

GNI Scientists Discovered New Regulatory Mechanism of Key Inflammatory Disease Signalling Pathway

Tokyo, December 19, 2007 – GNI Ltd, a leading biopharmaceutical company in Japan and China, announced today that scientists at its China based affiliate Shanghai Genomics Inc have discovered a new protein important for the regulation of the Tumor Necrosis Factor (TNF) signaling pathway. The research results are to be published by *Biochemistry*, a well known scientific research journal. The article is also now available online at http://www.ncbi.nlm.nih.gov/sites/entrez?Db=pubmed&Cmd=ShowDetailView&TermToSearch=18067272&ordinalpos=1&itool=EntrezSystem2.PEntrez.Pubmed.Pubmed_ResultsPanel.Pubmed_RVDocSum. Dr. Ying Luo, Chief Executive Officer of GNI and Shanghai Genomics, is a co-corresponding author of the article.

The role of TNF has been implicated in many inflammatory diseases such as rheumatoid arthritis, inflammatory bowel disease, and asthma. TNF binds to receptor proteins on the cell surface and activates a series of proteins inside the cells, including NF- κ B. Inhibitors of NF- κ B activation have been found to be useful in anti-inflammation drug design. In the article, the researchers found that a protein kinase, CK1 α , was able to bind to another protein kinase, RIP, and to modulate RIP's function in NF- κ B activation. CK1 α may therefore be a member of a new class of drug targets. The work was done through collaboration with the Basic Medical Research Institute of the Academy of Medical Sciences at Beijing, China.

Dr. Jun Wu, Chief Scientific Officer of GNI, said, "GNI scientists in Shanghai, China have been working on drug target discovery for the TNF signaling pathway in the last 6 years. This is our second scientific publication on TNF-related signaling in 2007. Our research programs are making steady progress in this area."

"2007 has been a very fruitful year in our company's history. We have had 4 scientific publications in leading journals. We will continue supporting important research programs in cancer and inflammation areas. Patent protection for our important research findings are being pursued by the Company at the same time", added Dr. Ying Luo.

For further inquiries

Ken Suzuki	Tel: +81 (03) 3580-0751 Email: infojapan@gene-networks.com
Ying Luo	Tel: +86 1381-769-8961 Email: bd@shanghai.genomics.com

About GNI

Founded in 2001, GNI is a clinical-stage drug development company with headquarters in Japan and major operations in China. GNI has successfully mapped gene regulatory networks via a complex process of reverse-engineering. Furthermore, GNI has developed technology 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.shanghai.genomics.com.

About Biochemistry

Biochemistry is a weekly journal that presents the latest discoveries from around the world to deepen scientists' understanding of biological phenomena. It brings the latest developments from the rapidly changing arena in

which chemistry, biochemistry, and molecular and cell biology meet. With over 94,000 citations and an impact factor of 3.633, the journal serves as one of the premier resources for the field, and also has an outstanding reputation for attracting high-quality research from the world's leading scientists. For more information, please visit <http://pubs.acs.org/journals/bichaw/about.html> .

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.