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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025

The board (the "**Board**") of directors (the "**Director(s)**") of Kindstar Globalgene Technology, Inc. (the "**Company**") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended June 30, 2025 (the "**Reporting Period**").

In this announcement, "we", "us", "our" and "Kindstar Global" refer to the Company and where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

FINANCIAL HIGHLIGHTS

The following table sets forth our key financial data for the periods presented, together with the change (expressed in percentages) for the six months ended June 30, 2025 and the corresponding period of 2024.

	For the six months ended June 30,		
	2025	2024	Year-on-year change
	RMB'000	*RMB'000*	*%*
	(unaudited)	(unaudited)	
Revenue	**456,919**	473,335	(3.5)
Gross profit	**196,530**	225,790	(13.0)
Gross margin (%)	**43.0**	47.7	(4.7) percentage points
Net (loss)/profit	**(32,636)**	10,528	(410.0)
Net (loss)/profit margin[(1)] (%)	**(7.1)**	2.2	(9.3) percentage points

Notes:

(1) Equals net (loss)/profit divided by revenue for the period and multiplied by 100%.

Revenue

For the six months ended June 30, 2025, we recorded a total revenue of approximately RMB456.9 million, representing a decrease of approximately RMB16.4 million or 3.5% from approximately RMB473.3 million for the corresponding period in 2024, primarily due to that the challenges and competitive pressures of the external market environment had increased. The pricing of testing services continued to be affected by downward market pressures.

Gross profit and gross profit margin

For the six months ended June 30, 2025, we recorded a consolidated gross profit of approximately RMB196.5 million, representing a year-on-year decrease of approximately 13.0%, due to the decline in revenue and increased fixed operating costs associated with the addition of new laboratories, which together resulted in the decrease of 4.7 percentage points in our gross profit margin from 47.7% for the corresponding period in 2024 to 43.0%.

Net loss and net loss margin

For the six months ended June 30, 2025, our net loss amounted to approximately RMB32.6 million, representing a year-on-year decrease of approximately 410%. Our net loss margin was 7.1%, representing a decrease of 9.3 percentage points compared to the net profit margin of 2.2% in the corresponding period in 2024. The main reasons for the fluctuation of the net loss and net loss margin were as follows: (i) compared to the first half of 2024, revenue for the Reporting Period decreased by RMB16.4 million; (ii) compared to the same period last year, loss arising from fair value change on the funds that the Company participated in amounted to approximately RMB10.15 million; (iii) during the Reporting Period, the Company made new provision for the expected credit loss on accounts receivables related to COVID-19 business amounting to approximately RMB8.42 million; and (iv) the incremental expenses incurred from the acquisition of Guangzhou AnchorDx Medical Co., Ltd. and Guangzhou Kangchengweiye Biotechnology Co., Ltd. (collectively, the "**Acquired Subsidiaries**" or "**AnchorDx**"), along with the losses of the Acquired Subsidiaries in the first half of 2025, amounting to a total of approximately RMB16.00 million.

BUSINESS REVIEW AND OUTLOOK

Since the beginning of this year, Kindstar Global has continued to make steady progress in a complex and changing market environment. In the face of continuously strengthening industry regulation, the Company, leveraging its profound accumulation in the field of specialty testing, further optimized its operational strategies to ensure a comprehensive upgrade of its business model and compliance management, successfully addressing policy challenges. At the same time, in response to the continuous growth in demand for precision medicine and specialty esoteric testing, we have further consolidated our market position in key specialty areas through the deepened application of multi-technology platforms and the expansion of multiple testing projects. The continuous advancement of strategic mergers and acquisitions has not only achieved the orderly expansion of the business landscape but also promoted the efficient integration and optimal allocation of resources, laying a solid foundation for the Company's long-term development. In the first half of 2025, Kindstar Global's various businesses achieved stable progress, demonstrating strong market adaptability and continuous growth potential.

Specialty esoteric testing business remained stable

Since its establishment, the Group has built solid core barriers in six major core specialty esoteric testing businesses, including hematology, neurology, genetic diseases and rare diseases, infectious diseases, solid tumors, and maternity. Based on our keen insights into market trends and industry dynamics, we have promptly adjusted our business layout. Leveraging cutting-edge technology and extensive research accumulation in the fields of hematology and solid tumor testing, we have built a more robust leading edge, forming an insurmountable moat. At the same time, we actively coordinated resources from all parties to jointly promote the development of other segments, such as maternity, pediatrics, neurology, continuously consolidating and expanding our business footprint to provide customers with more comprehensive and precise testing services.

In the first half of 2025, the overall cooperation with hospitals for hematology testing services maintained steady growth, with more than 90 new hospital customers. Our pediatric hematology segment continues to be deeply rooted in pediatric hematology and oncology hospitals and pediatric hematology departments of large Class IIIA hospitals, with 48 new cooperative hospitals added in the first half of 2025. The sales of NGS testing IG/TCR rearrangement technology products increased by over 50% during the Reporting Period, demonstrating core technological advantages and product features. In the field of neurology, while our testing projects have covered almost all neurological diseases, we continue to deeply cultivate market demand. In the first half of the year, we added 34 new testing projects and 44 new partnering hospitals for testing, further deepening our cooperation with Nanfang Hospital. In terms of collaborations with pharmaceutical companies, the neurology business line has embedded its proprietary esoteric testing projects into multi-center studies, proactively preparing for the future trend of blood tests for neurodegenerative diseases.

In the field of oncology, the Group added 15 important cooperative units, including Beijing Cancer Hospital, Peking University Third Hospital, Nanjing Chest Hospital, establishing a clinical+research cooperation model. Among these, both solid tumor large panel testing and solid tumor MRD testing increased by over 100% compared to the same period last year, covering an increasing number of core customers. Projects developed based on Tumor informed and Tumor agnostic strategies have been widely recognized by the market, and the MRD business has grown significantly. In January 2025, our acquisition of AnchorDx was officially completed. By integrating AnchorDX's team and products, the Group quickly established presence in the field of solid tumor early screening and diagnosis.

In the first half of 2025, AnchorDX's signature product, PulmoSeek®Plus and AnchorDX's signature product, PulmoSeek were included in the second batch of the National Medical Products Administration's pilot program for vitro diagnostic reagents by medical institutions (LDT) on February 27, 2025. It is currently undergoing the filing work for reagents by medical institutions (LDT) with its co-development unit, The First Affiliated Hospital of Guangzhou Medical University. With the help of AnchorDX, Kindstar Global has fully established a business system covering the entire disease course of solid tumor detection and diagnosis, including early screening, early diagnosis, recurrence monitoring, and companion diagnostics, precisely targeting the huge growth potential in the early screening and early detection market for oncology specialty testing.

In the infectious diseases segment, we deepen our long-term cooperation with hospitals through clinical research and research collaboration, providing reliable evidence for doctors and patients in clinical disease exploration, diagnosis and treatment plan formulation, and treatment pathway exploration. The Group's independently-developed targeted pathogen high-throughput sequencing product reagents and analysis software are implemented through central laboratories to offer various pathogen combination products for different syndromes, including respiratory, bloodstream, nervous system, and reproductive tract infections.

In terms of the maternity and pediatrics business, we continued to conduct multi-center research on the clinical application value of L-CBA detection of MOG antibodies, cooperated with several well-known pediatric hospitals on immunology testing projects, and promoted the growth of pediatric endocrinology testing business with multiple steroid hormone tests and vitamins tests as signature projects. During the Reporting Period, the maternity and pediatrics unit established a professional reproductive genetics team, which will develop new diagnostic tools and treatment methods to reduce the incidence of genetic diseases by thoroughly studying the role of genetic factors in the reproductive process.

In the first half of 2025, we continuously adjusted the layout of our new specialty esoteric testing business based on market demand. The sales of key projects in the rheumatology testing segment, including antiphospholipid series testing samples and complement factor-related projects, have steadily increased. Based on clinical testing, the team successfully developed an mda5 antibody detection kit with market-leading sensitivity and stability, breaking through existing market barriers by combining cross-departmental collaboration. In terms of cardiovascular testing, we have further enhanced the research and development and testing capabilities of our mass spectrometry platform, continuously carrying out over 200 pharmacogenomic and genetic disease testing items, adding 1 approved Class I reagent filing for mass spectrometry testing items, and obtaining approval for 1 Class II in vitro diagnostic reagent kit; successfully established 3 co-built clinical mass spectrometry laboratories, promoting clinical mass spectrometry in the market through a combination of IVD and LDT.

Scientific Research and Innovation to Drive the Development of the Industry

Adhering to innovation-driven development is the foundation of our standing in the industry. In the first half of 2025, the Group's R&D department published 33 articles, applied for 67 patents, of which 29 were granted, and obtained 24 copyrights. During the Reporting Period, the Group added 56 new research and development testing projects, including 16 projects related to molecular biology detection technology, 16 projects related to flow cytometry detection technology, 7 projects related to cytogenetic detection technology, and 6 projects related to pathological detection technology.

In terms of R&D, we continued the development of several key projects during the year, including multiple CAR-T monitoring and evaluation projects; acute myeloid leukemia MRD monitoring (which can increase the detection limit from 1-3% to about 0.1%); fusion gene quantitative detection (using NGS technology to simultaneously detect 144 genes related to multiple myeloma); and focused on developing comprehensive MICM diagnosis. The next step is to combine remote slide scanning with AI analysis to further enrich the pathological database and improve comprehensive diagnostic capabilities.

