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CStone Pharmaceuticals
基石藥業

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2616)

**COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL
MANDATE**

Sole Overall Coordinator, Sole Placing Agent and Sole Bookrunner

Morgan Stanley

The Directors are pleased to announce that all conditions of the Placing have been fulfilled and the completion of the Placing took place on July 16, 2025. Pursuant to the terms and conditions of the Placing Agreement, 100,000,000 Placing Shares have been successfully placed by the Placing Agent to not less than six Placees at the Placing Price of HK\$4.72 per Placing Share.

References are made to the announcement of CStone Pharmaceuticals (the “**Company**”) dated July 9, 2025 in respect of the proposed placing of new Shares under general mandate (the “**Announcement**”) and the announcement of the Company dated April 2, 2025 in respect of the placing of new Shares under the then general mandate (the “**Previous Announcement**”). Unless otherwise stated, the terms used in this announcement shall have the same meaning as defined in the Announcement and the Previous Announcement (as the case may be).

COMPLETION OF THE PLACING

The Board is pleased to announce that all conditions to the Placing Agreement have been fulfilled and completion of the Placing took place on July 16, 2025. An aggregate of 100,000,000 Placing Shares have been placed by the Placing Agent to not less than six Placees at the Placing Price of HK\$4.72 per Placing Share pursuant to the terms and conditions of the Placing Agreement, representing approximately 6.83% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares immediately upon completion of the Placing.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placees and their respective ultimate beneficial owners are professional, institutional, or other investors who are Independent Third Parties.

The Company received net proceeds from the Placing, after deducting the placing commission and other related expenses and professional fees, of approximately HK\$467.28 million.

USE OF PROCEEDS FROM THE PREVIOUS PLACING AND THE PLACING

As disclosed in the Announcement and the Previous Announcement, the Company completed the Previous Placing on April 10, 2025. The net proceeds of the Previous Placing, after deducting the placing commission and other related expenses and professional fees, amounted to approximately HK\$232.3 million. The intended uses of the net proceeds from the Previous Placing consisted of (a) 90% for further research and development relating to assets in the Group's "Pipeline 2.0", including in particular CS5001, a clinical stage ROR1 ADC, and CS2009, a trispecific antibody targeting PD-1, VEGFA and CTLA-4, and (b) the remainder of the net proceeds for other general corporate purposes where appropriate.

As at the date of this announcement, the Company estimates (based on its unaudited management accounts as of and for the six months ended June 30, 2025) that approximately HK\$25.2 million of the proceeds of the Previous Placing have been utilized, all of which were expended on research and development relating to "Pipeline 2.0" assets including CS2009 and CS5001. The Company will provide updated information on the use of proceeds from the Previous Placing in its announcement concerning its interim results for the six months ended June 30, 2025.

As disclosed in the Announcement, the intended uses of the net proceeds of the Placing consist of (a) 90% for further research and development relating to assets in the Group's "Pipeline 2.0", including not only CS2009 and CS5001 but also other preclinical assets such as CS2015 (a bispecific antibody targeting OX40L and TSLP), and (b) the remainder of the net proceeds for other general corporate purposes where appropriate.

The Company's current expectations concerning the allocation of the total available funds from the Placing and the Previous Placing, consisting of (a) the net proceeds of the Placing (HK\$467.3 million) and (b) the unutilized net proceeds of the Previous Placing (HK\$207.1 million), is as follows:

- (i) Approximately 73% (RMB492.3 million) for R&D relating to CS2009 and CS5001 through the end of 2027, including Phase I (dose escalation) clinical trials and Phase II of monotherapy and combination therapy studies and potential pivotal study.
- (ii) Approximately 17% (RMB114.6 million) for R&D relating to pre-clinical assets (such as CS2015, among others) through the end of 2027, including discovery and PCC of candidates and IND enabling studies.

- (iii) Approximately 10% (RMB 67.4 million) for general corporate purposes (including staff costs and rental expenses) through the end of 2027.

