CStone Pharmaceuticals
基石藥業
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2616)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2023

The board (the "**Board**") of directors (the "**Directors**") of CStone Pharmaceuticals (the "**Company**" or "**CStone**") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together, the "**Group**", "**we**" or "**us**") for the six months ended June 30, 2023 (the "**Reporting Period**"), together with comparative figures for the six months ended June 30, 2022. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the prospectus of our Company dated February 14, 2019 (the "**Prospectus**") and our announcement of interim results for the six months ended June 30, 2022 dated August 25, 2022.

FINANCIAL HIGHLIGHTS

International Financial Reporting Standards ("IFRS") Measures:

- **Revenue** was RMB261.5 million for the six months ended June 30, 2023, composed of RMB246.9 million in sales of pharmaceutical products (avapritinib, pralsetinib and ivosidenib) and RMB14.6 million in royalty income of sugemalimab, representing an increase of pharmaceutical products sales of RMB85.5 million, or 53%, from RMB161.4 million for the six months ended June 30, 2022 and an increase of royalty income of RMB1.5 million, or 11%, from RMB13.1 million for the six months ended June 30, 2022.

- **Research and development expenses** were RMB186.8 million for the six months ended June 30, 2023, representing a decrease of RMB79.8 million from RMB266.6 million for the six months ended June 30, 2022, primarily due to the decrease in milestone fee and third party contracting costs and the decrease in employee costs.

- **Administrative expenses** were RMB89.2 million for the six months ended June 30, 2023, representing a decrease of RMB45.6 million from RMB134.8 million for the six months ended June 30, 2022, primarily due to the decrease in employee costs.

- **Selling and marketing expenses** were RMB131.4 million for the six months ended June 30, 2023, representing a decrease of RMB15.0 million from RMB146.4 million for the six months ended June 30, 2022, primarily attributable to the decrease in employee costs and professional fees.

- **Loss for the period** was RMB209.2 million for the six months ended June 30, 2023, representing a decrease of RMB152.4 million, or 42%, from RMB361.6 million for the six months ended June 30, 2022, primarily attributable to the decrease in research and development expenses and decrease in employee costs.

Non-International Financial Reporting Standards ("Non-IFRS") Measures:

- **Research and development expenses** excluding the share-based payment expenses were RMB198.1 million for the six months ended June 30, 2023, representing a decrease of RMB20.8 million from RMB218.9 million for the six months ended June 30, 2022, primarily due to the decrease in milestone fee and third party contracting costs and the decrease in employee costs.

- **Administrative and selling and marketing expenses** excluding the share-based payment expenses were RMB183.1 million for the six months ended June 30, 2023, representing a decrease of RMB41.3 million from RMB224.4 million for the six months ended June 30, 2022, primarily attributable to the decrease in employee costs and professional fees.

- **Loss for the period** excluding the share-based payment expenses was RMB183.0 million for the six months ended June 30, 2023, representing a decrease of RMB74.1 million, or 29%, from RMB257.1 million for the six months ended June 30, 2022, primarily attributable to the decrease in research and development expenses and the decrease in employee costs.

BUSINESS HIGHLIGHTS

The first half of 2023 has been a fruitful period for CStone with milestones across our evolving pipeline and business. We have four products in market which generate recurring revenue to provide financial strength and fund further growth initiatives. For the six months ended June 30, 2023 and as of the date of this announcement, significant progress has been made with respect to our product pipeline and business operations. A shortlist of our achievements over this period includes:

– RMB261.5 million in total revenue which is composed of RMB246.9 million in sales of our precision medicines and RMB14.6 million in royalty income of sugemalimab

– Two NDA approvals obtained for pralsetinib: first-line treatment of rearranged during transfection ("**RET**") fusion-positive non-small cell lung cancer ("**NSCLC**") in mainland China which leads to a broader coverage of pralsetinib in both first-line and second-line NSCLC; and RET fusion-positive NSCLC, RET-mutant medullary thyroid cancer ("**MTC**") & RET fusion-positive thyroid cancer ("**TC**") in Taiwan, China

– Five NDAs currently under review: sugemalimab for relapsed or refractory ("**R/R**") extranodal natural killer/T-cell lymphoma ("**ENKTL**") in mainland China, sugemalimab for first-line stage IV NSCLC in the United Kingdom ("**U.K.**"), sugemalimab for first-line stage IV NSCLC in the European Union ("**E.U.**"), sugemalimab for first-line gastric adenocarcinoma/gastroesophageal junction adenocarcinoma ("**GC/GEJ**") in mainland China, sugemalimab for first-line esophageal squamous cell carcinoma ("**ESCC**") in mainland China. The Good Clinical Practice ("**GCP**") inspection notification from the European Medicines Agency (the "**EMA**") for first-line stage IV NSCLC has been received

– Global multi-regional clinical trial of CS5001 making rapid progress: the first-in-human ("**FIH**") global study of CS5001, a receptor tyrosine kinase-like orphan receptor 1 ("**ROR1**") antibody-drug conjugate ("**ADC**"), being conducted in the United States of America ("**U.S.**") and Australia, and has now expanded to include China, further accelerating the development of this product; dose finding phase I clinical trial has completed safety evaluation of several dose levels, with results indicating good safety and tolerability

– Other key clinical programs proceeding smoothly: patient recruitment completed in the pivotal study of lorlatinib for c-ros oncogene 1 ("**ROS1**")-positive advanced NSCLC in mainland China and clinical trial progressing steadily for global phase III trial of nofazinlimab in combination with LENVIMA® (lenvatinib) in first-line advanced hepatocellular carcinoma ("**HCC**")

– Six data presentations/publications at/on global academic conferences/top-tier medical journals, such as the ESMO World Congress on Gastrointestinal Cancer ("**ESMO GI Congress**"), *Journal of Clinical Oncology, Nature Cancer*, etc.

– Over ten discovery projects in progress, including multi-specifics, antibody drug conjugates, and a proprietary cell penetrating therapeutic ("**CPT**") platform for drugging intractable intracellular targets; *in vitro* proof-of-concept ("**PoC**") for CPT with three therapeutic modalities has been achieved

– The application of technology transfer for avapritinib is under review by the Center for Drug Evaluation ("**CDE**") of the National Medical Products Administration ("**NMPA**"). The technology transfer for pralsetinib is proceeding smoothly, and a bio-equivalence ("**BE**") study has been initiated

I. New Indication Launches and Continued Robust Commercial Efforts

Highlights and details on our commercial activities as of the date of this announcement are as follows:

- ***Steady and continued ramp up in product sales***

  We generated overall net sales of RMB246.9 million in the first half of 2023 on the basis of steady growth in the total product sales of GAVRETO® (pralsetinib), AYVAKIT® (avapritinib) and TIBSOVO® (ivosidenib).

- ***Achieved successful launches of new indications***

  We expanded the indications for our in-market products and positioned them to become meaningful future contributors to our revenue.

  – GAVRETO® (pralsetinib): The indication for the first-line treatment of patients with locally advanced or metastatic RET fusion-positive NSCLC was launched in mainland China.

  – GAVRETO® (pralsetinib): The indications for the treatment of patients with RET fusion-positive locally advanced or metastatic NSCLC, and advanced or metastatic RET-mutant MTC and RET fusion-positive TC were launched in Taiwan, China.

- ***Expansion of sales force coverage in key markets for prescriptions of precision drugs***

  We have specifically focused our efforts on ensuring dedicated sales force coverage and successfully expanded our coverage to approximately 850 hospitals in over 180 cities as of the date of this announcement, up from 800 in 2022, accounting for approximately 75-80% of the relevant market for precision medicines where we believe we can maximize the return on our sales efforts.

- ***Formed a precision diagnostics ecosystem with key stakeholders to facilitate patient identification***

  – We have signed collaboration agreements with top gene sequencing companies to further improve the testing rate for RET mutation in NSCLC/TC, platelet-derived growth factor receptor alpha ("**PDGFRA**") exon 18 mutation in gastrointestinal stromal tumor ("**GIST**") and isocitrate dehydrogenase 1 ("**IDH1**") mutation in acute myeloid leukemia ("**AML**"). We also established Lung Cancer Precision Alliance ("**LCPA**") with top pharmaceutical companies including BeiGene & Merck, which is the industry's first alliance focusing on rare targets in the NSCLC field, in order to maximize the RET testing rate in broader market.

  – We have strengthened partnership with National Pathology Quality Control Center ("**PQCC**") to standardize testing process and improve testing accuracy, with number of participating hospitals continuously improving.

  – We have continued to provide support to NSCLC/MTC patients for RET mutation testing and to AML patients for IDH1 mutation testing, covering approximately 1,200 patients since the program was launched.