Highlighted Potential of the Products for Immune Repertoire

In the first half of 2025, our core product in immune repertoire, Lymscan, which is used for minimal residual disease detection in hematological tumors, further expanded its business, covering over 160 institutions in 26 provinces, with revenue increasing by nearly 30% compared to the same period in 2024. In 2024, Kindstar Global's subsidiary Kindstar Biotech's Ig/TCR project successfully passed the EuroClonality EQA program with a perfect score, becoming the only laboratory in China to participate and pass with full marks, marking a critical step towards the internationalization of China's immune repertoire testing field.

The product KB-SEQ, used for health monitoring, continues to deepen its cooperation with well-known domestic enterprises and institutions in health monitoring, and actively explores the application and expansion of its technology in multiple scenarios. Fantekang, a product for immune reconstruction and monitoring, has been deeply involved in the field of immune reconstruction and monitoring, completing and summarizing research results with famous national oncology hospitals, while also deepening cooperation and discussion with pharmaceutical companies on the evaluation of immune therapy effects to optimize application pathways.

Esoteric Testing Reagents

Since achieving a closed-loop from R&D to commercialization for esoteric testing reagents last year, the Group's Haixi Biological product lines have continued to expand, covering NGS capturing series, NGS multiplex amplification series, NGS universal database construction series, single gene mutation detection series, fusion gene detection series, and transplantation series products, with over 180 product categories already developed and transferred to production. With the optimization and upgrade of its products, the NGS test kits produced by Haixi can be adapted to more sequencing platforms. Its launched 74 fusion gene screening projects, with product coverage and performance at a leading level in China, have been sold in many medical institutions and third parties. In the first half of 2025, the Group's self-operated product sales for the esoteric testing reagents business increased by over 20% compared to the same period in 2024.

In the first half of 2025, the IVD business of AnchorDX, which we officially acquired, continued to progress. UriFind®, the signature product, is the first assay kit approved for the supplementary diagnosis of urothelial carcinoma in China, and obtained the Class III medical device registration certificate from the National Medical Products Administration (NMPA) last year. As at the first half of 2025, UriFind® completed the procurement process in 11 hospitals and 8 clients, which were third parties, with reagent sales volume increasing by approximately 82% compared to the first half of 2024. The Company's blood-based non-invasive gastric cancer early screening product, Gastromia®(衛益檢), completed its in vitro diagnostic reagent registration clinical study in the first half of 2025 and has entered the product registration application phase, with breakthrough progress expected in the first quarter next year. Unlike traditional gastroscopy or biopsy methods for early gastric cancer screening, Gastromia®(衛益檢) only requires a 10ml peripheral blood sample, posing no invasive risk. By detecting ctDNA methylation markers in the blood, it achieves a negative accuracy rate of over 99%, which will significantly enhance the accuracy and convenience of early gastric cancer detection and provide important support for treatment decisions, recurrence monitoring, and prognostic evaluation of related diseases.

Scientific Research Services and Contract Research Organizations ("CRO(s)")

Leveraging on its professional R&D and innovation strength and bioinformatics accumulation, the Group has become a multi-omics scientific research service provider for many national and international leading biotechnology scientific research institutes and pharmaceutical companies since 2023. Since becoming one of the first PacBio official certified Revio platform sequencing service providers in the Asia-Pacific region in 2023, the Group currently owns three PacBio Revio. Among them, two Revio systems are positioned to provide long-read sequencing services for the domestic market, and one Revio system is positioned to provide full-process long-read sequencing services for overseas markets. At the same time, we have fully upgraded PacBio's latest SPRQ reagents, increasing single-cell output by up to 49%, which will place us among the top PacBio service providers nationwide in terms of total delivery capacity and throughput for PacBio sequencing. Leveraging our full-dimensional technology matrix in third-generation sequencing, NGS, single-cell sequencing, MAS-Seq (the third generation single cell) and STOmics, our scientific research services segment achieved nearly 100 new cooperating hospitals and enterprises in the first half of the year, with overall revenue reaching nearly RMB20 million.

During the Reporting Period, Kindstar Sequenon, a subsidiary of the Group, preliminarily completed the construction of its overseas laboratory in New Zealand. Meanwhile, it independently developed and expanded product lines in China, including third-generation sequencing for thalassemia, third-generation capture sequencing for DMD gene, PacBio Revio sequencing for AAV genome, Hi-C sequencing, and ONT ultra-long sequencing.

In the first half of 2025, the Group received over 120 pilot business consultancies, totaling 4 new contracts and supplemental agreements, covering multiple therapeutic areas such as multiple myeloma, acute myeloid leukemia, and myelodysplastic syndrome. New contracts amounted to approximately RMB9.78 million, with existing contracts exceeding RMB37.00 million. Our partners include renowned pharmaceutical companies and cell therapy research and development institutions at home and abroad.

Internet Hospital

The Group's deployment of its internet hospital began in 2021. Since its development, the total number of doctors collaborating with "Kindstar You Yi" has approached 500, covering over 10 departments including dermatology, hematology (the largest proportion), maternity, and pediatrics. Doctors holding titles of vice-senior or above account for 27%, achieving a dual improvement in the scale and quality of medical resources. During the Reporting Period, our platform's registered users increased significantly, with both average monthly active users and service satisfaction improving, achieving a closed loop for patient operation services. By integrating high-quality medical resources from different departments, Kindstar You Yi will provide patients with more comprehensive and professional medical services, further enhancing their medical experience and satisfaction.

In the first half of 2025, Kindstar You Yi officially integrated with the DeepSeek AI platform, deeply incorporating AI capabilities into the full-process service system of Kindstar You Yi Internet Hospital. Through "medical + AI" intelligent scenarios, it will address pain points such as long waiting times in traditional medical procedures and high professional thresholds for report interpretation, thereby reshaping the entire medical experience.

External Investment and M&A

In the first half of 2025, the Group accelerated investment in integrating upstream and downstream resources of the industry chain, focusing on major specialty testing areas urgently needed in clinical practice, and building differentiated competitiveness through strategic investment and mergers and acquisitions of innovative enterprises. In January 2025, Kindstar Global completed its angel investment in Wuhan Tuoruijing* (武漢拓銳晶). Wuhan Tuoruijing* is a global molecular diagnostics company with technology innovation at its core, developing a new generation of ultra-multiplex PCR platforms with high-throughput, high-speed, and strong typing capabilities, widely applied in fields such as hematology, infectious diseases, and oncology. This investment will strengthen Kindstar's technological layout and clinical transformation capabilities in cutting-edge molecular diagnostics platforms. In the future, both parties will conduct in-depth collaboration around sample resource sharing, clinical transformation, and market expansion to jointly improve molecular diagnostic efficiency and service breadth.

In June 2025, Kindstar Global and Biostate AI of the United States jointly established Wuhan Baisheng Intelligence* (武漢百生智能), dedicated to the localization and global transformation of AI-driven RNA multi-omics diagnostic technology. Wuhan Baisheng Intelligence* will introduce Biostate AI's core RNA sequencing and AI modeling technologies, combined with the Group's clinical testing network covering over 3,000 hospitals nationwide, data resources, and local operational capabilities, to develop precision diagnostic products for the Chinese population. The first phase of the project will focus on five major specialties: autoimmune diseases, oral cancer, diabetes, lymphoma, and organ transplantation. It aims to build a multi-omics data-driven large model, accelerate the implementation of a "data + AI + diagnosis" ecological closed-loop, and create a globally leading intelligent molecular diagnostics platform. Leveraging the Group's profound accumulation in the field of esoteric testing, Wuhan Baisheng Intelligence* is expected to form a high degree of synergy with Kindstar Global in AI-assisted diagnosis, complex disease biomarker development, and sample resource transformation, thereby helping the Group build differentiated competitive barriers and continuously strengthen its technological leadership.

As of June 30, 2025, the Company had sufficient cash reserves with approximately RMB1.88 billion of cash, cash equivalents and time deposits. In 2025, we will continue to develop multi-omics data integration platforms, AI pathology analysis systems, and automated laboratory technologies. Leveraging the resource networks of our shareholders and strategic partners, we will introduce international cutting-edge detection technologies through investment, while simultaneously promoting localized validation and industrialization of these technologies, thereby achieving a technology upgrade path of "introduction – assimilation -innovation".

Digitalization, Informatization and Artificial Intelligence

In the first half of 2025, the Group actively promoted the three-in-one transformation strategy of digitalization, informatization, and artificial intelligence. Its intelligent order management platform was further upgraded, optimizing logistics processes by reducing system switching operations, and achieving full-process tracking from unboxing to pre-processing through the addition of ISO compliant handover procedures. Simultaneously, order control is strengthened to ensure data compliance, achieving flow restrictions based on project/hospital/laboratory dimensions, and significantly reducing the error rate of submitted samples.

Our laboratory digitalization process has also achieved remarkable results. Through measures such as full-process digital management, refined inventory control, multi-terminal collaboration, and LIMS system upgrades, the report turnaround time has been significantly reduced, fault location time shortened, and operation and maintenance efficiency remarkably improved.

