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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
ACQUISITION OF PROPERTY

The Board is pleased to announce that on August 22, 2023, the Purchaser, a PRC Consolidated Entity, and the Vendor entered into the Sales and Purchase Agreement, pursuant to which the Purchaser has agreed to purchase, and the Vendor has agreed to sell, the Property at a total consideration of RMB162,734,824 in accordance with the terms and conditions of the Sales and Purchase Agreement.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition 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 August 22, 2023, the Purchaser, a PRC Consolidated Entity, and the Vendor entered into the Sales and Purchase Agreement, pursuant to which the Purchaser has agreed to purchase, and the Vendor has agreed to sell, the Property at a total consideration of RMB162,734,824 in accordance with the terms and conditions of the Sales and Purchase Agreement.

THE SALES AND PURCHASE AGREEMENT

The principal terms of the Sales and Purchase Agreement are out below:

Date

August 22, 2023

Parties

- (1) the Purchaser;
- (2) the Vendor; and
- (3) the Guarantor

Subject matter

Pursuant to the Sales and Purchase Agreement, the Purchaser agreed to purchase, and the Vendor agreed to sell, the Property in accordance with the terms and conditions of the Sales and Purchase Agreement. The Property consists of two buildings located at Caohejing Kangqiao Business Park (漕河涇康橋商務綠洲), 2555 Xiupu Road, Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai, PRC and has a gross floor area of 7,622.24 square meters.

The terms of the land use rights of the Property will end on April 29, 2061 and its permitted usage is for industrial use.

Consideration

The total consideration for the Acquisition shall be RMB162,734,824, which was determined after arm's length negotiations with the Vendor, taking into account, among others, the prevailing market prices of comparable properties in the vicinity of the Property. The Group has engaged Colliers as its professional property consultant to conduct a comprehensive review of the Property and research on the market price of the Property.

The Purchaser will satisfy such consideration in cash using the Group's internal resources and bank loan.

Payment terms

Pursuant to the Sales and Purchase Agreement, the consideration of the Acquisition shall be payable in the following manner:

- First Instalment : RMB50,000,000, which shall be paid to the Vendor by the Purchaser within seven(7) business days after the filing date of the Sales and Purchase Agreement
- Second Instalment : RMB34,134,824, which shall be deposited into the supervised account ("**Supervised Account**") of the real estate exchange center ("**Exchange Center**") by the Purchaser within seven(7) business days after the filing date of the Sales and Purchase Agreement
- Third Instalment : RMB70,000,000, which shall be paid to the Vendor by the Purchaser by way of bank loan within fifteen(15) business days after the completion of the assignment of the Property and the issuance of the new ownership certificate by the Exchange Center
- Fourth Instalment : RMB8,600,000 ("**Completion Security Deposit**"), which shall be paid to the Vendor by the Purchaser within three(3) business days after the Completion Inspection

Guarantee

The parties agree that the Guarantor will be jointly liable for the Third Instalment and the Guarantor undertakes that it will pay the Third Instalment to the Vendor on the day immediately after the due date if the Purchaser fails to pay the Third Instalment within the agreed timeframe.

The Guarantor will also provide a letter of performance guarantee issued by a bank ("**Performance Guarantee**") with the Vendor as beneficiary within twenty(20) business days after the effective date of the Sales and Purchase Agreement (i.e., the date of the Sales and Purchase Agreement).

Assignment and Completion Inspection of the Property

The Purchaser and the Vendor shall arrange the assignment of the Property at the Exchange Center on the next business day after the Second Instalment has been deposited into the Supervised Account and the Performance Guarantee has been provided by the Guarantor. The Vendor will be entitled to the Second Instalment in the Supervised Account when the Exchange Center approves the transfer of the Property's ownership to the Purchaser.

The Purchaser and Vendor shall jointly inspect the Property on the next day after the Vendor has received the Second Instalment from the Supervised Account ("**Completion Inspection**"). The Property is deemed to be delivered to the Purchaser after the parties have confirmed the inspection results.

INFORMATION OF THE PARTIES

The Company, the Purchaser and the Guarantor

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.

The Purchaser is a limited liability company established in the PRC on July 11, 2023 and a PRC Consolidated Entity. It is wholly owned by the Guarantor and principally engaged in investment holding and development and introduction of medical technologies.

The Guarantor is a limited liability company established in the PRC on August 8, 2003 and a PRC Consolidated Entity. It is principally engaged in providing clinical testing services in the PRC. As of the date of this announcement, the Purchaser is legally held as to 96.29% and 3.71% by Dr. Huang Shiang and Mr. Tu Zanbing, each an executive Director, as registered shareholders, respectively.

The Vendor

The Vendor is a limited liability company established under the laws of the PRC and is principally engaged in the sales and production of health supplements and products. As of the date of this announcement, the ultimate beneficial owner of the Vendor is Mr. Huang Hui.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Upon completion of the Acquisition, the Group will use the Property for administrative, research and development, laboratory and production purposes. The Board is of the view that the Acquisition is beneficial to the Group as it can (i) greatly improve the Group's esoteric clinical testing capacities in Eastern China; (ii) solidify the Group's presence in Shanghai and the new Shanghai base will serve as an incubator platform to support the Group's overseas business development; (iii) reduce the Group's exposure to rental expenditure in the long-term; and (iv) construct the Group's research and development center for technology transformation and new projects, and build the research and development and production facility for esoteric testing reagents gradually.

In view of the above, the Directors (including the independent non-executive Directors) believe that the terms of the Sales and Purchase Agreement 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 Acquisition 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

“Acquisition”	the acquisition of the Property pursuant to the Sales and Purchase Agreement
“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
“Colliers”	Colliers International Property Consultants (Shanghai) Co., Ltd.
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantor”	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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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
“Property”	Block 4 and block 5, Caohejing Kangqiao Business Park, 2555 Xiupu Road, Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai, PRC
“Purchaser”	Kindstar Global (Shanghai) Technology, Inc (康聖環球(上海)醫學科技有限公司), a limited liability company established under the laws of the PRC and a PRC Consolidated Entity

“RMB”	Renminbi, the lawful currency of the PRC
“Sales and Purchase Agreement”	The housing sales and purchase agreement of block 4 and block 5, 2555 Xiupu Road dated August 22, 2023 entered into among the Purchaser, the Vendor and the Guarantor with respect to the Acquisition
“Vendor”	Hunan Yandi Biotech Limited (湖南炎帝生物工程有限公司), a limited liability company established under the laws of the PRC
“%”	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, August 22, 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.