- ***Established broad industry and academic awareness of our brand and scientific leadership***

  – GAVRETO® (pralsetinib), AYVAKIT® (avapritinib) and TIBSOVO® (ivosidenib) were included in 21 of China's national guidelines for testing and treatment in multiple therapeutic areas, such as NSCLC, TC, GIST, SM, and AML, etc. In particular, the 2023 CSCO NSCLC guideline, the 2022 CSCO GIST Guidelines, the 2022 Chinese Guideline for Diagnosis and Treatment of Systemic Mastocytosis in Adults, and the 2022 China Anti Cancer Association ("**CACA**") Hematological Oncology Guideline, etc.

  – We are in close collaboration with several industry associations – Chinese Society of Clinical Oncology ("**CSCO**"), CACA, Chinese Medical Association, Chinese Medical Doctor Association, etc., – on diagnosis and treatment standardization projects for GIST, NSCLC, MTC and hematological malignancies, further strengthening our industry connections and demonstrating our expertise.

– We initiated or supported investigators in post-approval clinical projects, such as investigator-initiated trials ("**IIT**") and real-world studies ("**RWS**"), to generate additional data in multiple cancer indications. For example, a multi-centered RWS evaluated the safety and efficacy of AYVAKIT® (avapritinib) in Chinese patients with GIST; another IIT aims to study the efficacy and safety profile of AYVAKIT® (avapritinib) for the treatment of R/R AML with KIT D816 or N822 mutations.

- ***Developing a range of approaches to promote accessibility and affordability of our drugs***

  – We have updated our pricing strategy for our in-market products. Specifically, the patient assistance program ("**PAP**") scheme for GAVRETO® (pralsetinib) was updated to lower the barrier for some patients with low affordability and improve price competitiveness. We also launched a new PAP for AYVAKIT® (avapritinib) to support the long-term treatment for GIST patients. We adjusted the PAP scheme for TIBSOVO® (ivosidenib) to increase affordability and duration of treatment ("**DOT**").

  – We secured inclusion of AYVAKIT® (avapritinib), GAVRETO® (pralsetinib) and TIBSOVO® (ivosidenib) in 138 of the major commercial and government insurance programs in all major areas such as Beijing, Shanghai, Guangdong, Zhejiang, and Shandong, etc., covering a population of approximately 100 million.

  – We continued strategic collaboration with Sinopharm Group Co., Ltd ("**Sinopharm**") and formed a new partnership with Shanghai Pharmaceuticals Holding Co., Ltd ("**SPH**") to broaden hospital and pharmacy distribution coverage for GAVRETO® (pralsetinib), AYVAKIT® (avapritinib) and TIBSOVO® (ivosidenib). As of the date of this announcement, AYVAKIT® (avapritinib), GAVRETO® (pralsetinib) and TIBSOVO® (ivosidenib) have been listed in approximately 300 hospitals and direct-to-patient pharmacies ("**DTPs**"), up from approximately 220 in 2022.

- ***Continued patient education and support to improve retention and DOT***

  We made continuous efforts in patient support via online patient communities and offline education sessions to improve patient retention and DOT. As of the date of this announcement, our online platform has over 8,000 subscribers and has published over 330 patient stories since launch. Moreover we have held approximately 200 patient education sessions, covering 20,000 potential patients.

- ***Collaborating with Pfizer on the commercialization of sugemalimab in China***

  – We are closely collaborating with our partner Pfizer on the commercialization of sugemalimab in mainland China.

  – In 2023, sugemalimab as a treatment of stage III NSCLC has been upgraded to a Level 1 recommendation in the 2023 CSCO NSCLC guideline and the 2023 CSCO Immunotherapy guideline. In addition, sugemalimab has been included in the 2023 clinical practice guideline for stage IV primary lung cancer in China.

II. Clinical Advancements across an Evolving Pipeline

Details are as follows:

- **Sugemalimab** (CS1001, PD-L1 antibody), new indications under review and expanding to Europe and the U.K.

  – Stage IV NSCLC:

  - For the markets outside of Greater China, the marketing authorization application ("**MAA**") for stage IV NSCLC indication is under review by the regulatory agencies in multiple countries and regions. In February 2023 and December 2022, the MAA filing for sugemalimab in combination with chemotherapy as the first-line treatment for patients with metastatic NSCLC was accepted by the EMA in the E.U. and the Medicines and Healthcare products Regulatory Agency ("**MHRA**") in the U.K. respectively. Currently, this indication is under review by both parties. In July 2023, we received the GCP inspection notification from EMA for this indication in the E.U.

  - In June 2023, we announced that the results of Overall Survival ("**OS**") interim analysis in the registrational GEMSTONE-302 study in patients with stage IV NSCLC were published in a world-renowned oncology journal – *Nature Cancer*.

  – GC/GEJ:

  - In February 2023, we received the NDA acceptance from the NMPA for the first-line treatment of patients with locally advanced or metastatic GC/GEJ.

  – ESCC:

  - In April 2023, we received the NDA acceptance from the NMPA for the first-line treatment of patients with unresectable locally advanced, recurrent, or metastatic ESCC.

  - In January 2023, we announced that the GEMSTONE-304 study for the first-line treatment of unresectable locally advanced, recurrent, or metastatic ESCC has met its primary endpoints. Sugemalimab in combination with chemotherapy demonstrated a statistically significant and clinically meaningful improvement in progression-free survival ("**PFS**") and OS compared with placebo in combination with chemotherapy. We presented the detailed results at the ESMO GI Congress in June 2023.

– **R/R ENKTL:**

  • In March 2023, we announced that the results of the registrational GEMSTONE-201 study in patients with R/R ENKTL were published in a top-tier oncology journal – *Journal of Clinical Oncology*.

• **Pralsetinib** (CS3009, RET inhibitor)

– In January 2023, we received the NDA approval from the Taiwan Food and Drug Administration ("**TFDA**") for the treatment of patients with RET fusion-positive locally advanced or metastatic NSCLC, and advanced or metastatic RET-mutant MTC and RET fusion-positive TC.

– In June 2023, we received the NDA approval from the NMPA for the first-line treatment of patients with RET fusion-positive locally advanced or metastatic NSCLC who have not been previously treated with systemic therapy.

– In June 2023, we published updated results from the phase I/II ARROW trial in Chinese patients with RET fusion-positive NSCLC in *Cancer*.

• **CS5001** (LCB71, ROR1 ADC)

– The global FIH study of this potential best-in-class ("**BIC**") ROR1 ADC has shown swift recruitment to the dose-escalation part in the U.S. and Australia with good safety and tolerability demonstrated. This multi-regional clinical trial has now expanded to include China, further accelerating the development of this product. As one of the most advanced ROR1 ADCs in clinical development, CS5001 has therapeutic potential for various hematological and solid malignancies.

– CS5001 has many distinctive features, including proprietary site-specific conjugation, tumor-cleavable linker, and prodrug technology. CS5001 demonstrated a BIC potential in mantle cell lymphoma and triple negative breast cancer xenograft models compared to a benchmark ROR1 ADC. In addition, CS5001 demonstrated a bystander effect in *in vitro* co-culture systems, suggesting that solid tumors with heterogeneous/low expression of ROR1 may also benefit. In March 2023, we presented the translational data of CS5001 in an oral session at the 13th world ADC London conference ("**World ADC London**").

– In addition, we have identified a promising candidate ROR1 antibody clone for immuno-histochemistry ("**IHC**") to enable biomarker-driven patient selection based on tumor ROR1 expression, supporting precision medicine efforts in the future.

- **Ivosidenib** (CS3010, IDH1 inhibitor)

  – In January 2023, we completed the China bridging study of ivosidenib in R/R AML patients.

  – In May 2023, we reached alignment with CDE on the regulatory pathway toward full approval of ivosidenib as a treatment for R/R AML, and application dossiers are currently under preparation.

- **Avapritinib** (CS3007, KIT/PDGFRA inhibitor)

  – In May 2023, our partner, Blueprint Medicines Corporation ("**Blueprint Medicines**"), received NDA approval from the U.S. Food and Drug Administration ("**FDA**") for the treatment of adults with indolent systemic mastocytosis.

  – In June 2023, we presented new data of avapritinib in patients with advanced GIST at the American Society of Clinical Oncology ("**ASCO**") Annual Meeting 2023.

- **Lorlatinib** (ALK/ROS-1 inhibitor)

  – We are working with Pfizer to jointly develop lorlatinib in Greater China and conducting a pivotal study in patients with ROS1-positive advanced NSCLC. In June 2023, we completed the patient enrollment for this study.