In the rapidly changing medical industry, traditional medical testing companies must, while solidifying their core businesses, keenly observe market and industry dynamics, closely follow technological frontiers and policy guidance, and flexibly adjust their business layout and strategic planning. Looking ahead to 2025, the Group will continue to deepen its core detection technologies to ensure the stability of its fundamental business, providing a solid profit base for the Company; on the other hand, we aim to actively expand the upstream and downstream industrial chains to create new business growth points in response to fierce market competition. With the dual-track synergistic development of IVD+LDT, we are confident in achieving a balanced 'offense-defense' strategy, possessing both a stable foundation and strong growth points, standing invincible amidst industry trends, and continuously leading the innovative development in the field of medical testing.

Financial review

The following table sets forth our unaudited condensed consolidated statements of profit or loss for the periods indicated, together with the change (expressed in percentages) from the six months ended June 30, 2024 to the corresponding period of 2025:

	For the six months ended June 30,		
	2025	2024	Year-on-year
	RMB'000	*RMB'000*	change
	(unaudited)	(unaudited)	*%*
Revenue	**456,919**	473,335	(3.5)
Cost of sales	**(260,389)**	(247,545)	5.2
Gross profit	**196,530**	225,790	(13.0)
Other income and gains	**48,865**	54,889	(11.0)
Selling and marketing expenses	**(144,991)**	(147,923)	(2.0)
Administrative expenses	**(56,249)**	(46,767)	20.3
Research and development costs	**(46,046)**	(48,401)	(4.9)
Other expenses	**(21,090)**	(17,840)	18.2
Finance costs	**(7,699)**	(4,679)	64.5
(Loss)/Profit before tax	**(30,680)**	15,069	(303.6)
Income tax expense	**(1,956)**	(4,541)	(56.9)
(Loss)/Profit for the period	**(32,636)**	10,528	(410.0)
Attributable to:			
Owners of the parent	**(36,073)**	11,895	(403.3)
Non-controlling interests	**3,437**	(1,367)	(351.4)

Revenue

We organize our businesses into nine segments, including hematology testing, neurology testing, maternity-related testing, genetic disease and rare disease testing, infectious disease testing, oncology testing, routine testing, scientific research services and CRO and others.

The table below sets forth our main segment revenue and segment revenue proportion by operating segment for the periods presented.

	For the six months ended June 30,			
	2025		2024	
	RMB'000	***%***	*RMB'000*	*%*
	(unaudited)		(unaudited)	
Hematology testing	**276,691**	**60.6**	297,919	62.9
Neurology testing	**47,074**	**10.3**	49,154	10.4
Maternity-related testing	**20,942**	**4.6**	25,003	5.3
Genetic disease and rare disease testing	**20,664**	**4.5**	23,635	5.0
Infectious disease testing	**17,946**	**3.9**	23,659	5.0
Oncology testing	**18,464**	**4.0**	10,972	2.3
Routine testing	**20,393**	**4.5**	21,064	4.5
Scientific research services and CRO	**32,059**	**7.0**	21,285	4.5

Revenue from testing services

For the six months ended June 30, 2025, except for oncology testing, which saw an increase in revenue due to the consolidation of the related business of AnchorDx, other testing business lines experienced a decline in revenue due to challenges in the external market environment and cost control pressure from hospitals.

Scientific research services and CRO

This segment primarily includes scientific research services and CRO sales. With the increase in the number of cooperating hospitals and corporate customers, scientific research services and CRO achieved steady growth in the first half of the year in 2025. For the six months ended June 30, 2025, we achieved scientific research services and CRO revenue of approximately RMB32 million, representing a year-on-year increase of approximately 50.6%.

Cost of Sales

Our cost of sales consists of staff costs related to the personnel who performed our testing services, costs incurred by third-party institutions or laboratories, raw material costs and others. "Others" mainly include third-party logistics, depreciation and amortization and rental expenses. The following table sets forth a breakdown of our cost of sales by nature for the periods indicated, both in actual amounts and as a percentage of cost of sales.

	For the six months ended June 30,			
	2025		2024	
	RMB'000	***%***	*RMB'000*	*%*
	(unaudited)		(unaudited)	
Staff costs	**73,454**	**28.2**	73,583	29.7
Outsourcing costs	**43,664**	**16.8**	42,052	17.0
Raw materials	**81,429**	**31.3**	78,117	31.6
Others	**61,842**	**23.7**	53,793	21.7
Total	**260,389**	**100.0**	247,545	100.0

For the six months ended June 30, 2025, our cost of sales increased by 5.2% from approximately RMB247.5 million for the same period in 2024 to approximately RMB260.4 million. The increase in cost was mainly due to (i) decrease in sales discounts; (ii) changes in product mix; and (iii) an increase in fixed operating costs resulting from the addition of new laboratories.

Gross Profit, Gross Profit Margin and Segment Results

For the six months ended June 30, 2025, we recorded a consolidated gross profit of approximately RMB196.5 million, representing a year-on-year decrease of approximately 13.0%, with a consolidated gross profit margin of approximately 43.0%, representing a year-on-year decrease of 4.7 percentage points. The above changes in our gross profit and gross profit margin compared with the corresponding period were primarily due to the decrease in revenue of RMB16.4 million and the increase in fixed operating costs resulting from the addition of new laboratories, which together resulted in the decrease of 4.7 percentage points in our gross profit margin from 47.7% for the corresponding period in 2024 to 43.0%.

Our management monitors the results of our operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment result is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax from continuing operations. The adjusted profit/loss before tax from continuing operations, or our segment result, is measured consistently with our profit before tax excluding other income and gains, administrative expenses, research and development expenses, other expenses, finance costs, listing expenses and fair value loss on financial liabilities at FVTPL. The following table sets forth a breakdown of our principal segment results for the periods indicated, both in actual amounts and as a percentage of segment revenue.

	For the six months ended June 30,			
	2025		2024	
	Segment results *(RMB'000)* (unaudited)	**% of segment revenue**	Segment results *(RMB'000)* (unaudited)	% of segment revenue
Hematology testing	**61,755**	**22.3**	67,898	22.8
Neurology testing	**9,519**	**20.2**	7,316	14.9
Maternity-related testing	**206**	**1.0**	727	2.9
Genetic disease and rare disease testing	**592**	**2.9**	3,045	12.9
Infectious disease testing	**40**	**0.2**	2,835	12.0
Oncology testing	**(13,638)**	**(73.9)**	1,702	15.5
Routine testing	**(515)**	**(2.5)**	156	0.7
Scientific research services and CRO	**(6,000)**	**(18.7)**	(3,413)	(16.0)

During the Reporting Period, as the complexity of the external market environment and the intensity of competition continued to rise, the pressure on hospitals to control costs became increasingly evident. Against this backdrop, our main testing projects, as an important component of hospital operating costs, were all affected to some extent. For the six months ended June 30, 2025, the performance of the hematology testing segment decreased from RMB67.9 million in the same period of 2024 to RMB61.7 million in the Reporting Period; the performance of the maternity-related testing segment decreased from RMB0.7 million in the same period of 2024 to RMB0.2 million in the Reporting Period; the performance of the genetic disease and rare disease testing segment decreased from RMB3.0 million in the same period of 2024 to RMB0.6 million in the Reporting Period; the performance of the infectious disease testing segment decreased from RMB2.8 million in the same period of 2024 to RMB0.04 million in the Reporting Period. Additionally, due to operational losses from the acquisition of AnchorDx and amortization of intangible assets resulting from the merger and acquisition, the performance of the oncology testing segment decreased from RMB1.7 million in the same period of 2024 to a loss of RMB13.6 million in the Reporting Period. Due to increased costs associated with the establishment of overseas laboratories, the performance of the CRO and scientific research service segment decreased from a loss of RMB3.4 million in the same period of 2024 to a loss of RMB6.0 million in the Reporting Period.

Other Income and Gains

- For the six months ended June 30, 2025, our other income and gains amounted to approximately RMB48.9 million, representing a decrease of approximately 11.0% as compared to the corresponding period in 2024. The decrease was primarily because declining bank deposit interest rates led to reduced interest income.

Selling and Marketing Expenses

- For the six months ended June 30, 2025, our selling and marketing expenses amounted to approximately RMB145.0 million, representing a decrease of approximately 2.0% as compared to the corresponding period in 2024. The selling and marketing expenses as a percentage of revenue increased by 0.5 percentage point to 31.7% in this period from 31.2% for the same period last year, remaining largely unchanged from last year.

Administrative Expenses

- For the six months ended June 30, 2025, our administrative expenses amounted to approximately RMB56 million, representing an increase of approximately 20.3% as compared to the corresponding period in 2024. The increase was primarily due to the merger and acquisition of AnchorDx and personnel adjustment-related expenditures.

Research and Development Costs

- For the six months ended June 30, 2025, our research and development costs amounted to approximately RMB46.0 million, accounting for 10.1% of revenue. To maintain the Company's competitiveness and continue to promote layout of new specialty and new test technology, we still remain a high investment in research and development.

Other Expenses

- For the six months ended June 30, 2025, our other expenses amounted to approximately RMB21.1 million, representing an increase of approximately 18.2% as compared to the corresponding period in 2024. The increase was primarily due to the changes in the fair value of the fund.

