

Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the prospectus dated February 14, 2019 (the “**Prospectus**”) of CStone Pharmaceuticals (the “**Company**”).

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**CStone Pharmaceuticals**

**基石藥業**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2616)**

## **FULL EXERCISE OF THE OVER-ALLOTMENT OPTION, STABILIZING ACTIONS AND END OF STABILIZATION PERIOD**

### **FULL EXERCISE OF THE OVER-ALLOTMENT OPTION**

The Company announces that on March 21, 2019 the Over-allotment Option described in the Prospectus has been fully exercised by the Joint Global Coordinators, on behalf of the International Underwriters, in respect of an aggregate of 27,959,000 Shares (the “**Over-allotment Shares**”), representing approximately 15% of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, to cover over-allocations in the International Offering.

The Over-allotment Shares will be allotted and issued by the Company at HK\$12.00 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share under the Global Offering. The Over-allotment Shares will be used to facilitate the return of 27,959,000 borrowed Shares to WuXi Healthcare Ventures II, L.P. (“**WuXi Healthcare Ventures**”), which were used to cover over-allocations of Shares in the International Offering.

## Approval of Listing

Approval for the listing of, and permission to deal in, the Over-allotment Shares has already been granted by the Listing Committee of the Stock Exchange. Listing of, and dealing in, the Over-allotment Shares are expected to commence on the Main Board of the Stock Exchange at 9:00 a.m. on March 26, 2019.

## Shareholding structure of the Company upon the full exercise of the Over-Allotment Option

The shareholding structure of the Company immediately before and immediately after the completion of the full exercise of the Over-allotment Option is as follows:

Shareholders	Immediately before the allotment and issue of the Over-allotment Shares		Immediately after the allotment and issue of the Over-allotment Shares	
	<i>Number of Shares</i>	<i>Approximate percentage of the Company's issued share capital</i>	<i>Number of Shares</i>	<i>Approximate percentage of the Company's issued share capital</i>
WuXi Healthcare Ventures	292,881,444	29.76%	292,881,444	28.94%
Zhengze Yuanshi and its affiliates <sup>(1)</sup>	136,356,604	13.86%	136,356,604	13.47%
Graceful Beauty Limited	146,950,948	14.93%	146,950,948	14.52%
Director, senior management and employees <sup>(2)</sup>	64,170,308	6.52%	64,170,308	6.34%
Other Pre-IPO Investors <sup>(3)</sup>	157,296,228	15.98%	157,296,228	15.54%
Other public shareholders	186,396,000	18.94%	214,355,000	21.18%
<b>Total</b>	<b>984,051,532</b>	<b>100%</b>	<b>1,012,010,532</b>	<b>100%</b>

### Notes:

- (1) The affiliates of Zhengze Yuanshi include Oriza Seed Fund I L.P. and Hikeo Biotech L.P.
- (2) Director and senior management include Dr. Frank Ningjun Jiang (who is also the CEO and Chairman of our Board), where, as of the date of this announcement, 6,760,000 Shares are being held by JIANG IRREVOCABLE GIFTING TRUST FBO: YANNI XIAO, Dated November 21, 2018, Dr. Jianxin Yang and Dr. Bing Yuan. Employees who are independent third parties hold Shares directly by themselves or indirectly through Golden & Longevity Portfolios L.P.. This also includes Shares held by CStone Incentivization Limited.
- (3) Other Pre-IPO Investors are independent third parties, the identities of whom are set out under the section headed "History, Development and Corporate Structure – Pre-IPO Investments" in the Prospectus.

## Use of Proceeds

The Company will receive additional net proceeds of approximately HK\$325.42 million from the issue of the Over-allotment Shares, after deducting the commissions and other offering expenses payable by the Company in relation to the exercise of the Over-allotment Option, without taking into account of any incentive fee or discretionary reward that the Company may pay to the International Underwriters. The Company intends to apply the additional net proceeds on a *pro rata* basis for the purposes as set out in the section headed “Future Plans and Use of Proceeds – Use of Proceeds” in the Prospectus.

## STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

The Company further announces that the stabilization period in connection with the Global Offering ended on March 21, 2019, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering. The stabilizing actions undertaken by Goldman Sachs (Asia) L.L.C., as Stabilization Manager, or any person acting for it during the stabilization period were:

- (1) over-allocations of an aggregate of 27,959,000 Shares in the International Offering, representing approximately 15% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option);
- (2) the borrowing of an aggregate of 27,959,000 Shares by Goldman Sachs International, as an affiliate of the Stabilization Manager, from WuXi Healthcare Ventures pursuant to the Stock Borrowing Agreement to cover the over-allocations in the International Offering. Such Shares will be returned and redelivered to WuXi Healthcare Ventures in accordance with the terms of the Stock Borrowing Agreement; and
- (3) the full exercise of the Over-allotment Option by the Joint Global Coordinators, on behalf of the International Underwriters on March 21, 2019, in respect of an aggregate of 27,959,000 Shares, representing approximately 15% of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option), at the Offer Price, to facilitate the return to WuXi Healthcare Ventures of all of the borrowed Shares which were used to cover the over-allocations in the International Offering.

## PUBLIC FLOAT

Immediately after the completion of the Global Offering and after the full exercise of the Over-allotment Option, the Company will continue to comply with the public float requirements under Rule 8.08(1)(a) of the Listing Rules.

By order of the Board  
**CStone Pharmaceuticals**  
**Dr. Frank Ningjun Jiang**  
*Chairman*

Hong Kong, March 21, 2019

*As at the date of this announcement, the Board of Directors of the Company comprises Dr. Frank Ningjun Jiang as Chairman and Executive Director, Dr. Wei Li, Mr. Qun Zhao, Mr. Xiaomeng Tong, Mr. Guobin Zhang and Dr. Lian Yong Chen as non-executive Directors, and Dr. Paul Herbert Chew, Mr. Ting Yuk Anthony Wu and Mr. Hongbin Sun as independent non-executive Directors.*