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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 INNOVATIVE LIQUID EMBOLIC SYSTEM LAVA™ OF THE GROUP
HAS BEEN OFFICIALLY COMMERCIALIZED IN THE UNITED STATES**

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 innovative Lava™ Liquid Embolic System of BlackSwan Vascular, Inc. (“**BlackSwan**”), a subsidiary of the Group, has recently been officially commercialized in the United States. It is the first and only innovative liquid embolic that has been approved by the United States Food and Drug Administration (“**FDA**”) for the treatment of peripheral vascular hemorrhage. The successful commercialization of this product not only provides a new treatment method for patients with peripheral vascular hemorrhage in the United States, but is also a significant milestone in the Group’s internationalization strategy.

Lava™ 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 is available in two viscosities, with two volume options for each viscosity, which can be used flexibly for patients with different conditions. Lava™ has favorable safety and effectiveness. Given its extremely high filling density in vessels, it can minimize the risk of recanalization of the diseased vessels to the greatest extent. Its clinical study showed that all patients experienced no major adverse events in 30 days, and 94% of lesions were successfully embolized, which far exceeded the preset target of 70%. Moreover, Lava™ can still show favorable embolization effect for the distal embolization of small vessels that are inaccessible via other embolics.

Lava™ can also 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. In addition, Kona™, another product of BlackSwan that used for preoperative embolization of cerebral arteriovenous malformations, has submitted a Premarket Approval (PMA) application to FDA, and it is expected to be approved for commercialization by the end of 2023.

In 2021, the size of the global embolism market was 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.

Tumor intervention is one of the significant strategic planning directions for the Group's in nuclear medicine anti-tumor diagnosis and treatment segment, with global sales network covering more than 50 countries and regions. It has established a world-class tumor intervention technology platform together with Sirtex Medical Limited, an associate of the Group. 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. The official commercialization of Lava™ in the United States is not only a significant milestone for the Group's internationalization strategic plan, but its gradual clinical application will also provide new ideas for expanding the indications of the Group's Yttrium-90 microspheres product. It is also expected to form a product combination with Yttrium-90 microspheres product, to be applied to the interventional treatment of other solid tumors. Furthermore, Lava™ 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.

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 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.

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, 29 October 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*