Finance Costs

- For the six months ended June 30, 2025, our finance costs amounted to approximately RMB7.7 million, which was primarily associated with bank borrowings.

Income Tax Expense

- For the six months ended June 30, 2025, our income tax expense decreased by approximately 56.9% to approximately RMB2.0 million as compared to the corresponding period in 2024.

Loss for the Period

- In view of the above, our loss for the six months ended June 30, 2025 amounted to approximately RMB32.6 million, representing a decrease of approximately 410.0% as compared to the net profit margin of the corresponding period in 2024.

Liquidity and Capital Resources

We have maintained a comprehensive treasury policy, detailing specific functions and internal control measures for capital use. These functions and measures include but are not limited to procedures of capital management and liquidity management. We manage and maintain our liquidity through the use of internally generated cash flows from operations, bank borrowings and proceeds from the global offering (the "**Global Offering**") of the ordinary shares of the Company (the "**Share(s)**") in connection with the listing of the Shares on the Main Board of the The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") . We regularly review our major funding positions to ensure that we have adequate financial resources in meeting our financial obligations.

For the six months ended June 30, 2025, we funded our working capital and other capital expenditure requirements through a combination of income generated from operations, investments received and the proceeds from the Global Offering. The following table sets forth a summary of our cash flows for the periods indicated.

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Net cash flows used in operating activities	**(33,769)**	(70,249)
Net cash flows from/(used in) investing activities	**302,487**	(969,483)
Net cash flows from financing activities	**56,029**	133,581
Net increase/(decrease) in cash and cash equivalents	**324,747**	(906,151)
Cash and cash equivalents at the beginning of the period	**381,572**	1,472,799
Effect of foreign exchange rate changes, net	**(5,412)**	24,498
Cash and cash equivalents at the end of the period	**700,907**	591,146

Cash and cash equivalents

For the six months ended June 30, 2025, our net cash used in operating activities was approximately RMB33.77 million, mainly attributable to: (i) positive adjustments to non-cash items, primarily including adjustments to bank wealth management income, depreciation of property, plant, and equipment, and fair value adjustments to financial assets and contingent consideration; and (ii) an increase of RMB19.9 million in other receivables and prepayments. During the Reporting Period, our trade and bills receivables decreased by RMB4.8 million, while trade and bills payables decreased by RMB21.0 million.

For the six months ended June 30, 2025, our net cash from investing activities was approximately RMB302.5 million, mainly attributable to (i) RMB438.9 million in maturing bank time deposits; (ii) investment and merger and acquisition expenses.

For the six months ended June 30, 2025, our net cash from financing activities was approximately RMB56.0 million, which was mainly attributable to: (i) new bank loans of RMB190.9 million; (ii) repayment of bank loans and interest of RMB120.5 million; and (iii) payment of RMB11.9 million in lease payments.

As a result of the foregoing, our cash and cash equivalents, which were primarily held in Renminbi and United States dollars, increased by approximately 18.6% from approximately RMB591.1 million as of June 30, 2024 to approximately RMB700.9 million as of June 30, 2025.

During the Reporting Period, we conducted business in China, and most of our transactions were settled in Renminbi. Our presentation and functional currency are Renminbi. We were not exposed to significant foreign exchange risk since we did not have any significant financial assets or liabilities denominated in currencies other than Renminbi, except that cash at banks deposited in the United States dollars or Hong Kong dollars primarily from investors as capital contributions. The foreign exchange risk exposure of the Group mainly comes from the risk of exchange of United States dollars to Renminbi and Hong Kong dollars. We managed our foreign exchange risk by regularly reviewing net foreign exchange exposures, and conducted risk management. The hedging activities period of the Group shall not exceed twelve months. The management of the Group continued to pay attention to the market environment and the Group's own foreign exchange risk profile, and to consider taking appropriate hedging measures when necessary.

Indebtedness

As of June 30, 2025, approximately RMB449.0 million of the credit facility has been utilized for bank borrowings and trade financing, leaving approximately RMB370 million of unused bank financing. As of June 30, 2025, the Group's total borrowings amounted to approximately RMB436.9 million, all of which were RMB-denominated interest-bearing bank borrowings. Of these, borrowings at a fixed interest rate amounted to approximately RMB139 million, while borrowings at a floating interest rate amounted to approximately RMB297.9 million.

Gearing Ratio

The Group monitored capital on the basis of the gearing ratio. That ratio is calculated by dividing the total borrowings as shown in the consolidated statement of financial position by the share capital and reserves attributable to the equity holder of the Company. As of June 30, 2025, the total borrowings are approximately RMB436.9 million and the total share capital and treasury shares and reserves attributable to owners of the Company is approximately RMB2,852.7 million, and therefore the gearing ratio is 15.3%.

Capital Expenditures

Our principal capital expenditures relate primarily to the purchase of equipment and the renovation of our laboratories. The following table sets forth our capital expenditures for the periods indicated.

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Purchases of property, plant and equipment	**24,519**	95,216
Purchases of other intangible assets	**623**	14,162
Total	**25,142**	109,378

Contingent Liabilities

As of June 30, 2025, we did not have any material contingent liabilities.

Significant Investments and Future Plans for Material Investments or Capital Assets

As of June 30, 2025, we did not hold any significant investment. In addition, save for the expansion plans as disclosed in the sections headed "Business" and "Future Plans and Use of Proceeds" in the prospectus of our Company dated June 29, 2021 (the "**Prospectus**"), we have no future plans for material investments or capital assets.

Material Acquisitions and Disposals

For the six months ended June 30, 2025, we did not conduct any material acquisitions or disposals of subsidiaries, associates or joint ventures.

Charges on Assets of the Group

In February 2024, Kindstar Global (Shanghai) Medical Technology Co., Ltd. ("**Kindstar Shanghai**"), a subsidiary of the Company, entered into a ten-year bank loan agreement of RMB70,000,000 with Nanshi Branch of Shanghai Pudong Development Bank, which was guaranteed by Wuhan Kindstar Medical Laboratory Co., Ltd. and Shanghai SinoPath Medical Laboratory Co., Ltd. and secured by mortgages over the Kindstar Shanghai's buildings. As at June 30, 2025, the balance of interest-bearing bank borrowings (secured) was RMB69,000,000 (unaudited).

In February 2025, another subsidiary of the Company, Kindstar Global Medical Technology (Wuhan) Co., Ltd. ("**Kindstar Wuhan WFOE**") entered into a seven-year bank loan agreement with Wuhan Free Trade Zone Branch of CITIC Bank for an amount of RMB132,000,000, guaranteed by Wuhan Kindstar and secured by a pledge of 100% of the equity interest in Guangzhou Kangchengweiye Biotechnology Co., Ltd.

Except for those disclosed above, as of June 30, 2025, we did not have any other charged assets.

Interim Dividend

The Board has resolved not to declare any interim dividend for the six months ended June 30, 2025.

Employees

As of June 30, 2025, we had 3,162 employees in total and most of them were located in Hubei and Sichuan Provinces, Beijing and Shanghai. We conduct new staff training regularly to guide new employees and help them adapt to the new working environment. In addition, we provide online and in-person formal and comprehensive company-level and department-level training to our employees on a quarterly basis in addition to on-the-job training. We also encourage our employees to attend external seminars and workshops to enrich their technical knowledge and develop competencies and skills, and provide training and development programs to our employees and external training sessions from time to time to improve their technical skills and ensure their awareness and compliance with our various policies and procedures.

The remuneration of our employees is determined with reference to market conditions and individual employees' performance, qualification and experience. In line with the performance of us and individual employees, a competitive remuneration package is offered to retain employees, including salaries, discretionary bonuses and benefit plans.

The Company adopted the pre-IPO stock incentive plans on March 14, 2013, December 20, 2015 and December 1, 2016, respectively. As of the date of this announcement, options to subscribe for 3,346,192 Shares, representing approximately 0.32% of the total issued share capital of the Company (excluding treasury shares) as of the date of this announcement, were outstanding and held by the grantees. On June 22, 2021, the Company also adopted the post-IPO restricted share unit scheme (the "**Post-IPO RSU Scheme**") and post-IPO share option scheme (the "**Post-IPO Option Scheme**"), of which our employees are eligible participants, effective upon July 16, 2021 on which dealings in the shares of the Company first commenced on the Stock Exchange. Details of the Post-IPO RSU Scheme and the Post-IPO Option Scheme are set out in the sections headed "Statutory and General Information – E. Post-IPO RSU Scheme" and "Statutory and General Information – F. Post-IPO Option Scheme" in Appendix IV to the Prospectus. As of June 30, 2025, no restricted share unit or option had been granted or agreed to be granted under the Post-IPO RSU Scheme or Post-IPO Option Scheme, respectively.

Significant Events after the Reporting Period

There are no material events subsequent to June 30, 2025 and up to the date of this announcement which could have a material impact on our operating and financial performance.

