



Shanghai Genomics, Inc. Receives Patent Allowance for Pirfenidone/F647 and its Derivative's Use in Radiation-Caused Lung Injury

TOKYO, Jun 12, 2012 - GNI Group Ltd. (GNI) a leading drug developing company in China and Japan, announced today that Shanghai Genomics Inc., a wholly owned subsidiary of GNI had received a notice of the allowance of China patent for the use of F647/pirfenidone and F351 in therapy of patients of radiation caused lung injury.

Lung cancer has the highest incidence among all cancers worldwide. Smoking has been linked directly to the incidence of lung cancer. According to one of the statistics reports, China had 1.8-2 million newly diagnosed lung cancer cases (<http://www.wd999.net/Article/feiaikey/5864.htm>) in 2010. Radiation therapy is frequently used in lung cancer and esophageal cancer treatment. However, the lungs are the most radiosensitive organ in human. Radiation may accidentally cause lung injury which includes early stage inflammation (radiation pneumonitis) and later stage of chronic scarring (fibrosis) (http://en.wikipedia.org/wiki/Radiation-induced_lung_injury).

"Our company keeps evaluating the future alternatives on F647's use in many different types of fibrosis, including radiation pneumonitis and nephropathy. F351, which is a derivative of F647, is also being studied in liver fibrosis clinical trials. Expanding the use of both drugs will be beneficial for both our company and the patients without any drug available," said Dr. Ying Luo, President and CEO of GNI.

About GNI Group Ltd.

Founded in 2001, GNI Group Ltd. (formerly known as GNI Ltd.) is a international drug development company with its headquarters in Tokyo, Japan, and research operations in Shanghai, Tianjin and manufacture factory in Beijing, China. In June 2005, GNI acquired Shanghai Genomics, Inc., which was currently operates an integrated drug discovery and development platform in Shanghai. In 2010, GNI established a joint venture company, GNI-EPS Pharmaceutical, Inc with EPS Corp (listed on the first section of the Tokyo Stock Exchange), to develop F351 in Japan and China. In 2011, GNI Group acquired majority of Beijing Continent for manufacture and sales of our drug. For further information, please visit www.gnipharma.com, www.shanghaigenomics.com, <http://www.gnieps.com> and <http://www.bjcontinent.com>.

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This press release contains "forward-looking" statements, including statements related to GNI's plans to pursue development of product candidates and the timing thereof. Any statements contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Words such as "will" and similar expressions are intended to identify these forward-looking statements. There are a number of important factors that could cause GNI's results to differ materially from those indicated by these forward-looking statements, including risks associated with the timing and success of clinical trials and the commercialization of product candidates. GNI does not undertake any obligation to update forward-looking statements.