

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

The forward-looking statements made in this announcement relate only to the events or information as of the date on which the statements are made in this announcement. 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 announcement completely and with the understanding that our actual future results or performance may be materially different from what we expect. In this announcement, statements of, or references to, our intentions or those of any of our directors and/or our Company are made as of the date of this announcement. Any of these intentions may alter in light of future development.



CStone Pharmaceuticals

基石藥業

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2616)

VOLUNTARY ANNOUNCEMENT

CSTONE AND JIANGSU HENGRUI PHARMACEUTICALS ANNOUNCED STRATEGIC PARTNERSHIP AND EXCLUSIVE LICENSING AGREEMENT ON ANTI-CTLA-4 MONOCLONAL ANTIBODY CS1002 IN GREATER CHINA

CStone Pharmaceuticals (the “**Company**” or “**CStone**”) and Jiangsu Hengrui Pharmaceuticals Co., Ltd. (600276.SH) (“**Hengrui**”) announced a strategic partnership and exclusive licensing agreement on anti-CTLA-4 mAb CS1002 in the Greater China region on November 19, 2021. This strategic partnership marks another milestone in CStone’s mission to introduce innovative oncology therapies in China after the commercial launch of two first-in-class drugs this year.

Key Highlights

- CStone granted the exclusive rights to Hengrui for research, development, registration, manufacturing and commercialization of anti-CTLA-4 mAb CS1002 in the Greater China region
- CStone will retain the rights to develop and commercialize anti-CTLA-4 mAb CS1002 outside of Greater China
- CStone and Hengrui will partner respective R&D and commercial expertise to accelerate the development and commercialization of anti-CTLA-4 mAb CS1002, a backbone immuno-oncology asset, to fully unleash its commercial value

Under the terms of the agreement, CStone will be eligible for an upfront payment and potential milestone payments up to approximately US\$200 million in addition to the double-digit royalties. Hengrui will obtain the exclusive rights for research, development, registration, manufacturing and commercialization of anti-CTLA-4 mAb CS1002 in Greater China. CStone will retain the rights to develop and commercialize of CS1002 outside of Greater China.

Cytotoxic T lymphocyte associated antigen 4 (“**CTLA-4**”) is one of the few clinically validated targets for IO combination therapies. There is only one anti-CTLA-4 monoclonal antibody approved

globally, and it is also approved in China. According to EvaluatePharma, the annual global revenue of the product in 2020 was approximately US\$1.69 billion. CS1002 is an investigational anti-CTLA-4 monoclonal antibody being developed by CStone currently in clinical development. Results from the ongoing Ph1a/1b study showed that differentiated dosing schedules of CS1002 in combination with CS1003 (anti-PD-1) were well-tolerated and demonstrated very encouraging efficacy in anti-PD-(L)1-refractory melanoma, anti-PD-(L)1-refractory hepatocellular carcinoma, and anti-PD-(L)1-naïve, pretreated microsatellite instability high/deficient mismatch repair (“MSI-H/dMMR”) tumors.

Dr. Frank Jiang, Chairman and CEO of CStone, said, “We are happy to reach the partnership with Hengrui. As a leading global China pharmaceutical company with an extensive oncology pipeline and strong integrated capabilities in commercialization, we are very confident that Hengrui will bring the full potentialities of CS1002 into the Greater China market. Through this collaboration, we believe we will join forces to bring forward more high-quality innovative oncology therapies to patients.”

Dr. Lianshan Zhang, member of the board, senior vice president and president of global R&D of Hengrui, said, “We are happy to enter into this collaboration with CStone on the backbone immune-oncology asset of CS1002. With its combination therapy potential, CS1002 will further synergize our pipeline, enrich the oncology portfolio and strengthen our competitiveness. As a leading Chinese biopharmaceutical company, CStone has demonstrated its outstanding research and development capabilities with impressive early-stage clinical data and differentiated dosing schedules of CS1002. We have full confidence in the future development of it to provide more innovative drugs for Chinese patients.”

This announcement is made by the Company on a voluntary basis. The entering into strategic partnership and exclusive licensing agreement is of a revenue nature in the ordinary and usual course of business of the Group and does not constitute notifiable transaction under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

About CS1002 (anti-CTLA-4 antibody)

CS1002 is an investigational anti-CTLA-4 monoclonal antibody being developed by CStone. CS1002 is differentiated from prior CTLA-4 targeting drug in its dosing schedules that have been tested in early development and the encouraging efficacy and safety in three indications providing proof-of-concept for CS1002 as a potential backbone for IO combinations. CTLA-4, also known as CD152, is a transmembrane protein encoded by the CTLA-4 gene that can down-regulate the activity of T cells when binding with its ligand, B7.1/B7.2, a pathway also used by tumor cells to avoid T lymphocyte attack. Consequently, blockade of the CTLA-4 pathway can stimulate T cell activation and proliferation to induce or enhance anti-tumor immune responses. CTLA-4 provides a new immuno-therapeutic approach to a number of human cancers.

About Hengrui

Jiangsu Hengrui Pharmaceuticals Co., Ltd. is a leading global pharmaceutical company based in China with a focus on research, development, manufacturing and commercialization of innovative and high quality healthcare products. Innovation is the core development strategy. Hengrui has 8 innovative products marketed, more than 50 innovative candidates in the R&D stage, more than 20 innovative products under clinical development around the world. Hengrui ranked 21st among the top 1,000 global pharma companies announced by the Torreya in 2020. Hengrui has been on the Pharma Exec’s annual listing of the top global pharmaceutical companies for the third consecutive year, rising from 47th in 2019 to 38th in 2021.

For more information about Hengrui and the strategic partnership and exclusive licensing agreement, please visit: <https://www.hengrui.com/investor/index.html>.

About CStone

CStone is a biopharmaceutical company focused on researching, developing and commercializing innovative immuno-oncology and precision medicines to address the unmet medical needs of cancer patients in Mainland 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, CStone has received three drug approvals in Greater China, including two in Mainland China and one in Taiwan, China. CStone's vision is to become globally recognized as a world-renowned 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, the People's Republic of China, November 21, 2021

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. Xianghong Lin and Mr. Edward Hu as non-executive directors, and Dr. Paul Herbert Chew, Mr. Ting Yuk Anthony Wu and Mr. Hongbin Sun as independent non-executive directors.