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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 with limited liability)
(Stock Code: 399)

CONNECTED TRANSACTION

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The Board announces that on 22 May 2012, the Company, as the assignee, entered into the Agreement with 聯合基因科技有限公司 (United Gene Holdings Limited *), as the Assignor, a connected person of the Company, and SBIA, as the Prize administrator.

Pursuant to the Agreement, the Assignor has agreed to assign and the Company has agreed to take up the obligations of providing an aggregate sum of sponsorship of RMB9 million (equivalent to approximately HK\$10.89 million), which consists of RMB6 million (equivalent to approximately HK\$7.26 million) for the grant of the Prize and RMB3 million (equivalent to approximately HK\$3.63 million) for the administrative fees of the Prize, and SBIA has agreed to continue to be the institution responsible for the administration of the Prize, including assessing the individual scholars' performance and contributions in life sciences and granting various prizes under the Prize in each year to the prominent scholars in life sciences.

LISTING RULES IMPLICATIONS

As at the date of this Announcement, both Dr. Mao Yu Min and Dr. Xie Yi respectively held 33.5% shareholdings in the Assignor. Dr. Mao Yu Min and Dr. Xie Yi are also the controlling shareholders of the Company and jointly and beneficially own approximately 47.84% of the issued share capital of the Company. Therefore, the Assignor is a connected person of the Company. Accordingly, the transaction contemplated under the Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

The applicable ratio in respect of the transaction contemplated under the Agreement exceeds 0.1% but is less than 5% as determined in accordance with Rule 14.07 of the Listing Rules. Therefore, the transaction contemplated under the Agreement will be subject to the reporting and announcement requirements but is exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

In 2008, the Assignor applied to the Ministry of Science and Technology of the PRC to set up the Prize and agreed to sponsor an aggregate sum of RMB10 million in order to glorify the success of Mr. Tan Jia Zhen in genetics and to encourage the development and research in life sciences in the PRC. Whilst SBIA was the institution responsible for the administration of the Prize, including assessing the individual scholars' performance and contributions in life sciences and granting various prizes under the Prize in each year to the prominent scholars in life sciences.

Since 2008, the Assignor has already sponsored RMB4 million (equivalent to approximately HK\$4.84 million) to the Prize for granting various prizes under the Prize to a number of prominent scholars in life sciences. There has been much publicity attracted to each of the prize presenting ceremonies. The Prize has now become one of the most prestigious and influential prizes in life sciences in the PRC.

THE AGREEMENT

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Date : 22 May 2012

Assignee : the Company

Assignor : 聯合基因科技有限公司 (United Gene Holdings Limited*)

Prize administrator : SBIA

Major terms of the Agreement:

1. The Company shall enjoy all rights and prestige attached to the Prize and shall take up the obligations of providing an aggregate sum of sponsorship of RMB9 million (equivalent to approximately HK\$10.89 million) for a total of six years, which consists of RMB6 million (equivalent to approximately HK\$7.26 million) for the grant of the Prize and RMB3 million (equivalent to approximately HK\$3.63 million) for the administrative fees of the Prize. For each year, the Company shall, according to the memorandum of the Prize, provide the sponsorship of approximately RMB1 million (equivalent to approximately HK\$1.21 million) for the grant of the Prize (the amount of

prize granted to individual scholars shall be subject to the memorandum of associations of Tan Jia Zhen Life Sciences Prize*) and shall provide the sponsorship at the maximum of RMB0.5 million (equivalent to approximately HK\$0.6 million) for the administrative fees of the Prize payable to SBIA in assisting the administration of the Prize;

2. The Assignor shall at zero consideration assign all rights and obligations under the Prize to the Company and shall undertake to assign all of its prestige to the Company. The Assignor further undertakes to assist the Company in applying to the Ministry of Science and Technology of the PRC for the necessary formalities concerning the change in the name of the sponsorship of the Prize; and
3. SBIA shall continue to use its best endeavour to administer the Prize under the instructions of the Company despite the change in the name of the sponsorship of the Prize from the Assignor to the Company.

INFORMATION ON THE ASSIGNOR

The Assignor is a company incorporated in the PRC with limited liability, and principally engaged in technology development, technology transfer, technology services and consultation services related to bioengineering and genetic engineering (except development and application in human stem cells, genetic diagnosis and intervention technology); computer software development and manufacturing, sales of self-produced products (related to licensed operation).

