests	(148,522)				(8,560)	(157,082)
	(480,610)				(22,778)	(503,388)

Consolidated statements of financial position at December 31, 2021

	Consolidated statements of financial position as at December 31, 2021					
		Adjustments by category				
	As previously reported *US$'000*	Revenue Recognition *US$'000*	Collaboration assets *US$'000*	Tax impacts *US$'000*	Total Adjustments *US$'000*	As Restated *US$'000*
NON-CURRENT ASSETS						
Property, plant and equipment	439,885	-	(43,218)	-	(43,218)	396,667
Advance payments for property, plant and equipment	18,512	-	-	-	-	18,512
Investment properties	6,882	-	-	-	-	6,882
Right-of-use assets	59,147	-	31,097	-	31,097	90,244
Goodwill	14,151	-	-	-	-	14,151
Other intangible assets	26,423	-	-	-	-	26,423
Investments in associates	3,318	-	-	-	-	3,318
Financial assets at fair value through profit or loss	10,444	-	-	-	-	10,444
Deferred tax assets	5,090	-	-	-	-	5,090
Time deposits	4,705	-		-	-	4,705
Other non-current assets	6,251	-	12,121	-	12,121	18,372
Total non-current assets	594,808	-	-	-	-	594,808
CURRENT ASSETS						
Inventories	44,358	-	-	-	-	44,358
Contract costs	8,877	-	-	-	-	8,877
Trade and notes receivables	142,345	-	-	-	-	142,345
Prepayments, other receivables and other assets	36,054	-	94	1,004	1,098	37,152
Financial assets at fair value through profit or loss	2,208	-	-	-	-	2,208
Financial assets measured at amortised cost	29,937	-	-	-	-	29,937
Loans to associates	1,680	-	-	-	-	1,680
Restricted cash	1,444	-	-	-	-	1,444
Time deposits	190,088	-	-	-	-	190,088
Cash and cash equivalents	1,180,971	-	-	-	-	1,180,971
Total current assets	1,637,962	-	94	1,004	1,098	1,639,060

Consolidated statements of financial position at December 31, 2021 (continued)

	Consolidated statements of financial position as at December 31, 2021					
		Adjustments by category				
	As previously reported *US$'000*	Revenue Recognition *US$'000*	Collaboration assets *US$'000*	Tax impacts *US$'000*	Total Adjustments *US$'000*	As Restated *US$'000*
CURRENT LIABILITIES						
Trade and bills payables	30,176	-	-	-	-	30,176
Other payables and accruals	213,469	-	94	-	94	213,563
Interest-bearing loans and other borrowings	521	-	-	-	-	521
Lease liabilities	7,510	-	-	-	-	7,510
Tax payable	6,236	-	-	9,488	9,488	15,724
Contract liabilities	95,377	(60,644)	-	-	(60,644)	34,733
Government grants	740	-	-	-	-	740
Financial liabilities at fair value through profit or loss	110,338	-	-	-	-	110,338
Total current liabilities	464,367	(60,644)	94	9,488	(51,062)	413,305
NET CURRENT ASSETS	**1,173,595**	**60,644**	**-**	**(8,484)**	**52,160**	**1,225,755**
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,768,403**	**60,644**	**-**	**(8,484)**	**52,160**	**1,820,563**

Consolidated statements of financial position at December 31, 2021 (continued)

	Consolidated statements of financial position as at December 31, 2021					
		Adjustments by category				
	As previously reported *US$'000*	Revenue Recognition *US$'000*	Collaboration assets *US$'000*	Tax impacts *US$'000*	Total Adjustments *US$'000*	As Restated *US$'000*
NON-CURRENT LIABILITIES						
Interest-bearing loans and other borrowings	121,070	-	-	-	-	121,070
Lease liabilities	27,349	-	-	-	-	27,349
Contract liabilities	244,812	(242,578)	-	-	(242,578)	2,234
Deferred tax liabilities	7,730	-	-	-	-	7,730
Government grants	13,301	-	-	-	-	13,301
Financial liabilities at fair value through profit or loss	260,790	-	-	-	-	260,790
Other non-current liabilities	396	-	-	-	-	396
Total non-current liabilities	675,448	(242,578)	-	-	(242,578)	432,870
NET ASSETS	**1,092,955**	**303,222**	**-**	**(8,484)**	**294,738**	**1,387,693**
EQUITY						
Share capital	2,096				-	2,096
Treasury shares	(15,753)				-	(15,753)
Reserves	893,408				166,241	1,059,649
Equity attributable to owners of the parent	879,751				166,241	1,045,992
Non-controlling interests	213,204				128,497	341,701
TOTAL EQUITY	**1,092,955**				**294,738**	**1,387,693**

Consolidated statements of financial position at January 1, 2021

	Consolidated statements of financial position as at January 1, 2021					
		Adjustments by category				
	As previously reported *US$'000*	Revenue Recognition *US$'000*	Collaboration assets *US$'000*	Tax impacts *US$'000*	Total Adjustments *US$'000*	As Restated *US$'000*
NON-CURRENT ASSETS						
Property, plant and equipment	345,215	-	(40,749)	-	(40,749)	304,466
Advance payments for property, plant and equipment	5,906	-	-	-	-	5,906
Investment properties	7,726	-	-	-	-	7,726
Right-of-use assets	34,017	-	31,533	-	31,533	65,550
Goodwill	14,116	-	-	-	-	14,116
Other intangible assets	26,020	-	-	-	-	26,020
Investments in associates	3,433	-	-	-	-	3,433
Financial assets at fair value through profit or loss	10,555	-	-	-	-	10,555
Deferred tax assets	3,702	-	-	-	-	3,702
Other non-current assets	3,542	-	9,216	-	9,216	12,758
Total non-current assets	454,232	-	-	-	-	454,232
CURRENT ASSETS						
Inventories	31,745	-	-	-	-	31,745
Contract costs	5,785	-	-	-	-	5,785
Trade and notes receivables	141,748	22	-	-	22	141,770
Prepayments, other receivables and other assets	32,834	-	619	445	1,064	33,898
Financial assets at fair value through profit or loss	5,866	-	-	-	-	5,866
Loans to associates	2,422	-	-	-	-	2,422
Restricted cash	7,471	-	-	-	-	7,471
Time deposits	136,245	-	-	-	-	136,245
Cash and cash equivalents	629,058	-	-	-	-	629,058
Total current assets	993,174	22	619	445	1,086	994,260

Consolidated statements of financial position at January 1, 2021 (continued)

	Consolidated statements of financial position as at January 1, 2021					
		Adjustments by category				
	As previously reported *US$'000*	Revenue Recognition *US$'000*	Collaboration assets *US$'000*	Tax impacts *US$'000*	Total Adjustments *US$'000*	As Restated *US$'000*
CURRENT LIABILITIES						
Trade and bills payables	23,376	-	-	-	-	23,376
Other payables and accruals	168,980	-	619	-	619	169,599
Interest-bearing loans and other borrowings	44,642	-	-	-	-	44,642
Lease liabilities	2,588	-	-	-	-	2,588
Tax payable	3,532	-	-	8,795	8,795	12,327
Contract liabilities	84,414	(55,014)	-	-	(55,014)	29,400
Government grants	379	-	-	-	-	379
Total current liabilities	327,911	(55,014)	619	8,795	(45,600)	282,311
NET CURRENT ASSETS	**665,263**	**55,036**	**-**	**(8,350)**	**46,686**	**711,949**
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,119,495**	**55,036**	**-**	**(8,350)**	**46,686**	**1,166,181**

Consolidated statements of financial position at January 1, 2021 (continued)

	Consolidated statements of financial position as at January 1, 2021					
		Adjustments by category				
	As previously reported *US$'000*	Revenue Recognition *US$'000*	Collaboration assets *US$'000*	Tax Impacts *US$'000*	Total Adjustments *US$'000*	As Restated *US$'000*
NON-CURRENT LIABILITIES						
Interest-bearing loans and other borrowings	1,260	-	-	-	-	1,260
Lease liabilities	6,513	-	-	-	-	6,513
Contract liabilities	277,052	(275,071)	-	-	(275,071)	1,981
Deferred tax liabilities	7,030	-	-	4,241	4,241	11,271
Government grants	11,495	-	-	-	-	11,495
Other non-current liabilities	554	-	-	-	-	554
Total non-current liabilities	303,904	(275,071)	-	4,241	(270,830)	33,074
NET ASSETS	**815,591**	**330,107**	**-**	**(12,591)**	**317,516**	**1,133,107**
EQUITY						
Share capital	1,954	-	-	-	-	1,954
Treasury shares	(16,712)	-	-	-	-	(16,712)
Reserves	916,463				180,459	1,096,922
Equity attributable to owners of the parent	901,705				180,459	1,082,164
Non-controlling interests	(86,114)				137,057	50,943
TOTAL EQUITY	**815,591**				**317,516**	**1,133,107**

Consolidated statements of changes in equity for the year ended December 31, 2021

	For the year ended December 31, 2021		
	As previously reported *US$'000*	Total adjustments *US$'000*	As Restated *US$'000*
Share capital	2,096	-	2,096
Treasury shares	(15,753)	-	(15,753)
Reserves	893,408	166,241	1,059,649
Equity attributable to owners of the parent	879,751	166,241	1,045,992
Non-controlling interests	213,204	128,497	341,701
TOTAL EQUITY	**1,092,955**	**294,738**	**1,387,693**

Consolidated statement of cash flows for the year ended December 31, 2021

	For the year ended December 31, 2021		
	As previously reported *US$'000*	Total adjustments *US$'000*	As Restated *US$'000*
Net cash flows used in operating activities	(136,790)	-	(136,790)
Net cash flows used in investing activities	(212,548)	-	(212,548)
Net cash flows generated from financing activities	902,141	-	902,141
NET INCREASE IN CASH AND CASH EQUIVALENTS	**552,803**	**-**	**552,803**
Effect of foreign exchange rate changes, net	(890)	-	(890)
Cash and cash equivalents at beginning of the year	629,058	-	629,058
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**1,180,971**	**-**	**1,180,971**

2.4. Restatement of previously issued unaudited consolidated interim results

In connection with the Legend's restatement, the Group also restated its previously issued unaudited consolidated interim results as at June 30, 2022 and for the six months then ended, which was affected by the matters disclosed in note 2.3 and below in relation to the Janssen Agreement.

Revenue Recognition Adjustments

The Group has revised its accounting treatment for the collaboration revenue from the profit sharing with Janssen on sales of CARVYKTI ("**Collaboration Revenue**") and the collaboration costs for the revenue ("**Collaboration Cost of Revenue**") in accordance with *HKFRS 15*.

The Group and Janssen share equally profits on sales of CARVYKTI in all areas other than the Greater China, where the Group retains or bears 70% of pre-tax profits or losses. In all areas other than Greater China, as Janssen is the principal in the sale transaction with the customer, the Group recognises a pro-rata share of collaboration net trade sales in the period Janssen completes the sale and delivers the product to the customer. The Group's share of collaboration net trade sales in all areas other than Greater China are recognised as Collaboration Revenue, which was presented in the Group's revenue on the consolidated statement of profit or loss.

