GNI Receives Important Patent Grants in China for Pirfenidone (F647) and in Australia for F351

Tokyo, July 14, 2009 – GNI Ltd, a leading biopharmaceutical company in Japan and China, is pleased to announce that China's Patent & Trademark Office has granted regional rights to Shanghai Genomics, its wholly owned subsidiary in China, on an important patent (ZL 2004100185822) covering the use of pirfenidone (F647) for acute lung injury. Another Australia patent (AU 2003284808) application covering the chemical structure of F351 and its use in liver fibrosis has also been granted in Australia today. In addition, China patent applications (ZL 200410054290.4 and ZL 200410054259.0) covering two novel kinase genes for potential use in cancer therapy have also been granted earlier. These patents add very significant value to the Company's intellectual property portfolio.

Shanghai Genomics has been developing pirfenidone (F647) for Idiopathic Pulmonary Fibrosis (IPF) and radiation pneumonitis since 2003. Positive results from Phase II human clinical trial were separately announced in June, 2008 and January, 2009. The company is preparing for New Drug Application (NDA) of F647 filing in China based on the Regulations on Special Examination and Approval of New Drugs for Registration published by SFDA in early 2009. The timing of NDA filing for F647 in China is expected to be before the end of 2009, as previously announced.

IPF is an orphan disease estimated to affect up to 555,000 patients in China alone every year. There has been no effective therapy in China today. By the end of 2008, Shionogi in Japan has received approval of the use of pirfenidone for IPF therapy in Japan. Intermune of USA has also completed Phase III studies and is expected to file NDA in USA in 2009. China, Japan, and USA all have incentives of different forms for the development of orphan drugs and the exclusivity after approval.

Dr. Ying Luo, President and CEO of GNI, said "Intellectual property (IP) is the core value of a biotech company. I am very glad to see an added layer of protection for our lead product candidate, F647, through this grant of patent in China. F647 is the result of our R&D effort of many years. The approval of pirfenidone of Shionogi in Japan for IPF therapy and promising IPF Phase III trials results achieved by Intermune in USA are encouraging to us also. F647 NDA filing will be one of our most important tasks in the next few months."

F351 for liver fibrosis, is expected to complete Phase I human clinical trial by Fall, 2009. The China patent for F351 was already granted in November, 2007. "There are millions of liver fibrosis patients worldwide due to the lack of effective therapeutic method. The Australian grant of patent of F351 is also an important part of our global IP strategy for F351 development. Patent applications in Japan, USA, Canada, and Europe are at different stages of review by authorities," continued Luo.

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