

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

The forward-looking statements made in this announcement relate only to the events or information as of the date on which the statements are made in this announcement. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this announcement completely and with the understanding that our actual future results or performance may be materially different from what we expect. In this announcement, statements of, or references to, our intentions or those of any of our directors and/or our Company are made as of the date of this announcement. Any of these intentions may alter in light of future development.



CStone Pharmaceuticals

基石藥業

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2616)

VOLUNTARY ANNOUNCEMENT

CSTONE TO BUILD GLOBAL R&D HEADQUARTERS AND INDUSTRIALIZATION BASE IN THE SUZHOU INDUSTRIAL PARK

CStone Pharmaceuticals (the “**Company**” or “**CStone**”) announces that the signing ceremony for its Global R&D Headquarters and Industrialization Base (the “**Project**”) took place in Suzhou on August 6, 2019. The event marks the building of yet another state-of-the-art research and development (“**R&D**”) center and manufacturing facility in Suzhou. The parties attending at the signing ceremony included Mr. Lixin Ding, deputy secretary of Suzhou Industrial Park’s (the “**SIP**”) Party Working Committee and director of the Suzhou Industrial Park Administrative Committee (the “**SIPAC**”); Mr. Xiaoming Lin, member of the SIP’s Party Working Committee, deputy director of SIPAC and head of SIPAC’s Organization Department; Mr. Xiaomin Ye, chairman of Suzhou Sungent Holding Group; Mr. Yue Kang, general manager of Suzhou Sungent Holding Group; and Dr. Frank Ningjun Jiang, chairman, executive director and chief executive officer of CStone.

The SIP provided strong support for both the Project’s construction plan and investment. According to the agreement, the construction of the site, with a planned building area of approximately 100,000m², will be commissioned to a third party. Once completed, the Project will be equipped with integrated capabilities for R&D, Pilot Plant and full commercial scale manufacturing of biologics and chemicals, which will have a designed production capacity of 26,000L for macromolecule biologics and 1 billion tablets and capsules for small molecule drugs. The Project is scheduled to break ground in early 2020.

CStone is committed to the development of innovative oncology treatments to address unmet clinical needs associated with some of the most prevalent cancers in China. The Company’s pipeline strategy is centered on

combination therapies coupled with precision medicine. CStone is the only company in China that has all three backbone immunotherapies, PD-1, PD-L1 and CTLA-4, in clinical development.

Currently, CStone has five drug candidates at or near pivotal clinical trial stage. The Company is on track to commercialize multiple novel drug products in the next 1 to 2 years. The building of the industrialization base will help CStone develop a hybrid manufacturing model consisting of parallel and complementary in-house and out-sourced productions to ensure manufacturing capacity. The R&D headquarters will enhance the Company's capabilities and efficiency in R&D and the potential for future collaborations. Driven by the vision set out in the national government's *Healthy China 2030 Planning Outline*, CStone's strengthened R&D capabilities will further enable the Company to advance the nation's health by making more innovative oncology drugs accessible for Chinese patients.

Dr. Frank Ningjun Jiang, chairman, executive director and chief executive officer of CStone, commented: "The Suzhou Industrial Park has in recent years created a vibrant innovation-driven biopharmaceutical ecosystem through its effective promotion of emerging strategic industries. Since its inception in 2016, CStone has received tremendous support from the Suzhou Industrial Park. We are highly confident in SIP's policy environment and infrastructure, and have therefore chosen Suzhou as our global headquarters for R&D and industrialization base. With a strong base in Suzhou, CStone aims to become globally recognized as a leading biopharmaceutical company in China and make significant contributions to the sector in Suzhou and nationwide."

Dr. Jingrong Li, CStone's senior vice president of product development and manufacturing, noted: "Manufacturing process, product safety, efficacy and quality, and supply chain, are of vital importance to patients. As such, we will leverage our optimized design and adopt stringent compliance practices in the entire product development and manufacturing process. Our goal is to make CStone's Global R&D Headquarters and Industrialization Base a world-class and domestic top-notch facility for pharmaceutical innovation, thereby producing high quality drugs that patients can trust and afford."

About CStone

CStone is a biopharmaceutical company focused on developing and commercializing innovative immuno-oncology and molecularly-targeted drugs to address unmet medical needs for cancer patients in China and worldwide. Since the Company's inception in 2015, CStone has assembled a world-class management team that has a full spectrum of complementary skillsets from preclinical research to clinical development and commercialization. With combination therapies as a core strategy, the Company has built a rich oncology pipeline of 15 oncology drug candidates. Currently five late-stage drug candidates are at or near pivotal trials. With an experienced team, a rich pipeline, a robust clinical development-driven business model, and substantial funding, CStone's vision is to become globally recognized as a leading Chinese biopharmaceutical company by bringing innovative and differentiated oncology therapies to cancer patients worldwide.

For more information about CStone, please visit: www.cstonepharma.com.

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

Suzhou, People's Republic of China, August 6, 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. Yanling Cao, 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.