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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 September 15, 2021, Kindstar Wuhan Investment, a PRC Consolidated Entity, Ezhou Changda and Gedian Investment (each as a limited partner) and Wuhan Booth (as the 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 RMB300,000,000, of which RMB177,000,000 shall be contributed by Kindstar Wuhan Investment, RMB60,000,000 shall be contributed by Ezhou Changda, RMB60,000,000 shall be contributed by Gedian Investment, and RMB3,000,000 shall be contributed by Wuhan Booth.

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 September 15, 2021, Kindstar Wuhan Investment, a PRC Consolidated Entity, Ezhou Changda and Gedian Investment (each as a limited partner) and Wuhan Booth (as the 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 RMB300,000,000, of which RMB177,000,000 shall be contributed by Kindstar Wuhan Investment, RMB60,000,000 shall be contributed by Ezhou Changda, RMB60,000,000 shall be contributed by Gedian Investment, and RMB3,000,000 shall be contributed by Wuhan Booth. Upon its establishment, the Partnership will not be accounted for and consolidated in the consolidated accounts of the Company as a subsidiary.

# THE PARTNERSHIP AGREEMENT

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

## Date

September 15, 2021

## Parties

- (1) Wuhan Booth (as the general partner);
- (2) Kindstar Wuhan Investment (as a limited partner);
- (3) Ezhou Changda (as a limited partner); and
- (4) Gedian Investment (as a limited partner).

## Purpose and Duration of the Partnership

The purpose of the Partnership is to maximize the value of the interests of all partners through equity investment in and the subsequent capital operation of outstanding unlisted companies in the fields of medicine, healthcare and life sciences. The scope of business of the Partnership includes non-securities equity investment activities and related consulting services.

The maximum period of operation of the Partnership is ten years from the issuance date of the Partnership's business license. The Partnership has an initial investment period of two years, and a subsequent payback period of two 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 RMB300,000,000, 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 (%)
Wuhan Booth	General partner	3,000,000	1.00
Kindstar Wuhan Investment	Limited partner	177,000,000	59.00
Ezhou Changda	Limited partner	60,000,000	20.00
Gedian Investment	Limited partner	60,000,000	20.00
		<b><u>300,000,000</u></b>	<b><u>100.00</u></b>

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. Upon its establishment, the Partnership will not be accounted for and consolidated in the consolidated accounts of the Company as a subsidiary.

Kindstar Wuhan Investment will satisfy such capital contribution in cash using the Group's internal resources.

### **Management of the Partnership**

Wuhan Booth, the general partner, shall act as the executive partner, and is responsible for the management of the Partnership's operations and daily affairs, executing investment contracts on behalf of the Partnership, and carrying out investment and operating activities. It is entitled to an annual management fee at 2% of the Partnership's total capital commitment during the investment period and the subsequent payback period. If the payback period is extended, Wuhan Booth will be entitled to an annual management fee of 2% of the total cost of the Partnership's remaining investment projects.

### **Investment Decision Committee**

The investment decision committee is the highest investment decision-making body of the Partnership. It comprises four members, including two representatives to be nominated by the executive partner. It is responsible for determining matters including investments and divestments, change of organizational structure of investee companies, variation of the Partnership's scope of business, approving transactions between the general partner or its affiliates and the Partnership, and the increase and decrease in the capital of the Partnership.

### **Distribution of Income and Loss Sharing Arrangement**

In principle, the Partnership distributes investment income in proportion to each partner's actual capital contribution. Within 30 days after the Partnership recovers funds from an investment project, such funds will be distributed after deducting management fee payable to the general partner and other reasonable costs paid by the Partnership. For the purpose of distribution, funds recovered by the Partnership includes proceeds from disposal of all or part of its interest in an investment project, and revenue from dividends, interest and other distributions received from the investment.

Loss incurred during the existence of the Partnership shall first be settled by its assets. If such loss cannot be settled when due, it shall be borne by the general partner under unlimited joint and several liability.

## **INFORMATION OF THE PARTIES**

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.

Ezhou Changda is a limited liability company established under the laws of the PRC and is principally engaged in the equity investment in non-securities-related businesses and related advisory services. As of the date of this announcement, it is held as to approximately 96.7% and 3.3% by the State-owned Assets Supervision and Administration Commission of Ezhou Municipal People's Government (鄂州市人民政府國有資產監督管理委員會) and Ezhou City Finance Bureau (鄂州市財政局), respectively.

Gedian Investment is a limited liability company established under the laws of the PRC and is principally engaged in the financing of investments in urban infrastructure and small and medium-sized enterprises. As of the date of this announcement, it is indirectly wholly owned by the Finance Bureau of Gedian Economic and Technological Development Zone, Hubei Province (湖北省葛店經濟技術開發區財政金融局).

Wuhan Booth is a limited liability company established under the laws of the PRC and is principally engaged in the management of equity-type investments and related advisory services. As of the date of this announcement, it is indirectly owned as to 45% by Zhao Jinqiang (趙進強), 35% by Zhao Jianxia (趙劍霞), and 20% by Haisong (Beijing) Private Equity Fund Management Co., Ltd. (海松(北京)私募基金管理有限公司), which in turn is owned as to 51% and 49% by Wang Lei (王雷) and Yang Jiayu (楊家玉), respectively.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Ezhou Changda, Gedian Investment, Wuhan Booth 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) expand its ecosystem, value chain and development plans; and (ii) enhance and strengthen its position in the healthcare service industry.

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
“Ezhou Changda”	Ezhou Changda Asset Management Co., Ltd. (鄂州市昌達資產經營有限公司), a limited liability company established under the laws of the PRC and a limited partner of the Partnership
“Gedian Investment”	Hubei Gedian Development Zone Construction Investment Co., Ltd. (湖北省葛店開發區建設投資有限公司), a limited liability company established under the laws of the PRC and a limited partner of the Partnership
“Group”	the Company and its subsidiaries (including the PRC Consolidated Entities)
“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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Partnership”	Hubei Rivercity Kindstar Industry Investment Fund Partnership (Limited Partnership) (湖北瑞江康聖產業投資基金合夥企業(有限合伙)), 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 September 15, 2021 entered into between Kindstar Wuhan Investment, Ezhou Changda and Gedian Investment as limited partners and Wuhan Booth as general partner with respect to the formation of the Partnership
“Party(ies)”	the party(ies) to the Partnership Agreement
“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
“Wuhan Booth”	Wuhan Booth Investment Information Co., Ltd. (武漢布斯投資資訊有限公司), a limited liability company established under the laws of the PRC and the general 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, September 15, 2021

*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.*