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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 GROUP ACQUIRES THE CONTROLLING EQUITY INTEREST  
IN TIANJIN TANABE**

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 Grand Pharma (China) Co, Ltd. (“**Grand Pharma (China)**”), a subsidiary of the Group, has entered into an equity acquisition agreement (the “**Acquisition Agreement**”) with Mitsubishi Tanabe Pharma Corporation (“**MTPC**”), Japan, pursuant to which Grand Pharma (China) will acquire 75.35% equity interest of Tianjin Tanabe Seiyaku Co, Ltd. (“**Tianjin Tanabe**”) with approximately HKD 400 million (equivalent to approximately RMB 367.7 million) after the relevant conditions as agreed in the Acquisition Agreement are fulfilled.

Tianjin Tanabe is one of MTPC’s core enterprises in China. It mainly engages in the production and sales of high-quality original drugs in the fields of cerebro-cardiovascular, endocrine metabolism, gastrointestinal and other chronic diseases. Tianjin Tanabe has multiple Good Manufacture Practice of Medical Products (GMP) certified production lines. Its product type covers tablets, capsules, granules, injections and other dosage forms, with more than 10 products on sale, involving hypertension, angina pectoris, coronary heart disease, diabetes, gastrointestinal diseases and other chronic disease indications. Its core products, such as Herbesser<sup>®</sup>(合貝爽<sup>®</sup>及合心爽<sup>®</sup>), Anplag<sup>®</sup>, etc., have been included in many authoritative clinical guidelines at home and abroad, with clear clinical efficacy and high safety, providing high-quality treatment methods for the growing clinical needs of patients with chronic diseases in China.

With the gradual acceleration of population aging, chronic diseases have become a significant public health issue that cannot be ignored in China. According to the *Sixth National Health Services Survey Special Report*, major chronic diseases have accounted for more than 90% of economic burden of disease in China. The prevalence of chronic diseases among people aged 55 to 64 in China has reached 48.4%, and the incidence among people aged 65 and above has reached 62.3%. It will become an important direction for pharmaceutical companies' future product layout that to improve the quality of life of patients with chronic diseases.

The acquisition of Tianjin Tanabe's controlling stake is a significant strategic plan of the Group in the cerebro-cardiovascular emergency segment. Tianjin Tanabe's business areas have strong synergy with the Group's business areas. After the completion of this acquisition, both parties will achieve fully integration and promotion in terms of resources. The Group can accelerate the market expansion and promotion of Tianjin Tanabe's core products through its current sales capabilities, thereby creating new profit growth, and benefit more patients with chronic diseases. The Group's industrial advantages in the field of Active Pharmaceutical Ingredients can accelerate the manufacturing process of Tianjin Tanabe's core products, further reducing production costs and enhancing product profitability. On the other hand, the Group can rapidly enter into the chronic disease market through Tianjin Tanabe, which greatly saves the time costs of exploring new markets. It is conducive to quickly establishing market advantages, thereby achieving the Group's full coverage in the field of cerebro-cardiovascular disease treatment, from emergency rescue to chronic disease management, from injection preparations to oral preparations. It has also significantly expanded and improved the product portfolio of the Group's cerebro-cardiovascular emergency segment, and further consolidating and enhancing the Group's comprehensive market competitiveness. In the future, the increasing unmet medical demands in the field of chronic diseases and acute and severe diseases will create huge market opportunities, and will also provide momentum for the sustained growth of the Group's performance. The Group and MTPC will continue to maintain strategic cooperation and are committed to building Tianjin Tanabe into a chronic disease platform to bring more safe and effective treatment options to patients in China.

Cerebro-cardiovascular emergency segment is one of the key strategic planning directions in the field of pharmaceutical technology of the Group. In the direction of first aid, listed as "national essential drug production base", "emergency medicines manufacturer for national ready reserve" and "national centralized production base and construction unit for minority-variety medicines (drugs in short supply)", the Group have nearly 30 varieties in the field of cerebro-cardiovascular emergency, 14 of which are included in the national emergency drugs catalogue, and 16 of which are included in the shortage drugs catalogue, ranking the top in the industry in terms of product pipeline, and the products cover three major emergency scenarios, namely in-hospital emergency, pre-hospital emergency, and social emergency, and continuous to provide domestic cerebro-cardiovascular emergency rescue patients with multi-scenario, multi-choice, safe and effective product portfolio.

In the direction of chronic disease management, Eplerenone Tablets, an exclusive product of the Group, was approved for commercialization by the National Medical Products Administration of the People's Republic of China in August this year. It has successfully filled the gap in domestic second-generation selective mineralocorticoid receptor antagonist drugs in China. In terms of pipelines under development, there are more than 20 products under research in cerebro-cardiovascular emergency segment of the Group. Among which, Jext<sup>®</sup>, a pre-filled epinephrine auto-injector, filled the gap of self, family or social treatment of severe allergic reactions in China. It has been granted approval for Guangdong-Hong Kong-Macao Greater Bay Area Imported Pharmaceuticals for Urgent Clinical Needs in Mainland China, and its registration in China is being promoted actively. In the future, the cerebro-cardiovascular emergency segment of the Group will focus on emergency rescue and chronic disease management. And by combining independent innovative research and development and breakthroughs in highly difficult imitation technologies, it will continue to strategically plan and develop products in the fields of cerebro-cardiovascular emergency and chronic disease treatment with urgent clinical need.

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 subjected 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, 21 December 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*