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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)

CONNECTED TRANSACTION SUBSCRIPTION OF INTERESTS IN THE FUND

SUBSCRIPTION OF INTERESTS IN THE FUND

The Board is pleased to announce that on May 23, 2022 (after trading hours), the Company has entered into the Subscription Agreement with the Fund (acting by the General Partner), pursuant to which the Company has agreed to make an investment in the Fund at the Subscription Amount of US\$12.5 million, which represents approximately 4.97% of the Investment Funds Raised. Other investors, which includes the affiliates of Panacea Venture Healthcare Fund II GP Company Ltd. (the “**General Partner**”) and Panacea Venture Healthcare Fund II CIP, L.P. (the “**Carried Interest Partner**”), are also involved in the investment in the Fund. Following the entry into of the Subscription Agreement, the Company will be admitted as a Limited Partner to the Fund by entering into the Limited Partnership Agreement.

Listing Rules Implications

As at the date of this announcement, the General Partner and the Carried Interest Partner are controlled by Mr. Huang Zuie-Chin, a non-executive Director. The General Partner and Carried Interest Partner are associates of Mr. Huang Zuie-Chin and therefore connected persons of the Company. Accordingly, the Subscription constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Subscription exceed 0.1% but are less than 5%, the Subscription is subject to reporting and announcement requirements but is exempt from the circular and the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

Mr. Huang Zuie-Chin, being a non-executive Director and the controlling shareholder of the General Partner and the Carried Interest Partner, has abstained from voting on the relevant Board resolution approving the Subscription Agreement and the Limited Partnership Agreement as well as the transactions contemplated thereunder. Save as aforementioned, none of the other Directors has a material interest in the Subscription Agreement and the Limited Partnership Agreement as well as the transactions contemplated thereunder.

INTRODUCTION

The Board is pleased to announce that on May 23, 2022 (after trading hours), the Company entered into the Subscription Agreement with the Fund (acting by the General Partner), pursuant to which the Company has agreed to make an investment in the Fund at the Subscription Amount of US\$12.5 million, which represents approximately 4.97% of the Investment Funds Raised. Other investors, which includes the affiliates of the General Partner and the Carried Interest Partner, are also involved in the investment in the Fund. Following the entry into of the Subscription Agreement, the Company will be admitted as a Limited Partner to the Fund by entering into the Limited Partnership Agreement.

THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are as follows:

Date

May 23, 2022

Parties

- (1) the Company (as the subscriber); and
- (2) the Fund (acting by the General Partner).

Subject matter

The Company has agreed to make an investment in the Fund at the Subscription Amount of US\$12.5 million, which represents approximately 4.97% of the Investment Funds Raised. The Subscription Amount of the investment of the Company in the Fund was determined by the Company with reference to the prospects of the proposed investment plans of the Fund. The Subscription Amount of the investment of the Company in the Fund will be funded by the internal resources of the Company.

THE LIMITED PARTNERSHIP AGREEMENT

The principal terms of the Limited Partnership Agreement are set out below:

Date: July 15, 2021 (the Company entered into the Limited Partnership Agreement as one of the Limited Partners on May 23, 2022)

Parties:

- (1) the General Partner (as the general partner of the Fund);
- (2) each of the Limited Partners (including the Company and the Carried Interest Partner) (as limited partners of the Fund with the General Partner acting as their attorney in-fact).

- Investment Funds Raised and respective subscription amounts:** As at the date of this announcement, the amount of Investment Funds Raised of the Fund is approximately US\$250 million, of which the Company will contribute US\$12.5 million, representing approximately 4.97% of the Investment Funds Raised.
- Term of the Fund:** The term of the Fund commenced on the date of its registration as an exempted limited partnership under the Exempted Limited Partnership Law and shall continue until the tenth anniversary of the Final Closing Date. The term of the Fund may be extended for one year by the General Partner, and further extended for one more year with the approval of the advisory board of the Fund.
- Advisory Fee:** The General Partner shall receive, as from the Initial Closing Date until the final distribution of the assets of the Fund, an advisory fee at a specific annual rate pursuant to the Limited Partnership Agreement.
- Distribution:** Prior to the end of term of the Fund, the Fund can make cash distribution or distribution in kind. All the proceeds from the Fund's investment, after paying the Fund's expenses and liabilities, should first be distributed among all partners (in pro rata to their respective capital contribution to the Fund) until all partners have received cumulative distributions equal to such capital contribution. Thereafter, the Limited Partners shall receive the distribution depends on the relevant apportionment ratio between the Limited Partners and the Carried Interest Partner, priority and return ratio as agreed in the Limited Partnership Agreement.

