



遠大醫藥集團

GRAND PHARMACEUTICAL GROUP

**Grand Pharmaceutical Group Limited**

**遠大醫藥集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00512)**

**Grand Pharma Announces 2021 Annual Results**

**Profit Attributable to Owners of the Company Increase 34.0% to HK\$2,402.6 million**

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**Continuing to Deepen the Strategic Plan of Global Technological Innovation**

**Multiple Products will be Launched Successively to Provide Long-term Momentum**

**Results Highlights:**

- The Group's 2021 annual results was outstanding, with revenue increasing by 35.3% to approximately HK\$8,598.0 million compared with the same period in 2020. The profit attributable to owners of the Company amounted to approximately HK\$2,402.6 million, with an increment of approximately 34.0% as compared with same period in 2020.
- During the year, the Group maintained strengthening the corporate strategy in promoting products with high-entry barriers, products with brands and products integration of raw materials and preparations, which brought out an obvious attainment of operation. Throughout years of efforts, the operation profit of the Group recorded continuous growth and thus the Board proposed a final dividend of HK\$11 cents per share.
- The Group insisted on leading innovation and emphasized on research and development. The Group comprised of 106 projects under research and 43 innovative projects. During the year, the Group invested a large amount of funds for the pre-clinical research, clinical trials, listing and registration phases of research projects, with a total investment amount of over HK\$2.3 billion.
- The Group adopted and implemented the Share Award Scheme for the first time, to further stimulate the vitality of the Group's employees. It has paid HK\$155 million in total and reserved more than 22.43 million shares;
- The Group strived to expand its global business. During the year, the Group has conducted multiple major international cooperation and strategic plan, continued to make forward-looking layout in the three innovative strategies of "cerebro-cardiovascular precision interventional diagnosis and treatment", "intervention, nuclear medicine and immunotherapy anti-tumor" and "severe disease and anti-infection", as well as the traditional advantageous field "respiratory and ENT". Exploring high-quality innovative projects around the world to expand the Group's product pipeline and enhance the Group's comprehensive strengths.

(March 17, 2022, Hong Kong) Grand Pharmaceutical Group Limited ("Grand Pharma" or the "Company", together with its subsidiaries, the "Group", stock code: 00512) is pleased to

announce the audited consolidated annual results for the year ended 31 December 2021 (the “**2021**” or the “**Year**”) of the Company and its subsidiaries (collectively the “**Group**”).

During the Year, the Group recorded revenue of approximately HK\$8,598.0 million, representing an increase of approximately 35.3% as compared with the same period of last year. The increase in revenue was mainly due to the Group vigorously developing specialized pharmaceutical products with large market and high-entry barriers, exclusive or protected pharmaceutical products and branded pharmaceutical products. The Group has also actively expanded the product pipeline and enhance the Group’s comprehensive strengths to strive for greater profits. In 2021, The total profit for the Year attributable to owners of the Company amounted to approximately HK\$2,402.6 million with an increment of approximately 34.0% as compared with the corresponding period in 2020. If disregarding the gain from changes in fair value of investment in Telix and the share of results of other overseas associates, the total profit attributable to the owners of the Company for the Year amounted to approximately HK\$2,059.6 million. The Board proposed a final dividend of HK\$ 11 cents per share.

## **Segments and Product Performance**

### ***Pharmaceutical Preparations and Medical Devices***

Pharmaceutical products and medical devices are currently the major sources of profit contribution of the Group. Major products include ophthalmic medicines, respiratory and ENT medicines, cerebro-cardiovascular emergency medicines and medical devices. In recent years, the Group has devoted to building the most comprehensive supply chain of ophthalmic, respiratory and ENT and cerebro-cardiovascular medicines in the PRC, covering the prescription drugs, over-the-counter drugs, medical devices, etc., and providing treatment solutions and care to medical professionals and patients. During the year, the revenue from pharmaceutical products and medical devices was approximately HK\$5,377.1 million, representing an increase of approximately 31.7% as compared with the corresponding period in 2020, of which: During the year, (i) the revenue from ophthalmic products of the Group was approximately HK\$1,063.2 million, representing an increase of approximately 26.8% as compared with the corresponding period in 2020. Among which, the revenue of Rui Zhu increased by approximately 34.7% and the revenue of He Xue Ming Mu tablets increased by approximately 32.6%.; (ii) In 2021, the revenue from respiratory and ENT products of the Group was approximately HK\$1,706.3 million, representing an increase of approximately 28.1% as compared with the corresponding period in 2020. Among which, the QieNuo increased by approximately 10.1% and the Jinsang Series increased by approximately 57.1%; (iii) During the year, the revenue from the Group’s cerebro-cardiovascular medicines was approximately HK\$1,872.0 million, representing an increase of approximately 32.7% as compared with the corresponding period in 2020. Among which the revenue of four core products, namely “Li Shu An”, “Nuo Fu Kang”, “Xin Wei Ning” and “Rui An Ji”, amounted to approximately HK\$1,833.0 million in aggregate, representing an increase of approximately 34.4% as compared with the corresponding period in 2020; and (iv) In terms of medical devices, it recorded revenue of approximately HK\$272.4 million, representing a substantial increase of approximately 211% as compared with the corresponding period in 2020.