Use of Proceeds from the Global Offering

The Shares were listed on the Stock Exchange on July 16, 2021. The net proceeds from the Global Offering (after deduction of underwriting commissions and other expenses paid and payable by the Company in connection with the Global Offering) amounted to approximately HK$2,053.6 million. The net proceeds from the Global Offering (adjusted on a pro-rata basis based on the actual net proceeds) have been and will continue to be utilized in accordance with the intended use of the proceeds as set out in the Prospectus. The following table sets forth the status of the use of net proceeds from the Global Offering[(1)]:

Intended use of proceeds	Percentage of intended use of proceeds *(%)*	Intended use of proceeds from the Global Offering *(In HK$ millions)*	Unutilized net proceeds as of January 1, 2025 *(In HK$ millions)*	Actual Amount of use for the six months ended June 30, 2025 *(In HK$ millions)*	Unutilized net proceeds as of June 30, 2025 *(In HK$ millions)*	Timeframe for utilisation of the unused balance
Sales and marketing of our existing esoteric testing service lines to cover more hospitals, especially Class III hospitals						
Sales, marketing and expansion of hematology testing business	15	308.0	165.8	56.2	109.6	By June 30, 2028
Sales, marketing and expansion of genetic diseases and rare diseases and maternity-related testing business	10	205.4	153.6	9.5	144.1	By June 30, 2028
Sales, marketing and expansion of oncology, infectious disease and neurology testing businesses	10	205.4	118.7	28.9	89.8	By June 30, 2028
Research and development of our existing esoteric testing service lines						
Research and development of hematology testing	6.7	136.9	6.8	4.1	2.7	By June 30, 2028
Research and development of genetic diseases and rare diseases and maternity-related testing	6.7	136.9	14.3	2.3	12.0	By June 30, 2028
Research and development of neurology, infectious disease, oncology and routine testing	6.7	136.9	55.3	2.1	53.2	By June 30, 2028
Development and commercialization of new lines of esoteric testing services	15	308.0	151.5	44.6	106.9	By June 30, 2028
Expansion across the industry value chain by acquiring attractive technology or testing-related companies that are complementary and synergistic to our existing businesses	5	102.7	18.7	0	18.7	By June 30, 2028
Increasing our testing capacity	10	205.4	9.1	9	0.1	By June 30, 2028
Overseas expansion into markets outside of China	5	102.7	102.7	–	102.7	By June 30, 2028
Working capital and other general corporate purposes	10	205.4	94.9	0	94.9	–
Total	**100.0**	**2,053.6**	**891.4**	156.7	734.7	

Note:

(1) The figures in the table are approximate figures.

We currently have no intention to change the use of the unutilized net proceeds and have been actively monitoring the market environment for appropriate timing to implement our plans. It is currently expected that the unutilized net proceeds will be fully utilized by June 30, 2028, subject to changes in market conditions and policies and the timing when appropriate opportunities arise in the industry. To the extent that the net proceeds from the Global Offering are not immediately applied for the above purposes and to the extent permitted by the relevant law and regulations, we intend to deposit the net proceeds only into short-term deposits with licensed financial institutions in Hong Kong or the People's Republic of China. We will make an appropriate announcement if there is any change to the above proposed uses of proceeds or if any amount of the proceeds will be used for general corporate purpose.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	**For the six months ended 30 June 2025** ***RMB'000*** **(Unaudited)**	For the six months ended 30 June 2024 *RMB'000* (Unaudited)
REVENUE	*4*	**456,919**	473,335
Cost of sales		**(260,389)**	(247,545)
Gross profit		**196,530**	225,790
Other income and gains		**48,865**	54,889
Selling and marketing expenses		**(144,991)**	(147,923)
Administrative expenses		**(56,249)**	(46,767)
Research and development costs		**(46,046)**	(48,401)
Other expenses		**(21,090)**	(17,840)
Finance costs		**(7,699)**	(4,679)
(LOSS)/PROFIT BEFORE TAX		**(30,680)**	15,069
Income tax expense	*6*	**(1,956)**	(4,541)
(LOSS)/PROFIT AFTER TAX		**(32,636)**	10,528
Attributable to:			
Owners of the parent		**(36,073)**	11,895
Non-controlling interests		**3,437**	(1,367)
		(32,636)	10,528
OTHER COMPREHENSIVE (LOSS)/INCOME			
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of the financial statements of the Company		**(9,330)**	25,141
Other comprehensive (loss)/income for the period, net of tax		**(9,330)**	25,141

	Notes	**For the six months ended 30 June 2025 *RMB'000* (Unaudited)**	For the six months ended 30 June 2024 *RMB'000* (Unaudited)
Total comprehensive (loss)/income for the period, net of tax		**(41,966)**	35,669
Attributable to:			
Owners of the parent		**(45,403)**	37,036
Non-controlling interests		**3,437**	(1,367)
		(41,966)	35,669
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic (RMB)			
– For (loss)/profit for the period	*7*	**(3.78 cents)**	1.25 cents
Diluted (RMB)			
– For (loss)/profit for the period	*7*	**(3.78 cents)**	1.24 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	**30 June 2025** ***RMB'000*** **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**571,421**	575,064
Prepayment for purchase of property, plant and equipment		**3,541**	4,975
Right-of-use assets		**31,853**	42,496
Prepayments, deposits and other receivables	*12*	**32,081**	24,977
Other intangible assets	*10*	**245,615**	37,991
Amounts due from related companies (non-current)		**6,859**	4,913
Time deposits (more than 1 years)	*13*	**330,000**	410,000
Investments in associates		**47,847**	42,247
Deferred tax assets		**89,726**	52,066
Financial assets at FVTPL	*14*	**318,470**	324,441
Goodwill	*20*	**11,504**	9,169
Total non-current assets		**1,688,917**	1,528,339
CURRENT ASSETS			
Inventories		**61,716**	51,499
Trade and bills receivables	*11*	**501,871**	504,211
Prepayments, deposits and other receivables	*12*	**83,515**	73,980
Amounts due from related parties		**14,916**	8,408
Time deposits (more than 3 months)	*13*	**844,715**	1,217,543
Pledged deposits		**7,690**	9,314
Cash and cash equivalents		**700,907**	381,572
Total current assets		**2,215,300**	2,246,527
CURRENT LIABILITIES			
Trade and bills payables	*15*	**160,656**	178,018
Other payables and accruals	*16*	**337,717**	330,523
Contract liabilities		**4,944**	5,995
Interest-bearing bank borrowings	*17*	**245,915**	286,566
Profit tax payable		**6,875**	1,698
Amounts due to related parties		**36,493**	29,926
Lease liabilities		**12,499**	17,777
Deferred tax liabilities		**32,968**	3,942
Total current liabilities		**838,067**	854,445
NET CURRENT ASSETS		**1,377,263**	1,392,082
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,066,180**	2,920,421

	Notes	**30 June 2025** ***RMB'000*** **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
NON-CURRENT LIABILITIES			
Deferred income		**865**	2,044
Long term Interest bearing bank borrowings	*17*	**191,300**	68,500
Lease liabilities		**21,342**	25,519
Total non-current liabilities		**213,507**	96,063
Net assets		**2,852,673**	2,824,358
EQUITY			
Equity attributable to owners of the parent			
Share capital	*18*	**1,696**	1,589
Treasury shares	*18*	**(76)**	(76)
Reserves		**2,794,647**	2,782,499
		2,796,267	2,784,012
Non-controlling interests		**56,406**	40,346
Total equity		**2,852,673**	2,824,358

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 24 August 2007 and its shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 16 July 2021. The registered address of the office of the Company is P.O. Box 472, 2nd Floor, Harbour Place, 103 South, Church Street, George Town, Grand Cayman KY1-1106, Grand Cayman.

The Company is an investment holding company. During the reporting periods, the major subsidiaries of the Company were principally engaged in the provision of clinical testing services in the People's Republic of China (the "**PRC**").

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with International Accounting Standard ("**IAS**") 34 "**Interim Financial Reporting**". The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRS Accounting Standard ("**IFRSs**") for the first time for the current period's financial information.

Amendments to IAS 21	*Lack of Exchangeability*

The new or amended IFRSs that are effective from 1 January 2025 did not have any significant impact on the Group's accounting policies.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services and has nine reportable operating segments as follows:

(a) Hematology testing segment includes testing services related to blood diseases.

(b) Genetic diseases and rare diseases segment includes testing services from the rare disease.

(c) Infectious diseases segment includes testing services from the infection department.

(d) Oncology segment includes testing related to oncology diseases.

(e) Neurology segment includes testing services related to neurological diseases undertaken by the Group.

(f) Maternity-related diseases segment includes testing services related to maternity.

(g) Routine testing segment conducts routine tests for the doctors' daily diagnoses.

(h) CROs and R&D project segment includes research and develop services.