III. Building out Research Pipeline Leveraging Multiple Sources of Innovation

Precision medicines and immuno-oncology combinations remain our strategic focus. ADCs which deliver cytotoxic agents to tumors with precision, and multi-specific biologics which can create new biology and combinations represent two near-term modalities for early development.

We have made significant progress in the first half of 2023 with several initiatives:

- **First-in-Class ("FIC") ADCs:** Two FIC ADC programs are progressing toward preclinical candidate ("**PCC**") nomination, including one where a novel tumor-associated antigen which is expressed in multiple large tumor indications was identified using an in-house machine-learning bioinformatic algorithm. Candidate antibodies have been selected, and the conjugated lead molecules have demonstrated encouraging *in vitro* potency and *in vivo* efficacy. Investigational new drug applications ("**INDs**") are expected to be filed in 2024 or 2025.

- **I/O multi-specifics:** CS2009, which is a tri-specific molecule against PD-1, VEGF plus another I/O target, is under cell line development. IND is expected to be filed in 2024. Additionally, two other I/O multi-specific programs are progressing through IND-enabling and PCC selection phases, respectively.

- **Cell penetrating therapeutic platform:** Numerous well-known oncology targets are intracellular proteins deemed undruggable by current therapeutic approaches. We are developing a proprietary CPT platform against these otherwise intractable targets. Significant progress has been made in the development of this platform with broad therapeutic potential for oncology and beyond. We have obtained *in vitro* PoC using this platform for three treatment modalities thus far and observed drug-like *in vivo* pharmacokinetics as well as tumor bio-distribution.

IV. Strategic Relationships Advance Commercialization Activities and Pipeline Development

We continue to grow and deepen relationships with key global strategic partners to expand commercialization of our in-market and late-stage drugs, bolster our early-stage pipeline of potential FIC/BIC molecules, and access technologies that complement our research and development efforts.

On February 22, 2023, Blueprint Medicines announced that they will regain global commercialization and development rights to pralsetinib from Roche, excluding Greater China. The transition is scheduled to be completed in February 2024, and Blueprint Medicines has initiated a process to re-partner pralsetinib outside of Greater China. We are currently working together with Roche and Blueprint Medicines to take necessary steps to ensure continuity of supply of pralsetinib for patients in Greater China.

Under our partnership with Jiangsu Hengrui Pharmaceuticals Co., Ltd. ("**Hengrui**") for anti-CTLA-4 mAb (CS1002), a phase Ib/II trial of CS1002 combination therapy for the treatment of advanced solid tumors including HCC and NSCLC is being conducted by Hengrui.

We regained rights for the development and commercialization of sugemalimab and nofazinlimab outside of Greater China, with the termination of the License Agreement for sugemalimab and nofazinlimab between CStone and EQRx on May 9, 2023. The transition has been completed in August 2023. Currently, we are leading the regulatory process for sugemalimab MAA reviews by the EMA and the U.K. MHRA. The termination of this License Agreement will not affect the upfront and milestone payments previously received from EQRx. We are currently exploring potential partnership opportunities for both sugemalimab and nofazinlimab outside of Greater China.

V. Other Business Updates

Manufacturing. We are also in the process of technology transfer for multiple imported products which is expected to reduce costs and improve long-term profitability of our products. Specifically, the application relating to technology transfer for avapritinib is under review by the CDE. At the same time, the technology transfer for pralsetinib is proceeding smoothly, and a BE study has been initiated.

FUTURE AND OUTLOOK

We are working to bring a number of significant clinical and commercial developments to fruition that will be catalysts for our growth in the next twelve months.

A detailed breakdown of expected developments for the next twelve months is set forth as below.

Commercial Developments

Our commercial team is working rapidly to expand the addressable market for our products and maximize their commercial potential with a focus on the following:

- Improving market coverage by maximizing deployment effectiveness and leveraging digital platform
- Improving diagnosis rate and accuracy via deep collaboration with diagnostic companies, industry associations (e.g. PQCC), patient platforms and big data companies
- Strengthening branding and scientific leadership by leveraging the inclusion of guidelines, holding academic activities, and conducting post-approval clinical projects with focus on differentiation in clinical and safety profile
- Strengthening accessibility with continued efforts in hospitals and DTPs listing
- Improving affordability through pricing strategy optimization and commercial insurance/ innovative payment plans
- Enhancing patient education and support through patient community engagement, education sessions and follow-ups leveraging digital platform

Research & Development

NDA approvals expected:

- Sugemalimab: NDA approval for R/R ENKTL in mainland China by the end of 2023
- Sugemalimab: MAA approval for the first-line treatment in stage IV NSCLC in the E.U. in the first half of 2024
- Sugemalimab: MAA approval for the first-line treatment in stage IV NSCLC in the U.K. in the first half of 2024
- Sugemalimab: NDA approval for the first-line treatment in advanced GC/GEJ in mainland China in late 2023 or the first half of 2024
- Sugemalimab: NDA approval for the first-line treatment in advanced ESCC in mainland China in late 2023 or the first half of 2024

NDA filing expected:

- Lorlatinib: supplemental NDA filing in mainland China for ROS1-positive advanced NSCLC in 2024

Topline readouts expected:

- Sugemalimab: topline readout of the pre-specified OS final analysis in the GEMSTONE-303 study of sugemalimab in combination with chemotherapy for the first-line treatment of patients with advanced GC/GEJ in the third quarter of 2023

- Nofazinlimab: topline readout of the global phase III trial of nofazinlimab in combination with LENVIMA® (lenvatinib) for the first-line treatment of patients with advanced HCC in the first quarter of 2024

Early clinical programs:

- CS5001: update on clinical safety and efficacy by the end of 2023 and conference presentation in the first half of 2024

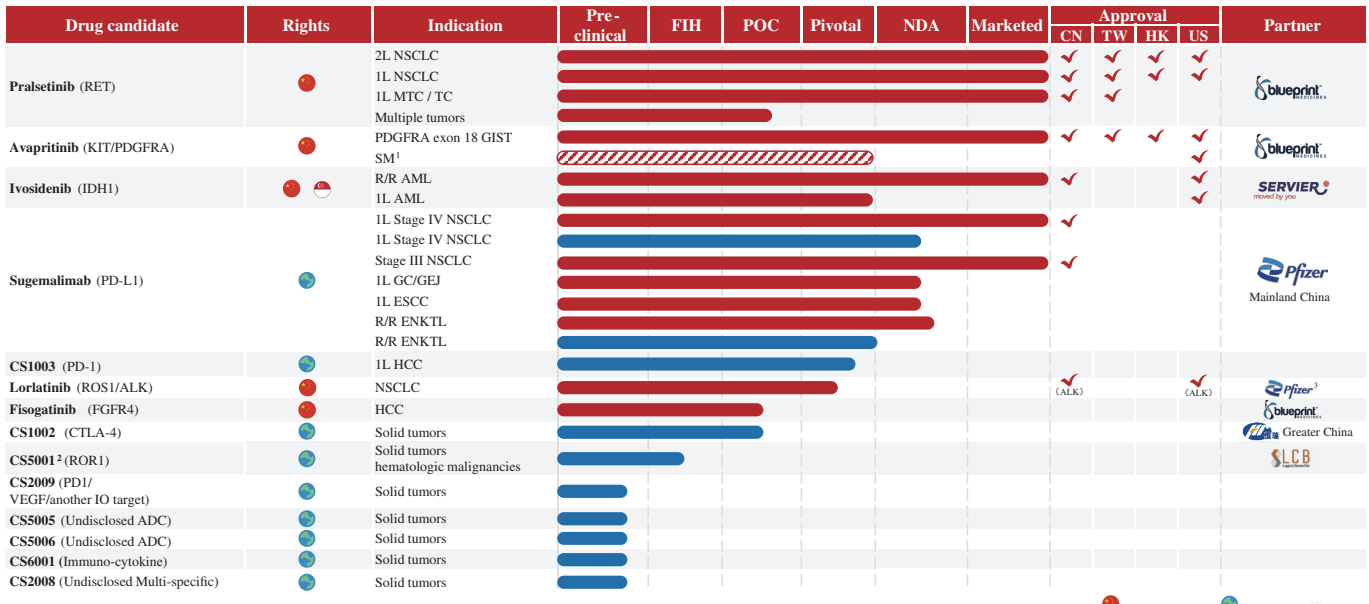
OUR VISION

Our vision is to become a world-renowned biopharmaceutical company leading the way to conquering cancer.

OVERVIEW

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 China and worldwide. Established in 2015, CStone has assembled a management team with extensive experience in innovative drug development, clinical research, and commercialization. The Company has built an oncology-focused pipeline of 14 drug candidates with a strategic emphasis on precision medicines and immuno-oncology combination therapies. Currently, CStone has received eleven NDA approvals for four drugs. For details of any of the foregoing, please refer to the rest of this announcement and, where applicable, the prospectus of the Company and prior announcements published on the websites of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Company.

