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Kindstar Globalgene Technology, Inc.
康聖環球基因技術有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 9960)

**DISCLOSEABLE TRANSACTION
FORMATION OF PARTNERSHIP**

The Board is pleased to announce that on June 18, 2023, Kindstar Venture Capital, a non-wholly owned PRC Consolidated Entity, and Tianjin Haichuang (each as a general partner), and Kindstar Wuhan Investment, a PRC Consolidated Entity, and Tianjin Haitai Haihe (each as a limited partner) entered into the Partnership Agreement for the formation of the Partnership. The total capital contribution by all partners of the Partnership shall be RMB200,000,000, of which RMB120,000,000 shall be contributed by Kindstar Wuhan Investment and Kindstar Venture Capital in aggregate, RMB78,000,000 shall be contributed by Tianjin Haitai Haihe, and RMB2,000,000 shall be contributed by Tianjin Haichuang.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the formation of the Partnership are more than 5% but all applicable percentage ratios are less than 25%, it constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on June 18, 2023, Kindstar Wuhan Investment, a PRC Consolidated Entity, and Tianjin Haitai Haihe (each as a limited partner), and Kindstar Venture Capital, a non-wholly owned PRC Consolidated Entity, and Tianjin Haichuang (each as a general partner) entered into the Partnership Agreement for the formation of the Partnership. The total capital contribution by all partners of the Partnership shall be RMB200,000,000, of which RMB120,000,000 shall be contributed by Kindstar Wuhan Investment and Kindstar Venture Capital in aggregate, RMB78,000,000 shall be contributed by Tianjin Haitai Haihe, and RMB2,000,000 shall be contributed by Tianjin Haichuang.

THE PARTNERSHIP AGREEMENT

The principal terms of the Subscription Agreement are as follows:

Date

June 18, 2023

Parties

- (1) Kindstar Wuhan Investment (as a limited partner);
- (2) Tianjin Haitai Haihe (as a limited partner);
- (3) Kindstar Venture Capital (as a general partner); and
- (4) Tianjin Haichuang (as a general partner).

Purpose and Duration of the Partnership

The purpose of the Partnership is to engage in venture capital activities permitted by national laws, protect the partnership interests of all partners, and obtain investment income through equity investment in compliance with legal provisions.

The scope of business of the Partnership includes investment in unlisted companies; participation in private offering of shares and related consulting services; venture capital (limited to investment in unlisted companies); engaging in equity investment, investment management, asset management and other activities with private equity funds.

The partnership mainly invests in the following fields (biomedicine): early stages of startup in the field of precision medicine, including disease detection technology and services, in vitro diagnostic equipment and reagents, smart laboratories, and biopharmaceuticals.

The maximum period of operation of the Partnership is twenty years from the issuance date of the Partnership's business license. The Partnership has an initial investment period of three years, and a subsequent payback period of four years. Upon expiration of the payback period and consent of the partners, the payback period may be extended by a maximum of two years.

Capital Contribution

The total capital commitment by all partners of the Partnership shall be RMB200,000,000, which shall be payable in cash. The capital contribution to be made by each of the partners is set out as follows:

Partner	Type	Capital contribution (RMB)	Percentage (%)
Kindstar Wuhan Investment	Limited partner	118,000,000	59.00
Tianjin Haitai Haihe	Limited partner	78,000,000	39.00
Kindstar Venture Capital	General partner	2,000,000	1.00
Tianjin Haichuang	General partner	2,000,000	1.00
		<u>200,000,000</u>	<u>100.00</u>

The size of the Partnership and the capital contribution of each partner were determined after arm's length negotiations among the partners with reference to the expected capital needs of the fund.

The Group will satisfy such capital contribution in cash using the Group's net proceeds from the Global Offering.

Management of the Partnership

All the partners agree that Haier Venture Capital shall be the manager of the Partnership. The Manager shall be responsible for the management of the Partnership's operations and daily affairs, due diligence and assessment, identifying investment opportunities, and assisting the Partnership to negotiate the terms of investment. It is entitled to an annual management fee at 2% of the Partnership's total paid-up capital during the investment period and 1.5% of the Partnership's total remaining investment during the subsequent payback period. If the payback period is extended, the Manager will not charge any management fee during such extended period.