(i) The "others" segment provides other miscellaneous testing services.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit before tax from continuing operations. The adjusted profit before tax from continuing operations is measured consistently with the Group's profit before tax except that other income and gains, administrative expenses, research and development costs, other expenses and finance costs are excluded from such measurement. No analysis of segment assets and liabilities is presented as management does not regularly review such information for the purposes of resource allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

For the six months ended 30 June 2025
(Unaudited)

Segments	Hematology Testing *RMB'000*	Genetic diseases and rare diseases *RMB'000*	Infectious diseases *RMB'000*	Oncology *RMB'000*	Neurology *RMB'000*	Maternity-related diseases *RMB'000*	Routine testing *RMB'000*	CROs and R&D project *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue:										
Sales to external customers	**276,691**	**20,664**	**17,946**	**18,464**	**47,074**	**20,942**	**20,393**	**32,059**	**2,686**	**456,919**
Segment results:	**61,755**	**592**	**40**	**(13,638)**	**9,519**	**206**	**(515)**	**(6,000)**	**(420)**	**51,539**
Reconciliation:										
Other income and gains										**48,865**
Administrative expenses										**(56,249)**
Research and development costs										**(46,046)**
Other expenses										**(21,090)**
Finance costs										**(7,699)**
Group's loss before tax										**(30,680)**

For the six months ended 30 June 2024
(Unaudited)

Segments	Hematology Testing *RMB'000*	Genetic diseases and rare diseases *RMB'000*	Infectious diseases *RMB'000*	Oncology *RMB'000*	Neurology *RMB'000*	Maternity-related diseases *RMB'000*	Routine testing *RMB'000*	CROs and R&D project *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue:										
Sales to external customers	297,919	23,635	23,659	10,972	49,154	25,003	21,064	21,285	644	473,335
Segment results:	67,898	3,045	2,835	1,702	7,316	727	156	(3,413)	(2,399)	77,867
Reconciliation:										
Other income and gains										54,889
Administrative expenses										(46,767)
Research and development costs										(48,401)
Other expenses										(17,840)
Finance costs										(4,679)
Group's profit before tax										15,069

Geographical information

Since nearly all of the Group's non-current assets were located in Mainland China, no geographical segment information is presented in accordance with IFRS 8 *Operating Segments*.

Information about major customers

No information about major customers is presented as there was no single customer from which over 10% or more of the Group's revenue was derived during the reporting periods.

4. REVENUE

An analysis of revenue is as follows:

Revenue from contracts with customers

(i) Disaggregated revenue information

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Types of services		
Clinical testing service – at a point in time	**424,860**	452,050
Testing services for R&D projects and others – over time	**32,059**	21,285
Total revenue from contracts with customers	**456,919**	473,335

(ii) Performance obligations

Clinical Testing Service

The performance obligation is satisfied upon delivery of the testing report and the payment is generally due within 30 days from the date of billing, except for individual customers, where payment in advance is normally required.

Testing services for R&D projects and others

Under testing services for R&D projects and others, revenue is recognised at the amount to which the Group has the right to invoice for services performed. Therefore, under practical expedient allowed by IFRS 15, the Group does not disclose the value of unsatisfied performance obligation.

5. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

	Notes	For the six months ended 30 June	
		2025	2024
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Cost of inventories sold		**857**	–
Cost of services provided		**259,532**	247,545
Depreciation of property, plant and equipment	*9*	**30,009**	21,219
Depreciation of right-of-use assets		**12,314**	10,991
Amortisation of other intangible assets	*10*	**11,933**	2,808
Research and development costs		**46,046**	48,401
Auditor's remuneration		**1,151**	500
Employee benefit expense (including director's benefit)			
Salaries and other benefits		**172,655**	154,570
Pension scheme contributions, social welfare and other welfare		**21,827**	22,580
Lease payments not included in the measurement of lease liabilities		**3,897**	7,336
Bank interest income		**(35,478)**	(42,222)
Finance costs		**7,699**	4,679
Foreign exchange (profits)/losses, net		**(45)**	521
Other income from financial assets at FVPTL		**–**	(3,497)
Fair value changes on financial assets at FVTPL		**10,150**	966
Fair value gains on contingent consideration		**–**	(922)
(Profits)/losses on disposal of items of property, plant and equipment		**(254)**	362
Impairment losses on financial assets under ECL model	*11*	**6,262**	11,310
Impairment (reversals)/losses of inventories to net realisable value		**(379)**	777

6. INCOME TAX

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains.

Hong Kong

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the reporting periods. The subsidiary which operates in Hong Kong at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period.

Mainland China

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "**CIT Law**"), the subsidiaries which operate in Mainland China are subject to CIT at a rate of 25% on the taxable income except those which are subject to tax concession as set out below:

According to the Corporate Income Tax Law of the People's Republic of China (the "**CIT Law**"), the uniform income tax rate is 25% (2024: 25%), except for 5 subsidiaries Wuhan Kindstar Medical Laboratory Co., Ltd. ("**Wuhan Kindstar**"), Beijing Hightrust Medical Laboratory Co., Ltd. ("**Beijing Hightrust**"), Shanghai SimpleGene Medical Laboratory Co., Ltd. ("**Shanghai SimpleGene**"), Shanghai SinoPath Medical Laboratory Co., Ltd. ("**SinoPath**") and Wuhan Kindstar Zhenyuan Medical Laboratory Co., Ltd. ("**Kindstar Zhenyuan**")), accredited as a "High and New Technology Enterprise" ("**HNTE**") which were entitled to income tax rate of 15% and 4 subsidiaries (Xinjiang Kindstar Medical Laboratory Co., Ltd. ("**Xinjiang Kindstar**"), Chengdu Shengyuan Medical Laboratory Co., Ltd. ("**Chengdu Shengyuan**"), Chengdu Wenjiang Kangshengyou Medical Internet Hospital Co., Ltd. ("**Kindstar You Yi**"), Sichuan Huaxi Kindstar Medical Laboratory Co., Ltd.("**Huaxi Kindstar**")), incorporated in Western China which were entitled to income tax rate of 15% under the Grand Western Development Program policy.

The income tax expense of the Group for the reporting periods is analysed as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax	**4,524**	11,822
Under provision in prior years	**5,049**	2,224
Deferred income tax	**(7,617)**	(9,505)
Total tax charge for the period	**1,956**	4,541

7. (LOSSES)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic losses per share amount is based on the losses for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 954,305,654 (unaudited) (six months ended 30 June 2024: 950,752,346 (unaudited)) in issue during the period.

The calculation of the diluted losses per share amounts is based on the losses for the period attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the exercise of certain batch of share options. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period ended 30 June 2024 and 2025, as used in the basic losses per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of basic (loss)/profit per share is based on:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
(Loss)/profit		
(Loss)/profit attributable to ordinary equity holders of the parent (RMB'000)	**(36,073)**	11,895
Ordinary shares		
Weighted average number of ordinary shares in issue during the period used in the basic (loss)/profit per share calculation	**954,305,654**	950,752,346
Effect of dilutive potential ordinary shares:		
Share options	**–**	4,725,148
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**954,305,654**	955,477,494
(Loss)/earnings per share attributable to ordinary equity holders of the parent		
– Basic	**(3.78 cents)**	1.25 cents
– Dilute	**(3.78 cents)**	1.24 cents

The calculation of basic and diluted loss per share for the six months ended 30 June 2025, has not considered, where appropriate, the share options awarded under the pre-IPO share option scheme as disclosed in Note 19 (i), and the restricted shares that have not yet been vested (Note 18) as their inclusion would be anti-dilutive.

8. DIVIDENDS

The final dividend in respect of 2024 of HK$0.0238 cents per share, totaling approximately HK$24,601,000 was approved at the Annual General Meeting on 5 June 2025 and was paid in cash on 27 August 2025.

The Board of Directors has resolved not to declare an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

9. PROPERTY, PLANT AND EQUIPMENT

	Buildings *RMB'000*	Laboratory equipment *RMB'000*	Transportation equipment *RMB'000*	Other equipment *RMB'000*	Leasehold improvements *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
30 June 2025 (Unaudited)							
At 1 January 2025							
Cost	**411,263**	**315,526**	**6,833**	**40,704**	**153,741**	**11,221**	**939,288**
Accumulated depreciation	**(19,800)**	**(218,693)**	**(5,072)**	**(32,057)**	**(88,602)**	**–**	**(364,224)**
Net carrying amount	**391,463**	**96,833**	**1,761**	**8,647**	**65,139**	**11,221**	**575,064**
At 1 January 2025, net of accumulated depreciation	**391,463**	**96,833**	**1,761**	**8,647**	**65,139**	**11,221**	**575,064**
Additions	**–**	**10,644**	**57**	**1,294**	**3,112**	**11,304**	**26,411**
Transfer	**–**	**–**	**–**	**–**	**2,294**	**(2,294)**	**–**
Disposals	**(1,007)**	**482**	**(75)**	**(1,541)**	**–**	**–**	**(2,141)**
Acquisition of a subsidiary	**–**	**1,483**	**–**	**172**	**400**	**41**	**2,096**
Depreciation provided during the period	**(4,698)**	**(13,824)**	**(325)**	**(2,495)**	**(8,667)**	**–**	**(30,009)**
At 30 June 2025, net of accumulated depreciation	**385,758**	**95,618**	**1,418**	**6,077**	**62,278**	**20,272**	**571,421**
At 30 June 2025:							
Cost	**410,256**	**322,609**	**6,808**	**46,419**	**159,307**	**20,272**	**965,671**
Accumulated depreciation	**(24,498)**	**(226,991)**	**(5,390)**	**(40,342)**	**(97,029)**	**–**	**(394,250)**
Net carrying amount	**385,758**	**95,618**	**1,418**	**6,077**	**62,278**	**20,272**	**571,421**

	Buildings *RMB'000*	Laboratory equipment *RMB'000*	Transportation equipment *RMB'000*	Other equipment *RMB'000*	Leasehold improvements *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
31 December 2024 (Audited)							
At 1 January 2024							
Cost	232,959	310,068	6,657	42,430	131,182	32,798	756,094
Accumulated depreciation	(11,241)	(200,454)	(4,429)	(27,125)	(75,812)	–	(319,061)
Net carrying amount	221,718	109,614	2,228	15,305	55,370	32,798	437,033
At 1 January 2024, net of accumulated depreciation	221,718	109,614	2,228	15,305	55,370	32,798	437,033
Additions	155,475	13,425	1	1,894	21,034	15,082	206,911
Transfer	22,829	–	175	–	4,788	(35,713)	(7,921)
Disposals	–	(7,967)	–	(3,630)	(3,263)	(946)	(15,806)
Acquisition of a subsidiary	–	–	–	10	–	–	10
Depreciation provided during the year	(8,559)	(18,239)	(643)	(4,932)	(12,790)	–	(45,163)
At 31 December 2024, net of accumulated depreciation	391,463	96,833	1,761	8,647	65,139	11,221	575,064
At 31 December 2024:							
Cost	411,263	315,526	6,833	40,704	153,741	11,221	939,288
Accumulated depreciation	(19,800)	(218,693)	(5,072)	(32,057)	(88,602)	–	(364,224)
Net carrying amount	391,463	96,833	1,761	8,647	65,139	11,221	575,064

At 30 June 2025, certain of the Group's buildings with a net carrying amount of RMB152,627,000 were pledged to secure general banking facilities granted to the Group (note 17).