Product Pipeline



Note: Assets status denotes progress in the region(s) noted in the column titled "Rights"; CN = Mainland China, TW = Taiwan, China, HK = Hong Kong SAR, China, US = United States, FIH = First in Human, POC = Proof of Concept, NSCLC = Non-small Cell Lung Cancer, MTC = Medullary Thyroid Cancer, TC = Thyroid Cancer, GIST = Gastrointestinal Stromal Tumor, SM = Systemic Mastocytosis, GC/GEJ = Gastric Adenocarcinoma/Gastroesophageal Junction Adenocarcinoma, ESCC = Esophageal Squamous Cell Carcinoma, R/R = Relapsed or Refractory, NKTL = Natural KILLER/T Cell Lymphoma, AML= Acute Myeloid Leukemia, HCC = Hepatocellular Carcinoma

1. POC was conducted in the U.S. and no clinical trials have been conducted in China; 2.CStone obtains the exclusive global right to lead development and commercialization of LCB71/CS5001 outside the Republic of Korea; 3. Co-development in Greater China

BUSINESS REVIEW

Commercial Operations

Marching into the third year since we launched our first product, we are committed to establishing leadership in precision medicine and to benefiting more patients.

Our commercial team's efforts have enhanced the accessibility and affordability of our products on the market to bolster sales. They have continued a proactive engagement program to broaden and deepen ties to the healthcare community and critical stakeholder groups as part of preparations for launching and commercialization of our drug candidates. Our commercial team has established coverage of over 850 hospitals across more than 180 cities, building coverage of hospitals that account for approximately 75-80% of the relevant market of precision medicines. They also successfully secured the inclusion of our drugs in major commercial and government-administered insurance plans as part of an effort to broaden patient access to our drugs by making them more affordable. As a result of these efforts, we achieved steady growth in sales of AYVAKIT® (avapritinib), GAVRETO® (pralsetinib) and TIBSOVO® (ivosidenib), generating a combined net sales of RMB246.9 million in the first half of 2023.

Our partnerships with pharmaceutical and biotech companies are cornerstones of our near-term commercial plans as well as our global aspirations. Through our successful collaboration with Pfizer, we are demonstrating the merits of our unique clinical development capabilities, and our attractiveness to multinational players who may potentially partner with us.

Details on our full commercial efforts are set out below:

- ***GAVRETO® (pralsetinib)***

  – GAVRETO® (pralsetinib), a FIC RET inhibitor in China, has been approved by the NMPA for the first-line treatment of adults with locally advanced or metastatic RET fusion-positive NSCLC, and the treatment of 1) adults with locally advanced or metastatic RET fusion-positive NSCLC previously treated with platinum-based chemotherapy; and 2) patients with advanced or metastatic RET-mutant MTC and RET fusion-positive TC. In addition, it has been approved by the Department of Health of the Government of Hong Kong ("**HK DoH**") for the treatment of patients with RET fusion-positive locally advanced or metastatic NSCLC and has been approved by the TFDA for the treatment of adult patients with locally advanced or metastatic RET fusion-positive NSCLC, advanced or metastatic RET-mutant MTC, and RET fusion-positive TC.

  – We ramped up our efforts to establish scientific and academic leadership for GAVRETO® (pralsetinib). During the Reporting Period, GAVRETO® (pralsetinib) was recommended by the newly updated 2023 CSCO NSCLC Guidelines, which recommended RET mutation gene testing and GAVRETO® (pralsetinib) in the treatment of RET positive NSCLC patients.

  – The inclusion in national guidelines, such as the 2023 CSCO NSCLC Guidelines, has increased pathologists' and clinicians' awareness on RET testing in NSCLC and TC to maximize the pool of patients identified. These efforts have contributed to a RET testing rate of more than 80% at the top 200 hospitals in China.

– In addition, we further strengthened the brand and share of voice for GAVRETO® (pralsetinib) by successfully holding NSCLC RET Precision Forum.

– We continued to improve the accessibility and affordability of GAVRETO® (pralsetinib). As of the date of this announcement, GAVRETO® (pralsetinib) has been included in 138 commercial and government insurance programs and listed in approximately 200 hospitals and DTPs. The PAP scheme for GAVRETO® (pralsetinib) was updated in May 2023 to support the long-term treatment of the patients.

• ***AYVAKIT® (avapritinib)***

– AYVAKIT® (avapritinib), a FIC KIT/PDGFRA inhibitor, has been approved by the NMPA for the treatment of adults with unresectable or metastatic GIST harboring a PDGFRA exon 18 mutation, including PDGFRA D842V mutations. AYVAKIT® (avapritinib) has also been approved by the TFDA and the HK DoH for the treatment of patients with unresectable or metastatic PDGFRA D842V mutant GIST.

– AYVAKIT® (avapritinib) is recommended by several authoritative guidelines. During the Reporting Period, AYVAKIT® (avapritinib) was recommended by the newly updated 2022 CSCO GIST guideline and the 2022 Chinese Guideline for Diagnosis and Treatment of Systemic Mastocytosis in Adults.

– We further improved awareness and accessibility of testing for PDGFRA exon 18 mutation in GIST through continuous collaborations with top diagnostics companies, PQCC and peers. The testing rate of PDGFRA exon 18 in GIST has been improved to 80% at the top 100 hospitals.

– We collaborated with the Chinese Medical Doctor Association, the Chinese College of Surgeons and the CSCO Experts Committee on GIST to help shape the paradigm of precision medicine and the ability to diagnose and treat GIST patients.

– Moreover, we continued to improve the product perception to further strengthen AYVAKIT® (avapritinib)'s leading position in GIST patients.

– We continued to improve the accessibility and affordability of AYVAKIT® (avapritinib). As of the date of this announcement, AYVAKIT® (avapritinib) has been included in 108 commercial and government insurance programs and listed in approximately 80 hospitals and DTPs. We launched the new PAP program in February 2023 to support long-term treatment for GIST patients.

• ***TIBSOVO® (ivosidenib)***

– TIBSOVO® (ivosidenib), a FIC IDH1 inhibitor, has been approved by the NMPA for the treatment of adult patients with R/R AML who have an IDH1 mutation.

– Ivosidenib is recommended by six authoritative guidelines, and it has become the first choice for treatment of AML with IDH1 mutation.

– We have formed collaborations with top diagnostics companies in hematology, such as Kinstar Global, on awareness and quality of testing for IDH1 mutation in AML. We also launched testing support programs for IDH1 mutation patients. IDH1 testing has become a standard process in the hematology departments of our covered hospitals, and the testing rate has reached 80% at the top 200 hospitals.

– We have made significant progress in improving the accessibility and affordability of TIBSOVO® (ivosidenib) since it was launched. As of the date of this announcement, TIBSOVO® (ivosidenib) has been included in 97 commercial and government insurance programs and listed in approximately 80 hospitals and DTPs. In June 2023, we adjusted the PAP scheme for TIBSOVO® (ivosidenib) to increase affordability and extend DOT.

- ***Sugemalimab***

  – We continued to work closely with Pfizer to support the commercialization of sugemalimab in mainland China.

  – In 2023, sugemalimab as a treatment for stage III NSCLC has been upgraded to a Level 1 recommendation in the 2023 CSCO NSCLC guideline and the 2023 CSCO Immunotherapy guideline. In addition, sugemalimab has also been included in the 2023 clinical practice guideline for stage IV primary lung cancer in China.

Clinical Development

As of the date of this announcement, we have made significant progress with respect to our product pipeline.

Pralsetinib (CS3009, RET inhibitor)

- In January 2023, we received the NDA approval from the TFDA for the treatment of patients with RET fusion-positive locally advanced or metastatic NSCLC, and advanced or metastatic RET-mutant MTC and RET fusion-positive TC.

- In June 2023, we received the NDA approval from the NMPA for the first-line treatment of patients with RET fusion-positive locally advanced or metastatic NSCLC who have not been previously treated with systemic therapy.

- In June 2023, we published updated results from the phase I/II ARROW trial in Chinese patients with RET fusion-positive NSCLC in *Cancer*. The data showed durable and long-term clinical benefits of pralsetinib in both treatment-naïve and previously treated Chinese patients with advanced RET fusion-positive NSCLC, and a generally well-tolerated safety profile.

Avapritinib (CS3007, KIT/PDGFRA inhibitor)

- In June 2023, we presented new data of avapritinib in patients with advanced gastrointestinal stromal tumor at ASCO 2023. These results showed robust antitumor activity of avapritinib in patients with KIT activation loop-positive, ATP binding pocket-negative GIST versus patients whose tumors harbored other KIT mutational profiles.