Collaboration Cost of Revenue relates to the sale of CARVYKTI and includes costs incurred by the Group as well as the Group's pro-rata share of Collaboration Cost of Revenue. Collaboration Cost of Revenue includes the cost of inventory sold, manufacturing costs, other costs attributable to production, and provisions to write down inventory, such as for excess and obsolete inventory or inventory that did not meet quality specifications. Collaboration Cost of Revenue was presented in the Group's cost of sales on the consolidated statement of profit or loss.

Collaboration Assets Adjustments

The Group identified and corrected certain errors in the amounts reported as collaboration inventory, which was included in the inventories on the Group's consolidated statement of financial position. The Group has revised its accounting treatment to include within collaboration inventory the inventory costs incurred by the Group measured at the lower of its cost and the collaboration inventory's net realizable value. The Group records within prepayments, other receivables and other assets the amount it is entitled to be reimbursed from its collaboration partner for inventory costs incurred.

The Group also revised its accounting treatment to record lease arrangements in accordance with HKFRS 16. For lease agreements the Group entered into on behalf of the collaboration, the Group recognises the full lease liability, rather than its share, because the Group has the primary responsibility for making the lease payments. The Group records a finance sublease for the related right-of-use asset it subleases to the collaboration.

The Group also made reclassification adjustments in relation with its revised accounting treatments for the Collaboration Assets mentioned above.

The tables below present the impact of the Group's unaudited consolidated statements of financial position at June 30, 2022, unaudited consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six months ended June 30, 2022.

Unaudited consolidated statement of profit or loss for the six months ended June 30, 2022

	Unaudited consolidated statement of profit or loss for the six months ended June 30, 2022					
		Adjustments by category				
	As previously r eported *US$'000*	Revenue Recognition *US$'000*	Collaboration assets *US$'000*	Tax Impacts *US$'000*	Total Adjustments *US$'000*	As Restated *US$'000*
REVENUE	**304,677**	**4,912**	**-**	**-**	**4,912**	**309,589**
Cost of sales	(129,154)	(11,937)	-	-	(11,937)	(141,091)
Gross profit	175,523	(7,025)	-	-	(7,025)	168,498
Other income and gains	9,840	-	10	-	10	9,850
Selling and distribution expenses	(86,942)	-	-	-	-	(86,942)
Administrative expenses	(79,640)	-	-	(8)	(8)	(79,648)
Research and development expenses	(177,360)	-	(246)	-	(246)	(177,606)
Fair value losses of preferred share and warrants	(45,824)	-	-	-	-	(45,824)
Other expenses	(13,256)	-	(10)	-	(10)	(13,266)
Finance costs	(3,234)	-	(69)	-	(69)	(3,303)
Provision for impairment of financial assets, net	(1,535)	-	-	-	-	(1,535)
LOSS BEFORE TAX	**(222,428)**	**(7,025)**	**(315)**	**(8)**	**(7,348)**	**(229,776)**
Income tax (expense)/credit	(3,501)	-	-	(312)	(312)	(3,813)
LOSS FOR THE PERIOD	**(225,929)**	**(7,025)**	**(315)**	**(320)**	**(7,660)**	**(233,589)**
Attributable to:						
Owners of the parent	(131,202)				(4,305)	(135,507)
Non-controlling interests	(94,727)				(3,355)	(98,082)
	(225,929)				**(7,660)**	**(233,589)**
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic (US cent per share)	**(6.28)**				**(0.20)**	**(6.48)**
Diluted (US cent per share)	**(6.28)**				**(0.20)**	**(6.48)**

Unaudited consolidated statement of comprehensive income for the six months ended June 30, 2022

	Unaudited consolidated statement of comprehensive income for the six months ended June 30, 2022					
		Adjustments by category				
	As previously reported *US$'000*	Revenue Recognition *US$'000*	Collaboration Assets *US$'000*	Tax impacts *US$'000*	Total Adjustments *US$'000*	As Restated *US$'000*
LOSS FOR THE PERIOD	**(225,929)**	**(7,025)**	**(315)**	**(320)**	**(7,660)**	**(233,589)**
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	(20,111)				(4,470)	(24,581)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	(20,111)				(4,470)	(24,581)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**(20,111)**				**(4,470)**	**(24,581)**
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(246,040)**				**(12,130)**	**(258,170)**
Attributable to:						
Owners of the parent	(155,298)				(6,603)	(161,901)
Non-controlling interests	(90,742)				(5,527)	(96,269)
	(246,040)				**(12,130)**	**(258,170)**

Unaudited consolidated statements of financial position at June 30, 2022

	Unaudited consolidated statements of financial position as at June 30, 2022					
		Adjustments by category				
	As previously reported *US$'000*	Revenue Recognition *US$'000*	Collaboration Assets *US$'000*	Tax Impacts *US$'000*	Total Adjustments *US$'000*	As Restated *US$'000*
NON-CURRENT ASSETS						
Property, plant and equipment	493,445	-	(56,721)	-	(56,721)	436,724
Advance payments for property, plant and equipment	20,044	-	-	-	-	20,044
Investment properties	5,751	-	-	-	-	5,751
Right-of-use assets	55,284	-	30,737	-	30,737	86,021
Goodwill	14,076	-	-	-	-	14,076
Other intangible assets	25,465	-	(45)	-	(45)	25,420
Investments in associates	3,318	-	-	-	-	3,318
Financial assets at fair value through profit or loss	10,932	-	-	-	-	10,932
Deferred tax assets	6,335	-	-	-	-	6,335
Time deposits	4,470	-	-	-	-	4,470
Other non-current assets	7,364	-	27,206	-	27,206	34,570
Total non-current assets	646,484	-	1,177	-	1,177	647,661
CURRENT ASSETS						
Inventories	49,898	-	8,158	-	8,158	58,056
Contract costs	11,391	-	-	-	-	11,391
Trade and notes receivables	102,339	-	-	-	-	102,339
Prepayments, other receivables and other assets	75,044	-	(7,486)	1,004	(6,482)	68,562
Financial assets at fair value through profit or loss	15,083	-	-	-	-	15,083
Loans to associates	155	-	-	-	-	155
Restricted cash	3,320	-	-	-	-	3,320
Time deposits	458,334	-	-	-	-	458,334
Cash and cash equivalents	782,246	-	-	-	-	782,246
Total current assets	1,497,810	-	672	1,004	1,676	1,499,486

Unaudited consolidated statements of financial position at June 30, 2022 (continued)

	Unaudited consolidated statements of financial position as at June 30, 2022					
		Adjustments by category				
	As previously reported *US$'000*	Revenue Recognition *US$'000*	Collaboration Assets *US$'000*	Tax Impacts *US$'000*	Total Adjustments *US$'000*	As Restated *US$'000*
CURRENT LIABILITIES						
Trade and bills payables	32,867	-	-	-	-	32,867
Other payables and accruals	211,420	-	150	-	150	211,570
Interest-bearing loans and other borrowings	6,697	-	-	-	-	6,697
Lease liabilities	7,388	-	433	-	433	7,821
Tax payable	5,039	-	-	9,283	9,283	14,322
Contract liabilities	100,994	(64,654)	-	-	(64,654)	36,340
Government grants	833	-	-	-	-	833
Financial liabilities at fair value through profit or loss	147,593	-	-	-	-	147,593
Total current liabilities	512,831	(64,654)	583	9,283	(54,788)	458,043
NET CURRENT ASSETS	**984,979**	**64,654**	**89**	**(8,279)**	**56,464**	**1,041,443**
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,631,463**	**64,654**	**1,266**	**(8,279)**	**57,641**	**1,689,104**

Unaudited consolidated statements of financial position at June 30, 2022 (continued)

	Unaudited consolidated statements of financial position as at June 30, 2022					
		Adjustments by category				
	As previously reported *US$'000*	Revenue Recognition *US$'000*	Collaboration Assets *US$'000*	Tax Impacts *US$'000*	Total Adjustments *US$'000*	As Restated *US$'000*
NON-CURRENT LIABILITIES						
Interest-bearing loans and other borrowings	189,511	-	-	-	-	189,511
Lease liabilities	25,638	-	1,574	-	1,574	27,212
Contract liabilities	228,627	(226,541)	-	-	(226,541)	2,086
Deferred tax liabilities	9,941	-	-	-	-	9,941
Government grants	17,152	-	-	-	-	17,152
Financial liabilities at fair value through profit or loss	271,920	-	-	-	-	271,920
Other non-current liabilities	314	-	-	-	-	314
Total non-current liabilities	743,103	(226,541)	1,574	-	(224,967)	518,136
NET ASSETS	**888,360**	**291,195**	**(308)**	**(8,279)**	**282,608**	**1,170,968**
EQUITY						
Share capital	2,108				-	2,108
Treasury shares	(12,357)				-	(12,357)
Reserves	767,596				158,616	926,212
Equity attributable to owners of the parent	757,347				158,616	915,963
Non-controlling interests	131,013				123,992	255,005
TOTAL EQUITY	**888,360**				**282,608**	**1,170,968**

Unaudited consolidated statements of equity movement for the six months ended June 30, 2022

	For the six months ended June 30, 2022		
	As previously reported	Total adjustments	As Restated
	US$'000	*US$'000*	*US$'000*
Share capital	2,108	-	2,108
Treasury shares	(12,357)	-	(12,357)
Reserves	767,596	158,616	926,212
Equity attributable to owners of the parent	757,347	158,616	915,963
Non-controlling interests	131,013	123,992	255,005
TOTAL EQUITY	**888,360**	**282,608**	**1,170,968**

Unaudited consolidated statements of cash flows for the six months ended June 30, 2022

	For the six months ended June 30, 2022		
	As previously reported	Total adjustments	As restated
	US$'000	*US$'000*	*US$'000*
Net cash flows used in operating activities	(61,997)	-	(61,997)
Net cash flows used in investing activities	(336,872)	-	(336,872)
Net cash flows generated from financing activities	8,228	-	8,228
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(390,641)**	**-**	**(390,641)**
Effect of foreign exchange rate changes, net	(8,084)	-	(8,084)
Cash and cash equivalents at beginning of the year	1,180,971	-	1,180,971
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	782,246	-	782,246