Meanwhile, Tianjin Haichuang is the Executive Partner and shall be responsible for hiring professional advisers for the Partnership, executing investment contracts on behalf of the Partnership, and carrying out investment and operating activities.

Investment Decision Committee

The investment decision committee is the highest investment decision-making body of the Partnership. It comprises four members and are nominated by the Manager. Any investment and divestment decisions of the Executive Partner must first be approved by the investment decision committee. If there is any dispute among the members of the investment decision committee and as a result no investment has been made by the Partnership in any six months period, any one of the general partners may propose to end the investment period prematurely.

Distribution

All the proceeds from the Partnership's investment, after paying the Partnership's expenses, taxes and liabilities, should first be distributed among all partners in pro rata to their respective capital contribution to the Partnership until all partners have received cumulative distributions equal to the aggregate capital contribution of such partner. Thereafter, each partner shall receive an annual threshold return equal to 8% of the capital contribution of such partner. Finally, the limited partners shall receive 80% of the remaining proceeds in pro rata to their respective capital contribution to the Partnership and the general partners shall receive the remaining 20%, of which 14% will go to the Executive Partner and 6% will go to Kindstar Venture Capital.

INFORMATION OF THE PARTIES

The Company, Kindstar Wuhan Investment and Kindstar Venture Capital

The Company is an exempted company with limited liability incorporated under the laws of the Cayman Islands on August 24, 2007. The Group is a leading independent esoteric clinical testing service provider in the PRC.

Kindstar Wuhan Investment is a limited liability company established under the laws of the PRC on September 8, 2021 and a PRC Consolidated Entity. It is principally engaged in investment and asset management services. As of the date of this announcement, Kindstar Wuhan Investment is wholly owned by Wuhan Kindstar.

Kindstar Venture Capital is a limited liability company established under the laws of the PRC on August 19, 2022 and a non-wholly owned PRC Consolidated Entity. It is principally engaged in investment management. As of the date of this announcement, Kindstar Venture Capital is owned as to 80.5% by Wuhan Kindstar, 5.5% by Dr. Huang Shiang, the chairman of the Board and an executive Director, 2.0% by Mr. Tu Zanbing, an executive Director, 2.0% by Ms. Chai Haijie, an executive Director and the remaining 10% by a third party independent of the Company and its connected persons.

Tianjin Haitai Haihe

Tianjin Haitai Haihe is a limited partnership established under the laws of the PRC and is a private equity fund principally engaged in equity investment, investment management and assets management. The executive partner of Tianjin Haitai Haihe is Tianjin Haitai Haihe Investment Management Co., Ltd. (天津海泰海河投資管理有限公司). As of the date of this announcement, the ultimate beneficial owners of Tianjin Haitai Haihe are (i) Tianjin State-owned Assets Supervision and Administration Commission (天津市國有資產監督管理委員會) and (ii) Tianjin Binhai High-tech Industrial Development Zone Administrative Committee (天津濱海高新技術產業開發區管理委員會), the latter is also the ultimate beneficial owner of Tianjin Haitai Haihe's executive partner.

Tianjin Haichuang and the Manager

Tianjin Haichuang is a limited liability company established under the laws of the PRC and is principally engaged in investment management and investment consulting.

The Manager is a limited liability company established under the laws of the PRC in 2010 and is a wholly-owned industry investment platform of Haier Financial Holdings (海爾金控). Its assets under management are nearly RMB30 billion currently, focusing on the fields of medical health and hard-core technology. At present, it has invested in more than 400 projects.