- In May 2023, our partner, Blueprint Medicines, received NDA approval from the FDA for the treatment of adults with indolent systemic mastocytosis in the U.S.

Ivosidenib (CS3010, IDH1 inhibitor)

- In January 2023, we completed the China bridging study of ivosidenib in R/R AML patients.

- In May 2023, we reached alignment with the CDE on the regulatory pathway toward full approval of ivosidenib as a treatment for R/R AML, and application dossiers are currently under preparation.

Sugemalimab (CS1001, PD-L1 antibody)

- Sugemalimab is an investigational monoclonal antibody directed against PD-L1 that has been approved by the NMPA in China for both stage III and stage IV NSCLC patients. As a fully-human, full-length anti-PD-L1 monoclonal antibody, sugemalimab mirrors the natural G-type IgG4 human antibody, which may potentially reduce the risk of immunogenicity and toxicity in patients, a potential unique advantage and differentiation factor compared to similar drugs. As of the date of this announcement, we have succeeded in five registrational trials for sugemalimab, including one phase II registrational study for lymphoma and four phase III registrational studies in stage IV NSCLC, stage III NSCLC, gastric cancer, and esophageal cancer, respectively.

- **Stage IV NSCLC:**

  – For the markets outside of Greater China, the MAA for stage IV NSCLC indication is under review by the regulatory agencies in multiple countries and regions. In February 2023 and December 2022, the MAA filing for sugemalimab in combination with chemotherapy as the first-line treatment for patients with metastatic NSCLC was accepted by the EMA and the MHRA in the E.U. and the U.K., respectively. Currently, this indication is under review by both parties. In July 2023, we received the GCP inspection notification from the EMA for this indication in the E.U.

  – In June 2023, we announced that the results of OS interim analysis in the registrational GEMSTONE-302 study in patients with stage IV NSCLC were published in a world-renowned oncology journal – Nature Cancer.

- **GC/GEJ:**

  – In February 2023, we received the NDA acceptance from the NMPA for the first-line treatment of patients with locally advanced or metastatic GC/GEJ.

Trademarks

Blueprint Medicines, AYVAKIT, GAVRETO and associated logos are trademarks of Blueprint Medicines Corporation.

- **ESCC:**

  – In April 2023, we received the NDA acceptance from the NMPA for the first-line treatment of patients with unresectable locally advanced, recurrent, or metastatic ESCC.

  – In January 2023, we announced that the GEMSTONE-304 study for the first-line treatment of unresectable locally advanced, recurrent, or metastatic ESCC has met its primary endpoints. Sugemalimab in combination with chemotherapy demonstrated a statistically significant and clinically meaningful improvement in PFS and OS compared with placebo in combination with chemotherapy. We presented the detailed results at ESMO GI Congress in June 2023.

- **R/R ENKTL:**

  – In March 2023, we announced that the results of the registrational GEMSTONE-201 study in patients with R/R ENKTL were published in a top-tier oncology journal – Journal of Clinical Oncology.

CAUTIONARY STATEMENT REQUIRED BY RULE 18A.05 OF THE LISTING RULES: WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET SUGEMALIMAB, OR ANY OF OUR PIPELINE PRODUCTS, SUCCESSFULLY.

CS5001 (LCB71, ROR1 ADC)

- The global FIH study of this potential BIC ROR1 ADC has shown swift recruitment to the dose-escalation part in the U.S. and Australia with good safety and tolerability demonstrated. This multi-regional clinical trial has now expanded to include China, with the first patient dosed in April 2023, further expediting the development of this product. As one of the most advanced ROR1 ADCs in clinical development, CS5001 has therapeutic potential for various hematological and solid malignancies.

- CS5001 has many distinctive features, including proprietary site-specific conjugation, tumor-cleavable linker, and prodrug technology. CS5001 demonstrated a BIC potential in mantle cell lymphoma and triple negative breast cancer xenograft models compared to a benchmark ROR1 ADC. In addition, CS5001 demonstrated a bystander effect in *in vitro* co-culture systems, suggesting that solid tumors with heterogeneous/low expression of ROR1 may also benefit. In March 2023, we presented the translational data of CS5001 in an oral session at the 13th World ADC London.

- In addition, we have identified a promising candidate ROR1 antibody clone for IHC to enable biomarker-driven patient selection based on tumor ROR1 expression, supporting precision medicine efforts in the future.

Lorlatinib (ALK/ROS-1 inhibitor)

- We are working with Pfizer to jointly develop lorlatinib in Greater China and conducting a pivotal study in patients with ROS1-positive advanced NSCLC. In December 2021, we received the IND approval from NMPA. In May 2022, we enrolled the first patient in this study. This is the first pivotal trial of lorlatinib for the treatment of ROS1-positive NSCLC in the world. In June 2023, we completed the patient recruitment for this study.

Research

Precision medicines and immuno-oncology combinations remain our strategic focus. ADCs which deliver cytotoxic agents to tumors with precision, and multi-specific biologics which can create new biology and combinations represent two near-term modalities for early development.

We have made significant progress in the first half of 2023:

Two FIC ADC programs: Two FIC ADC programs are advancing toward PCC nomination. One of these programs includes the identification of a novel tumor-associated antigen which is expressed in multiple large tumor indications. This identification was achieved using an in-house machine-learning bioinformatic algorithm. Candidate antibodies have been selected, and the conjugated lead molecules exhibit promising *in vitro* potency and *in vivo* efficacy. INDs are expected in 2024 or 2025.

I/O program: CS2009, which is a tri-specific molecule against PD-1, VEGF plus another I/O target, is under cell line development. IND is expected to be filed in 2024. In addition, two other I/O multi-specific programs are progressing through the IND-enabling and PCC selection phases, respectively.

Cell penetrating therapeutic platform: Many well-known oncology targets are intracellular proteins which are considered undruggable by current therapeutic approaches. To address these otherwise intractable targets, we are developing a proprietary CPT platform. This platform has shown significant progress with broad therapeutic potential for oncology and beyond. We have obtained *in vitro* PoC for three treatment modalities while also observing drug-like *in vivo* pharmacokinetics and tumor bio-distribution.

Business Development and Strategic Partnerships

Our business development team plays a vital strategic role in the growth of our business. They will pursue partnerships to expand commercialization of our in-market and late-stage drugs, bolster our early-stage pipeline of potential FIC/BIC molecules, and access technologies that complement our research and development efforts. In addition, they are supporting the development of our existing strategic partnerships including Pfizer, Hengrui and DotBio.

As of the date of this announcement, we have made significant progress with respect to our existing partnerships.

- ***Pfizer***

  – In December 2021, we received the first approval of sugemalimab for stage IV NSCLC including both squamous and non-squamous patients. CStone and Pfizer have worked closely together to successfully launch and commercialize sugemalimab by leveraging Pfizer's leading commercial infrastructure and deep expertise in China. In May 2022, we received the second indication approval of sugemalimab for the treatment of patients with unresectable stage III NSCLC. It is the world's first anti-PD-1/PD-L1 monoclonal antibody successfully approved as a consolidation therapy to improve PFS in patients with stage III NSCLC, after concurrent or sequential platinum-based chemoradiotherapy.

– In June 2021, CStone and Pfizer jointly announced that they have selected the first late-stage oncology asset for co-development under the strategic collaboration agreement formed in 2020. The two companies initiated a pivotal clinical trial of lorlatinib for ROS1-positive advanced NSCLC. This step marks another milestone for CStone and Pfizer in their growing strategic partnership, which includes joint efforts to selectively introduce oncology therapies into the Greater China region. Additionally, it bolsters CStone's growing pipeline. In May 2022, the first patient was enrolled in the pivotal study of lorlatinib for the treatment of ROS1-positive advanced NSCLC under the joint efforts of CStone and Pfizer. In June 2023, we completed the patient enrollment for this study.

- ***Blueprint Medicines***

  – In 2022, we entered into a new partnership with Roche Pharmaceuticals Co., Ltd ("**Roche**") which became the global marketing authorization holder ("**MAH**") for pralsetinib. We acquired full manufacturing technology transfer rights to pralsetinib. Locally manufactured supply is expected to provide significant cost savings and improve CStone's overall profitability as a result. In the meantime, the global MAH will be responsible for the manufacturing and supply of pralsetinib for China before our successful technology transfer. On February 22, 2023, Blueprint Medicines announced that they will regain global commercialization and development rights to pralsetinib from Roche, excluding Greater China. The transition is scheduled to be completed in February 2024, and Blueprint Medicines has initiated a process to re-partner pralsetinib outside of Greater China. CStone is currently working together with Roche and Blueprint Medicines to take necessary steps to ensure continuity of supply of pralsetinib for patients in Greater China.