3. OPERATING SEGMENT INFORMATION

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

	Life-science services and products	Biologics development services	Industrial synthetic biology products	Cell therapy *(Restated)*	Operation unit	Eliminations	Total *(Restated)*
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Segment revenue							
Sales to external customers	**349,803**	**120,155**	**38,227**	**116,677**	**836**	**-**	**625,698**
Intersegment sales	**10,737**	**4,854**	**437**	**328**	**55,284**	**(71,640)**	**-**
Total revenue	**360,540**	**125,009**	**38,664**	**117,005**	**56,120**	**(71,640)**	**625,698**
Segment cost of sales	**(162,207)**	**(90,361)**	**(22,055)**	**(65,363)**	**(47,606)**	**65,977**	**(321,615)**
Segment gross profit	**198,333**	**34,648**	**16,609**	**51,642**	**8,514**	**(5,663)**	**304,083**
Other income and gains	**1,364**	**5,519**	**1,291**	**12,049**	**12,472**	**(7,590)**	**25,105**
Selling and distribution expenses	**(54,359)**	**(15,321)**	**(3,559)**	**(93,417)**	**(1,935)**	**242**	**(168,349)**
Administrative expenses	**(47,836)**	**(24,929)**	**(5,464)**	**(80,631)**	**(25,736)**	**2,134**	**(182,462)**
Research and development expenses	**(42,524)**	**(7,854)**	**(4,768)**	**(335,648)**	**(3,377)**	**4,075**	**(390,096)**
Fair value gains/(losses) of preferred shares and warrants	**-**	**2,229**	**-**	**20,900**	**-**	**(4,360)**	**18,769**
Other expenses	**(11,667)**	**(47)**	**(22)**	**(9,823)**	**(14,257)**	**11,524**	**(24,292)**
Finance costs	**-**	**(1,959)**	**(22)**	**(10,796)**	**(1,334)**	**842**	**(13,269)**
Share of losses of an associate	**-**	**-**	**(27)**	**-**	**-**	**-**	**(27)**
Provision for impairment of financial assets, net	**(502)**	**-**	**(422)**	**-**	**(228)**	**-**	**(1,152)**
Profit/(loss) before tax	**42,809**	**(7,714)**	**3,616**	**(445,724)**	**(25,881)**	**1,204**	**(431,690)**

The restated segment information for the year ended December 31, 2021, is as follows:

	Life-science services and products	Biologics development services	Industrial synthetic biology products	Cell therapy *(Restated)*	Operation unit	Eliminations	Total *(Restated)*
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Segment revenue							
Sales to external customers	305,897	80,256	38,196	65,402	345	-	490,096
Intersegment sales	9,897	1,095	370	3,424	9,246	(24,032)	-
Total revenue	315,794	81,351	38,566	68,826	9,591	(24,032)	490,096
Segment cost of sales	(132,462)	(55,757)	(27,250)	-	(4,360)	12,251	(207,578)
Segment gross profit	183,332	25,594	11,316	68,826	5,231	(11,781)	282,518
Other income and gains	-	537	1,320	3,059	25,297	(12,963)	17,250
Selling and distribution expenses	(49,069)	(13,436)	(2,885)	(102,542)	(12)	(25)	(167,969)
Administrative expenses	(9,014)	(6,868)	(3,203)	(46,961)	(72,365)	3,903	(134,508)
Research and development expenses	(32,850)	(9,575)	(5,232)	(313,346)	(2,272)	4,874	(358,401)
Fair value losses of preferred shares and warrants	-	(143,278)	-	(6,200)	-	10,050	(139,428)
Other expenses	-	(879)	(512)	(9,132)	(5,394)	2,906	(13,011)
Finance costs	-	(104)	(116)	(900)	(1,374)	116	(2,378)
Provision for impairment of financial assets, net	(755)	(137)	(36)	-	(508)	-	(1,436)
Profit/(loss) before tax	91,644	(148,146)	652	(407,196)	(51,397)	(2,920)	(517,363)

4. REVENUE, OTHER INCOME AND GAINS

	Year ended December 31,	
	2022	2021 *(Restated)*
	US$'000	*US$'000*
Revenue from contracts with customers	**624,750**	489,635
Revenue from other sources		
Gross rental income from operating leases	**419**	461
Others	**529**	-
	625,698	490,096
Other income and gains		
Other income		
Bank interest income	13,218	2,785
Government grants	9,068	9,148
Investment income, net	-	3,767
Others	88	35
	22,374	15,735
Gains		
Fair value gains on financial assets at fair value through profit or loss	-	699
Others	2,731	816
	2,731	1,515
	25,105	17,250

5. LOSS BEFORE TAX

	2022	2021 *(Restated)*
	US$'000	*US$'000*
Cost of services and products	**144,340**	110,590
Depreciation of property plant and equipment	**46,637**	35,646
Depreciation of right-of-use assets	**12,104**	8,145
Amortisation of other intangible assets	**5,417**	3,874
Depreciation of investment properties	**90**	114
Impairment of financial assets, net:		
Provision for impairment of trade receivables	**1,290**	928
(Reversal of)/provision for impairment of other receivables and other assets	**(138)**	508
Impairment of investment in associates	**-**	169
Impairment loss on goodwill and other long-term assets	**11,477**	1,699
Lease payments not included in the measurement of lease liabilities	**3,358**	955
(Reversal)/write-down of inventories to net realisable value	**(1,201)**	2,511
Auditors' remuneration	**1,492**	664
Employee benefit expenses (including directors' and chief executive's remuneration):		
Wages and salaries	**354,317**	282,928
Pension scheme contributions (defined contribution schemes)	**20,500**	13,943
Equity-settled share-based compensation expense	**65,154**	39,691
	439,971	336,562
Foreign exchange differences, net	**3,896**	10,267
Loss on disposal of property, plant and equipment	**772**	914
Service fee and other cost for equity financing activities	**2,914**	920
Fair value (gains)/losses of preferred shares and warrants	**(18,769)**	139,428
Gains of wealth management products	**(2,593)**	(1,536)
Losses/(gains) on foreign currency forward contracts	**8,191**	(3,686)
Fair value losses/(gains) on other investments	**1,409**	(312)

6. FINANCE COSTS

	Year ended December 31,	
	2022	2021
	US$'000	*US$'000*
Collaboration Interest-bearing advanced funding	**10,269**	758
Interest on lease liabilities	**1,632**	797
interest on financial liability measured at amortised cost	**1,103**	-
Interest on bank loans	**265**	823
	13,269	2,378

7. INCOME TAX

	Year ended December 31,	
	2022	2021
		(Restated)
	US$'000	*US$'000*
Current — Mainland China	**3,618**	4,890
Current — USA	**416**	237
Current — Others	**1,744**	910
Deferred	**(9,497)**	(5,073)
Total tax (credit)/charge for the year	**(3,719)**	964

8. DIVIDENDS

The Board resolved not to declare any dividend for the years ended December 31, 2022 (2021: 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 2,097,134,700 (as at December 31, 2021: 2,030,597,579) in issue during the Reporting Period.

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

	Year ended December 31,	
	2022	2021
		(Restated)
	US$'000	*US$'000*
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	**(226,851)**	(358,712)

	Number of shares	
	2022	2021
Shares		
Weighted average number of ordinary shares in issue during the year	2,104,127,410	2,039,208,697
Effect of shares repurchased	(6,992,710)	(8,611,118)
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	2,097,134,700	2,030,597,579

10. PROPERTY, PLANT AND EQUIPMENT

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

As at December 31, 2022, property, plant and equipment with a net book value of US$2,168,000 were pledged for interest-bearing bank loan (2021: US$3,683,000). As at December 31, 2022, the properties amount of approximately US$34,869,000 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 Technology Limited ("**Probio Cayman**") (2021: Nil).

	Land, buildings and leasehold improvements *US$'000*	Machinery and equipment *US$'000*	Transport equipment *US$'000*	Computer and office equipment *US$'000*	Construction in progress *US$'000*	Total *US$'000*
December 31, 2021 (restated)						
At December 31, 2020, and at January 1, 2021 (restated):						
Cost	153,090	157,367	700	14,420	57,224	382,801
Accumulated depreciation and impairment	(18,519)	(49,625)	(416)	(9,775)	-	(78,335)
Net carrying amount	134,571	107,742	284	4,645	57,224	304,466
At January 1, 2021 (restated), net of accumulated depreciation and impairment	134,571	107,742	284	4,645	57,224	304,466
Additions	1,659	4,975	48	176	120,153	127,011
Disposals	(936)	(1,134)	(2)	(111)	(860)	(3,043)
Depreciation provided during the year	(9,218)	(24,100)	(51)	(2,277)	-	(35,646)
Transfers	35,952	48,380	98	1,842	(86,272)	-
Exchange realignment	974	1,361	22	543	979	3,879
At December 31, 2021 (restated), net of accumulated depreciation and impairment	163,002	137,224	399	4,818	91,224	396,667
At December 31, 2021 (restated)						
Costs	188,579	207,975	855	15,946	91,224	504,579
Accumulated depreciation and impairment	(25,577)	(70,751)	(456)	(11,128)	-	(107,912)
Net carrying amount	163,002	137,224	399	4,818	91,224	396,667

11. RIGHT-OF-USE ASSETS

	Leasehold land US$'000	Buildings and office premises US$'000	Total US$'000
As at January 1, 2021(restated)	24,598	40,952	65,550
Additions	36	31,723	31,759
Depreciation	(540)	(7,605)	(8,145)
Disposal	-	(346)	(346)
Exchange realignment	1,012	414	1,426
As at December 31, 2021 and January 1, 2022(restated)	**25,106**	**65,138**	**90,244**
Additions	**5,066**	**29,041**	**34,107**
Depreciation	**(536)**	**(11,568)**	**(12,104)**
Disposal	**(4,696)**	**(1,743)**	**(6,439)**
Exchange realignment	**(2,293)**	**(410)**	**(2,703)**
As at December 31, 2022	**22,647**	**80,458**	**103,105**

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2022	2021
	US$'000	*US$'000*
Investments in financial products (current)	**210,819**	2,208
Unlisted equity investments (non-current)	**11,657**	10,444
	222,476	12,652

13. INVENTORIES

	December 31, 2022	2021 (Restated)
	US$'000	*US$'000*
Raw materials	**38,672**	24,600
Work in progress	**4,395**	2,917
Finished goods	**19,843**	21,156
	62,910	48,673
Provision for inventories	**(2,975)**	(4,315)
	59,935	44,358

As at December 31, 2022, the collaboration inventories with a carrying amount of US$ 10,354,000 (2021: US$ 1,749,000) were relating to the collaboration cost with a collaborator.

