

Origin Agritech partners with Beijing Changping Technology Innodevelop Group

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Under this agreement, Origin and BC-TID will establish the new entity with approximately equal partnership. The Company will contribute the Origin Life Science Center building in Beijing and two biotech corn traits to the new joint venture, and BC-TID will fund the joint venture with a total of RMB204 million. The two biotech traits are the glyphosate tolerance (Gt) trait and the double stacked traits of insect resistance (Bt) and Gt genes. These two traits have completed multi-year production tests, and we have submitted the application for the final stage of biosafety approval in April to China's Ministry of Agriculture.

Origin started its corn seed biotechnology research about 15 years ago and has developed several corn seed biotech traits in cooperation with Chinese Academy of Agricultural Sciences. Over the years, Origin has built strong intellectual properties with numerous patents and patent applications. More importantly, the Company has entered into commercialization agreements with multinational and local corn seed companies to license these two traits after several years of joint development programs with these corn seed companies. When GM corn seed technologies are approved for commercialization in China, these license agreements are expected to generate significant revenues and earnings for the Company. The Chinese government has announced previously that GM corn seed technology would be commercialized during the Thirteenth Five-Year Plan, which ends in 2020.

BC-TID is wholly owned by the local government of Changping District in Beijing and was setup as an industrial investment platform. With over RMB10 billion asset, BC-TID mainly invests in the companies in the industrial parks of Changping District, where Origin Life Science Center building is located.