



China Patent and Trademark Office Grants Patent for F351, GNI's Key Therapeutic Product for Liver Disease

Tokyo, November 7, 2007 – GNI Ltd, a leading biopharmaceutical company in Japan and China, is pleased to announce that China's Patent & Trademark Office has granted Shanghai Genomics, GNI's wholly owned China subsidiary, regional patent rights relating to one of its lead drug candidates, F351 and its use (China Patent ZL 200380110691.0). This patent is a part of the Company's global patent portfolio and provides protection for an important piece of its intellectual property in China.

Fibrotic disease is the formation of scar tissue due to injury or long-term inflammation. One common form of human fibrotic disease is liver fibrosis, caused by viral infection (HBV/HCV), alcohol abuse, or fatty liver. Viral infection and chronic inflammation can result in an uncontrollable production of collagen which is subsequently deposited in liver to form scar tissue. Late stage liver fibrosis frequently leads to liver cirrhosis and organ failure. F351 and its derivatives have been discovered to effectively inhibit excess collagen production, subsequently slowing down or reversing the fibrosis process in animal models.

Dr. Ying LUO, Chief Executive Officer of GNI and Shanghai Genomics, said, "We are very pleased to receive this key patent for F351. It greatly secures and facilitates our novel drug development effort and accelerates our marketing of the product in China. In addition, it provides us with potential business opportunities in both Japan and the worldwide market. Liver disease is a major healthcare challenge in Asia. The F351 patent grant demonstrates again that we are seriously committed to developing proprietary new drugs for unmet medical needs in Japan and China."

There is currently no effective treatment for liver fibrosis. F351 shows favorable safety and pharmacological profiles in animal studies. Shanghai Genomics has completed all the preclinical studies for F351 and has filed its Investigational New Drug (IND) application for the treatment of liver fibrosis with the State Food and Drug Administration (SFDA) of China. The application is currently under review by that organization.

For further inquiries

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Notes to editors

About GNI

Founded in 2001, GNI is a clinical-stage international drug development company with headquarter in Japan and major operation China. GNI has successfully mapped gene regulatory networks via a complex process of reverse-engineering. Furthermore, GNI has developed the technology required to apply this data to drug development and discovery. In June 2005, GNI acquired Shanghai Genomics, which operates an integrated drug discovery and development platform in Shanghai, China. The combined strength of GNI and Shanghai Genomics has resulted in research collaboration with major international pharmaceutical companies. For further information, please visit www.gene-networks.com and www.shanghaigenomics.com.



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 "continue," "could," "may," 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.