

Phase I Human Trial of F351 Initiated In China

Tokyo, December 21, 2007 – GNI Ltd, a leading biopharmaceutical company in Japan and China, today announced that the Phase I clinical trial of the Company's second clinical product, F351, has been initiated in Beijing, China, by its wholly owned subsidiary, Shanghai Genomics, Inc. The trial, which will include tolerance and pharmacokinetics studies in healthy human volunteers, is being conducted at Peking Union Medical College Hospital (PUMCH), one of the most prestigious medical institutions in China. The Clinical Trial Ethics Review Committee at PUMCH has reviewed and approved the trial protocol, and the recruitment of volunteers will begin soon.

F351 is a proprietary small molecule chemical compound that in pre-clinical studies showed promising results for the treatment of scar formation/liver fibrosis. It is estimated that 6.43 million people suffer from liver fibrosis in China (Source: Chinese Department of Public Health) and 580,000 such patients visit hospitals in Japan every year. (Source: Ministry of Health, Labour and Welfare) There is currently no satisfactory therapy to treat liver fibrosis/cirrhosis, which frequently results in liver cancer and death. GNI's subsidiary in Shanghai discovered the F351 compound and recently received both its patent grant and IND approval from Chinese authorities. The goal of the Phase I trial is to determine the safety of the compound and its optimal dosage in humans.

Dr. Ying Luo, Chief Executive Officer of GNI, said, "The initiation of this F351 Phase I clinical trial represents our continuous effort to identify novel therapies for unmet medical needs in Asia, especially in Japan and China. Inflammation and cancer are currently our two areas of therapy focus. By leveraging our cost-efficient clinical research network and rich patient resources in China, our company is strongly positioned to access both the Chinese and the Japanese health care markets."

"The future market potential of F351 is very promising. GNI will continue to fund innovative therapeutic programs for our long-term growth," added Mr. Ken Suzuki, President and CFO of GNI.

For further inquiries

Ken Suzuki	Tel: +81 (03) 3580-0751 Email: inforjapan@gene-networks.com
Ying Luo	Tel: +86 21-5080-2536 Email: bd@shanghai-genomics.com

About GNI

Founded in 2001, GNI is a clinical-stage drug development company with its headquarters in Japan and major operation 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 a research collaboration with major international pharmaceutical companies. For further information, please visit www.gene-networks.com and www.shanghai-genomics.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.