INFORMATION OF THE PARTIES

The Company

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.

Information on the Fund, the General Partner and Carried Interest Partner

The Fund is an exempted limited partnership in the Cayman Islands established in accordance with laws of the Cayman Islands. The Fund is principally engaged in the investments in high growth innovative medical health and life-science companies including but not limited to pharmaceutical, bio-technical and medical device companies in the PRC, United States, Europe and other countries.

The General Partner is responsible for the management, policies and control of the Fund. The General Partner and the Carried Interest Partner are exempted limited company and partnership established in accordance with the laws of the Cayman Islands. The General Partner and Carried Interest Partner are established solely for the purpose of the Fund. Both the General Partner and the Carried Interest Partner are controlled by Mr. Huang Zuie-Chin, a non-executive Director.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, all the other investors of the Fund, except the affiliates of the General Partner and the Carried Interest Partner, are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The high-growth innovative medical health and life-science corporations that the Fund invests in are significant potential strategic partners of the Company. The Subscription will enhance the Company's understanding of the latest developments in the biomedical field. In particular, the Subscription will (i) provide the Company with a forward-looking guidance to expand and develop the market; (ii) increase the breadth and depth of the Company's international exploration of cutting-edge technologies and high-quality projects; (iii) increase the efficiency of overseas cooperation, projects' introduction and technology transfer; and (iv) accelerate the development of the Company's international portfolio by leveraging the Fund's advantages.

The terms of the Subscription Agreement and the Limited Partnership Agreement as well as the transactions contemplated thereunder were agreed after arm's length negotiations among the parties thereto. The Directors (including the independent non-executive Directors) are of the view that the Subscription Agreement and the Limited Partnership Agreement as well as the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Group, on normal commercial terms which are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the General Partner and the Carried Interest Partner are controlled by Mr. Huang Zuie-Chin, a non-executive Director. The General Partner and Carried Interest Partner are associates of Mr. Huang Zuie-Chin and therefore connected persons of the Company. Accordingly, the Subscription constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Subscription exceed 0.1% but are less than 5%, the Subscription is subject to reporting and announcement requirements but is exempt from the circular and the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Huang Zuie-Chin, being a non-executive Director and the controlling shareholder of the General Partner and the Carried Interest Partner, has abstained from voting on the relevant Board resolution approving the Subscription Agreement and the Limited Partnership Agreement as well as the transactions contemplated thereunder. Save as aforementioned, none of the other Directors has a material interest in the Subscription Agreement and the Limited Partnership Agreement as well as the transactions contemplated thereunder.

DEFINITIONS

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Carried Interest Partner”	Panacea Venture Healthcare Fund II CIP, L.P., a Cayman Islands exempted partnership, as the carried interest partner and one of the limited partner of the Fund
“Company” or “Subscriber”	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
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Exempted Limited Partnership Law”	the Exempted Limited Partnership Law of the Cayman Islands (as amended, modified or re-enacted from time to time)
“Final Closing Date”	means the date 12 months after the Initial Closing Date, or such later date approved by the advisory board of the Fund.
“Fund”	Panacea Venture Healthcare Fund II, L.P., an exempted limited partnership in the Cayman Islands established in accordance with laws of the Cayman Islands
“General Partner”	Panacea Venture Healthcare Fund II GP Company Ltd, a Cayman Islands exempted limited company, as the general partner of the Fund
“Group”	the Company and its subsidiaries (including the PRC Consolidated Entities)
“Independent Third Party(ies)”	any person(s) or company(ies) and its ultimate beneficial owner(s), to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Initial Closing Date”	July 15, 2021

“Investment Funds Raised”	the amount of funds raised by the Fund as at the date of this announcement (including the Subscription Amount), being approximately US\$250 million
“Limited Partner(s)”	the limited partner(s) of the Fund, being the Subscribers, the Carried Interest Partner and the other investors of the Fund
“Limited Partnership Agreement”	the amended and restated exempted limited partnership agreement of the Fund dated July 15, 2021 entered into among the General Partners and the then Limited Partners in relation to the Fund
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated May 23, 2022 entered into between the Company and the Fund (acting by the General Partner)
“Subscription Amount”	the amount of investment to be made by the Company in the Fund pursuant to the terms and conditions of the Subscription Agreement
“Subscription”	the subscription of interests in the Fund by the Company pursuant to the terms and conditions of the Subscription Agreement and the Limited Partnership Agreement
“US\$”	United States Dollar(s), the lawful currency of the United States of America
“%”	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, May 23, 2022

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.