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 THE GLOBAL PROOF-OF-CONCEPT STUDY OF CS1001 IN COMBINATION WITH BAYER'S REGORAFENIB

CStone Pharmaceuticals (the "**Company**" or "**CStone**") announces that the first patient in Australia has been dosed in a clinical trial of CS1001, an investigational PD-L1 inhibitor developed by the Company, in combination with regorafenib, an oral multi-kinase inhibitor developed by Bayer Healthcare LLC ("**Bayer**"). This is the first global proof-of-concept study carried out as a collaboration between CStone and Bayer, which is designed to evaluate the safety, tolerability, pharmacokinetics, and antitumor activity of the CS1001 plus regorafenib combination in patients with advanced solid tumors including gastric cancer and to determine the recommended dose for subsequent studies.

CS1001 is an investigational monoclonal antibody directed against PD-L1 being developed by CStone. CS1001 is being investigated in a number of ongoing clinical trials, including one Phase I bridging study in the United States, one multi-arm Phase Ib study, two Phase II registrational studies and four Phase III studies in China for several tumor types. The Phase Ia and Ib results released at the 22nd Annual Meeting of the Chinese Society of Clinical Oncology have shown CS1001 to be well-tolerated with promising anti-tumor activities across multiple cancer types.

Developed by Bayer, regorafenib is an oral multi-kinase inhibitor that potently blocks multiple protein kinases including VEGFR, FGFR, and CSF1R. Regorafenib has been approved in more than 90 countries worldwide, including China, for the second-line or late-line treatment of patients with metastatic colorectal cancer, metastatic gastrointestinal stromal tumors and advanced hepatocellular carcinoma.

In May 2019, CStone and Bayer entered into a global clinical collaboration in which CStone will sponsor clinical studies of the CS1001 in combination with regorafenib. Bayer will provide regorafenib for CStone-sponsored studies.

Multiple studies demonstrate the clinical benefits of monotherapy with kinase inhibitor or anti-PD-1/L1 antibody in multiple malignancies. Preclinical studies revealed that targeted therapies such as regorafenib could bolster the efficacy of immune checkpoint inhibitors in select solid tumors through modulating the tumor immune microenvironment, implicating possible synergistic anti-tumor effects between the two mechanisms of action.

Dr. Frank Ningjun Jiang, chairman, executive director and chief executive officer of CStone, commented: "Our collaboration with Bayer in this clinical program marks an important milestone in the implementation of CStone's global strategy. I am very pleased that the first patient has been dosed in this study of CS1001 in combination with regorafenib. We hope this joint exploration will not only strengthen CStone's pipeline, but also benefit more cancer patients who lack effective treatments."

Dr. Archie Tse, chief translational medicine officer of CStone, commented: "Preclinical studies in animal models have shown enhanced antitumor activity by the CS1001 plus regorafenib combination, lending evidential support to the design of this clinical study. In addition, a range of global studies of similar immuno-combination therapies have been carried out and generated some promising results in advanced or metastatic solid tumors. We look forward to the results from the clinical trial of the CS1001 plus regorafenib combination."

About Regorafenib (Stivarga®)

Regorafenib is an oral multi-kinase inhibitor that potently blocks multiple protein kinases involved in tumor angiogenesis (VEGFR1, -2, -3, TIE2), oncogenesis (KIT, RET, RAF-1, BRAF), metastasis (VEGFR3, PDGFR, FGFR) and tumor immunity (CSF1R).

Regorafenib is a compound developed by Bayer. In 2011, Bayer entered into an agreement with Onyx Pharmaceuticals, Inc. ("**Onyx**"), a biotech pharmaceuticals, under which Onyx receives a royalty on all global net sales of regorafenib in oncology.

At present, regorafenib is approved under the brand name Stivarga® in more than 90 countries worldwide, including the United States, countries of the European Union, China and Japan for the treatment of metastatic colorectal cancer, metastatic gastrointestinal stromal tumors and second-line treatment of advanced hepatocellular carcinoma.

About CS1001

CS1001 is an investigational monoclonal antibody directed against PD-L1 being developed by CStone. Authorized by a company based in the United States, Ligand Pharmaceuticals Inc. (NASDAQ: LGND), CS1001 is developed by the OMT transgenic animal platform, which can generate 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 (IgG4) 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 study in China, in which CS1001 showed good tolerability and produced sustained clinical benefits during Phase Ia and Ib stages of the study in multiple indications.

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 types of tumors.

About CStone

CStone is a biopharmaceutical company focused on developing and commercializing innovative immuno-oncology and precision medicines to address the unmet medical needs of cancer patients in China and worldwide. Established in 2015, CStone has assembled a world-class management team with extensive experience in innovative drug development, clinical research, and commercialization. The company has built an oncology-focused pipeline of 15 drug candidates with a strategic emphasis on immuno-oncology combination therapies. Currently, five late-stage candidates are at 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 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, January 23, 2020

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.