### ***Bio-technology Products and Health Products***

The Group’s biotechnology products and healthcare products mainly include amino acids, bio-pesticides, bio-feed additives, etc. In 2021, the revenue of biotechnology products and healthcare products was approximately HK\$2,231.5 million, representing an increase of approximately 48.5% as compared with the corresponding period in 2020.

Under the guidance of the business philosophy of “new technology, high quality, industrial chain and internationalization”, the Group has been deeply engaged in the amino acid industry for many years, and has developed into one of the world’s leading enterprises that produce high-quality amino acid products on a large-scale basis through biological manufacturing. The Group is committed to serving the biotechnology big health industry by producing high-quality amino acid products. At present, the production capacity of the Group’s core amino acid product, Taurine, ranks second in the world, and the production capacity of Cysteine series ranks first in the world. Benefiting from the continuous expansion of the international business and the general health business, the revenue from the Group’s amino acid products (including Taurine products) was approximately HK\$1,820.9 million, representing an increase of approximately 54.5% as compared with the corresponding period in 2020, and the revenue from products related to bio-pesticides and bio-feed additives also recorded an increase of approximately 21.8%.

### ***Specialized Pharmaceutical Raw Materials and Other Products***

Specialized pharmaceutical ingredients and other products are the relatively stable segment among the product segments of the Group. As an important part of the front end of the integrated supply chain of pharmaceutical ingredients and products, the Group has always been proactively improving technology level and product quality, reforming the product production technology to increase efficiency, and adjusting the product matrix to enhance market competitiveness and improve economic efficiency. During the year, the relevant revenue of this segment was approximately HK\$989.4 million, representing an increase of approximately 28.8% as compared with the corresponding period in 2020.

### **Continue to Strategic Plan in Innovate R&D**

The Group is one of the earliest domestic pharmaceutical companies that have performed transformation of technological innovation and internationalization, devoting itself to building a system of innovative R&D and outstanding talents. The Group has formed a unique layout and concept of technological innovation and development via active cooperation with the world-leading pharmaceutical companies, universities and scientific research institutions.

In the field of cerebro-cardiovascular precision intervention, the Group has 10 innovative products thoroughly covering coronary artery intervention, peripheral vascular intervention, neurological intervention, structural cardiac disease, electrophysiology and heart failure and complete the comprehensive layout for 6 core strategic markets. Among which, two products for coronary artery and peripheral vascular intervention were approved to launch and other products are underway orderly. The field of cerebro-cardiovascular precision intervention diagnosis and treatment is one of the core strategic areas of the Group. In the future, the Group will continue to deploy and commit to building an international leading platform for precision interventional diagnosis and treatment platform.

In the field of tumor treatment, The Group had taking SIR-Spheres® Y-90 microsphere injection as the core, systematically develop RDC products and establish a radiopharmaceutical diagnosis and treatment platform. On the other hand, it creates new tumor immunotherapy products, such as oncolytic viruses, DNA immunotherapy and mRNA tumor vaccines, etc., to solve the ineffectiveness and drug resistance of tumor immunotherapy. Currently, 16 global innovative products have been reserved, covering 13 cancer types including liver cancer, prostate cancer, and colorectal cancer, involving tumor

intervention, RDC drugs and immunotherapy. Through the product portfolio, the Group expands into internal medicine, surgery, interventional medicine, nuclear medicine and other departments to form a multi-disciplinary synergy so that tumor treatment products can serve patients in different areas and departments. At present, SIR-Spheres® Y-90 microsphere injection, a blockbuster product for tumor intervention, has been approved for launching, and the launch of other products is also in progress. The Group actively explores the development channels and sales channels of tumor products globally and strives to become a leading innovative technology enterprise in the anti-tumor area across the world.