14. CONTRACT COSTS

	December 31, 2022	2021
	US$'000	*US$'000*
Costs to fulfill contracts	**16,490**	8,877

15. TRADE AND NOTES RECEIVABLES

	December 31, 2022	2021
	US$'000	*US$'000*
Trade receivables	**100,293**	138,348
Notes receivable	**7,157**	7,169
	107,450	145,517
Impairment of trade receivables	**(3,361)**	(3,172)
	104,089	142,345

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

	December 31, 2022	2021
	US$'000	*US$'000*
Within 3 months	**80,595**	127,791
3 to 6 months	**10,397**	4,068
6 to 12 months	**6,179**	4,166
Over 1 year	**3,122**	2,323
	100,293	138,348

16. RESTRICTED CASH

	December 31, 2022	2021
	US$'000	*US$'000*
Pledged for bills payable	**20,882**	-
Pledged for the letters of guarantee	**4,615**	988
Pledged for credit card facilities	**1,706**	456
	27,203	1,444

17. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

	December 31,	
	2022	2021
	US$'000	*US$'000*
Cash and bank balances	**941,937**	966,662
Time deposits	**310,573**	404,397
	1,252,510	1,371,059
Less:		
Non-pledged time deposits with original maturity of more than three months when acquired	**(228,511)**	(190,088)
Cash and cash equivalents	**1,023,999**	1,180,971

18. TRADE AND BILLS PAYABLES

	December 31,	
	2022	2021
	US$'000	*US$'000*
Trade payables	**54,310**	28,693
Bills payable	**1,445**	1,483
	55,755	30,176

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

	December 31,	
	2022	2021
	US$'000	*US$'000*
Within 3 months	**50,260**	23,910
3 to 6 months	**2,431**	3,059
6 to 12 months	**854**	1,166
Over 1 year	**765**	558
	54,310	28,693

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

19. OTHER PAYABLES AND ACCRUALS

	December 31, 2022	2021 (Restated)
	US$'000	*US$'000*
Accrued expenses	**140,336**	91,480
Accrued payroll and welfare	**63,871**	55,022
Payables for purchases of property, plant and equipment	**53,117**	44,134
Payable for Collaboration Assets	**22,852**	5,605
Other tax payables	**5,822**	9,610
Other payables	**14,711**	7,712
	300,709	213,563

20. INTEREST-BEARING LOANS AND BORROWINGS

	Year ended December 31,					
	2022			2021		
	Effective interest rate *(%)*	**Maturity**	***US$'000***	Effective interest rate *(%)*	Maturity	*US$'000*
Current						
Bank loans – secured	**1.3-2.6**	**2023**	**33,230**	**-**	**-**	**-**
Current portion of long term bank loans – secured	**0.33**	**2023**	**451**	0.32	2022	521
			33,681			521
Non-current						
Other borrowings – unsecured	**7.98**	**No specific**	**260,932**	3.03	No specific	120,462
Non-current portion of long term bank loans – secured	**0.33**	**2024**	**74**	0.32	2023-2024	608
			261,006			121,070

21. GOVERNMENT GRANTS

	2022	2021
	US$'000	*US$'000*
At January 1	**14,041**	11,874
Additions	**7,050**	2,505
Amount released	**(1,083)**	(609)
Exchange realignment	**(1,189)**	271
At December 31	**18,819**	14,041
Current	**2,652**	740
Non-current	**16,167**	13,301
	18,819	14,041

22. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31,	
	2022	2021
	US$'000	*US$'000*
Current		
Legend Warrant (note)	**67,000**	87,900
Probio Warrant (note)	**15,899**	22,438
Foreign currency forward contracts	**1,350**	-
	84,249	110,338
Non-current		
Probio Series A Preferred Shares (note)	**269,460**	260,790
	353,709	371,128

Note: On May 21, 2021 (New York Time), Legend issued a warrant exercisable for up to an aggregate of 10,000,000 ordinary shares of Legend (the "**Legend Warrant**") in Legend's private placement financing. On September 3, 2021, Probio Cayman issued 300,000,000 Series A Preferred Shares (the "**Probio Series A Preferred Shares**") and the Probio Warrant up to an aggregate of 189,393,939 ordinary shares of Probio Cayman for an aggregate consideration of US$150.0 million. During the year ended December 31, 2022, the fair value gain of the Legend Warrant, Probio Series A Preferred Shares and Probio Warrant are US$18.8 million in total. Management considered that there is no significant change of the Group's own credit that drives the change of the fair value of these financial liabilities.

23. SHARE CAPITAL AND SHARE PREMIUM

	December 31, 2022 *US$'000*	2021 *US$'000*
Authorised:		
Ordinary shares of US$0.001 each	**5,000**	5,000
Issued and fully paid:		
Ordinary shares of US$0.001 each	**2,111**	2,096

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, 2021(restated)	1,953,283,180	1,954	(16,712)	988,638	973,880
Acquisition of equity from non-controlling shareholders	-	-	-	(98)	(98)
Issuance of ordinary shares and warrant of the Company and Legend Cayman	102,981,853	103	-	264,042	264,145
Exercise of share options and restricted share units	39,421,175	39	959	21,689	22,687
At December 31, 2021 and January 1, 2022 (restated)	2,095,686,208	2,096	(15,753)	1,274,271	1,260,614
Transaction with non-controlling shareholders	-	-	-	**(1,182)**	**(1,182)**
Issuance of ordinary shares of Legend Cayman	-	-	-	**182,464**	**182,464**
Exercise of share options and restricted share units	**15,539,427**	**15**	**3,831**	**17,474**	**21,320**
At December 31, 2022	**2,111,225,635**	**2,111**	**(11,922)**	**1,473,027**	**1,463,216**

24. SUBSEQUENT EVENT

On January 17, 2023, Probio Cayman entered into the subscription agreement with the Series C investors (including the Company), whereby Probio Cayman agreed to issue and sell, and Series C investor agreed to purchase 319,998,370 series C preferred shares of Probio Cayman for the aggregate consideration of US$223,998,859.

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 on-stop solutions to global research communities, (ii) a biologics contract development and manufacturing organization (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 the U.S., Mainland China (the "**PRC**" or "**Mainland China**"), Hong Kong, Japan, Singapore, Netherlands, Ireland, the United Kingdom, Korea and Belgium. Our professional workforce is consisted of approximately 6,213 team members as at December 31, 2022.

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. Our services and products have been cited in over 76,000 international peer reviewed journal articles as at December 31, 2022.

The CDMO platform provides one-stop gene and cell therapy ("**GCT**") development and biologics discovery, development and manufacturing services to customers worldwide. The CDMO business focused on expanding the manufacturing capacity and commercial network globally during the Year.

Legend Biotech 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 () therapy jointly developed with 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.

We have established an extensive direct sales network, reaching over 100 countries globally. We primarily sell our life-science research services and products through our own direct sales force to customers worldwide, while we also sell our services and products through independent third-party distributors to expand our market presence and facilitate communication with end users. For the year ended December 31, 2022, we had generated approximately US$332.1 million, US$166.7 million, US$53.3 million, US$59.0 million, and

US$14.6 million from our sales to customers in the U.S., Mainland China, Europe, Asia Pacific (excluding Mainland China), and others, representing approximately 53.1%, 26.7%, 8.5%, 9.4%, and 2.3% of our total external revenue, respectively.

BUSINESS REVIEW

During the Reporting Period, the overall revenue of the Group was approximately US$625.7 million, representing an increase of 27.7% as compared with approximately US$490.1 million for the year ended December 31, 2021. Gross profit was approximately US$304.1 million, representing an increase of 7.6% as compared with approximately US$282.5 million for the year ended December 31, 2021. The increase in revenue and gross profit was primarily attributable to (i) the stable market share growth and brand awareness of non-cell therapy business with new competitive services and products, especially in biologics development services, and (ii) the product sales of CARVYKTI after the commercialization approval from the U.S. Food and Drug Administration ("**FDA**").

During the Reporting Period, the loss of the Group was approximately US$428.0 million, whilst loss was approximately US$518.3 million for the year ended December 31, 2021. The adjusted net loss of the Group was approximately US$359.4 million, whilst adjusted net loss was approximately US$327.8 million for the year ended December 31, 2021.

During the Reporting Period, the loss attributable to owners of the Company was approximately US$226.9 million, whilst loss attributable to owners of the Company was approximately US$358.7 million for the year ended December 31, 2021. The adjusted net loss attributable to owners of the Company was approximately US$167.8 million, whilst adjusted net loss attributable to owners of the Company was approximately US$181.0 million for the year ended December 31, 2021.

During the Reporting Period, the external revenue of (i) life-science services and products, (ii) biologics development services, (iii) industrial synthetic biology products, (iv) cell therapy, and (v) operation unit accounted for approximately 55.9%, 19.2%, 6.1%, 18.7%, and 0.1% of the total revenue of the Group, respectively.

Results Analysis of the Four Business Segments

	For the year ended December 31, 2022			
	Life-science services and products	**Biologics development services**	**Industrial synthetic biology products**	**Cell therapy**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Revenue	360,540	125,009	38,664	117,005
Adjusted gross profit	201,120	42,857	16,609	53,038
Adjusted selling and distribution expenses	51,414	13,898	3,559	89,796
Adjusted administrative expenses	43,382	22,847	5,437	68,700
Adjusted research and development expenses	40,214	7,260	4,755	316,637
Adjusted operating profit/(loss)	66,110	(1,148)	2,858	(422,095)

As the Group has reallocated back office administrative expenses into each business segment following the establishment of Probio legal entities in the second half of 2021, segment

operating profit is not directly comparable to the same period in 2021. The adjusted expenses exclude the impact from (i) share-based compensation expenses, (ii) consultation and other related costs for the Investigation, and (iii) service fees and other costs for equity financing activities.

Life-science services and products

Results

During the Reporting Period, revenue from life-science services and products was approximately US$360.5 million, representing an increase of 14.2% as compared with approximately US$315.8 million for the year ended December 31, 2021. The adjusted gross profit was approximately US$201.1 million, representing an increase of 8.0% as compared with approximately US$186.2 million for the year ended December 31, 2021. The adjusted gross profit margin decreased slightly from 59.0% for the same period in 2021 to 55.8% this Reporting Period. The adjusted operating profit of life-science services and products was approximately US$66.1 million.

The increase in revenue was driven by a combination of (i) the increased demand in each of the segment's principal businesses with particular strength in molecular biology, protein and antibody business, and (ii) the successful commercialization of innovative platforms such as sgRNA, and was partially offset by the decreased demand for testing to diagnose COVID-19. The decrease in adjusted gross profit margin was primarily attributable to the (i) increment in labor, overhead and facility cost related to overseas site operation, (ii) increased freight and duty costs, and (iii) changes in product portfolio strategy. The adjusted operating profit was positively impacted from operational efficiency, while negatively impacted by increased research and development efforts focused on the enhancement to existing services and development of new products.

Development Strategies

The Company intends to (i) provide reliable, superior quality and innovative products and services for the life science research and development community, (ii) expand technical capabilities and manufacturing capacity to provide pioneering enabling products and services for GCT and precision medicine research and development, and (iii) bolster global manufacturing capacity to support sustained business growth with locally based supply chain solutions to mitigate risk and provide optimal logistic and supply options.

Biologics development services

Results

During the Reporting Period, revenue from biologics development services was approximately US$125.0 million, representing an increase of 53.6% as compared with approximately US$81.4 million for the year ended December 31, 2021. The backlog increased to US$233.3 million as at December 31, 2022, with a growth at 18.2%. The adjusted gross profit was approximately US$42.8 million, representing an increase of 54.5% as compared with approximately US$27.7 million for the year ended December 31, 2021.

Adjusted gross profit margin kept stable in the two years. The adjusted operating loss of biologics development services was approximately US$1.1 million.

The growth of revenue and adjusted gross profit was mainly attributable to the (i) increase in the number of projects from protein and antibody drug development, and plasmid, (ii) expanded capacity and increased capacity utilization rate in process development and manufacturing, and (iii) continuously shortened delivery timeline.

Development strategies

The Company intends to (i) launch new facilities to expand services to late-stage development and commercial manufacturing of biologics and critical materials for GCT, (ii) build up global manufacturing capacity to support business growth with regionally based supply chain and logistic solutions, (iii) deepen business collaboration and global marketing strategy, and (v) further investment in platforms upgrade and quality improvement.

Industrial synthetic biology products

Results

During the Reporting Period, revenue from industrial synthetic biology products was approximately US$38.7 million. The adjusted gross profit was approximately US$16.6 million, representing an increase of 46.9% as compared with approximately US$11.3 million for the year ended December 31, 2021. Adjusted gross profit margin increased from 29.3% for the same period in 2021 to 42.9% this Reporting Period. The adjusted operating profit of industrial synthetic biology products was approximately US$2.9 million whilst it just arrived operating break-even for the same period in 2021.

