CStone Pharmaceuticals

基石藥業

(Incorporated in the Cayman Islands with limited liability)

(**Stock Code: 2616**)

VOLUNTARY ANNOUNCEMENT

CSTONE ANNOUNCES PROMISING TRIAL DATA ON ITS ANTI-PD-L1 ANTIBODY IN ESOPHAGEAL SQUAMOUS CELL CARCINOMA WITH AN ORR OF 77.8%

CStone Pharmaceuticals (the "**Company**" or "**CStone**") today announced trial data from the esophageal squamous cell carcinoma ("**ESCC**") cohort of a Phase Ib clinical trial of the Company's investigational anti-PD-L1 antibody CS1001 in an oral presentation at the 22nd Annual Meeting of the Chinese Society of Clinical Oncology ("**CSCO**").

The announced results are from a Phase Ia/Ib, open-label, multi-dose, dose-escalation and dose-expansion study that is designed to evaluate the safety, tolerability, pharmacokinetics, and anti-tumor efficacy of CS1001 in advanced solid tumors or lymphoma in China. The primary objectives of the ESCC study cohort were to assess the preliminary anti-tumor efficacy of CS1001 in the ESCC patient population as a first-line treatment combined with cisplatin + 5-fluorouracil (CF) chemotherapy, and to evaluate the safety and tolerability of CS1001 in combination with the chemotherapy regimen.

Professor Jin Li, Director of the Oncology Department at Shanghai East Hospital of Tong Ji University, Chairman of CSCO, and the presenter of the results, remarked: "Results from this study has shown good anti-tumor activity of CS1001 in combination with CF chemotherapy as first-line treatment of advanced ESCC, with durable response and an objective response rate ("**ORR**") of 77.8%, as well as good overall safety and tolerability."

Dr. Frank Ningjun Jiang, chairman, executive director and chief executive officer of CStone, commented: "CS1001 is a novel immuno-oncology drug candidate specifically developed to treat some of the most common malignancies in China. ESCC, the target indication of this study, is one such malignant tumor that is particularly prevalent in this country. Data has shown that over 50% of the world's new esophageal cancer cases and related deaths occur in China, and ESCC accounts for over 90% of those cases. Faced with this enormous challenge, we are very pleased with the preliminary results on CS1001 in the ESCC cohort as these findings demonstrate the great therapeutic potential of CS1001. We hope CS1001 will deliver even better results in future studies and soon become a new treatment option for ESCC patients."

CStone's chief medical officer, Dr. Jason Yang, noted: "At present, most first-line treatments of advanced ESCC adopt a platinum-based chemotherapy regimen, and the benefits are limited. The absence of any approved immunotherapy for the condition represents urgent patient needs. I am glad that the ESCC cohort of this Phase Ib study has yielded encouraging preliminary data on the anti-tumor activity, safety, and tolerability of CS1001 combined with CF chemotherapy. We will continue to advance the clinical development of this therapeutic candidate in China and explore CS1001's potential applications in combination therapies."

Overview of the ESCC cohort of the GEMSTONE-101 Phase Ib 1L study

This study cohort included advanced ESCC patients who had not been previously treated for locally advanced or metastatic esophageal carcinoma. Patients were administered with 1,200 mg CS1001 once every three weeks until disease progression or intolerance, plus CF chemotherapy once every three weeks, for up to 6 treatment cycles.

Demographics and baseline characteristics

As of July 1, 2019, a total of 23 patients were enrolled in the ESCC cohort and received treatment. 17 of those patients remained on treatment, and 6 discontinued the treatment. Reasons for discontinuation:

- Adverse events (3 patients);
- Disease progression (1 patient);
- Patient's decision (1 patient); and
- Treatment halted for more than 6 weeks (1 patient).

Preliminary efficacy data

CS1001 in combination with CF chemotherapy has demonstrated promising anti-tumor activities, with durable response and an ORR of 77.8% (14/18). At the data cut-off, all of the responders were progression-free.

- Of the 23 treated patients, 18 were included for efficacy analysis, 5 were not included as they did not reach the first post-baseline tumor evaluation. 14 (77.8%) of the included patients achieved partial response ("**PR**") per RECIST V1.1;
- Among the 14 (77.8%) patients who achieved PR, 11 remained on treatment, and 3 discontinued due to adverse events;

- All of the 14 patients who achieved PR have been progression-free; and
- Duration of response ("**DOR**") ranged from 0.03+ to 8.4+ months, and the median DOR was not reached.
- 13 out of the 14 PRs were observed in the first post-baseline tumor evaluation (Week 9).

Safety Data

CS1001 in combination with CF chemotherapy was well tolerated.

- The median duration of CS1001 treatment was 131 days (range: 3-313 days);
- 18 patients (78.3%) developed Grade 3 or higher treatment-emergent adverse events (TEAEs). The most common treatment-related adverse events (TRAEs) associated with this CF chemotherapy-based combination therapy included anemia, decreased neutrophil count, decreased white blood cell count, nausea, and loss of appetite;
- 3 patients (13.0%) discontinued treatment due to adverse events, and 1 of them (hyponatremia) was related to the CS1001 treatment; and
- 1 patient (4.3%) developed an adverse event that led to death (multiple organ dysfunction syndrome), and the incident was assessed as unrelated to the combination treatment.

About CS1001

CS1001 is an investigational anti-PD-L1 monoclonal antibody being developed by CStone. Authorized by a company based in the United States, Ligand Pharmaceuticals Inc. (NASDAQ: LGND), CS1001 was generated by the OMT transgenic animal platform, which can produce fully human antibodies in one step. As a fully human, full-length anti-PD-L1 monoclonal antibody, CS1001 mirrors natural G-type immune globulin 4 human antibody, which can reduce the risk of immunogenicity and potential toxicities in patients, potentially representing a unique advantage over similar drugs.

CS1001 has completed a Phase I dose-escalation clinical study in China, in which CS1001 showed good tolerability and produced sustained clinical benefits during the Phase Ia stage of the study.

CS1001 is being investigated in a number of ongoing clinical trials, including one Phase I bridging study in the United States. In China, its clinical program includes one multi-arm Phase Ib study, two pivotal Phase II studies and three Phase III studies for several tumor types.

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 establishment 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, September 19, 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.