The Company's current expectations concerning allocation of the net proceeds from the Placing and the unutilized net proceeds from the Previous Placing as well as the timing for utilization thereof are subject to change as circumstances evolve (including with respect to such matters as the progress of the Company's clinical trials, licensing agreements that the Company may enter into, industry trends and competition, regulatory developments and general business and economic conditions, among others).

Although the Company generated revenue of RMB407.2 million for the year ended December 31, 2024, including RMB175.1 million in sales of pharmaceutical products (avapritinib and pralsetinib), and RMB204.0 million in license fee income, the Company has conducted the Placing and the Previous Placing because it requires significant cash from financing activities in the short-to-medium term to sustain its R&D program at the level that is necessary for realization of the significant commercial potential of its "Pipeline 2.0." In the year ended December 31, 2024, the Company had net cash used in operating activities of RMB343.2 million, primarily reflecting the very substantial working capital requirements that are inherent in the business of a growth-stage biotechnology company (such as the need to purchase inventory prior to generation of sales). The Company may also seek additional financing to advance its R&D program, subject to its assessed requirements and prevailing financial conditions from time to time.

SHAREHOLDING STRUCTURE OF THE COMPANY UPON COMPLETION OF THE PLACING

The shareholding structure of the Company immediately before and upon completion of the Placing are set out as follows:

Name of Shareholders	Immediately before completion of the Placing		Immediately upon completion of the Placing	
	No. of Shares	Approximate percentage of the issued share capital of the Company	No. of Shares	Approximate percentage of the issued share capital of the Company
WuXi Healthcare Management, LLC ^(Note 1)	293,381,444	21.50%	293,381,444	20.03%
Pfizer Inc. ^(Note 2)	115,928,803	8.50%	115,928,803	7.92%
Dr. Jianxin Yang	74,156,256	5.43%	74,156,256	5.06%
Mr. Edward Hu	2,921,000	0.21%	2,921,000	0.20%
Mr. Kenneth Walton Hitchner III	2,613,481	0.19%	2,613,481	0.18%
Dr. Wei Li	2,000,000	0.15%	2,000,000	0.14%
The Placees	—	—	100,000,000	6.83%
Other Public Shareholders	873,714,140	64.02%	873,714,140	59.64%
Total	1,364,715,124	100%	1,464,715,124	100%

Notes:

- (1) WuXi Healthcare Ventures II, L.P. directly held 293,381,444 Shares. To the best knowledge of us, WuXi Healthcare Ventures II, L.P. is a limited partnership established under the laws of Cayman Islands managed by its sole general partner, WuXi Healthcare Management, LLC, a Cayman Islands exempted company in which each of its five members holds an equal share of equity interest. For the purpose of the SFO, WuXi Healthcare Management, LLC is deemed to have an interest in the Shares held by WuXi Healthcare Ventures II, L.P.
- (2) Pfizer Corporation Hong Kong Limited, a company incorporated in Hong Kong with limited liability, directly held 115,928,803 Shares. For the purpose of the SFO, Pfizer Inc., a Delaware-incorporated company listed on the New York Stock Exchange and indirectly holding 100% of the shares in Pfizer Corporation Hong Kong Limited is deemed to have an interest in the Shares held by Pfizer Corporation Hong Kong Limited.

Cautionary statement required by Rule 18A.05 of the Listing Rules: There is no assurance that the Company will be able to develop, market, and/or commercialize any of the products in its pipeline successfully, including those specified in the paragraph headed “Reasons for the Placing and Use of Proceeds” in the Announcement. Shareholders and potential investors should exercise due care when dealing in the securities of the Company.

By Order of the Board
CStone Pharmaceuticals
Dr. Wei Li
Chairman

Suzhou, the People’s Republic of China, July 16, 2025

As at the date of this announcement, the board of directors of the Company comprises Dr. Wei Li as Chairman and non-executive director, Dr. Jianxin Yang as executive director, Mr. Kenneth Walton Hitchner III and Mr. Edward Hu as non-executive directors, and Mr. Ting Yuk Anthony Wu and Ms. Yip Betty Ho as independent non-executive directors.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.