The increase in both adjusted gross profit and adjusted operating profit was primarily attributable to the (i) adjustment of product portfolio and enhancement of the promotion of high-margin products, together with active pruning of low or negative profit products, (ii) upgrade of the workflow and improvement of production process, and (iii) profit from the license of certain patents.

Development Strategies

The Company intends to be a leading synthetic biology company. The Company intends to (i) drive business growth and profit improvement by taking advantage of our competency in strain optimization and protein engineering, (ii) strengthen commercial capability to increase market share with focus on key accounts and overseas markets, and (iii) leverage our research and development competency to deliver more innovation in new synthetic biology application areas.

Cell therapy

Results

During the Reporting Period, revenue from cell therapy segment was approximately

US$117.0 million, representing an increase of 70.0% compared to approximately US$68.8 million for the year ended December 31, 2021. The increase in revenue was primarily attributed to the collaboration revenue involving the commercial launch of CARVYKTI in the U.S.. On February 28, 2022 the FDA approved CARVYKTI for adults with relapsed or refractory patients with MM who have received four or more prior lines of therapy. CARVYKTI has received conditional marketing authorizations from European Commission in May 2022 and approval from Japan's Ministry of Health, Labour and Welfare for the treatment of adults with relapsed or refractory multiple myeloma limited to cases meeting certain conditions on September 26, 2022.

During the Reporting Period, the operating loss of approximately US$458.1 million whilst the operating loss for the same period in 2021 was approximately US$394.0 million. The continued investment in research and development costs of approximately US$335.6 million during the Reporting Period compared to approximately US$313.3 million for the same period in 2021 is the primary driver of the operational expenditures as Legend focused on investment in early lines of therapy for cita-cel as well as progressing Legend's pipeline. Additionally, incurred approximately US$93.4 million in selling and distribution expenses and approximately US$80.6 million in administrative expenses during the Reporting Period compared to approximately US$102.5 million and approximately US$47.0 million, respectively, for the same period in 2021. Also, incurred approximately US$65.4 million during the Reporting Period towards cost of collaboration revenue to support the commercial supply of CARVYKTI.

Development Strategies

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

In addition to cilta-cel, Legend has a broad portfolio of earlier-stage autologous CAR-T product candidates targeting various cancers, including Non-Hodgkins Lymphoma (NHL), acute lymphoblastic leukemia (ALL), gastric cancer, esophageal cancer, pancreatic cancer, colorectal cancer, hepatocellular carcinoma, small cell lung cancer, and non-small cell lung cancer. Legend is also developing an allogeneic gamma delta CAR-T product candidate targeting B-cell maturation antigen ("**BCMA**") for MM, which is currently in an investigator-initiated Phase 1 clinical trial in China. Additionally, Legend is developing allogeneic CAR-NK product candidates targeting BCMA and allogeneic gamma delta CAR-T product candidates targeting CLL1/CD33 for acute myeloid leukemia (AML) that are in preclinical development. There is no assurance that these or any other future clinical trials of our product candidates will be successful or will generate positive clinical data, and Legend may not receive marketing approval from the FDA or other regulatory agencies, for any of its product candidates.

Legend is currently evaluating its product candidates in investigator-initiated clinical trials. Part of Legend's strategy is to continue to explore new opportunities for cell therapy in investigator-initiated clinical trials in China, where such trials are initiated and conducted under the oversight of the China National Health Commission as a medical practice technology. Legend utilizes its deep relationships with thought leaders in China to conduct proof-of-concept studies, from which Legend believes it can more efficiently inform the design of Legend's clinical development programs and potentially mitigate certain clinical development risks. While Legend has encountered legal and regulatory challenges in transferring clinical data from China to other jurisdictions, Legend continues to believe that this approach is beneficial. Through initially testing product candidates in humans in investigator- initiated trials in China, Legend can assess the therapeutic potential of and improve individual product candidates in an efficient and cost-effective manner, which allows us to identify promising product candidates and advance them into registrational clinical trials across China, the U.S., Europe and Japan.

Legend is one of the advanced companies in developing CAR-T cell therapies in China, having received clearance for the first CAR-T cell therapy IND application by the National Medical Products Administration of China. Legend is also one of the firsts to conduct a registrational CAR-T clinical trial in China. Legend has built a strong research team of over 305 researchers who identify potential cellular targets and create and assess a broad portfolio of product candidates. Establishing this expertise has attracted investigators and partners within China.

FINANCIAL REVIEW

	2022	2021	Change
	US$'000	*US$'000*	*US$'000*
Revenue	**625,698**	490,096	135,602
Gross profit	**304,083**	282,518	21,565
Loss after income tax	**(427,971)**	(518,327)	90,356
Adjusted net loss	**(359,416)**	(327,826)	(31,590)
Loss attributable to owners of the Company	**(226,851)**	(358,712)	131,861
Adjusted net loss attributable to owners of the Company	**(167,786)**	(181,007)	13,221
Loss per share *(US cent per share)*	**(10.82)**	(17.67)	6.85

Revenue

In 2022, the Group recorded revenue of approximately US$625.7 million, representing an increase of 27.7% from approximately US$490.1 million in 2021. This was primarily attributable to (i) the stable market share growth and brand awareness of non-cell therapy business with new competitive services and products, especially in biologics development services, and (ii) the product sales of CARVYKTI after the commercialization approval from the FDA.

Gross Profit

In 2022, the Group's gross profit increased by 7.6% to approximately US$304.1 million from approximately US$282.5 million in 2021. The increase in gross profit was primarily attributable to the expansion of the revenue, and was partially offset by (i) the increased share-based compensation expenses in production teams, particularly in biologics development services, (ii) the adjustment of product and service portfolio, and (iii) the increased shipping cost. The adjusted gross profit increased by 10.1% over the same period in 2021.

Selling and distribution expenses

The selling and distribution expenses was approximately US$168.3 million in 2022, roughly unchanged over the same period in 2021.

Administrative expenses

The administrative expenses increased by 35.7% to approximately US$182.5 million in 2022 from approximately US$134.5 million in 2021. This was mainly caused by (i) the increased investment on talent with recruiting experienced personnel with competitive package and share-based compensation expenses for all business segments, (ii) the reinforcement of some key administrative functions and information technology infrastructure to support the Group's overall business, and (iii) the enhanced corporate governance and compliance measures. The adjusted administrative expenses increased by 34.1% over the same period in 2021.

Research and development expenses

The research and development expenses increased by 8.8% to approximately US$390.1 million in 2022 from approximately US$358.4 million in 2021. This was mainly due to the continued investment in talents with competitive package and share-based compensation expenses. The adjusted research and development expenses increased by 7.2% over the same period in 2021.

Fair value gains or losses of preferred shares and warrants

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

On 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 agreed to sell 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 is 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.

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

As at December 31, 2022, the fair value of the Probio Series A Preferred Shares and Probio Warrant were assessed at approximately US$285.4 million and the fair value of the Legend Warrant was assessed at approximately US$67.0 million. The total fair value gains of approximately US$18.8 million were recorded during the Reporting Period due to the changes in fair value of these financial liabilities.

Financial liabilities at amortised cost

On July 2, 2022, Probio Cayman entered into a subscription agreement with an investor, pursuant to which Probio Cayman issued and sold and the investor purchased 57,314,000 series B preferred shares of Probio Cayman (the "**Probio Series B Shares**") at an aggregate consideration of US$37.3 million. 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.

As at December 31, 2022, the financial liabilities at amortised cost of the Probio Series B Preferred Shares were assessed at approximately US$36.8 million with interest expenses assessed at approximately US$1.1 million and the equity components in other reserves were assessed at approximately US$1.6 million.

Income tax credit/(expense)

The income tax credit was approximately US$3.7 million in 2022 whilst the income tax expense was approximately US$1.0 million in 2021.

Net loss

During the Reporting Period, net loss of the Group was approximately US$428.0 million, whilst the net loss for the same period in 2021 was approximately US$518.3 million. The adjusted net loss of the Group was approximately US$359.4 million.

Trade receivables

	December 31,	
	2022	2021
Trade receivables turnover day	**72**	70

The slight increase of trade receivables turnover days of the Group was mainly caused by the revenue growth, especially the booming of biologics development services.

Inventories

	December 31,	
	2022	2021
Inventory turnover day	**71**	73

The slight decrease of inventory turnover days of the Group was mainly caused by the improvement on the management of inventory safety stock and the cessation of the isolation and quarantine arrangement for COVID-19 in late 2022 in the PRC.

Contract costs

The contract costs mainly include the costs to fulfill contracts under biologics development services and life-science services. As at December 31, 2022, the Group's contract costs amounted to approximately US$16.5 million, representing an increase of 85.4% from approximately US$8.9 million as at December 31, 2021, the increase was mainly derived from the increase of orders received under biologics development services and contracts under certain life-science service lines.

Property, plant and equipment

Property, plant and equipment include buildings, machinery equipment and construction in progress. As at December 31, 2022, the property, plant and equipment of the Group amounted to approximately US$521.6 million, representing an increase of 31.5% from approximately US$396.7 million as at December 31, 2021. This was mainly due to the facility constructions and the acquisition of equipment and properties to support the business expansion.

Goodwill

For the year ended December 31, 2022, due to the change of market condition for certain chip-based products and the Group's pricing strategy for certain chip-synthesised DNA products, an impairment of approximately US$11.5 million has been provided for the goodwill generated from the acquisition of a subsidiary which was completed in 2018.

Intangible assets

Intangible assets include software, patents and licenses. As at December 31, 2022, the Group's net intangible assets amounted to approximately US$23.8 million, representing a decrease of 9.8% from approximately US$26.4 million as at December 31, 2021. The decrease was mainly due to the amortization of existing assets, offset by the newly purchased software and licenses.

Right-of-use assets

Right-of-use assets mainly include leasehold land, buildings, office premises and share of collaboration assets. As at December 31, 2022, the Group's right-of-use assets amounted to approximately US$103.1 million, representing an increase of 14.3% from approximately US$90.2 million as at December 31, 2021. The increase was mainly due to the newly rented leasehold buildings.

Working capital and financial resources

As at December 31, 2022, the cash and cash equivalents of the Group amounted to approximately US$1.0 billion (2021: approximately US$1.2 billion). As at December 31, 2022, the restricted cash of the Group amounted to approximately US$27.2 million (2021: approximately US$1.4 million). The increase of restricted cash was mainly caused by the issuance of bills payable.

As at December 31, 2022, the Group had available unutilized bank facilities of approximately US$146.9 million (2021: approximately US$145.5 million).

Cash flow analysis

During the Reporting Period, the annual cash outflow used in operating activities of the Group was approximately US$120.3 million.

During the Reporting Period, the annual cash outflow used in investing activities of the Group was approximately US$443.3 million. This was mainly due to (i) cash paid for the purchases of property, plant and equipment, other intangible assets and collaboration assets in the amount of

approximately US$218.4 million, (ii) net cash paid for the financial assets in the amount of approximately US$186.5 million, and (iii) the purchase of time deposits in the amount of approximately US$32.3 million.

