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UNITED GENE HIGH-TECH GROUP LIMITED

聯合基因科技集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 399)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO POSSIBLE COOPERATION WITH ACADEMY OF MILITARY MEDICAL SCIENCES, INSTITUTE OF PHARMACOLOGY AND TOXICOLOGY*

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

MEMORANDUM OF UNDERSTANDING IN RELATION TO POSSIBLE COOPERATION

The Board is pleased to announce that after trading hours on 3 June 2014, the Company entered into a non-legally binding memorandum of understanding (the “MOU”) with 中國人民解放軍軍事醫學科學院毒物藥物研究所 (Academy of Military Medical Sciences, Institute of Pharmacology and Toxicology) (“AMMS”) in relation to the intended cooperation in the research and development of certain pharmaceutical product(s) in the PRC.

The Board wishes to emphasise that no binding agreement in relation to the Possible Cooperation has been entered into by the Company and AMMS as at the date of this announcement. As such, the Possible Cooperation may or may not proceed. Shareholders and the potential investors of the Company are urged to exercise caution when dealing in the Shares. Further announcement in respect of the Possible Cooperation will be made by the Company in the event that any formal agreement(s) has been executed.

* *for identification purposes only*

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

MEMORANDUM OF UNDERSTANDING IN RELATION TO POSSIBLE COOPERATION

The Board is pleased to announce that after trading hours on 3 June 2014, the Company entered into a non-legally binding MOU with AMMS in relation to the intended cooperation in the research and development of certain pharmaceutical product(s) in the PRC (the “**Possible Cooperation**”), principal terms of which are set out below.

Date: 3 June 2014 (after trading hours)

Parties: (1) the Company; and

(2) AMMS, a medical research institute of the People’s Liberation Army of the People’s Republic of China which, including but not limited to, research and development of medical and pharmacological products for military and public use and research of new medicine.

Scope of the MOU

The MOU is non-legally binding which sets out the understanding among the parties thereto on the intended cooperation in the research and development of certain pharmaceutical product(s) in the PRC.

Pursuant to the MOU,

- (i) The Company and AMMS intend to cooperate and jointly research and develop the following pharmaceutical products:
- (1) Vinpocetine Controlled-Release Tablets (Type 5 Medicine) (長春西汀控釋片 – 第五類藥);
 - (2) Docetaxel Thermosensitive Long-circulating Liposomes (Type 5 Medicine) (多西紫杉醇熱敏長循環脂質體 – 第五類藥);
 - (3) Risperidone Controlled-Release Tablets (Type 5 Medicine) (利培酮控釋片 – 第五類藥);

- (4) Ambroxol hydrochloride Dry Powder Inhalations (Type 5 Medicine) (鹽酸氨溴索粉霧劑－第五類藥);
- (ii) AMMS will provide technological know-how and technical support for the research and development of the said pharmaceutical product(s); and
- (iii) The Company will provide the relevant fundings for the research and development of and a comprehensive marketing and distribution network in the PRC for the said pharmaceutical product(s).

Both parties shall enter into formal agreement(s) for the said pharmaceutical product(s) within 180 days from the date of the MOU or such other date as the parties may agree in writing.

As the MOU is not legally binding, the Possible Cooperation may or may not proceed and the terms of the MOU may be altered or not be realized in actual implementation.

Reasons and benefits for the entering into the MOU

The Directors consider that the entering into of the MOU, represents a good opportunity for the Group to obtain new technological know-how and techniques in researching and developing the said pharmaceutical product(s) from a reputable research institute as AMMS.

The Directors are of the view that the terms of the MOU are negotiated at arm's length, fair and reasonable and the entering into of the MOU is a furtherance of the principal business of the Group which is in the interests of the Group and the Shareholders as a whole.

The Board wishes to emphasise that no binding agreement in relation to the Possible Cooperation has been entered into by the Company and AMMS as at the date of this announcement. As such, the Possible Cooperation may or may not proceed, and the terms of the MOU may be altered or not be realized in actual implementation.

Shareholders and the potential investors of the Company are urged to exercise caution when dealing in the Shares. Further announcement in respect of the Possible Cooperation will be made by the Company in the event that any formal agreement has been executed.

By Order of the Board
United Gene High-Tech Group Limited
Lee Nga Yan
Executive Director

Hong Kong, 4 June 2014

As at the date of this announcement, the Board comprises Ms. Jiang Nian (chairman & non-executive Director), Ms. Lee Nga Yan (executive Director), Dr. Guo Yi (executive Director), Ms. Xiao Yan (non-executive Director), Ms. Wu Yanmin (non-executive Director), Ms. Chen Weijun (independent non-executive Director), Dr. Zhang Zhihong (independent non-executive Director) and Mr. Wang Rongliang (independent non-executive Director).