**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 ACQUIRES EQUITY INTERESTS OF BLACKSWAN**

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 Group recently entered into an share purchase to acquire 87.5% equity interests of BlackSwan Vascular, Inc. ("**BlackSwan**"), from its original shareholder, at a consideration of not more than US$37.5 million. After the completion of the transaction, BlackSwan will become a non-wholly owned subsidiary of the Group.

Founded in 2017, BlackSwan headquartered in the US. It mainly engaged in the R&D of liquid embolism. The company's management team has more than 20 years of experience in pharmaceutical R&D. It has a team of scientific advisors from famous scientific research institutions, universities and medical devices manufacturers. Its liquid embolic project is expected to fill the gap of a liquid embolic for peripheral vascular applications.

Lava™, BlackSwan's core product, is the first innovative liquid embolism for the treatment of peripheral vascular arterial bleeding in the US. It has been approved by the United States Food and Drug Administration ("**FDA**") in April 2023. It has radiopacity with low imaging artifact during the imaging process, reflecting a better imaging effect. Lava™ is easy to use, and the preparation process only takes 3 minutes (the preparation of similar products takes about 20 minutes), which saves preparation time for doctors in emergency situations thereby improves the survival probability of patients. The solid embolism after the conversion offers two viscosities, which can be used flexibly for patients with different conditions. Lava™ can achieve synergistic effect with radioisotope brachytherapy and interventional therapy. In the future, it is expected to be used in combination with the Group's Yttrium-90 microsphere product to expand its indications to other tumors.

Kona™, another product of BlackSwan, is used for preoperative embolization of cerebral arteriovenous malformations. It has transient radiopacity that diminishes with time, which is

expected to present clear post-operative organ visualization. In addition, Kona™ has the potential of drug-loading properties, and is expected to be used in combination with Yttrium-90 microspheres product, laying the foundation for the expansion of Yttrium-90 microspheres product in indications other than liver tumors. It can also be loaded with other chemical or radiopharmaceuticals to develop a new drug-device combination product, which can provide more abundant treatment options for other tumor or vascular disease therapy. At present, Kona™ has submitted a Premarket Approval (PMA) application to FDA, and it is expected to be approved for marketing by the end of 2023.

In 2021, the size of the global embolism market will be approximately US$3.4 billion. By 2026, the size of the global embolism market will reach US$5.0 billion, with a compound annual growth rate of 8%. As the incidence of peripheral vascular disease, liver cancer, stroke, uterine fibroids and other diseases has been increasing year by year, and the increase of penetration rate of minimally invasive surgery, the interventional embolism market will enter a period of rapid growth in the future.

The acquisition of BlackSwan this time is the Group's another industrial strategic plan in the field of tumor intervention after the acquisition of Sirtex Medical Limited ("**Sirtex**") in 2018. After the completion of this acquisition, the Group will own the global rights and interests of the two products above. On the one hand, Lava™ and Kona™ can form a product combination with the Group's Yttrium-90 microspheres product, which is expected to expand the indications of Yttrium-90 microspheres product to other solid tumors. On the other hand, these two products can form a new drug-device combination with other chemical drugs or radiopharmaceuticals, expanding the Group's product pipeline in the field of tumor intervention. In addition, the Group's global sales network covering more than 50 countries and regions. After completing this acquisition, the Group's existing global R&D team and sales network can facilitate Lava™ and Kona™ to be approved for commercialization on a global scale and achieved high sales volume. It will develop new business markets while strengthening its existing global business through these two products.

Tumor intervention is one of the significant strategic planning directions for the Group's in nuclear medicine anti-tumor diagnosis and treatment segment. It has established a world-class tumor intervention technology platform together with Sirtex. The Core product Yigantai® was granted approval for commercialization by the National Medical Products Administration of the People's Republic of China in January 2022. This product provides a new and effective treatment modality for patients with liver malignancies in China, offering the opportunity for translational therapy and further surgical resection to achieve clinical cure, bridging the gap in the local treatment of liver metastases from colorectal cancer, improving the long-term treatment outcome of the Chinese patient population with liver cancer, and marking the arrival of a new international precision interventional treatment option in the field of liver malignancies in China. Since the official commercialization of YiGanTai® in May 2022, more than 50 hospitals have completed the nuclide transfer procedures, its official surgeries have been carried out in more than 30 hospitals in 17 provinces and cities in China. The follow-up results showed that the overall response of patients who take YiGanTai® surgery was satisfactory, and most patients achieved favorable clinical therapeutic effect and prolonged survival. At present, 5 patients have successfully achieved liver cancer tumor downstaging transform and took liver cancer resection, achieving clinical cure. Among patients who could be followed up for 3 months or more, the objective response rate of YiGanTai® for liver cancer was over 50%, and more than half of the patients had achieved tumor size remission. Among them, the symptoms of 5 patients were completely relieved with no resection required, and the

disease control rate of the follow-up patients exceeded 95%, showing a remarkable therapeutic effect. In order to speed up the implementation and popularization of YiGanTai® microsphere precise interventional therapy in China, the Group relied on the high-quality reputation and practical experience accumulated overseas for the product over the years, assisted domestic doctors in conducting multiple personalized practical trainings by well-known overseas clinical experts. At present, it has trained more than 300 doctors in 70 hospitals on the theory or skills of YiGanTai® surgery, nearly 20 experts have obtained the operation qualification of independent surgery through strict one-to-one training by overseas experts, and many of them will soon obtain the qualification of training instructor, which will further accelerate the clinical popularization of YiGanTai® radioactive interventional operation. It is expected that in 2023, with the adjustment of the pandemic prevention and control policy in China, the tumor diagnosis and treatment and the number of surgeries will gradually recover, and the proportion of patients consulting YiGanTai® therapy in clinics is to increase significantly. A number of hospitals have successively set up specialized YiGanTai® clinics to meet the clinical needs of patients, and YiGanTai® treatment is expected to show a continuous and rapid growth trend.

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:**

**Whether this acquisition will be profitable is uncertain and subject to various factors. Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

*Note: The English transliteration of the Chinese name(s) in this announcement is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*

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

Hong Kong, 23 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*