During the Reporting Period, the annual cash inflow generated from financing activities of the Group was approximately US$419.3 million. This was mainly due to (i) proceeds from issuance of ordinary shares for Follow-on Public Offering of Legend (as defined below) in the amount of approximately US$377.6 million, net of issuance cost, (ii) proceeds from exercise of share options by employees in the amount of approximately US$8.4 million, (iii) net cash received from bank loans in the amount of approximately US$32.6 million, (iv) proceeds from issue of certain shares relating to private placement for institutional investors in the amount of approximately US$37.3 million, (v) the principle portion of lease payments in the amount of approximately US$6.9 million, (vi) cash pledged for the issuance of bill payables increased in the amount of approximately US$20.9 million, and (vii) the purchases of non-controlling interests of the subsidiary in the amount of approximately US$12.6 million.

Capital expenditure and capital commitment

During the Reporting Period, the expenditure of purchasing intangible assets, namely software, patents and license, was approximately US$2.3 million, the prepayment to collaborator for collaboration right-of-use assets was approximately US$14.8 million, and the expenditure of constructing and purchasing property, plant and equipment amounted to approximately US$201.3 million.

Significant investments held, material acquisitions and disposals

Significant investment held

As at December 31, 2022, significant investments held by the Group are as follows:

	December 31,	
	2022	**2021**
	US$'000	*US$'000*
Financial assets at fair value through profit or loss		
- Current	210,819	2,208
- Non-current	11,657	10,444
Financial assets at amortised cost		
- Current	-	29,937
Total	222,476	42,589

The current part of financial assets at fair value through profit or loss represent investments in wealth management products issued by banks in China and the U.S..

The wealth management products which we purchased during the Reporting Period, mainly including the money market fund, were with floating interests ranging from 0.03% to 4.26% per annum and with maturity dates between 1 day and 365 days. These products did not guarantee the return of principals upon maturity, and none of them was past due or impaired as of December 31, 2022. As at December 31, 2022, the Group has redeemed those wealth management products at maturation and has no intention to dispose the investments in the long-term.

As part of our treasury management plan, we have purchased wealth management products as an auxiliary means to improve utilization of our cash on hand on a short-term basis. 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 year and allocated accordingly, and (ii) our management has carefully assessed the risks and benefits and decided to make such purchases (including, among others, the availability of certain wealth management products which have high liquidity and generate interest income meeting our standards).

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

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

During the Reporting Period, we had only invested in wealth management products issued by major reputable banks in China and the U.S., and we preserved all our invested capital in these products and did not encounter any default by the issuing banks. We had not invested, and are prohibited, under our internal control policies, from directly investing in any listed financial product, and our investments had not been pledged to secure our borrowings for the year ended December 31, 2022.

Information in relation to the current part of financial assets at fair value through profit or loss as at December 31, 2022 are set out as follows:

			Investment cost					
	Banks	**Product type/description**	**Original amount In RMB or US$**	**In US$' 000**	**Fair value as of December 31, 2022 In US$'000**	**Purchase date** (Month/Day/ Year)	**Maturity date**	**Redemption date**
1.	Bank of China	Non-guaranteed floating-income product	RMB30,000,000	4,307	4,482	7/13/2022	Not applicable	On call
2.	Bank of China	Non-guaranteed floating-income products	RMB60,000,000	8,615	8,657	10/17/2022	Not applicable	On call
3.	Bank of China	Non-guarantee floating-income product	RMB44,000,000	6,318	6,326	12/15/2022	9/13/2023	Not applicable
4.	Bank of China	Non-guarantee floating-income product	RMB40,000,000	5,743	5,751	12/15/2022	6/13/2023	Not applicable
5.	JPMorgan Chase & Co.	Money Market Fund	US$60,000,000	60,000	60,197	07/15/2022	Not applicable	On call
6.	JPMorgan Chase & Co.	Money Market Fund	US$62,000,000	62,000	62,197	10/14/2022	Not applicable	On call
7.	JPMorgan Chase & Co.	Money Market Fund	US$63,000,000	63,000	63,209	10/14/2022	Not applicable	On call
	Total:			209,983	210,819			

*Performance and prospects of the financial assets at fair value through profit or loss - JPMorgan U.S. Government Money Market Fund ("**Fund 1**"), JPMorgan 100% U.S. Treasury Securities Money Market Fund ("**Fund 2**"), JPMorgan U.S. Treasury Plus Money Market Fund ("**Fund 3**")*

As at December 31, 2022, Legend Group invested US$60.0 million in Fund 1, whose ratings are AAAm (S&P), Aaa-mf (Moody's) and AAAmmf (Fitch), US$62.0 million in Fund 2 and US$63.0 million in Fund 3, ratings of both of which are AAAm (S&P) and Aaa-mf (Moody's), respectively.

According to information from JPMorgan Chase & Co., the Fund 1 seeks high current income with liquidity and stability of principal. It invests exclusively in high-quality, short-term securities that are issued or guaranteed by the U.S. government or by U.S. government agencies and instrumentalities. The Fund 1 will comply with the SEC rules applicable to all money market funds, including Rule 2a-7 under the Investment Company Act of 1940.

According to information from JPMorgan Chase & Co., the Fund 2 aims to provide the highest possible level of current income while still maintaining liquidity and providing maximum safety of principal. It invests solely in debt securities of the U.S. Treasury, including Treasury bills, bonds and notes carrying different interest rates, maturities and issue dates. The interest on these securities is generally exempt from state and local income taxes. The Fund 2 is a money market fund managed to meet the requirements of Rule 2a-7 under the Investment Company Act of 1940.

According to information from JPMorgan Chase & Co., the Fund 3 seeks current income with liquidity and stability of principal. It invests exclusively in U.S. Treasury bills, notes and other obligations issued or guaranteed by the U.S. Treasury, and repurchase agreements collateralized by such obligations. The Fund 3 will comply with the SEC rules applicable to all money market funds, including Rule 2a-7 under the Investment Company Act of 1940.

These three funds seek to maintain a net asset value of $1.00 per share and offers daily liquidity, and the average yields float with the Fed rate hikes throughout 2022. The dividend accrued for the previous month is paid to Legend's account on the first working day of the next month.

Information in relation to the non-current part of financial assets at fair value through profit or loss as at December 31, 2022 are set out as follows:

Name of investee company/fund	**Principal business or investment scope**	**Nature of investment**	**Number of shares / units / amount of investments held**	**Percentage of total share capital/units owned by the Group as at December 31, 2022** *%*	**Investment Cost** *US$' 000*	**Fail value as at December 31, 2022** *US$' 000*	**Percentage to the Group's total assets as at December 31, 2022** *%*	**Unrealised gain/(loss) on change in fair value for the year ended December 31, 2022** *US$' 000*	**Dividends received for the year ended December 31, 2022** *US$' 000*
Yuanming Prudence SPC – Healthcare Fund I Segregated Portfolio	Equity investment	Investment in fund/securities	486.43	0.28	500	364	0.01	(50)	14
Panacea Venture Healthcare Fund I, L.P.	Equity investment	Investment in fund/securities	Not applicable	5.54	8,628	8,727	0.34	(1,879)	-
Shenzhen Emma Biotechnology Co., Ltd.	Equity investment	Investment in corporation	Not applicable	3.96	1,237	1,756	0.07	520	-
AffyXell Therapeutics Co., Ltd.	Equity investment	Investment in corporation	113,637	1.22	810	810	0.03	-	-
Total:					11,175	11,657	0.45	(1,409)	14

(*Note*) Given the value of investments is immaterial and does not constitute a notifiable transaction of the Company pursuant to Chapter 14 of the Listing Rules, as the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules), whether on a standalone or aggregate basis, are less than 1.0% of the total assets of the Group as of December 31, 2022, the Company has not prepared any analysis on their prospects.

During the Reporting Period, we recorded the investment gain on the financial assets at fair value through profit or loss of US$1.8 million and a fair value loss at US$0.6 million.

Acquisition of Properties in Zhenjiang

On June 27, 2022, Jiangsu GenScript Biotech Co., Ltd.* (江蘇金斯瑞生物科技有限公司) ("**GenScript Jiangsu**"), an indirect wholly-owned subsidiary of the Company, Jiangsu GenScript ProBio Biotech Co., Ltd* (江蘇金斯瑞蓬勃生物科技有限公司) ("**Probio Jiangsu**"), an indirect non-wholly-owned subsidiary of the Company, and two sellers entered into the properties purchase agreements, pursuant to which the sellers sold and GenScript Jiangsu and Probio Jiangsu acquired eight buildings from the relevant sellers. All eight buildings are situated at the Science Technology Park Development Zone, Zhenjiang, Jiangsu Province, the PRC. Please refer to the announcement of the Company dated June 29, 2022 for details.

Deemed disposal of equity interest in Probio Cayman

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 ("**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.

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

Legend's follow-on offering

On July 27, 2022, Legend Biotech entered into an underwriting agreement with underwriters in relation a follow-on public offering of 8,140,000 American Depositary Shares ("**ADSs**"), with the additional 1,221,000 ADSs purchased by the underwriters by exercising their options, at a price to the public of US$43.00 per ADS and each ADS represented two ordinary shares of Legend Biotech (the "**Follow-on Public Offering**"). On July 29, 2022, the Follow-on Public Offering was closed. Please refer to announcements of the Company dated July 26, 2022, July 27, 2022, July 28, 2022 and July 31, 2022 for details.

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

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

Bank loans and other borrowings

As at December 31, 2022, GenScript Japan Inc. ("**GS JP**") had a long-term interest-bearing loan from Mizuho Bank for a total amount of JPY70.0 million (equivalent to approximately US$525,000) with a floating interest rate at the TIBOR (Tokyo Interbank Offered Rate) rate plus 0.25%, which was secured by the buildings and freehold land held by GS JP. GS JP used such loan to purchase the building.

As at December 31, 2022, Nanjing GenScript Biotech Co., Ltd. ("**GS China**") had short-term interest-bearing loans from China Citi Bank for a total amount of RMB86,000,000 (equivalent to approximately US$12.3 million) with a fixed interest rate at 2.5% and 2.6% respectively. GS China used such loan for daily operation.

As at December 31, 2022, GS China had a short-term interest-bearing loan from China Merchants Bank for discounting notes for a total amount of RMB26,326,000 (equivalent to approximately US$3.8 million) with a fixed interest rate at 1.4%. GS China used such loan for daily operation.

As at December 31, 2022, Nanjing Probio Biotech Co., Ltd. ("**Probio Nanjing**") had a short-term interest-bearing loan from China Citic Bank for discounting notes for a total amount of RMB119,111,000 (equivalent to approximately US$17.1 million) with a fixed interest rate at 1.3%. Probio Nanjing used such loan for daily operation.

As at December 31, 2022, 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 the collaborator, Legend is entitled to receive funding advances from the collaborator when certain operational conditions are met. As a result, Legend took an initial funding advance amounting to US$17.3 million on June 18, 2021, second amounting to US$53.1 million on September 17, 2021, third amounting to US$49.3 million on December 17, 2021, fourth amounting to US$5.3 million on March 18, 2022 fifth amounting to US$60.9 million on June 17, 2022, sixth amounting to US$60.5 million on September 16, 2022, and seventh amounting to US$3.6 million on December 16, 2022, by reducing the same amount of other payables due to the collaborator (collectively, the "**Funding Advances**"). As at December 31, 2022, Legend recorded interest payables of US$10.9 million for the Funding Advances.

