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**CStone Pharmaceuticals**  
**基石藥業**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2616)**

**VOLUNTARY ANNOUNCEMENT**

**LICENSE AGREEMENT FOR ANTIBODY DRUG CONJUGATE  
LCB71 WITH LEGOCHEM BIOSCIENCES, INC.**

The board (the “**Board**”) of directors (the “**Director**”) of CStone Pharmaceuticals, (the “**Company**” or “**CStone**”) is pleased to announce that on October 28, 2020 (after trading hours), the Company entered into a license agreement (the “**License Agreement**”) with LegoChem Biosciences, Inc. (“**LCB**”, or the “**Licensor**”), pursuant to which the Licensor grants a worldwide exclusive license to permit the Company (the “**Licensee**”) to develop and commercialize LCB71, a preclinical-stage antibody drug conjugate (“**ADC**”) targeting the Receptor tyrosine kinase-like Orphan Receptor 1 (“**ROR1**”), outside the Republic of Korea.

Pursuant to the License Agreement and subject to the terms and conditions thereof, the Licensor is eligible to receive US\$10 million in total for upfront payment and contingent payments of US\$353.5 million for development, regulatory and commercial milestones. In addition, the Licensor is eligible to receive tiered royalties based on the net sales of LCB71. Upon the execution of the License Agreement, the Company will be responsible for bearing all costs for the activities associated with the development and regulatory affairs for the ongoing trials as well as all future trials of LCB71 outside the Republic of Korea. Pursuant to the License Agreement, the Company is subject to customary exclusivity non-compete obligations, and the Licensor and the Licensee are subject to customary mutual representations, warranties, covenants and indemnities.

ROR1 protein expression is prevalent in a variety of cancers including various forms of leukemia, non-Hodgkin lymphoma, and breast, lung, and ovarian cancers. LCB71 has a proprietary tumor-activated pyrrolbenzodiazepine (“**PBD**”) prodrug toxin that addresses the typical toxicity problem associated with traditional PBD payloads. It has demonstrated complete tumor inhibition across several preclinical cancer models, which may translate into a wide therapeutic index for a range of solid and hematologic malignancies. Additionally, it utilizes site-specific conjugation for a precise drug antibody ratio. This supports serum half-life and improves its pharmacokinetic profile, and also enables homogeneous production and large-scale manufacturing. The Company believes that the License Agreement with LCB bolsters CStone’s precision medicine franchise with a new modality and advances its Pipeline 2.0 strategy by providing global rights to a potential first-in-class/best-in-class asset in the emerging and highly promising ADC field.

To the best knowledge and belief of the Company, as of the date of this announcement, LCB and its ultimate beneficial owner is independent of, and not connected with, the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The transactions contemplated under the License Agreement do not constitute any notifiable transactions or connected transactions of the Company under the Listing Rules.

Attached hereto as Appendix I is the full text of the press release issued by the Company on October 29, 2020, China time, announcing the above business update.

By order of the Board  
**CStone Pharmaceuticals**  
**Dr. Frank Ningjun Jiang**  
*Chairman*

Suzhou, People’s Republic of China, October 29, 2020

*As at the date of this announcement, the Board 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.*

## Appendix I

### **CStone and LegoChem Biosciences Enter Global Licensing Agreement for New Antibody Drug Conjugate**

- CStone to acquire exclusive rights for development and commercialization outside South Korea for LCB71, an ROR1 antibody drug conjugate
- Agreement adds to CStone's pipeline a potential first-in-class/best-in-class drug candidate with monotherapy and combination applications for a range of cancer indications
- LCB71 has demonstrated preclinical efficacy and reduced toxicity

(SUZHOU, China, October 29, 2020) CStone Pharmaceuticals (“**CStone**”, HKEX: 2616) announced today a licensing agreement with LegoChem Biosciences, Inc. (“**LCB**”, KOSDAQ:141080), for the development and commercialization of LCB71, a potential first-in-class/best-in-class antibody drug conjugate (“**ADC**”).

Under the agreement, CStone obtains the exclusive global right to lead development and commercialization of LCB71 outside the Republic of Korea. LCB will receive an upfront payment of US\$10 million, and up to US\$353.5 million in cumulative milestone payments, plus tiered royalties.

Frank Jiang, M.D., Ph.D., Chairman and Chief Executive Officer of CStone, said: “We are very pleased to form this partnership with LCB, a leading ADC platform company, to obtain global rights to an asset with highly differentiated attributes in an exciting new field of oncology. The agreement adds the first ADC to CStone's development pipeline, and bolsters our precision medicine franchise with a new modality. We look forward to harnessing its full potential and bringing it to patients around the world.”

LCB71 is a pre-clinical ADC entering into Investigational New Drug (“**IND**”) enabling studies. It targets ROR1 (receptor tyrosine kinase-like orphan receptor 1), a high-potential ADC target for multiple solid and hematological malignancies. ROR1 protein expression is prevalent in a variety of cancers including various forms of leukemia, non-Hodgkin lymphoma, and breast, lung, and ovarian cancers.

LCB71 has a proprietary tumor-activated pyrrolobenzodiazepine (“**PBD**”) prodrug toxin that addresses the typical toxicity problem associated with traditional PBD payloads. It has demonstrated complete tumor inhibition across several preclinical cancer models, which may translate into a wide therapeutic index for a range of solid and hematologic malignancies. Additionally, it utilizes site-specific conjugation for a precise drug antibody ratio. This supports serum half-life and improves its pharmacokinetic profile, and also enables homogeneous production and large-scale manufacturing.

Dr. Yong-Zu Kim, CEO and President of LCB, said: “We are pleased to have reached this agreement with CStone, which has demonstrated extensive oncology expertise, especially in global clinical development. This partnership puts LCB71 on a path to development and commercialization for patients worldwide. We are convinced that CStone is the right partner to secure the future of this important drug.”

## **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. With a strategic emphasis on immuno-oncology combination therapies, the Company has built an oncology-focused pipeline of 15 drug candidates, including five late-stage candidates at pivotal trials or registration stages. 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](http://www.cstonepharma.com).

## **About LegoChem Biosciences**

LegoChem Biosciences (LCB) is a clinical-stage biopharmaceutical company focusing on the development of next-generation novel therapeutics utilizing its proprietary medicinal drug discovery technology LegoChemistry and ADC platform technology ConjuAll. Since its foundation in 2006, LCB has focused on the research and development of Antibody-Drug-Conjugates (ADCs), antibiotics, anti-fibrotic and anticancer therapeutics based on proprietary platform technologies. For more information on LCB's robust pipeline, visit [www.legochembio.com](http://www.legochembio.com).

## **Forward-looking Statement**

The forward-looking statements made in this article relate only to the events or information as of the date on which the statements are made in this article. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this article completely and with the understanding that our actual future results or performance may be materially different from what we expect. In this article, statements of, or references to, our intentions or those of any of our Directors or our Company are made as of the date of this article. Any of these intentions may alter in light of future development.

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