- ***Hengrui***

  – In November 2021, we established a strategic partnership with Hengrui by signing an exclusive licensing agreement on the Greater China rights to the anti-CTLA-4 mAb (CS1002). Under the terms of the agreement, CStone received an upfront payment and will be eligible for additional milestone payments up to US$200 million in addition to double-digit royalties. Hengrui obtained the exclusive rights for research, development, registration, manufacturing, and commercialization of CS1002 in Greater China. CStone retained the rights to develop and commercialize CS1002 outside of Greater China. This strategic partnership could help us to fully unlock the commercial potential of this asset. In 2022, Hengrui received the IND clearance from NMPA for a phase Ib/II trial of CS1002 combination therapy for the treatment of advanced solid tumors and has initiated two studies in HCC and NSCLC respectively. The trial is currently recruiting patients.

- ***EQRx***

  – We regained rights for the development and commercialization of sugemalimab and nofazinlimab outside of Greater China, with the termination of the License Agreement for sugemalimab and nofazinlimab between CStone and EQRx on May 9th, 2023. The transition has been completed in August 2023. Currently, we are leading the regulatory process for sugemalimab MAA reviews by the EMA and the U.K. MHRA. The termination of this License Agreement will not affect the upfront and milestone payments previously received from EQRx. We are currently exploring potential partnership opportunities for both sugemalimab and nofazinlimab outside of Greater China.

- ***DotBio***

  – In 2023, we continued our productive collaboration with DotBio, a biotech company specializing in next generation antibody therapies. Several bi and tri-specific prototype molecules are under testing with sequence handover expected in the second half of 2023.

In addition to the above, we continue to engage potential partners for multiple partnership opportunities that will accelerate our value creation, including in-licensing, out-licensing and strategic partnerships.

The Impact of the Novel Coronavirus ("COVID-19")

For the six months ended June 30, 2023 and as of the date of this announcement, the impact of COVID-19 on our commercial operations is minimal, except that the breakout of COVID in late 2022 and early 2023 has led to decline of outpatient and inpatient for oncology treatment in major hospitals nationwide. Our business has been recovering since January 2023.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2023

		For the six months ended June 30,	
		2023	2022
	NOTES	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**261,474**	261,765
Cost of revenue		**(108,037)**	(92,723)
Gross profit		**153,437**	169,042
Other income	*5*	**25,843**	5,808
Other gains and losses	*5*	**24,772**	14,314
Research and development expenses		**(186,770)**	(266,627)
Selling and marketing expenses		**(131,445)**	(146,352)
Administrative expenses		**(89,189)**	(134,818)
Finance costs		**(5,874)**	(2,936)
Loss for the period	*6*	**(209,226)**	(361,569)
Other comprehensive (expense) income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(840)**	7
Total comprehensive expense for the period		**(210,066)**	(361,562)
Loss per share			
– Basic (RMB)	*8*	**(0.17)**	(0.31)
– Diluted (RMB)		**(0.17)**	(0.31)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT JUNE 30, 2023

	NOTES	**June 30, 2023** ***RMB'000*** **(Unaudited)**	December 31, 2022 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment		**130,169**	138,379
Right-of-use assets		**49,265**	68,187
Intangible assets		**217,474**	159,699
Financial assets measured at fair value through profit or loss ("**FVTPL**")		**3,613**	3,482
Other receivables		**25,018**	21,763
		425,539	391,510
Current assets			
Account receivables	*10*	**185,867**	77,133
Deposits, prepayments and other receivables		**23,377**	105,505
Inventories		**19,576**	22,188
Time deposits with original maturity over three months		**99,151**	483,407
Cash and cash equivalents		**906,224**	558,684
		1,234,195	1,246,917
Current liabilities			
Account and other payables and accrued expenses	*11*	**723,986**	869,366
Refund liabilities		**30,281**	25,198
Bank borrowings		**9,948**	8,567
Lease liabilities		**31,888**	36,351
Deferred income		**7,000**	7,000
		803,103	946,482
Net current assets		**431,092**	300,435
Total assets less current liabilities		**856,631**	691,945

	NOTES	**June 30, 2023** ***RMB'000*** **(Unaudited)**	December 31, 2022 *RMB'000* (Audited)
Non-current liabilities			
Account payables	*11*	**75,181**	–
Bank borrowings		**163,322**	218,986
Deferred income		**–**	1,247
Lease liabilities		**14,413**	22,386
		252,916	242,619
Net assets		**603,715**	**449,326**
Capital and reserves			
Share capital		**860**	802
Treasury shares held in the trusts		**(9)**	(2)
Reserves		**602,864**	448,526
Total equity		**603,715**	**449,326**

NOTES

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since February 26, 2019.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* issued by the International Accounting Standards Board ("**IASB**") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

The Directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus we continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional/change in accounting policies resulting from application of amendments to International Financial Reporting Standards ("**IFRSs**"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2023 are the same as those presented in the Group's annual consolidated financial statements for the year ended December 31, 2022.

Amendments to IFRSs that are mandatorily effective for the current period

In the current interim period, the Group has applied the following new and amendments to IFRSs issued by the IASB, for the first time, which are mandatory effective for the Group's annual period beginning on January 1, 2023 for the preparation of the Group's condensed consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 1 and IFRS Practice statement 2	Disclosure of Accounting Polices
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two model Rules

Except as described below, the application of the other new and amendments to IFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

2.1 Impacts and changes in accounting policies on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* ("**IAS 12**") requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

As disclosed in the Group's annual consolidated financial statements for the year ended December 31, 2022, the Group previously applied the IAS 12 requirements to assets and liabilities arising from a single transaction separately and temporary differences on initial recognition on the relevant assets and liabilities were not recognised due to application of the initial recognition exemption. In accordance with the transition provision:

(i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after January 1, 2022;

(ii) the Group also, at January 1, 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

As a result of the application of amendments of IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*, the Group recognised deferred tax assets and deferred tax liabilities of RMB11,086,000 and RMB11,086,000, respectively, at the end of the immediately preceding financial year, i.e. December 31, 2022, which have been offset for the purpose of presentation in the condensed consolidated statement of financial position.

2.2 Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

In addition, the Group will apply Amendments to IAS 1 and IFRS Practice Statement 2 *Disclosure of Accounting Policies* which are mandatorily effective for the Group's annual period beginning on January 1, 2023 for the preparation of the Group's consolidated financial statements for the year ending December 31, 2023. IAS 1 is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 *Making Materiality Judgements* (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments in the current period had no material impact on the condensed consolidated financial statements but is expected to affect the disclosures of the Group's accounting policies in the Group's annual consolidated financial statements for the year ending December 31, 2023.

3. REVENUE

Disaggregation of revenue from contracts with customers

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Type of goods or services		
Sales of pharmaceutical products	**246,855**	161,400
License fee income	**–**	87,268
Royalty income	**14,619**	13,097
	261,474	261,765
Timing of revenue recognition		
A point in time	**261,474**	261,765

4. SEGMENT INFORMATION

The Group has been operating in one reportable segment, being the research and development of highly complex biopharmaceutical products, sale of pharmaceutical products and provide license of its patented intellectual property or commercialisation license to customers.

The Group's chief operating decision maker ("**CODM**") has been identified as the chief executive of the Group. For the purpose of resource allocation and performance assessment, the CODM reviews the overall results and financial position of the Group prepared based on the same accounting policies as a whole.

Geographical information

Substantially, majority of the Group's operation and non-current assets are located in the People's Republic of China (the "**PRC**"). The Group's revenue from external customers are substantially derived in the PRC based on the geographical location of the registered office of the customers during the reporting period.

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
The PRC (excluding Hong Kong and Taiwan)	**258,145**	259,884
Others	**3,329**	1,881
	261,474	261,765

5. OTHER INCOME/OTHER GAINS AND LOSSES

Other income

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Bank and other interest income	**15,387**	1,560
Government grants income	**5,825**	4,058
Income from sales of scrap materials	**4,574**	187
Others	**57**	3
	25,843	5,808

Other gains and losses

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net loss on fair value changes of financial assets measured at FVTPL	**–**	(27,310)
Net gain on fair value of money market funds	**84**	570
Net foreign exchange gains	**24,613**	41,075
Others	**75**	(21)
	24,772	14,314

6. LOSS FOR THE PERIOD

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period has been arrived at after charging (crediting) :		
Depreciation of:		
Property, plant and equipment	**2,450**	3,295
Right-of-use assets	**18,922**	16,832
Amortisation of intangible assets	**7,257**	6,123
Total depreciation and amortisation	**28,629**	26,250
Less: amounts capitalised in the cost of qualifying assets	**–**	(10,459)
Total depreciation and amortisation charged to profit or loss	**28,629**	15,791
Directors' emoluments	**40,803**	40,851
Other staff costs:		
Salaries and other allowances	**110,453**	135,440
Performance related bonus	**12,097**	39,460
Retirement benefit scheme contributions	**23,878**	28,395
Share-based payment expenses	**(11,037)**	66,508
	135,391	269,803
	176,194	310,654
Impairment losses recognised on construction in progress (included in research and development expenses)	**5,775**	–
Write-down of inventories (included in cost of revenue)	**1,791**	5,869
Cost of inventories recognised as cost of revenue	**55,169**	62,396

7. INCOME TAX EXPENSE

No income tax expense for the six months ended June 30, 2022 and 2023 as the Group had no assessable profits derived from the operating entities of the Group.

