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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 PHASE I CLINICAL STUDY CONDUCTED IN CHINA OF THE INNOVATIVE DRUG APAD OF THE GROUP FOR THE TREATMENT OF SEPSIS HAS COMPLETED THE FIRST PATIENT ENROLLMENT AND DOSING

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 Phase I clinical trial of APAD, a global innovative drug independently developed by the Group for the treatment of sepsis, has completed first subject enrollment and dosing approved recently. The study is a randomized, double-blinded, dose-escalation, placebo-controlled Phase I clinical study, aiming to evaluate the safety, tolerability and pharmacokinetic of single and multiple intravenous administration of APAD in healthy subjects. This is another significant 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 product portfolio 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 fields 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 severe SARS-CoV-2 infection ("**COVID-19**"), etc. Among which, STC3141, a global innovative drug for severe diseases such as sepsis, has received 7 clinical approvals in 5 countries, and has completed 3 clinical studies on patients. Its Phase Ib clinical study for the treatment of sepsis that approved in Australia and Belgium in April 2020 and January 2022, respectively, has successfully reached the clinical endpoint in June 2023; the Phase Ib clinical study in patients with ARDS conducted in China was approved by the National Medical Products Administration of the People's Republic of China in March 2021, and has been completed in October 2022 and successfully reached clinical endpoint; the Phase IIa clinical study for the treatment of severe COVID-19 was approved in Belgium, Poland and the UK in April, September and October 2021, respectively, and has been completed in July 2022 and successfully reached the clinical endpoint. In addition, the product has been approved to conduct Phase II clinical study in China in July this year. It is another important milestone in the field of the Group's clinical research in the field of severe diseases that the Phase I clinical study of APAD has competed the first patient enrollment and dosing this time.

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, 17 August 2023

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

** For identification purpose only*