These Funding Advances are accounted for as interest-bearing borrowings funded by the collaborator, constituted by a principal and applicable interests upon such principal. The respective interest rate of each borrowing is based on the average annual LIBOR (London Interbank Offered Rate) for U.S. dollars as reported in the Wall Street Journal on the due date, plus 2.5%, calculated on the number of days from the date on which Legend applied such borrowings.

Pursuant to the terms of the license and collaboration agreement, the collaborator may recoup the aggregate amount of Funding Advances together with interest thereon from Legend's share of pre-tax profits for the first profitable year of the collaboration program. The Company's management estimated the borrowings will not be recouped by the collaborator within one year, and thus the borrowings was classified as a long-term liability.

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

Provision, contingent liabilities and guarantees

The Group did not have any material provision, contingent liabilities or guarantees as at December 31, 2022.

No material adverse change

The Directors confirm that there has been no material adverse change in the financial or trading position of the Group since December 31, 2022 and up to the date of this announcement.

Charges on group assets

As at December 31, 2022, the building and freehold land located in Tokyo, Japan of approximately JPY1.2 billion (equivalent to approximately US$9.0 million) was pledged by GS JP to secure a loan of JPY70.0 million (equivalent to approximately US$525,000).

As at December 31, 2022, bank balances of approximately US$1.7 million were pledged for credit cards' facilities, of approximately US$20.9 million were pledged for bills payable, and of approximately US$4.6 million were pledged for the letters of guarantee to suppliers.

As at December 31, 2022, the properties acquired GenScript Jiangsu and Probio Jiangsu was approximately RMB242.9 million (equivalent to approximately US$34.9 million) were pledged to an affiliate of the Series B Investor (as defined in the announcement of the Company dated July 4, 2022) so as to secure the performance of the redemption obligation of the Company and Probio Cayman. Please refer to the announcements of the Company dated June 29, 2022 and July 4, 2022 for details.

Save as disclosed above, the Group did not have any other material charges over its assets as at December 31, 2022.

Current ratio and gearing ratio

As at December 31, 2022, the Group's current ratio (current assets to current liabilities) was approximately 3.2 (as at December 31, 2021: 4.0); and gearing ratio (total liabilities to total assets) was approximately 46.5% (as at December 31, 2021: 37.9%).

Future plans for material investments or capital assets

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

For life-science services and products, the Group plans to continue to invest and upgrade molecular biology and protein production capacity in China and overseas markets, as well as to expand Good Manufacturing Practice ("**GMP**") grade manufacturing capacity for peptide, oligo

and other key reagents in the GCT supply chain.

For biologics development services, the Group plans to expand antibody discovery, process development and GMP manufacturing capacity in China, and build more GMP manufacturing facilities both in China and the U.S. for plasmid and virus production.

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

Save as disclosed above, there was no other specific plan for material investments or capital assets as at December 31, 2022

RISK MANAGEMENT

Foreign exchange risk

The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the exchange rate between the U.S. dollar against RMB and Euro, respectively. Foreign exchange risk arises from mismatch of currencies we receive from customers and currencies we use to pay to our employees and suppliers, as well as foreign currencies held in certain overseas subsidiaries. The Group seeks to limit its exposure to foreign currency risk by closely monitoring and minimizing its net foreign currency position. Since January 2019, the Group has engaged in a series of forward contracts to manage the Group's currency risk.

The Group adopts a hedging policy to manage our exposure to foreign exchange risk in relation to RMB, aiming to control foreign exchange risk to an acceptable level by ensuring that we will only consider hedging operational flows. As at December 31, 2022, the Group had outstanding foreign currency forward contracts in respect of U.S. dollar against RMB of notional principal amounts of approximately US$22.0 million (as at December 31, 2021: approximately US$112.0 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 changes in fair value of the foreign currency forward contracts were recognised in the consolidated statement of profit or loss. All of the foreign currency forward contracts are to be settled within one year.

Cash flow and fair value interest rate risk

As at December 31, 2022, other than bank balances with variable interest rates and short-term deposits, the Group has financial products of approximately US$210.8 million related to fair value interest rate risk. The Directors consider that the exposure of fair value interest rate arising from financial products is insignificant because of the relatively short, therefore no sensitivity analysis on such risk has been prepared.

The Group is also exposed to fair value interest rate risk in relation to lease liabilities and cash flow interest rate risk in relation to variable-rate bank loans and other borrowings. The Company currently does not enter into any hedging instrument for both of the fair value interest rate risk and cash flow interest rate risk. The sensitivity analysis for cash flow interest rate risk is prepared on the exposure to interest rates for interest-bearing bank loans and other borrowings at the end of the Reporting Period. If the interest rates had been 50 basis point higher or lower and all other variables were held constant, our post-tax loss would have been approximately US$0.9 million higher or lower for the years ended December 31,2022.

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

Regulatory risk

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

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

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

In recent years, there have been more material uncertainties arose in international trade agreements, tariffs and import/export regulations. The momentum of international trade protectionism and unilateralism is growing. The U.S. and the PRC governments have held numerous rounds of negotiations. If any new legislation and/or regulations are implemented, or if existing trade agreements are renegotiated, or if the U.S. or the PRC imposes additional burdens on international trade that negatively affect the ability of both countries to import and export goods, 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.

Risk related to holding foreign companies accountable act

On December 16, 2021, the Public Company Accounting Oversight Board (the "**PCAOB**") issued a report on its determination that it is unable to inspect or investigate completely PCAOB-registered public accounting firms headquartered in Mainland China and Hong Kong because of positions taken by local authorities. The Holding Foreign Companies Accountable Act (the "**HFCA Act**"), was signed into law on December 18, 2020. In accordance with the HFCA Act, trading in Legend Biotech's ADSs on a national securities exchange or in the over-the-counter trading market in the U.S. may be prohibited if the PCAOB determines that it cannot inspect or fully investigate our auditor for three consecutive years beginning in 2021, and, as a result, an exchange may determine to delist Legend Biotech's ADS.

On December 2, 2021, the SEC adopted final amendments implementing the disclosure and submission requirements under the HFCA Act, pursuant to which the SEC will (i) identify an issuer as a "Commission-Identified Issuer" if the issuer has filed an annual report containing an audit report issued by a registered public accounting firm that the PCAOB has determined it is unable to inspect or investigate completely because of the position taken by the authority in the foreign jurisdiction and (ii) impose a trading prohibition on the issuer after it is identified as a Commission-Identified Issuer for three consecutive years. On December 29, 2022, the Consolidated Appropriations Act 2023 was signed, in accordance with which, among other things, the HFCA Act reduced the number of consecutive years an issuer can be identified as a Commission-Identified Issuer before the SEC must impose an initial trading prohibition on the issuer's securities from three years to two years.

On August 26, 2022, the PCAOB signed a Statement of Protocol with the China Securities Regulatory Commission and the Ministry of Finance of the PRC, taking the first step toward opening access for the PCAOB to inspect and investigate registered public accounting firms headquartered in Mainland China and Hong Kong. On December 15, 2022, the PCAOB issued a HFCAA Determination Report pursuant to 15 U.S.C. Section 7214(i)(2)(A) and PCAOB Rule

6100, vacating determinations of the PCAOB that it was unable to inspect or investigate completely registered public accounting firms headquartered in Mainland PRC and Hong Kong because of positions taken by relevant domestic authorities. While vacating those determinations, the PCAOB noted that, should it encounter any impediment to conducting an inspection or investigation of auditors in Mainland China or Hong Kong as a result of a position taken by any authority there, the PCAOB would act to immediately reconsider the need to issue new determinations consistent with the HFCA Act and PCAOB's Rule 6100.

Legend's auditor for the fiscal years ended December 31, 2021 and December 31, 2020 was Ernst & Young Hua Ming LLP, an independent registered public accounting firm. The PCAOB identified Ernst & Young Hua Ming LLP as one of the registered public accounting firms that the PCAOB was unable to inspect or investigate completely and Legend was conclusively identified as a "Commission-Identified Issuer" on May 4, 2022. On May 3, 2022, the audit committee of the board of directors of Legend Biotech (i) resolved that Ernst & Young Hua Ming LLP, located in Shanghai, People's Republic of China, would resign as Legend Biotech's independent registered public accounting firm for the audits of the Legend Biotech's financial statements and internal control over financial reporting to be filed with the SEC, effective on June 1, 2022, and (ii) approved the engagement of Ernst & Young LLP, located in the United States as Legend Biotech's independent registered public accounting firm for the audits of Legend Biotech's financial statements and internal control over financial reporting for the fiscal year ending December 31, 2022 to be filed with the SEC and Legend Biotech subsequently entered into an engagement letter with the Ernst & Young LLP. However, there are no guarantees that engaging Ernst & Young LLP will remove Legend Biotech from being a "Commission-Identified Issuer." Legend Biotech's ADSs may be delisted under the HFCA Act if the PCAOB is unable to inspect its auditors for two consecutive years.

Ernst & Young LLP must still be able to produce any audit work papers upon any PCAOB inspection or investigative demand and make any relevant audit personnel available to the PCAOB upon inspection or investigative demand. The failure of Ernst & Young LLP to meet any of its legal or professional obligations with respect to PCAOB inspection and investigative demands, or the failure of the Ernst & Young LLP to comply with all applicable audit standards, could result in significant liability for Legend or result in the delisting of its securities pursuant to the HFCA Act. Please refer to the announcements of the Company dated April 14, 2022 and May 9, 2022 for details.

IMPORTANT EVENTS

In February 2022 and April 2022, certain milestones relating to the clinical development and regulatory approval of cilta-cel have been achieved according to the terms and conditions of the collaboration agreement entered into among Legend USA, Legend Biotech Ireland Limited and Janssen, resulting in aggregate payments to Legend of US$100.0 million. Please refer to the announcements of the Company dated February 11, 2022 and April 21, 2022 for details.

In March 2022, the FDA approved Legend Biotech's first product, CARVYKTI (ciltacabtagene autoleucel), for the treatment of adults with relapsed or refractory multiple myeloma ("**RRMM**") who have received four or more prior lines of therapy, including a proteasome inhibitor, an

immunomodulatory agent and an anti-CD38 monoclonal antibody. Please refer to the announcement of the Company dated March 1, 2022 for details.

In May 2022, the European Commission has granted conditional marketing authorization of CARVYKTI (ciltacabtagene autoleucel; cilta-cel) for the treatment of adults with relapsed and RRMM who have received at least three prior therapies, including a proteasome inhibitor, an immunomodulatory agent and an anti-CD38 antibody, and have demonstrated disease progression on the last therapy. Please refer to the announcement of the Company dated May 26, 2022 for details.

In June 2022 and November 2022, the FDA has cleared Legend's investigational new drug (IND) applications to evaluate LB1908 in a Phase 1 clinical trial in the U.S. and to proceed with the clinical development of LB2102 respectively. LB1908 is an investigational, autologous CAR-T therapy selectively targeting claudin 18.2 through a high-affinity VHH antibody for the treatment of adults with relapsed or refractory gastric, esophageal (including gastro-esophageal junction) or pancreatic cancers. LB2102, an investigational is an autologous CAR-T therapy for the treatment of adult patients with extensive stage small cell lung cancer respectively. Please refer to the announcements of the Company dated June 5, 2022 and November 21, 2022 for details.