8. LOSS PER SHARE

The calculation of the basic and diluted loss per share for the period is as follows:

	For the six months ended June 30,	
	2023	2022
	(Unaudited)	(Unaudited)
Loss (RMB'000)		
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	**(209,226)**	(361,569)
Number of shares ('000)		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**1,251,793**	1,176,329

The calculation of basic and diluted loss per share for both periods has excluded the treasury shares held in trusts of the Company.

Diluted loss per share for both periods did not assume the exercise of share options awarded under the employee stock option and the vesting of unvested RSU as their inclusion would be anti-dilutive.

9. DIVIDENDS

No dividend was paid, declared, or proposed by the Company during the interim periods.

The directors of the Company have determined that no dividend will be paid in respect of the interim period.

10. ACCOUNT RECEIVABLES

The Group generally allows an average credit period of 60 days for its customers.

The following is an aged analysis of account receivables presented based on invoice dates at the end of the reporting period.

	June 30, 2023	December 31, 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 – 60 days	**101,441**	46,563
61 – 90 days	**70,812**	258
Over 90 days	**13,614**	30,312
	185,867	77,133

11. ACCOUNT AND OTHER PAYABLES AND ACCRUED EXPENSES

	June 30, 2023	December 31, 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Account payables	**342,350**	290,414
Other payables and accruals	**456,817**	578,952
	799,167	869,366
Analysed as:		
— Non-current	**75,181**	–
— Current	**723,986**	869,366
	799,167	869,366

The credit period on account payables is ranged from 0 to 90 days. The following is an ageing analysis of the Group's account payables presented based on invoice dates at the end of the reporting period.

	June 30, 2023	December 31, 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 – 30 days	**138,653**	96,629
31 – 60 days	**1,782**	22,736
61 – 90 days	**66,528**	55,073
Over 90 days	**135,387**	115,976
	342,350	290,414

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended June 30, 2023 Compared to six months ended June 30, 2022

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**261,474**	261,765
Cost of revenue	**(108,037)**	(92,723)
Gross profit	**153,437**	169,042
Other income	**25,843**	5,808
Other gains and losses	**24,772**	14,314
Research and development expenses	**(186,770)**	(266,627)
Selling and marketing expenses	**(131,445)**	(146,352)
Administrative expenses	**(89,189)**	(134,818)
Finance costs	**(5,874)**	(2,936)
Loss for the period	**(209,226)**	(361,569)
Other comprehensive (expense) income:		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**(840)**	7
Total comprehensive expense for the period	**(210,066)**	(361,562)
Non-IFRS measures:		
Adjusted loss for the period	**(183,038)**	(257,083)

Revenue. Our revenue was RMB261.5 million for the six months ended June 30, 2023, composed of RMB246.9 million in sales of pharmaceutical products (avapritinib, pralsetinib and ivosidenib) and RMB14.6 million in royalty income of sugemalimab, representing an increase of pharmaceutical products sales of RMB85.5 million, or 53%, from RMB161.4 million for the six months end June 30, 2022 and an increase of royalty income of RMB1.5 million, or 11%, from RMB13.1 million for the six months ended June 30, 2022.

Other Income. Our other income increased by RMB20.0 million from RMB5.8 million for the six months ended June 30, 2022 to RMB25.8 million for the six months ended June 30, 2023. This was primarily due to more bank and other interest income.

Other Gains and Losses. Our other gains and losses increased by RMB10.5 million from gains of RMB14.3 million for the six months ended June 30, 2022 to gains of RMB24.8 million for the six months ended June 30, 2023. This increase was primarily due to no net loss on fair value changes of financial assets measured at FVTPL for the six months ended June 30, 2023 compared to the net loss of RMB27.3 million for the six months ended June 30, 2022.

Research and Development Expenses. Our research and development expenses decreased by RMB79.8 million from RMB266.6 million for the six months ended June 30, 2022 to RMB186.8 million for the six months ended June 30, 2023. This decrease was primarily attributable to (i) a decrease of RMB81.2 million in employee cost from RMB127.7 million for the six months ended June 30, 2022 to RMB46.5 million for the six months ended June 30, 2023; (ii) a decrease of RMB15.3 million in milestone fee and third party contracting cost from RMB137.3 million for the six months ended June 30, 2022 to RMB122.0 million for the six months ended June 30, 2023 for different phases of our clinical trials; (iii) an increase of RMB16.6 million in depreciation and others.

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Milestone fee and third party contracting cost	**121,987**	137,272
Employee cost	**46,457**	127,665
Depreciation and others	**18,326**	1,690
Total	**186,770**	266,627

Administrative Expenses. Our administrative expenses decreased by RMB45.6 million from RMB134.8 million for the six months ended June 30, 2022 to RMB89.2 million for the six months ended June 30, 2023. This decrease was primarily attributable to an decrease of RMB33.4 million in employee cost from RMB95.1 million for the six months ended June 30, 2022 to RMB61.7 million for the six months ended June 30, 2023.

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee cost	**61,654**	95,143
Professional fees	**13,482**	18,089
Depreciation and amortization	**9,511**	10,573
Rental expenses	**1,492**	576
Others	**3,050**	10,437
Total	**89,189**	134,818

Selling and Marketing Expenses. Our selling and marketing expenses decreased by RMB15.0 million from RMB146.4 million for the for the six months ended June 30, 2022 to RMB131.4 million for the six months ended June 30, 2023. The decrease was primarily attributable to decrease in employee cost.

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee cost	**68,083**	87,846
Professional fees	**15,331**	20,062
Others	**48,031**	38,444
Total	**131,445**	146,352

Finance Costs. The finance costs increased by RMB3.0 million from RMB2.9 million for the six months ended June 30, 2022 to RMB5.9 million for the six months ended June 30, 2023, primarily due to increase in interests on bank borrowings.

Non-IFRS Measures

To supplement the Group's condensed consolidated financial statements, which are presented in accordance with the IFRS, the Company also uses adjusted loss for the period and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with, the IFRS. The Company believes that these adjusted measures provide useful information to shareholders and potential investors in understanding and evaluating the Group's consolidated results of operations in the same manner as they help the Company's management.

Adjusted loss for the period represents the loss for the period excluding the effect of certain non-cash items and onetime events, namely the share-based payment expenses. The term adjusted loss for the period is not defined under the IFRS. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS. The Company's presentation of such adjusted figure may not be comparable to a similarly titled measure presented by other companies. However, the Company believes that this and other non-IFRS measures are reflections of the Group's normal operating results by eliminating potential impacts of items that the management do not consider to be indicative of the Group's operating performance, and thus facilitate comparisons of operating performance from period to period and company to company to the extent applicable.

The table below sets forth a reconciliation of the loss to adjusted loss during the periods indicated:

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(209,226)**	(361,569)
Added:		
Share-based payment expenses	**26,188**	104,486
Adjusted loss for the period	**(183,038)**	(257,083)

The table below sets forth a reconciliation of the research and development expenses to adjusted research and development expenses during the periods indicated:

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Research and development expenses for the period	**(186,770)**	(266,627)
Added:		
Share-based payment expenses	**(11,377)**	47,753
Adjusted research and development expenses for the period	**(198,147)**	(218,874)

The table below sets forth a reconciliation of the administrative and selling and marketing expenses to adjusted administrative and selling and marketing expenses during the periods indicated:

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Administrative and selling and marketing expenses for the period	**(220,634)**	(281,170)
Added:		
Share-based payment expenses	**37,565**	56,733
Adjusted administrative and selling and marketing expenses for the period	**(183,069)**	(224,437)

Employees and Remuneration Policies

The following table sets forth a breakdown of our employees at June 30, 2023 by function:

Function	**Number of employees**	**% of total number of employees**
Research and Development	137	28.90
Sales, General and Administrative	337	71.10
Total	474	100.0

As of June 30, 2023, we had 199 employees in Shanghai, 49 employees in Beijing, 32 employees in Suzhou and 194 employees in other regions of the PRC and overseas. Our employees' remuneration comprises salaries, bonuses, employee provident fund and social security contributions and other welfare payments. In accordance with applicable Chinese laws, we have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees.