For the severe disease and anti-infection field, based on the in-depth exploration of unsatisfied clinical needs, the Group has forward-looking layout in respect of sepsis, ARDS, COVID-19, viral infections, anaphylaxis and other diseases that pose a major threat to human health and currently has four global innovative drugs with new mechanisms of action in the research pipeline. The clinical progress of STC3141 was rapid. At present, the project has obtained six clinical approvals for four indications of sepsis, ARDS, severe COVID-19, and ARDS caused by COVID-19 on three continents and in five countries namely China, Australia, Belgium, the United Kingdom and Poland, and clinical trials in several international centers are in full progress, demonstrating the continuous improvement of the Group's global innovative R&D capabilities.

Respiratory and ENT are the traditional strength fields of the Group. In order to further strengthen the innovation reserve in this field, consolidate its dominant position in the market and enhance its competitiveness, the Group has deployed four innovative drugs in this field.

The Group has taken part in four major technology R&D platforms and five major R&D centers around the world. For medical devices, the Group has set up overseas R&D platforms and production bases in North America and Europe to continuously develop innovative products. Moreover, as a technology-based innovative pharmaceutical enterprise, the Group, together with its associates, has a total of 643 R&D personnel, nearly 60% of master's degree and doctoral degree holders, and over 30 prestige scientists worldwide. The globalized R&D planning has gained progressive achievement.

### **Material Investment and M&A and Cooperation**

In 2021, the Group carried out multiple material investment, M&A and cooperation projects and continued to implement the development strategy of "self-development + global expansion", further exploring high-quality innovative projects around the world to expand the Group's product pipeline and enhance the Group's comprehensive strengths, and putting vigorous efforts in transformation towards innovation and internationalization.

In May 2021, the Group deployed all the development and commercialization rights of the temperature-sensitive embolic agent developed by Shenming Medical for the treatment of liver cancer and the subsequent development of gel products. In the same month, the Group entered into a cooperation and exclusive product licensing agreement with Cardio Focus, Inc. in the United States, and introduced the new generation HeartLight X3 laser ablation platform product of Cardio Focus for HeartLight® Endoscopic Ablation System, an innovative medical device for treating atrial fibrillation. In June, the Group entered into an exclusive product licensing agreement with Formosa and obtained the exclusive development and commercialization rights of APP13007 developed by Formosa, further enriched the product pipeline of high-barrier drugs in the ophthalmology sector.

In addition, in August 2021, the Group has deployed in the development of an innovative medical device for the treatment of moderate and severe arterial calcification, namely the endovascular seismic wave calcification treatment system. In the same month, the Group has deployed the related rights of Jext® pre-filled epinephrine auto-injector developed by ALK for the treatment of anaphylaxis, filling the gap in the domestic market in the field of anaphylaxis. Moreover, deploying the innovative system for the treatment of heart failure of a series of CoRISMA's products. In October, the Group established a presence in the glycine industry chain with Cangzhou Huachen BioTech Co., Ltd. In November, the Group deployed the relevant rights and interests of Saturn, a global innovative medical device for mitral valve replacement, which has achieved the comprehensive layout of innovative products in six directions in the field of cerebro-cardiovascular precision interventional diagnosis and treatment. In December, The Group entered into a product strategic cooperation with ITM to deploy the rights and interests of 3 global innovative RDC products.

**The Board of Grand Pharmaceutical Group Limited**, commented, “Facing the industry changes, the Group will seize the future opportunities arising from the high-quality development of the pharmaceutical industry. Driven by technological innovation, the Group will continue to deploy global innovative products and advanced technologies, continuously enrich and improve product pipelines, strengthened the layout and construction of the industrial chain. In 2022, a few global innovative products like SIR-Spheres® Y-90 microspheres injection will be launched in the China market, and the Group will make in multiple core areas, continuously contribute new profitable points and persistently consolidate the position as an industry leader in advantageous fields and laying a solid foundation for the continuous growth of the Group.”

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**About Grand Pharmaceutical Group Limited (00512):**

Grand Pharmaceutical Group Limited is a diversified global pharmaceutical enterprise sticking to patients-centered, market-oriented and innovation-driven, principally engaged in the R&D, manufacturing and sales of pharmaceutical products, advanced medical devices, specialized pharmaceutical ingredients, bio-technology products, and nutritional products. Its core product portfolio covers several major therapeutic areas including cerebro-cardiovascular emergency, respiratory and Ear, Nose & Throat (the “ENT”) as well as ophthalmic treatments and selective internal radiation therapy for tumor treatment. With the strategy of “global expansion and dual-cycle operation”, Grand Pharma has formed a new pattern of domestic and international cycles that synergize with each other. The Group is committed to becoming an international technological innovation-based pharmaceutical company through organic growth and mergers and acquisitions of international innovative quality projects, delivering on its promises for doctors and patients, and making significant contributions to the society.

For further information, please refer to Grand Pharma’s website at <http://grandpharm.com/>

*\*For identification purpose only*