CStone Pharmaceuticals

基石藥業

(Incorporated in the Cayman Islands with limited liability)

(**Stock Code: 2616**)

VOLUNTARY ANNOUNCEMENT

CSTONE ANNOUNCES PROMISING ORR, ANTI-TUMOR ACTIVITY AND SAFETY DATA WITH ITS ANTI-PD-L1 ANTIBODY CS1001 IN MSI-H/DMMR SOLID TUMORS

CStone Pharmaceuticals (the "**Company**" or "**CStone**") announced the results from the microsatellite instability high/deficient mismatch repair ("**MSI-H/dMMR**") solid tumor cohort in the GEMSTONE-101 Phase Ib study of the Company's investigational anti-PD-L1 antibody CS1001 for the first time in an oral presentation at the 22nd Annual Meeting of the Chinese Society of Clinical Oncology ("**CSCO**").

The objectives of the MSI-H/dMMR cohort study were to assess CS1001's preliminary anti-tumor efficacy as a second-line or later monotherapy, and to further evaluate the safety and tolerability of CS1001.

Microsatellites (MS) are repetitive genetic sequences consisting of repeated DNA motifs. Defective DNA mismatch repair pathway causes instability in the length of DNA motifs, resulting in a phenomenon that is called microsatellite instability ("**MSI**"). MSI - H indicates a high level of MSI, which is predictive of the loss of mismatch repair function and the possible presence of a large amount of mutation-derived tumor antigens that produce good responses to immunotherapies. Published data suggests MSI-H/dMMR is most common in patients with endometrial cancer, gastric adenocarcinoma, malignant small intestine tumor, and colorectal adenocarcinoma.

Professor Lin Shen, Vice President of Beijing Cancer Hospital and the presenter of the results, commented: "Preliminary efficacy data from this study cohort indicates CS1001's promising anti-tumor activity in

patients with MSI-H/dMMR solid tumors. Also shown in the results are CS1001's good safety and tolerability."

Dr. Frank Ningjun Jiang, chairman, executive director and chief executive officer of CStone, commented: "I am pleased that CS1001, our core PD-L1 drug candidate, has achieved favorable preliminary results in this MSI-H/dMMR study cohort. At present, no PD-L1 inhibitor has been approved worldwide for the treatment of this type of solid tumors. We hope in future studies CS1001 will demonstrate its therapeutic potential in more tumor types and become the most rapidly developed immuno-oncology drug for MSI-H/dMMR solid tumors."

CStone's chief medical officer, Dr. Jason Yang, noted: "In view of the good responses to immunotherapies in MSI-H/dMMR solid tumors, effective immuno-oncology treatments will hopefully bring survival benefits to such patient population. The results from this study has shown CS1001's therapeutic potential, and its 38.1% overall response rate ("**ORR**"), with 28.6% confirmed, in these heavily pretreated patients is remarkable compared to some of the approved PD-1 drugs. CS1001 is the monoclonal antibody that most closely mirrors natural G-type immune globulin 4 (IgG4) human antibody, which hopefully can lead to the demonstration of its unique safety advantage in subsequent clinical studies."

Overview of the MSI‑H/dMMR cohort of the GEMSTONE-101 Phase Ib study

This study cohort included unresectable or metastatic MSI‑H/dMMR solid tumor patients who failed to achieve satisfactory outcomes from prior treatments and lacked alternative treatment options. A total of 21 patients were enrolled in this cohort, 18 of whom had colorectal cancer, 2 with pancreatic cancer, and 1 with small intestine cancer. 13 of the enrolled patients had previously been treated with second line or later therapies. During the study, patients were administered with 1,200 mg CS1001 once every three weeks, until disease progression or intolerance.

Demographics and baseline characteristics

- Of the 21 enrolled patients, 9 remained on treatment and 12 discontinued treatment.
- Main reasons for discontinuation were disease progression (8 patients), patient's decision (2 patients), death due to disease progression (1 patient), and other reasons (1 patient).
- No patient discontinued due to adverse events ("**AEs**").

Preliminary efficacy data

- CS1001 has shown promising anti-tumor activity in patients with MSI-H/dMMR solid tumors. 21 patients who received the treatment were included in efficacy analysis, and 8 (38.1%) of them achieved partial response (PR, per RECIST V1.1) with 28.6% confirmed.
- The disease control rate was 57.1% (12/21).
- The duration of response ("**DOR**") ranged from 0.03+ to 8.6+ months, and the median DOR was not reached.

Safety data

CS1001 has shown a good safety profile.

- The median treatment duration of the 21 treated patients was 137 days (21-377 days).
- During treatment, 20 patients (95.9%) developed AEs, and close to 1/4 of those patients had Grade 3 or higher AEs.
- 18 patients (85.7%) developed AEs that were related to the CS1001 treatment, and only 1 patient (4.8%) developed an AE that was Grade 3 or higher in severity.
- 2 patients (9.5%) developed serious adverse events and neither was related to the CS1001 treatment.
- 9 patients (42.9%) developed immune-related adverse events that were Grade 1-2 in severity.
- No discontinuation or death occurred due to AEs.

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 22, 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.