As at the date of this Announcement, both Dr. Mao Yu Min and Dr. Xie Yi respectively held 33.5% shareholdings in the Assignor. Dr. Mao Yu Min and Dr. Xie Yi are also the controlling shareholders of the Company and jointly and beneficially own approximately 47.84% of the issued share capital of the Company. Therefore, the Assignor is a connected person of the Company.

INFORMATION ON SBIA

上海市生物醫葯行業協會 (Shanghai Biopharmaceutical Industry Association*) was established in December 2002 and is a social group voluntarily united by local biopharmaceutical enterprises, related universities and scientific institutions. There are about 190 members covering the whole chain of biotechnology and pharmaceutical industry ranging from research and development, production to circulations. SBIA organizes training seminar and exhibitions, provides technology consultancy, information exchanges, investigation, intellectual property protection, recommendations for scientific achievements. SBIA also bridges the communication between the PRC government and the biopharmaceutical enterprises.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, SBIA is an Independent Third Party.

REASONS FOR AND BENEFIT OF THE TRANSACTION UNDER THE AGREEMENT

The Company and its subsidiaries are principally engaged in gene testing services, provision of health care management services, manufacturing and distribution of bio-industrial products in PRC, Hong Kong and Macau.

The sponsorship of the renowned Prize relating to life sciences has the marketing and promotional value. Through the sponsorship, the Company can gain more public awareness and exposure to media in the industry. The Directors (including the independent non-executive Directors) are of the views that it is in the interest of the Shareholders and the Group as a whole to enter into the Agreement and continue to execute the sponsorship of the Prize.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this Announcement, both Dr. Mao Yu Min and Dr. Xie Yi respectively held 33.5% shareholdings in the Assignor. Dr. Mao Yu Min and Dr. Xie Yi are also the controlling shareholders of the Company and jointly and beneficially own approximately 47.84% of the issued share capital of the Company. Therefore, the Assignor is a connected person of the Company. Accordingly, the transaction contemplated under the Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

The applicable ratio in respect of the transaction contemplated under the Agreement exceeds 0.1% but is less than 5% as determined in accordance with Rule 14.07 of the Listing Rules. Therefore, the transaction contemplated under the Agreement will be subject to the reporting and announcement requirements but is exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this Announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Agreement”	the Tan Jia Zhen Life Sciences Prize Sponsorship Agreement entered into between the Company, the Assignor and SBIA on 22 May 2012 in relation to the change of the sponsorship of the Prize
“Assignor”	聯合基因科技有限公司(United Gene Holdings Limited*), a company incorporated in the PRC with limited liability, the 67% shareholdings of which are held by Dr. Mao Yu Min and Dr. Xie Yi in equal shares
“Board”	the Board of Directors of the Company
“Company”	United Gene High-Tech Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited;
“Connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the legal currency of the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	parties which are not connected persons of the Company (as defined in the GEM Listing Rules) and are independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Macau”	the Macau Special Administrative Region of the PRC
“PRC”	The People’s Republic of China (for the purpose of this Announcement, excludes Hong Kong, Macau and Taiwan)
“Prize”	談家楨生命科學獎 (Tan Jia Zhen Life Sciences Prize*), which was set up in 2008 in the PRC and was previously sponsored by the Assignor in order to glorify the success of Mr. Tan Jia Zhen in genetics and to encourage the development and research in life sciences in the PRC
“RMB”	Reminbi, the legal currency of the PRC
“SBIA”	上海市生物醫葯行業協會 (Shanghai Biopharmaceutical Industry Association*), the administrator of the Prize
“Share(s)”	Ordinary share(s) of HK\$0.01 each at par in the share capital of the Company
“Shareholder(s)”	the holder(s) of the shares

All amounts denominated in RMB has been translated, for information only, into HK\$ using the exchange rates of RMB1 = HK\$1.21.

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

Hong Kong, 22 May 2012

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. 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).

Please also refer to the published version of this announcement on the Company’s website: www.unitedgenegroup.com and www.irasia.com/listco/hk/unitedgene.

** for identification purposes only*