Grand Pharmaceutical Group Limited
遠大醫藥集團有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 00512)

VOLUNTARY ANNOUNCEMENT

TWO GLOBAL INNOVATIVE COMPOUND PREPARATION PRODUCTS OF THE GROUP FOR THE TREATMENT OF ASTHMA WERE OFFICIALLY INCLUDED IN THE NATIONAL MEDICAL INSURANCE CATALOG

This announcement is made by the board of directors (the "**Board**") of Grand Pharmaceutical Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") on a voluntary basis.

The Board is pleased to announce that recently the Group's two global innovative compound preparations for the treatment of asthma, namely Enerzair® Breezhaler® (indacaterol acetate, glycopyrronium bromide and mometasone furoate powder for inhalation II) and Atectura® Breezhaler® (indacaterol acetate and mometasone furoate powder for inhalation II, III) with a total of 3 product specifications, were successfully passed the negotiation of China national medical insurance, and were officially included in the category-B medicines management scope in Medicines List for National Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance (2022) (《國家基本醫療保險、工傷保險和生育保險藥品目錄（2022 年版）》). The successfully inclusion of Enerzair® Breezhaler® and Atectura® Breezhaler® in the national medical insurance catalog will further increase the market coverage of the Group's products in the field of respiratory disease treatment, and provide new treatment method for people receiving long-term asthma treatment.

Enerzair® Breezhaler® is the first triple compound inhalation preparation for asthma indications approved in China for the maintenance treatment of asthma in adults not adequately controlled with the maintenance combination treatment of long-acting beta2-adrenergic agonist (LABA) and inhaled corticosteroid (ICS). The product has clear efficacy, is convenient to use, and has achieved breakthroughs in three aspects: (1) using an optimized drug combination of ICS, LABA and long-acting muscarinic receptor antagonist (LAMA) (i.e. mometasone furoate/indacaterol acetate/glycopyrronium bromide), the three effective ingredients can provide synergy benefit, and compared with the conventional high dose ICS-LABA and high dose ICS-LABA combined with LAMA opened triple combination,

Enerzair® Breezhaler® can effectively improve the clinical symptoms and lung function of patients with moderate to severe asthma, and significantly reduce the risk of acute attacks; (2) dosing once a day, which significantly facilitates the patient and is expected to improve the compliance; (3) using the advanced Breezhaler® inhalation device, which is easy to operate, and provides patients with triple dosing confirmation as audible, tasteable, and visible, enhancing patients' confidence in medication. The phase III clinical study of the product shows that, compared with high dose Salmeterol-Fluticasone powder for inhalation combined with Tiotropium Bromide Spray opened triple combination, Enerzair® Breezhaler® can significantly reduce the risk of acute attacks, especially the risk of moderate acute attacks in 24 weeks is reduced by 43%.

Atectura® Breezhaler® is an innovative combination of ICS mometasone furoate and LABA indacaterol acetate for the maintenance treatment of adult and 12 years old above adolescent patients with asthma. Atectura® Breezhaler® also has the characteristics including "visible and controllable, precise inhalation, once a day" etc. It can significantly improve the lung function of patients and reduce the risk of acute attack, and is a new choice for optimal treatment of asthma patients. The phase III clinical study of the product shows that, compared with high dose Salmeterol-Fluticasone powder for inhalation, Atectura® Breezhaler® can significantly improve the risk of acute exacerbation in patients, and the risk of severe, moderately severe and all acute attack categories is reduced by approximately 26%, 22% and 19% respectively.

According to the study *Prevalence, risk factors, and management of asthma in China* published in "The Lancet", the prevalence rate of asthma among people aged 20 and above is 4.2% in China, and the number of adult patients is 45.7 million, indicating a huge patient population base and heavy disease burden. Although there are many drugs for asthma treatment at present, the condition of 55% asthma patients is still not effectively controlled due to factors such as poor patient compliance, irregular use of inhalation devices, and low self-management levels. The successfully inclusion of Enerzair® Breezhaler® and Atectura® Breezhaler® into the Chinese national medical insurance catalog, on the one hand, reflects that the two products are highly correlated with the innovative product management requirements of the National Healthcare Security Administration in terms of clinical value, patient benefits, and R&D innovation, etc. On the other hand, it is also a manifestation of the Group's social responsibility to improve the accessibility of asthma medicines and enable more asthma patients to use asthma medicines with international quality.

Respiratory and severe disease anti-infection segment is one of the Group's core strategic segments, with nearly 10 products on sale, covering rhinitis, pharyngitis, bronchitis, pneumonia, asthma and other indications. It has formed a relatively comprehensive product portfolio in the field of respiratory disease treatment. Among which, the group's star products, Qie Nuo and Jinsang Series Products, are both national exclusive products and have been clearly recommended by a number of guidelines and expert consensus. In terms of products under research, the Group's innovative strategic plan in research products focuses on the significant unmet clinical needs, with a number of products under research, covering allergic rhinitis, sepsis, acute respiratory distress syndrome (ARDS), parainfluenza and COVID-19, etc. Among which, the clinical trials of GS221, an innovative oral small molecule 3CL protease (3-chymotrypsin-like protease, 3CLpro) inhibitor against SARS-CoV2 that independently developed by the Group, are successfully conducting. The clinical trials that have been completed shows that after administration, the patients showed trends of improvement of clinical symptoms, shortening time for negative nucleic acid test, and rapid

decline of viral load. Ryaltris, for the treatment of allergic rhinitis, has entered the registration clinical stage. STC3141, a global innovative drug for severe diseases such as sepsis, has received seven clinical approvals in five countries and regions, and is progressing smoothly in the multi-regional clinical trial.

The Group always puts focus on the R&D of innovative products and advanced technologies. Sticking to patients-centered and innovation-driven, the Group will continue to increase its investment in the world-class innovative products and advanced technologies to meet unmet clinical needs and enrich product pipeline and improve supply chain. The Group adopts the strategy of "global expansion and dual-cycle operation", forming a new pattern of domestic and international cycles that synergize with each other. In this way, the Group can make full use of its industrial advantages and research and development capabilities, to accelerate commercialization process for innovative products and provide patients with more advanced and diverse treatment options in the world.

Warning:

The production, sales and corresponding profit of aforementioned product is subject to various factors such as market changes with uncertainty. Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Grand Pharmaceutical Group Limited
Chairman
Dr. Tang Weikun

Hong Kong, 29 January 2023

As at the date of this announcement, the Board comprises four executive directors, namely, Dr. Tang Weikun, Dr. Shao Yan, Dr. Niu Zhanqi and Dr. Shi Lin, and three independent nonexecutive directors, namely, Ms. So Tosi Wan, Winnie, Dr. Pei Geng and Mr. Hu Yebi.

** For identification purpose only*