



January 4, 2021

Happy New Year!

Dear shareholders, customers, employees, and friends of GNI Group Ltd.:

The past year was one of the most turbulent periods in modern world history. The global pandemic disrupted all aspects of human lives. I am proud to report that while facing the huge uncertainty of this disease, GNI quickly refocused our efforts on how to continue to deliver results with new therapies and drug products for patients worldwide.

Our main drug, Etuary®, has been gaining wider acceptance in the China market for interstitial lung disease and was included in the diagnostic and therapeutic guidelines for COVID-19 patients. To support this effort, our Beijing Continent Pharmaceuticals Co., Ltd subsidiary donated Etuary® to patients in the province of Wuhan during the most difficult times of the pandemic.

Our medical device business in the United States remains strong even when many healthcare facilities there were operating at less than full capacity due to the virus, which reflects the high quality and reputation that our consolidated subsidiary's products have built up over the past 20 years. At Cullgen Inc. ("Cullgen"), the drug discovery team never slowed down throughout the year. Multiple cancer therapeutic programs at Cullgen are moving forward towards IND filings in the coming years, starting in 2021.

In our Tokyo headquarters, all employees worked diligently and productively, while enforcing physical distancing and remote working rules, to support and coordinate the group activities for corporate financing, business developments and administrative roles.

Working together, we achieved significant growth in the most difficult year in the past decade.

Looking forward to 2021, my biggest challenge will be to successfully move our key drug candidate F351 into the appropriate regulatory path. F351 has demonstrated clear efficacy and safety for liver fibrosis patients in our China Phase II trial study and represents a potential new therapy for millions of patients suffering from liver fibrosis/cirrhosis worldwide. Our corporate mission, to deliver new hope to patients, is best represented by continuing to develop new drug therapies for human beings.

In the past 20 years, GNI started from a concept on paper to become a corporate of more than 500 employees spanning across the Pacific. We will not slow down to march towards our mid-term strategic goal of a mid-sized pharma. To achieve that goal, we have robust product pipeline in both fibrosis and cancers, have streamlined international operation teams, have built modular GMP-compliant pharmaceutical plants, and set up sales network in China and US. You will watch us continue to deliver results in 2021.

Wishing all a safe and prosperous New Year.

Ying Luo, PhD
Director, Representative Executive Officer, President and CEO