Liquidity and Financial Resources

The Group has always adopted a prudent treasury management policy. The Group has taken a multi-source approach to fund our operations and meet development demands for capital, including service and milestone and upfront payments from our collaboration partners, bank borrowings, investments from other third parties and proceeds from our listing on the Stock Exchange.

On February 26, 2019, 186,396,000 Shares of US$0.0001 each were issued at a price of HK$12.00 per Share in connection with the Company's IPO on the Stock Exchange. The proceeds of HK$146,294.76 representing the par value, were credited to the Company's share capital. The remaining proceeds of RMB2,090.16 million (before deduction of the expenses relating to the Company's IPO) were credited to the share premium account. The translation from US$ to HK$ is made at the exchange rate set forth in the H.10 weekly statistical release of the Federal Reserve System of the United States as of February 26, 2019.

On September 30, 2020 (before trading hours), the Company entered into the share subscription agreement with Pfizer, pursuant to which Pfizer has conditionally agreed to subscribe for an aggregate of 115,928,803 subscription shares at the subscription price of approximately HK$13.37 per Share. The gross proceeds from the allotment and issue of the subscription shares were approximately US$200.0 million (equivalent to approximately RMB1,355.9 million).

On February 15, 2023, the Company completed the placing of 84,800,000 placing shares by a placing agent to not less than six placees at the placing price of HK$4.633 per placing share, representing 6.61% 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. The Company received net proceeds from the placing, after deducting the placing commission and other related expenses and professional fees, of approximately HK$389.07 million (equivalent to approximately RMB338.12 million).

At June 30, 2023, our cash and cash equivalents and time deposits were RMB1,005.4 million, as compared to RMB1,042.1 million as of December 31, 2022. The decrease was mainly due to the payment of research and development expenses. The cash and cash equivalents were mainly denominated in RMB and USD.

Gearing Ratio

Gearing ratio is calculated using total liabilities divided by total assets and multiplied by 100%. At June 30, 2023, our gearing ratio was 63.6% (December 31, 2022: 72.6%).

Charge on Assets

At June 30, 2023, the Group did not pledge any group assets (December 31, 2022: Nil).

OTHER FINANCIAL INFORMATION

Significant Investments, Material Acquisitions and Disposals

As at June 30, 2023, we did not hold any significant investments and there had been no material acquisitions and disposals by the Group. As at the date of this announcement, we have no specific future plan for material investments or capital assets, as well as material acquisitions or disposals of subsidiaries, associates and joint ventures.

Foreign Exchange Risk

Our financial statements are expressed in RMB, but certain of our cash and cash equivalents, restricted bank deposits, time deposits, other receivables, financial assets measured at FVTPL and trade and other payables are denominated in foreign currencies, and are exposed to foreign currency risk. We currently do not have a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Bank Loans and Other Borrowings

As at June 30 2023, the Group's bank borrowings were all denominated in RMB. In 2020, the Group obtained two new bank loan facilities amounting to RMB175 million and RMB25 million, respectively, for the purpose of the construction of the facilities and working capital. In 2022, the Group obtained one new bank loan facility amounting to RMB100 million for the purpose of working capital. In 2023, the Group obtained one new bank loan facility amounting to RMB50 million for the purpose of working capital. During the six months ended June 30, 2023, the Group has drawn down RMB100,000,000 and repaid RMB154,283,000 of principal and interest in accordance with the payment schedules.

Contingent Liabilities

As of June 30, 2023, we did not have any material contingent liabilities (as of June 30, 2022: Nil).

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company was incorporated in the Cayman Islands with limited liability on December 2, 2015, and the shares of the Company (the "**Shares**") were listed on the Stock Exchange on February 26, 2019.

Compliance with the Corporate Governance Code

The Board is committed to achieving high corporate governance standards. During the Reporting Period, the Company has complied with all the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**").

We will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

Model Code for Securities Transactions by Directors of Listed Issuers

We have adopted our own code of conduct regarding Directors' securities transactions, namely the policy on management of securities transactions by directors (the "**Securities Transactions Code**"), which applies to all Directors on terms not less exacting than the required standard indicated by the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**").

Specific enquiries have been made to all the Directors and they have confirmed that they have complied with the Securities Transactions Code during the Reporting Period. The Company's employees, who are likely to be in possession of our unpublished inside information, are subject to the Model Code. No incident of non-compliance of the Model Code by the employees was noted by the Company as of the date of this announcement.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

Material Litigation

The Company was not involved in any material litigation or arbitration during the Reporting Period. The Directors are also not aware of any material litigation or claims that were pending or threatened against the Group during the Reporting Period.

Material Events after the Reporting Period

Save as disclosed in this announcement and as at the date of this announcement, there were no material events after the Reporting Period.

Use of Net Proceeds

On September 30, 2020 (before trading hours), the Company entered into the share subscription agreement with Pfizer, pursuant to which Pfizer has conditionally agreed to subscribe for an aggregate of 115,928,803 subscription shares at the subscription price of approximately HK$13.37 per Share. The gross proceeds from the allotment and issue of the subscription shares were approximately US$200.0 million (equivalent to approximately RMB1,355.9 million), which will be used for the funding of the development activities under the collaboration agreement. All the conditions of the subscription have been fulfilled and the closing of the subscription took place on October 9, 2020. The use of these proceeds is in line with the planned use and there is no significant change or delay.

The table below sets out the planned applications of the proceeds and actual usage up to June 30, 2023:

	% of use of proceeds	Proceeds from the subscription *(RMB million)*	Unutilized net proceeds as of December 31, 2022 *(RMB million)*	Actual usage during the Reporting Period *(RMB million)*	Unutilized net proceeds as of June 30, 2023 *(RMB million)*
Fund the development activities under the collaboration agreement	100%	1,355.9	534.9	125.6	409.3

Note: The unutilized net proceeds are planned to be put into use by December 31, 2023.

On February 8, 2023 (before trading hours), the Company entered into a placing agreement with Morgan Stanley Asia Limited (the "**Placing Agent**"), pursuant to which the Company agreed to place, through the Placing Agent, an aggregate of 84,800,000 placing shares to not less than six placees at a price of HK$4.633 per placing share. The net proceeds from the placing, after deducting the placing commission and other related expenses and professional fees, were approximately HK$389.07 million (equivalent to approximately RMB338.12 million). The Company intends to use the net proceeds for purposes as stated below. All the conditions of the placing were fulfilled and the closing of the placing took place on February 15, 2023. The use of these proceeds is in line with the planned use and there is no significant change or delay.

The table below sets out the planned applications of the proceeds and actual usage up to June 30, 2023:

	% of use of proceeds	Proceeds from the placing *(RMB million)*	Actual usage during the Reporting Period *(RMB million)*	Unutilized net proceeds as of June 30, 2023 *(RMB million)*
Commercialization and indication expansion of marketed products such as pralsetinib, avapritinib, and ivosidenib, as well as technology transfer to reduce drug supply cost and improve profitability	20%	67.62	58.92	8.70
Development of pipeline products including but not limited to CS5001 (a potentially best-in-class ROR1 ADC)	50%	169.06	92.95	76.11
Business development activities to enrich the company's pipeline and fully utilize the company's proven clinical capabilities	20%	67.62	13.77	53.85
General corporate purposes	10%	33.82	5.79	28.03
Total	100%	338.12	171.43	166.69

Note: The unutilized net proceeds are planned to be put into use by December 31, 2024.

Audit Committee

The Company has established an audit committee (the "**Audit Committee**") with written terms of reference in accordance with the Listing Rules. The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. Hongbin Sun (Chairman), Dr. Paul Herbert Chew and Mr. Ting Yuk Anthony Wu.

Review of Interim Results

The independent auditors of the Company, namely Deloitte Touche Tohmatsu, have carried out a review of the interim financial information in accordance with the International Standard on Review Engagement 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the International Auditing and Assurance Standards Board. The Audit Committee has jointly reviewed with the management of the Company, the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the unaudited interim results for the six months ended June 30, 2023) of the Group. The Audit Committee considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management of the Company.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2023 (2022: Nil).

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (***www.hkexnews.hk***) and the Company (***http://www.cstonepharma.com***).

The interim report for the six months ended June 30, 2023 containing all the information required by Appendix 16 to the Listing Rules will be despatched to the shareholders of company and published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

By order of the Board
CStone Pharmaceuticals
Dr. Wei Li
Chairman and Non-executive Director

Suzhou, the PRC, August 15, 2023

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, 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.