CStone Pharmaceuticals

基石藥業

(Incorporated in the Cayman Islands with limited liability)

(**Stock Code: 2616**)

VOLUNTARY ANNOUNCEMENT

CSTONE RECEIVES US FDA IND CLEARANCE FOR CS1001-201 STUDY TO EVALUATE ANTI-PD-L1 MONOCLONAL ANTIBODY SUGEMALIMAB MONOTHERAPY IN R/R ENKTL

CStone Pharmaceuticals (the "**Company**" or "**CStone**") today announced that the United States ("**U.S.**") Food and Drug Administration ("**FDA**") has completed their review of the Investigational New Drug ("**IND**") application for anti-PD-L1 monoclonal antibody sugemalimab (CS1001) monotherapy in the relapsed or refractory extranodal natural killer ("**NK**")/T-cell lymphoma (R/R ENKTL) with study may proceed letter received.

Our core product candidate, sugemalimab is an investigational fully human, full-length anti-PD-L1 monoclonal antibody developed by CStone. Compared with other drugs of the same class, sugemalimab has a lower risk of immunogenicity and potential toxicities in patients. CS1001-201 is a single-arm, multicenter pivotal Phase II clinical study designed to evaluate sugemalimab monotherapy in R/R ENKTL. The IND clearance indicates that the ongoing CS1001-201 study in China will be extended to the US.

Extranodal NK/T-cell lymphoma ("**ENKTL**") is a subtype of mature T cell and NK cell lymphoma. Epidemiology of the disease is characterized by higher incidence rates in Asia than in Europe or North America. In China, ENKTL accounts for approximately 6% of all lymphoma cases. R/R ENKTL is highly malignant and aggressive, and has a poor prognosis. Patients with R/R ENKTL lack effective salvage treatments if standard L-asparaginase-based regimens fail, and do not respond well to traditional treatments. For these patients, clinicians almost run out of treatment choices because the disease progresses rapidly with an extremely short overall survival ("**OS**") as indicated by historically reported 1-year OS rate <20%. The

currently approved targeted monotherapy in China has a complete response ("**CR**") rate of approximately 6%. There are vast unmet medical needs in this patient population of which the first-line treatment has failed. Sugemalimab is expected to provide new treatment options for these patients.

Dr. Jason Yang, chief medical officer of CStone, commented: "For the treatment of ENKTL, CR rate is a critical outcome measure. Data reported for CS1001-201 study on 2019 American Society of Hematology meeting shows that sugemalimab demonstrated a CR rate of 33.3% with a durable response, an objective response rate ("**ORR**") of 43.3%, and 1-year OS rate of 72.4%. These results represent a major breakthrough compared to current treatment options and support sugemalimab as a potential conditioning regimen for hematopoietic stem cell transplantation. We will work closely with the U.S. FDA and the National Medical Products Administration ("**NMPA**"), to bring sugemalimab to R/R ENKTL patients worldwide soon."

Overview of the CS1001-201 Trial

CS1001-201 is a single-arm, multicenter Phase II clinical study designed to evaluate sugemalimab monotherapy in R/R ENKTL. The primary endpoint of the trial is ORR assessed by an independent radiological review committee.

According to updated results reported at the 2019 American Society of Hematology annual meeting, as of October 8, 2019, a total of 32 patients with R/R ENKTL were enrolled in the study. All patients received sugemalimab 1200 mg intravenously every 3 weeks until disease progression or intolerable toxicity. The median duration of follow-up was 6.54 months (range 0.72 to 15.64).

Preliminary efficacy data

Sugemalimab demonstrated robust efficacy with a high CR rate and durable response in R/R ENKTL patients:

▪ Among the 30 efficacy-evaluable patients, the investigator-assessed ORR was 43.3%

▪ 10 patients (33.3%) achieved CR and were still in remission

▪ 3 patients (10.0%) achieved partial response ("**PR**"), and 1 additional patient achieved PR after pseudo-progression

▪ The median duration of response ("**DoR**") was not reached, and the maximum DoR was 10.9+ months

▪ The 1-year OS was 72.4% (95% CI: 52.0% to 85.2%)

Safety data

Sugemalimab was well tolerated in patients with R/R ENKTL:

▪ 30 patients (93.8%) reported treatment-emergent adverse events ("**TEAEs**"), 24 patients (75.0%) reported treatment-related adverse events ("**TRAEs**"), of which 3 (9.4%) had Grade >3 TRAEs

▪ Grade 5 adverse events ("**AEs**") were reported in 3 patients (9.4%), and none were assessed as related to sugemalimab

▪ Immune-related AEs ("**irAEs**") were reported in 5 patients (15.6%); except for one case of Grade 3 rash, all irAEs were Grade 1 in severity

▪ TEAEs that led to permanent treatment discontinuation occurred in 4 patients (12.5%)

▪ No deaths due to AEs were assessed as related to sugemalimab

About Sugemalimab

Sugemalimab is an investigational anti-PD-L1 monoclonal antibody discovered by CStone. Authorized by a company based in the U.S., Ligand Pharmaceuticals Inc. (NASDAQ: LGND), sugemalimab is developed by the OmniRat® transgenic animal platform, which can generate fully human antibodies in one stop. As a fully human, full-length anti-PD-L1 monoclonal antibody, sugemalimab mirrors the natural G-type immunoglobulin 4 ("**IgG4**") human antibody, which can reduce the risk of immunogenicity and potential toxicities in patients, a unique advantage over similar drugs.

Sugemalimab has completed a Phase I dose-escalation study in China. During Phase 1a and 1b stages of the study, sugemalimab showed good antitumor activity and good tolerability in multiple tumor types.

Currently, sugemalimab is being investigated in a number of ongoing clinical trials. In addition to a Phase I bridging study in the U.S., the clinical programs in China include one multi-arm Phase Ib study for several tumor types, one Phase II registrational study for lymphoma, and four Phase III registrational studies, respectively, for stage III/IV non-small cell lung cancer, gastric cancer, and esophageal cancer.

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 at the end of 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, August 31, 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.