10. OTHER INTANGIBLE ASSETS

	License *RMB'000*	Software *RMB'000*	Development Expenditure *RMB'000*	Total *RMB'000*
30 June 2025 (Unaudited)				
At 1 January 2025:				
Cost	**25,929**	**34,196**	**1,415**	**61,540**
Accumulated amortisation	**(4,988)**	**(18,561)**	**–**	**(23,549)**
Net carrying amount	**20,941**	**15,635**	**1,415**	**37,991**
Cost at 1 January 2025, net of accumulated amortisation	**20,941**	**15,635**	**1,415**	**37,991**
Acquisition of a subsidiary	**207,379**	**–**	**–**	**207,379**
Additions	**2,449**	**9,319**	**410**	**12,178**
Transfer	**–**	**445**	**(445)**	**–**
Amortisation provided during the period	**(8,755)**	**(3,178)**	**–**	**(11,933)**
At 30 June 2025	**222,014**	**22,221**	**1,380**	**245,615**
At 31 December 2024				
Cost	**235,756**	**43,960**	**1,380**	**281,096**
Accumulated amortisation	**(13,742)**	**(21,739)**	**–**	**(35,481)**
Net carrying amount	**222,014**	**22,221**	**1,380**	**245,615**

	License *RMB'000*	Software *RMB'000*	Development Expenditure *RMB'000*	Total *RMB'000*
31 December 2024 (Audited)				
At 1 January 2024:				
Cost	16,378	32,821	5,490	48,850
Accumulated amortisation	(3,350)	(17,456)	(2,548)	(17,515)
Net carrying amount	13,028	15,365	2,942	31,335
Cost at 1 January 2024, net of accumulated amortisation	13,028	15,365	2,942	31,335
Acquisition of a subsidiary	9,551	–	–	9,551
Additions	–	896	2,243	3,139
Transfer	–	3,770	(3,770)	–
Amortisation provided during the year	(1,638)	(4,396)	–	(6,034)
At 31 December 2024	20,941	15,635	1,415	37,991
At 31 December 2024				
Cost	25,929	34,196	1,415	61,540
Accumulated amortisation	(4,988)	(18,561)	–	(23,549)
Net carrying amount	20,941	15,635	1,415	37,991

11. TRADE AND BILLS RECEIVABLES

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**635,464**	631,805
Bills receivable	**1,610**	733
Total	**637,074**	632,538
Allowance for expected credit losses	**(135,203)**	(128,327)
Total	**501,871**	504,211

The Group's trading terms with its customers are mainly on credit, except for individual customers, where payment in advance is normally required. The credit period is generally from three months to nine months. The Group seeks to maintain strict control over its outstanding receivables to minimize credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the end of each of the reporting periods, based on the billing date and net of allowance for expected credit losses, is as follows:

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**216,012**	195,811
1 year to 2 years	**70,675**	74,866
2 years to 3 years	**131,146**	191,286
3 years to 4 years	**62,618**	18,504
4 years to 5 years	**13,083**	12,426
Over 5 years	**8,337**	11,318
Total	**501,871**	504,211

The movements in the allowance for expected credit losses of trade receivables are as follows:

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
At beginning of period/year	**128,327**	61,269
Impairment losses, net	**6,262**	71,174
Acquisition of subsidiary	**1,034**	–
Amount written off as uncollectible	**(420)**	(4,116)
At end of period/year	**135,203**	128,327

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customers with similar loss patterns such as ageing, historical denial and past collection experience. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. In addition, trade receivables with significant outstanding and credit-impaired balances are assessed for ECL individually.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix and individually:

	As at 30 June 2025		
	Amount	**Expected loss rate**	**Impairment**
	RMB'000	***%***	***RMB'000***
	(Unaudited)		**(Unaudited)**
Individually assessed:	**58,815**	**77**	**45,454**
Measured by provision matrix:			
Within 1 year	**225,973**	**5**	**11,571**
1 year to 2 years	**78,053**	**9**	**7,379**
2 years to 3 years	**170,073**	**23**	**39,281**
3 years to 4 years	**79,311**	**27**	**21,043**
4 years to 5 years	**14,018**	**42**	**5,916**
Over 5 years	**9,221**	**49**	**4,559**
Total	**635,464**		**135,203**

	As at 31 December 2024		
	Amount	Expected loss rate	Impairment
	RMB'000	*%*	*RMB'000*
	(Audited)		(Audited)
Individually assessed:	64,755	70	45,393
Measured by provision matrix:			
Within 1 year	203,624	4	8,546
1 year to 2 years	84,924	12	10,058
2 years to 3 years	228,949	18	40,713
3 years to 4 years	21,849	40	8,674
4 years to 5 years	14,985	45	6,797
Over 5 years	12,719	64	8,146
Total	631,805		128,327

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Deposits and other receivables (current)	**68,777**	56,649
Prepayments (current)	**12,052**	11,694
Value-added tax recoverable		
– current	**1,993**	1,885
– non-current*	**32,081**	24,977
Prepaid expenses (current)	**693**	502
Deferred issue cost (current)	**–**	3,250
Total	**115,596**	98,957

Analysed into:

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Current portion	**83,515**	73,980
Non-current portion*	**32,081**	24,977
Total	**115,596**	98,957

* *The amount mainly represents value-added tax balance expected not to be recoverable in next twelve months.*

The balances are not secured by collateral.

Other receivables had no historical default. The financial assets included in the above balances relate to receivables were categorised in stage 1 at the end of each of the reporting periods. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking macroeconomic data. During the reporting periods, the Group estimated that the expected credit loss rate for other receivables and deposits was minimal.

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Long ageing balances are reviewed regularly by senior management. In view of the fact that the Group's deposits and other receivables relate to a large number of diversified counterparties, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its deposits and other receivable balances.

13. TIME DEPOSITS

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Time deposits – current (more than 3 months)	**844,715**	1,217,543
Time deposits – non-current (more than 1 year)	**330,000**	410,000
Total	**1,174,715**	1,627,543

As at 30 June 2025, time deposits represent deposits over one year of the Group amounted to RMB330,000,000 (unaudited) carried the fixed interest rate ranged from 2.45% to 2.85% per annum with maturity from April 2027 to May 2027.

Current time deposits represent deposits over 3 months but less than one year. As at 30 June 2025, RMB844,715,000 (unaudited) of current time deposits carried fixed interest rates ranging from 4.19% to 4.64% per annum.

14. FINANCIAL ASSETS AT FVTPL

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Investment in unlisted funds *	**318,470**	324,441
Financial assets at FVTPL -non current	**318,470**	324,441

* *The investment includes subscription of limited partnership of unlisted funds to allow the Group to further access a wider variety of participants in the clinical testing industry. The unlisted fund was measured at fair value through profit or loss.*

15. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bill payables as at the end of each of the reporting periods, based on the invoice date, is as follows:

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**137,412**	147,366
1 year to 2 years	**7,711**	21,067
Over 2 years	**15,533**	9,585
Total	**160,656**	178,018

The trade payables are non-interest-bearing and are normally settled on terms of 90 days.

