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

THE GROUP'S INNOVATIVE DRUG APAD FOR THE TREATMENT OF SEPSIS IS APPROVED FOR PHASE I CLINICAL STUDY BY NMPA

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 the Investigational New Drug (IND) application of APAD, a global innovative drug for the treatment of sepsis which is independently developed by the Group, has been approved by the National Medical Products Administration of the People's Republic of China ("**NMPA**") recently. The study is a randomized, double-blinded, dose-escalation, placebo-controlled phase I clinical study, aim to evaluate the safety, tolerability and pharmacokinetic of single and multiple intravenous administration of APAD in healthy subjects. This is another important progress of the Group in the field of respiratory and severe diseases anti-infection.

APAD is a small molecule compound with a novel mechanism of action independently developed by the Group. By antagonizing a variety of pathogen-related molecules and inhibiting the excessive activation of immune cells, it is expected to prevent the occurrence and progression of sepsis from the source. The preclinical animal trial data shows that it has therapeutic effect in sepsis caused by both bacterial and viral infections. STC3141, another global innovative product of the Group, treats sepsis by antagonizing the body's excessive immune response. These two products complement each other in their mechanism and can form a favorable synergistic effect in the treatment of severe diseases such as sepsis.

Sepsis is a human body's disorder response to infection leading to life-threatening organ dysfunction. There are about 48.9 million new cases of sepsis in the world every year, and the related death exceeds 11 million, accounting for one-fifth of the global death. It is one of the major diseases that seriously threaten human health. However, there is no targeted drug that has been commercialized, and APAD and STC3141 are expected to fill the clinical gap in this therapeutic field.

The field of respiratory and severe disease anti-infection is one of the core strategic areas of the Group. The Group's innovative strategic plan in products under research in the direction of severe disease anti-infection focuses on the significant unmet clinical needs, with a number of products under research, covering sepsis, acute respiratory distress syndrome ("**ARDS**"), parainfluenza and COVID-19, etc. Among which, STC3141, a global innovative drug for severe diseases such as sepsis, has received seven clinical approvals in five countries. Its Phase Ib clinical trial for the treatment of ARDS in China and Phase IIa clinical trial for the treatment of severe COVID-19 in Europe have both successfully met the clinical end point. Its Phase Ib clinical trial for the treatment of sepsis has completed the enrollment and dosing of all patients, and the clinical research report is expected to be completed in the first half of 2023. Other international multi-center clinical trials are also progressing smoothly. The approval of the Phase I clinical study of APAD is another important milestone in the field of the Group's clinical research in the field of severe diseases.

The Group always puts focus on the R&D of innovative products and advanced technologies. Adhering to a patient-centered and innovation-driven approach, the Group will continue to increase its investment in world-class innovative products and advanced technologies to meet unmet clinical needs and enrich its 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 R&D capabilities, to accelerate the commercialization process for innovative products and provide patients with more advanced and diverse treatment options globally.

Warning:

The aforementioned product is still in the R&D stage. The approval of commercialization, manufacturing and sale of such product is subject to various factors 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, 3 April 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*