As of the date of this announcement, the ultimate beneficial owner of both Tianjin Haichuang and the Manager is Haier Group Corporation(海爾集團公司). Haier Group Corporation is an urban collectively-owned enterprise and has no shareholder.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Tianjin Haitai Haihe, Tianjin Haichuang, the Manager and their respective ultimate beneficial owners is a third party independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF FORMING THE PARTNERSHIP

The Board is of the view that the formation of the Partnership would be beneficial to the Company and its shareholders as a whole as it could (i) leverage the resources and advantages of professional investment institution and investment partner, accelerate the implementation of the Company's development strategy and expand its ecosystem and value chain; and (ii) maintain the Company's grasp on cutting-edge technology, premium projects and business opportunities, cultivate new growing points and enhance the profitability and long-term value of the Company continuously.

In view of the above, the Directors believe that the terms of the Partnership are fair and reasonable, and in the interests of the Company's shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the formation of the Partnership are more than 5% but all applicable percentage ratios are less than 25%, it constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

“Board”	the board of Directors
“Company”	Kindstar Globalgene Technology, Inc., an exempted company with limited liability incorporated under the laws of the Cayman Islands, the Shares of which are listed on The Stock Exchange of Hong Kong Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Global Offering”	the global offering of the Shares in connection with the listing of the Shares on the Main Board of The Stock Exchange of Hong Kong Limited on July 16, 2021
“Group”	the Company and its subsidiaries (including the PRC Consolidated Entities)
“Haier Venture Capital” or “Manager”	Haier Venture Capital Co., Ltd. (青島海爾創業投資有限責任公司), a limited liability company established under the laws of the PRC and the Manager of the Partnership
“Kindstar Venture Capital”	Wuhan Kangsheng Venture Capital Management Co., Ltd. (武漢康聖創業投資管理有限公司), a limited liability company established under the laws of the PRC and a non-wholly owned PRC Consolidated Entity, also a general partner of the Partnership
“Kindstar Wuhan Investment”	Kindstar Global (Wuhan) Investment Management Co., Ltd. (康聖環球(武漢)投資管理有限公司), a limited liability company established under the laws of the PRC and a PRC Consolidated Entity, also a limited partner of the Partnership
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Partnership”	Tianjin HaichuangHaihe Kindstar Equity Investment Fund Partnership (Limited Partnership)(天津海創海河康聖股權投資基金合夥企業(有限合夥)), a limited partnership to be established pursuant to the Partnership Agreement under the laws of the PRC (the name to be specified on the business license shall prevail)

“Partnership Agreement”	the partnership agreement dated June 18, 2023 entered into between Kindstar Venture Capital and Tianjin Haichuang as general partners and Kindstar Wuhan Investment and Tianjin Haitai Haihe as limited partners with respect to the formation of the Partnership
“PRC”	the People’s Republic of China
“PRC Consolidated Entity(ies)”	entity(ies) whose financial results have been consolidated and accounted for as subsidiaries of the Company by virtue of variable interest entity structure
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	ordinary share(s) in the share capital of the Company with a par value of US\$0.00025 each
“Tianjin Haichuang” or “Executive Partner”	Tianjin Haichuang Archipelago Investment Management Co., Ltd. (天津海創群島投資管理有限公司), a limited liability company established under the laws of the PRC and a general partner of the Partnership
“Tianjin Haitai Haihe”	Tianjin Haitai Haihe Biomedical Industry Fund Partnership (Limited Partnership)(天津海泰海河生物醫藥產業基金合夥企業(有限合夥)), a limited partnership established under the laws of the PRC and a limited partner of the Partnership
“Wuhan Kindstar”	Wuhan Kindstar Medical Laboratory Co., Ltd. (武漢康聖達醫學檢驗所有限公司), a limited liability company established under the laws of the PRC and a PRC Consolidated Entity
“%”	per cent

By order of the Board
Kindstar Globalgene Technology, Inc.
康聖環球基因技術有限公司
HUANG Shiang
Chairman

Hong Kong, June 18, 2023

As of the date of this announcement, the Board comprises Dr. Huang Shiang, Mr. Tu Zanbing and Ms. Chai Haijie as executive Directors, Mr. Huang Zuie-Chin, Mr. Peng Wei and Ms. Huang Lu as non-executive Directors, and Dr. Yao Shanglong, Dr. Xia Xinping and Mr. Gu Huaming as independent non-executive Directors.