CStone Pharmaceuticals

基石藥業

(Incorporated in the Cayman Islands with limited liability)

(**Stock Code: 2616**)

VOLUNTARY ANNOUNCEMENT

CSTONE ANNOUNCES FIRST PATIENT DOSED IN CHINA WITH BLU-667 FOR THE GLOBAL PHASE I REGISTRATIONAL STUDY

CStone Pharmaceuticals (the "**Company**" or "**CStone**") announces that the dosing of the first patient in China for the Phase I registrational study of BLU-667, which was discovered by the Company's partner, Blueprint Medicines Corporation (NASDAQ: BPMC) ("**Blueprint**"). This clinical trial is a part of the ongoing, global Phase I ARROW trial that is designed to evaluate the overall response rate ("**ORR**"), duration of response, pharmacokinetics, pharmacodynamics and safety of BLU-667 in patients with RET-altered non-small cell lung cancer ("**NSCLC**"), medullary thyroid cancer ("**MTC**") and other advanced solid tumors.

Among all malignant tumors, lung cancer has the highest incidence and mortality rates in the world. Due to heightened risk factors such as pollution and the prevalence of smoking in China, there are approximately 730,000 new cases of lung cancer and 610,000 lung cancer-related deaths reported in China each year. NSCLC accounts for 80% to 85% of all lung cancers and RET fusions occur in approximately 1% to 2% of all NSCLC cases. Both platinum-based chemotherapy, the standard first-line treatment for RET-fusion NSCLC, and the second-line treatment of cytotoxic drugs or immune checkpoint inhibitor-based monotherapies offer limited efficacy. As a result, patients experience significant physical and psychological burdens and a lower quality of life.

Thyroid cancer is the most common type of endocrine cancer, and has shown rising incidence rates in recent years. There are approximately 90,000 new cases of thyroid cancer and 6,800 thyroid cancer-related deaths in China each year. MTC accounts for 2% to 5% of all thyroid cancers, and RET mutations occur in nearly all

hereditary MTC patients and approximately 50% of all sporadic MTC patients. Currently there is no effective standard of care treatment approved for MTC patients in China.

BLU-667 is an orally available, highly selective and potent RET inhibitor. In June 2018, CStone obtained exclusive rights from Blueprint to develop and commercialize three therapeutic candidates, including BLU-667, in mainland China, Hong Kong, Macau and Taiwan. Blueprint retains development and commercial rights to the three therapeutic candidates in the rest of the world.

In June 2019, Blueprint reported updated results from the ARROW clinical trial. BLU-667 showed durable anti-tumor activity regardless of RET-altered tumor type and was well-tolerated. As of the data cutoff date of April 28, 2019:

- In 35 evaluable patients previously treated with platinum-based chemotherapy, BLU-667 demonstrated an ORR of 60% (one complete response and 20 partial responses ("**PR**"); all responses were confirmed) and a disease control rate ("**DCR**") of 100%.

- In 16 evaluable RET-mutant MTC patients previously treated with cabozantinib or vandetanib, BLU-667 demonstrated an ORR of 63% (nine confirmed PRs, one PR pending confirmation) and a DCR of 94%.

- These patients with RET-fusion NSCLC and RET-mutant MTC received a starting dose of 400 mg once daily, which is the recommended Phase II dose. Across all patients, BLU-667 was well-tolerated and most adverse events reported by investigators were Grade 1 or 2.

Dr. Frank Ningjun Jiang, chairman, executive director and chief executive officer of CStone, commented: "In China, lung cancer has the highest incidence rate and mortality rate among all malignancies. BLU-667 is an agent with great potential, and it could address the existing treatment gap for RET-fusion NSCLC and other RET-altered tumors in this country. I am pleased that through our dedicated efforts, we have successfully carried out the dosing of the first patient in China as a part of the ongoing, global registrational study."

Dr. Jason Jianxin Yang, CStone's chief medical officer, noted: "Precision medicines such as BLU-667 may be highly effective in treating genomically defined cancers and bring significant clinical benefit to patients. The global ARROW study has thus far produced promising clinical data. I am confident that with CStone's effective execution, we can efficiently accelerate this clinical trial in China so that Chinese patients with RET-altered tumors can access this therapy as soon as possible."

About BLU-667

BLU-667 is an investigational, once-daily oral precision therapy specifically designed for highly potent and selective targeting of oncogenic RET alterations. Blueprint is developing BLU-667 for the treatment of patients with RET-altered NSCLC, MTC and other solid tumors. The U.S. Food and Drug Administration has granted Breakthrough Therapy Designation to BLU-667 for the treatment of RET-fusion positive NSCLC that has progressed following platinum-based chemotherapy, and RET-mutation positive MTC that requires systemic treatment and for which there are no acceptable alternative treatments.

BLU-667 was designed by Blueprint's research team, leveraging its proprietary compound library. In preclinical studies, BLU-667 consistently demonstrated sub-nanomolar potency against the most common

RET fusions, activating mutations and predicted resistance mutations. In addition, BLU-667 demonstrated markedly improved selectivity for RET compared to pharmacologically relevant kinases, including approximately 90 times improved potency for RET versus VEGFR2. By suppressing primary and secondary mutants, BLU-667 has the potential to overcome and prevent the emergence of clinical resistance. Blueprint believes this approach will enable durable clinical responses across a diverse range of RET alterations, with a favorable safety profile.

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 12, 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.