16. OTHER PAYABLES AND ACCRUALS

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Accruals	**126,368**	130,343
Payroll payable	**131,930**	129,841
Other payables*	**77,419**	65,439
Equity acquisition payables	**2,000**	4,900
Total	**337,717**	330,523

* *Other payables are unsecured, non-interest-bearing and repayable on demand. The fair values of other payables at the end of each of the reporting periods approximated to their corresponding carrying amounts.*

17. INTEREST-BEARING BANK BORROWINGS

	As at 30 June 2025 (Unaudited)		
	Effective interest rate per annum %	**Maturity**	**RMB'000**
Current			
Bank borrowings – credit	**2.60-3.50, LPR-25BPS, LPR-50BPS**	**2026**	**231,715**
Bank borrowings – secured *(note (i))*	**2.90-3.50**	**2026**	**14,200**
Total			**245,915**
Non-Current			
Bank borrowings – credit	**LPR-20BPS**	**2026-2028**	**4,500**
Bank borrowings – secured *(note (i))*	**LPR-10BPS, LPR-20BPS**	**2026-2034**	**186,800**
Total			**191,300**

	As at 31 December 2024 (Audited)		
	Effective interest rate per annum %	Maturity	RMB'000
Current			
Bank borrowings – credit	2.6-3.65	2025	285,566
Bank borrowings – secured *(note (ii))*	4	2025	1,000
			286,566
Non-Current			
Bank borrowings – secured *(note (ii))*	LPR-20BPS	2026-2034	68,500

Note:

*(i) In February 2024, Kindstar Global (Shanghai) Medical Technology Co., Ltd. ("**Kindstar Shanghai**"), a subsidiary of the Company, entered into a ten-year bank borrowing agreement of RMB70,000,000 with Nanshi Branch of Shanghai Pudong Development Bank, which was guaranteed by Wuhan Kindstar and Sinopath and secured by mortgages over the Kindstar Shanghai's buildings. At 30 June 2025, the balance of the Interest bearing bank borrowing-secured is RMB69,000,000 (unaudited).*

*In February 2025, Kindstar Global Medical Technology (Wuhan) Co., Ltd. ("**Kindstar Wuhan WFOE**"), another subsidiary of the company, entered into a seven-year bank borrowing agreement of RMB132,000,000 with Wuhan Zimaoqu Branch of China Citic Bank, which was guaranteed by Wuhan Kindstar and was secured by a pledge of 100% of the equity of Guangzhou Kangchengweiye Biotechnology Co., Ltd.. At 30 June 2025, the balance of the Interest bearing bank borrowing-secured is RMB132,000,000 (unaudited).*

(ii) At 31 December 2024, the balance of the Kindstar Shanghai's Interest bearing bank borrowings-secured from Nanshi Branch of Shanghai Pudong Development Bank is RMB69,500,000.

Analysed into:

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Bank borrowings repayable:		
Within one year or on demand	**245,915**	286,566
In the second year	**14,700**	1,000
In the third to fifth years, inclusive	**86,800**	15,500
Beyond five years	**89,800**	52,000
Total	**437,215**	355,066

18. SHARE CAPITAL AND TREASURY SHARES

Share Capital

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Issued and fully paid: 1,040,758,392 (2024: 981,291,940) ordinary shares	**1,696**	1,589

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue *RMB'000* (Unaudited)	Share capital *RMB'000* (Audited)
At 1 January 2025	**981,291,940**	**1,589**
Shares issued for business combination	**59,431,356**	**106**
Shares issued upon exercise of share option	**35,096**	**1**
At 30 June 2025	**1,040,758,392**	**1,696**
At 1 January 2024	986,308,104	1,599
Shares issued upon exercise of share option	1,637,836	2
Share repurchase	(6,654,000)	(12)
At 31 December 2024	981,291,940	1,589

Treasury Shares

	30 June 2025 ***RMB'000*** **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
Shares repurchased: 44,184,500 (2024: 44,184,500) treasury shares *(notes)*	**76**	76

19. STOCK INCENTIVE PLANS

i. Pre-IPO Stock Incentive Plans

The Company's Pre-IPO Stock Incentive Plans (the "**Pre-IPO Scheme**") were adopted pursuant to resolutions passed on 14 March 2013, 20 December 2015 and 1 December 2016, respectively, for the primary purpose of providing incentives to directors of the Company and eligible employees of the Group.

Details of Pre-IPO Scheme granted are as follows:

Grant date	Number of options	Expiry date	Exercise price per share	Notes
15 March 2013	4,576,229	14 March 2023	US$0.03	(i)
31 December 2013	8,608,131	31 December 2023	US$0.03	(ii)
31 December 2015	15,813,456	31 December 2025	US$0.06	(ii)
31 December 2016	17,242,524	31 December 2026	US$0.09	(ii)

Notes:

(i) 25%, 25%, 25% and 25% of the total number of the options granted shall vest on the first, second, third and fourth anniversary of vesting commencement date, respectively. All options has been exercised before 14 March 2023.

(ii) 100% of the total number of the options granted shall vest immediately after grant date.

The number of options and exercise price per share for the options granted on 14 March 2013, 20 December 2015 and 1 December 2016 represented the unadjusted number of options and exercise prices before considering the Share Subdivision and Capitalisation Issue.

The following share options were outstanding during the reporting periods:

	30 June 2025 (Unaudited)		31 December 2024 (Audited)	
	Weighted average exercise price *HK$ per share*	**Number of options *000***	Weighted average exercise price *HK$ per share*	Number of options *000*
At the beginning of the period/year	**0.17**	**3,443,936**	0.17	5,081,772
Exercised during the period/year	**0.17**	**(35,096)**	0.18	(1,637,836)
Forfeited during the period/year	**0.17**	**(12,000)**	–	–
At the end of period/year	**0.17**	**3,396,840**	0.17	3,443,936
Exercisable at the end of the period/year		**3,396,840**		3,443,936

The weighted average share price at the date of exercise for share options exercised during the period/year was HK$1.32 per share (unaudited) (2024: HK$1.45 per share).

ii. Post-IPO RSU Scheme

None shares had been granted under the post-IPO RSU scheme during the reporting period.

20. BUSINESS COMBINATION

On 24 January 2025, the Group completed the acquisition of 100% equity interest in Guangzhou Kangchengweiye Biotechnology Co., Ltd. (廣州康丞唯業生物科技有限公司) ("**Guangzhou Kangchengweiye**") at a total amount of approximately RMB208,475,000 (unaudited), which consists of RMB148,302,000 (unaudited) in cash and RMB60,173,000 (unaudited) worth of 59,431,356 ordinary shares of the Company.

The fair value of the identifiable net assets at fair value of Guangzhou Kangchengweiye is RMB206,140,000 (unaudited) as of the acquisition date. The Group recognised goodwill of RMB2,335,000 (unaudited) arising from the acquisition.

Since the acquisition, Guangzhou Kangchengweiye contributed RMB6,576,000 (unaudited) to the Group's revenue and RMB6,772,000 (unaudited) to the consolidated loss for the period ended 30 June 2025.

Had the combination taken place at the beginning of the period ended 30 June 2025, the revenue from continuing operations of the Group and the loss of the Group for the year would have been RMB474,296,000 (unaudited) and RMB11,789,000 (unaudited) respectively.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company listed securities (whether on the Stock Exchange or otherwise) for the six months ended June 30, 2025. As at June 30, 2025, the Company had 7,064,000 treasury shares (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) which are intended to be used for purposes such as employee incentives, sale or transfer to obtain liquid funds, etc. subject to the actual decision-making by the Board.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all Shareholders. The Company has applied the principles as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 of the Listing Rules.

The Board is of the view that, during the Reporting Period, the Company has complied with the code provisions as set out in the CG Code, except for the deviation as explained below.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman of the Board and chief executive officer should be separate and should not be performed by the same individual. The roles of chairman of the Board and chief executive officer of the Company are held by Dr. Huang Shiang ("**Dr. Huang**"). In view of Dr. Huang's experience, personal profile and his roles in the Group, and the fact that Dr. Huang has been the chief executive officer of the Group since its incorporation, the Board considers it beneficial to the business outlook and operational efficiency of the Group that Dr. Huang acts as the chairman of the Board and continues to act as the chief executive officer of the Company.

While this will constitute a deviation from code provision C.2.1 of the CG Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decision to be made by the Board requires approval by at least a majority of the Directors; (ii) Dr. Huang and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of the Company and will make decisions for the Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high calibre individuals who meet regularly to discuss issues affecting the operations of the Company. Moreover, the overall strategic and other key business, financial, and operational policies of the Group are made collectively after thorough discussion at both the Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman of the Board and chief executive officer is necessary.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the Group's code of conduct regarding the Directors' securities transactions. Having made specific enquiry of all the Directors, all the Directors confirmed that they have strictly complied with the Model Code during the Reporting Period.

The Board has also adopted written guidelines (the "**Employees Written Guidelines**") no less exacting than the Model Code, to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company (as referred to in code provision C.1.3 of the CG Code). No incident of non-compliance with the Employees Written Guidelines by the Company's relevant employees had been noted during the Reporting Period after making reasonable enquiry.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL INFORMATION

The Board has established the audit committee (the "**Audit Committee**") with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. As at the date of this announcement, the Audit Committee consists of three members, namely Dr. Xia Xinping, Mr. Huang Zuie-Chin and Mr. Gu Huaming. Dr. Xia Xinping, being the chairman of the Audit Committee, holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, without limitation, assisting the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group and overseeing the audit process.

The Audit Committee has reviewed the Group's unaudited interim financial information for the six months ended June 30, 2025. The Audit Committee has also reviewed the accounting principles adopted by the Group and discussed auditing, internal control, risk management and financial reporting matters.

In addition, the Company's external auditor, Ernst & Young, has performed an independent review of the Group's interim financial information for the six months ended June 30, 2025 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. Based on their review, Ernst & Young confirmed that nothing has come to their attention that causes them to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting."

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange (**www.hkexnews.hk**) and the website of the Company (**www.kindstar.com.cn**). The interim report of the Company for the six months ended June 30, 2025 containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course.

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 28, 2025

As at 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.