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 Probio Series B Preferred Shares at an aggregate consideration of approximately US$37.3 million. 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.

On July 27, 2022, Legend Biotech entered into the underwriting agreement with underwriters in relation to the Follow-on Public Offering of 8,140,000 ADSs, with the additional 1,221,000 ADSs purchased by the underwriters by exercising their options, at a price to the public of US$43.00 per ADS and each ADS represented two ordinary shares of Legend Biotech. On 29 July, 2022, the Follow-on Public Offering was closed. Please refer to the announcements of the Company dated July 26, 2022, July 27, 2022, July 28, 2022 and July 31, 2022 for details.

On September 26, 2022, Japan's Ministry of Health, Labour and Welfare approved CARVYKTI for the treatment of adults with relapsed or refractory multiple myeloma, limited to cases meeting both of the following conditions: patients have no history of CAR-positive T cell infusion therapy targeting BCMA; and patients who have received three or more lines of therapies, including an immunomodulatory agent, a proteasome inhibitor and an anti-CD38 monoclonal antibody, and in whom multiple myeloma has not responded to or has relapsed following the most recent therapy. Please refer to the announcement of the Company dated September 28, 2022 for details.

On December 30, 2022, the National Medical Products Administration of China has formally accepted Legend Biotech's New Drug Application for cilta-cel. Please refer to the announcement of the Company dated January 2, 2023 for details.

On January 17, 2023, Probio Cayman entered into the subscription agreement with the series C investors (including the Company), whereby Probio Cayman agreed to sell 319,998,370 series C preferred shares of Probio Cayman (the "**Probio Series C Financing**"). The initial closing of the

Probio Series C Financing took place on February 10, 2023. Please refer to the announcements of the Company dated January 17, 2023 and February 10, 2023 for details.

PROSPECTS

During 2022, the global economy continues to face challenges rising from high inflation in most of the developed countries and COVID controls in China. Investment in the life-science and healthcare industry was not immune to the chilling effect of slow economic growth and high uncertainty on the macro level.

However, the Group is committed to our strategy to focus our efforts in the GCT area, not only developing innovative cell therapy products such as CARVYKTI, but also developing enabling technology for GCT-related research and manufacturing process. We believe the GCT market is the most promising segment of the life-science and healthcare industry. In the long run, GCT offers the chance to dramatically improve cost effectiveness of healthcare with high precision and efficacy.

In life-science business, we continue to improve technology platform and capacity to serve the needs for faster and higher quality GCT research and clinical development. Our customers are using our enabling tools and services to conduct research on cancer, rare diseases, infectious diseases, and more. Their research has the potential to lead to the development of life-saving vaccines, therapeutics and diagnostics, which could have a profound impact on millions of lives.

In the CDMO field, we are observing a slower market growth as early stage biotech companies are struggling for funding many less innovative pipeline programs that were eliminated due to slim chance of obtaining commercial success. Furthermore, aggregated manufacturing capacity, particularly in China, is in excess of industry demand since many less experienced players have entered this field hoping to catch the wave of fast growth driven by easy credit and Covid related one time demand in the past several years. Some biotech companies who have previously built manufacturing capacities for their own pipeline programs are also now looking to sell such assets or use them for CDMO purposes. The competition has been fierce.

However, we believe our emphasis on quality and global commercial network offers unique value to our customers and this will set us apart from the majority of the competitors. Our prudent planning in capacity buildout and capital raising also give us the advantage to compete effectively. We believe industry participants are much more rational now and we have the opportunity to gain market share and accelerate growth as the macro environment improves.

For industrial synthetic biology products, our enzyme products support various important industries including grain processing, feed and household care, with high standard of quality and performance. Furthermore, we use biological process to replace traditional chemical process, enable our customer to achieve better yield and environmentally friendly production. With the synthetic biology platform, we believe our technology will serve more industrial applications and reinvent some industries into more sustainable business.

In the cell therapy field, we will continue to push forward Legend's pipeline programs through

our internal resources, and Legend continues to evaluate opportunities for collaborations with external partners. Legend plans to continue to utilize investigator initiated trials (IIT) in China to generate clinical data in a fast and cost effective way and plans to continue to pursue IND-based trials in the U.S., which may, where beneficial, leverage data generated from these IITs.

FUTURE DEVELOPMENT STRATEGIES

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

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

In the life-science services and products segment, we will continue to increase throughput and reduce costs through automation. We will also expand our manufacturing capacity for life-science and related catalogue products in plasmid preparation, protein expression, antibody production, oligo, etc. to meet our customers' demands on throughput. We will continue to upgrade our life-science products and services with GMP grade manufacturing to meet the needs of translational medical research and the commercial market.

In the biologics CDMO segment, we will focus on optimizing our biologics production technology platform and expanding our expertise commercial stage manufacturing. In the GCT area, we will continue to invest in capacity expansion and technological improvement in GMP plasmid, viral vector and mRNA production to solidify our position in China and overseas. We are also investing in our global commercial network to further penetrate the markets outside of China.

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

In the cell therapy field, we will continue to push forward Legend's pipeline programs through our internal resources as well as collaborations with external partners. We will continue to explore the advantage of conducting investigator initiated trials (IIT) in China and to selectively combine those with IND trials approved by the FDA in the U.S. to generate clinical data in a fast and cost effective way.

EMPLOYEES AND REMUNERATION POLICIES

As at December 31, 2022 the Group had a total of approximately 6,213 employees. The Group had entered into employment contracts covering positions, employment conditions and terms, compensation, responsibility for breach of contractual obligations, and reason for termination with its employees. The remuneration package of the Group's employees includes basic salary, subsidies, other employee benefits and long term incentives, which are determined with reference to their capability, responsibility, performance, and other general factors.

On July 15, 2015, the Company adopted the pre-IPO share option scheme (the "**Pre-IPO Share Option Scheme**"). On December 7, 2015, the Company adopted the post-IPO share option scheme (the "**Post-IPO Share Option Scheme**", together with the Pre-IPO Share Option Scheme, the "**Share Option Schemes**"). On March 22, 2019, the Company adopted the restricted share award scheme (the "**2019 RSA Scheme**"). On August 23, 2021, the Company adopted the restricted share award scheme (the "**2021 RSA Scheme**", together with the 2019 RSA Scheme, the "**RSA Schemes**").

No further options have been granted under the Pre-IPO Share Option Scheme since the Company was listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

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

During the Reporting Period, 164,361 restricted shares, 669,529 restricted shares and 22,626 restricted shares were granted under the 2019 RSA Scheme on January 10, 2022, March 22, 2022 and May 26, 2022, respectively. Please refer to our announcements dated January 10, 2022, March 23, 2022 and May 27, 2022 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, 1,734,602 restricted shares, 2,224,402 restricted shares and 255,390 restricted shares were granted under the 2021 RSA Scheme on March 22, 2022, May 26, 2022 and September 2, 2022, respectively. Please refer to our announcements dated March 23, 2022, May 27, 2022 and September 2, 2022 for details. Save as disclosed, no other restricted shares have been granted under the 2021 RSA Scheme during the Reporting Period.

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

FINAL DIVIDEND

In order to retain resources for the Group's business development, the Board did not recommend the payment of final dividend for the year ended December 31, 2022.

PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES

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

USE OF PROCEEDS

Use of Proceeds from Top-up Placing

On June 5, 2018, the Company entered into a placing and subscription agreement with Genscript Corporation, one of the controlling shareholders of the Company (the "**Vendor**") and placing agents pursuant to which (i) the Vendor completed a placing through placing agents 75,000,000 ordinary shares of the Company to certain placees at the price of HK$26.50 per share, and (ii) the Vendor subscribed for an aggregate of 75,000,000 shares of the Company of HK$26.50 per share (the "**Top-up Placing**"). The net proceeds of the Top-up Placing is approximately HK$2.0 billion (equivalent to approximately US$251.3 million). Please refer to the announcements of the Company dated June 4, 2018, June 5, 2018, June 8, 2018, June 13, 2018 and June 14, 2018 for details.

A detailed breakdown and description of the use of the net proceeds from the Top-Up Placing is set forth as follows:

Item	**Unutilized amount as at January 1, 2022** *US$ million*	**Utilized amount during the Reporting Period** *US$ million*	**Unutilized amount as at December 31, 2022** *US$ million*	**Intended year of application**
Building up the GMP manufacturing facilities for plasmid and biologics products	36.5	36.5	—	Not applicable
Total	36.5	36.5	—	

Use of Proceeds from the Subscription Under General Mandate

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

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

Item	Unutilized amount as at January 1, 2022 *US$ million*	Utilized amount during the Reporting Period *US$ million*	Unutilized amount as at December 31, 2022 *US$ million*	Intended year of application
Investment in research and development	37.0	37.0	–	Not applicable
Expansion of manufacturing facilities	131.2	123.1	8.1	2022 to 2023
Total	168.2	160.1	8.1	

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 14 to The Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") (as in effect from time to time) as its own code of corporate governance.

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own Code for Securities Transaction by Directors and Specified Individuals (the "**Model Code**") on terms no less exacting than the required standard set out in the Model Code as set out in Appendix 10 of the Listing Rules. Specific inquiry has been made to all the Directors and each of the Directors has confirmed that he/she has complied with the Model Code during the Reporting Period.

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

AUDIT COMMITTEE

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

The restatement of unaudited interim results of the Group for the six months ended June 30, 2022 has been reviewed by the Audit Committee and has not been reviewed by the auditor of the Company.

The Audit Committee has, together with the management and external auditors, reviewed the accounting principles and practices adopted by the Group and the annual results for the year ended December 31, 2022.

SCOPE OF AUDITOR'S WORK ON ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, condensed statement of cash flows and the related notes thereto for the year ended December 31, 2022 as set out in this preliminary announcement have been agreed by the Company's auditor to the amounts set out in the Group's audited consolidated financial statements for the year. The auditor made no comments as to the reasonableness or appropriateness of those assumptions of the "adjusted net profit/(loss)" as presented in the preliminary announcement. The work performed by the Company's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditor on this preliminary announcement.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting (the "**AGM**") of the Company is scheduled to be held on Thursday, May 25, 2023. A notice convening the AGM will be issued and disseminated to the shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement of shareholders to attend and vote at the forthcoming AGM to be held on Thursday, May 25, 2023, the register of members of the Company will be closed from Monday, May 22, 2023 to Thursday, May 25, 2023 (both dates inclusive), during

which period no transfer of shares will be registered. All transfer documents, accompanied by the relevant share certificates, shall be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, May 19, 2023.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND 2022 ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.genscript.com), and the 2022 annual report containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

ANNUAL REPORT FOR THE FULL YEAR OF 2022 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 annual report for the full year of 2022. The annual report is available at the website of Legend at https://investors.legendbiotech.com/static-files/7ecfc7ea-a3b5-4152-a060-1a26e252d45d.

ACKNOWLEDGEMENT

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

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

Hong Kong, March 31, 2023

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

* *For identification purposes only*