



January 31, 2020

Update on Coronavirus epidemic in China

GNI Group Ltd. (GNI Group) is providing a second update on the status of the Coronavirus epidemic in China. As of 7:05 am, Jan. 31, 2020, 9,072 cases of confirmed infection have been reported in China, with about 6,123 cases reported in the Hubei Province. Separately, the Central Government and local provincial governments have announced a prolonged Chinese New Year holiday period. Nationwide, the return-to-work date has been delayed from Feb. 1 to Feb. 3, while in Shanghai it will be further delayed to Feb. 10. Staff in the Hubei Province may return to work even later according to government announcements.

As a pharmaceutical company, GNI Group is actively participating in the fight against this epidemic. Our research centers are planning new drug discovery efforts in the anti-viral field. Our drug, Etuary®, which was originally developed in response to SARS in 2003 for lung fibrosis, has been donated to hospitals at the request of some Hubei doctors. On the other hand, GNI Group is working with other healthcare manufacturers to make donations to China. We continue to pray for all patients' recovery.

Before the Chinese New Year, we delivered a record-high monthly shipment of Etuary® in China. Even though, our inventory has been diminished. We intend to increase our production of Etuary® as soon as possible to help all patients and doctors. Although our January operations and financial numbers have not been adversely impacted by this epidemic, we will continue to carefully monitor the situation and provide additional updates as appropriate.