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

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2024

The board (the "**Board**") of directors (the "**Directors**") of CStone Pharmaceuticals (the "**Company**" or "**CStone**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (together, the "**Group**", "**we**" or "**us**") for the year ended December 31, 2024 (the "**Reporting Period**"), together with comparative figures for the year ended December 31, 2023. 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 annual results for the year ended December 31, 2023 dated March 27, 2024.

FINANCIAL HIGHLIGHTS

International Financial Reporting Standards ("IFRS") Measures:

- **Revenue** was RMB407.2 million for the year ended December 31, 2024, composed of RMB175.1 million in sales of pharmaceutical products (avapritinib and pralsetinib), RMB204.0 million in license fee income and RMB28.1 million in royalty income of sugemalimab, representing a year-on-year increase of RMB108.3 million, or 113.1%, in license fee which was largely offset by a decrease in revenue from sales of pharmaceutical products, such that total revenue decreased by RMB56.6 million, or 12.2%, year-on-year.

- **Research and development expenses** were RMB134.7 million for the year ended December 31, 2024, representing a decrease of RMB393.1 million from RMB527.8 million for the year ended December 31, 2023, primarily due to a decrease in milestone fee and third party contracting costs.

- **Administrative expenses** were RMB77.8 million for the year ended December 31, 2024, representing a decrease of RMB104.9 million from RMB182.7 million for the year ended December 31, 2023, primarily due to a decrease in employee costs.

- **Selling and marketing expenses** were RMB133.8 million for the year ended December 31, 2024, representing a decrease of RMB65.5 million from RMB199.3 million for the year ended December 31, 2023, primarily attributable to a decrease in employee costs and others which was partially offset by an increase in channel service fee.

- **Loss for the year** was RMB91.2 million for the year ended December 31, 2024, representing a decrease of RMB276.0 million, or 75.2%, from RMB367.2 million for the year ended December 31, 2023, primarily attributable to a substantial decrease in operating expenses.

- **Cash and cash equivalents and time deposits** were RMB672.9 million as of December 31, 2024.

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

- **Research and development expenses** excluding the share-based payment expenses were RMB124.7 million for the year ended December 31, 2024, representing a decrease of RMB410.0 million from RMB534.7 million for the year ended December 31, 2023, primarily due to a decrease in milestone fee and third party contracting costs.

- **Administrative and selling and marketing expenses** excluding the share-based payment expenses were RMB224.4 million for the year ended December 31, 2024, representing a decrease of RMB113.8 million from RMB338.2 million for the year ended December 31, 2023, primarily attributable to a decrease in employee costs.

- **Loss for the year** excluding the share-based payment expenses was RMB94.0 million for the year ended December 31, 2024, representing a decrease of RMB236.2 million, or 71.5%, from RMB330.2 million for the year ended December 31, 2023, primarily attributable to a substantial decrease in operating expenses.

BUSINESS HIGHLIGHTS

For the year ended December 31, 2024 and up until the date of this results announcement, we advanced our globalization strategy, expanded our development pipeline, and strengthened our commercial footprint through targeted partnerships. Key milestones have been achieved across regulatory approvals, clinical advancements, and strategic collaborations, reinforcing our position as a leader in innovative therapeutics.

Commercial Products

- **CEJEMLY® (sugemalimab), anti-PD-L1 antibody**

  – **Global expansion and regulatory approvals**

    CEJEMLY® secured three new drug application ("**NDA**") approvals in 2024, including its fifth indication in mainland China for first-line treatment of gastric/gastroesophageal junction adenocarcinoma ("**GC/GEJC**"). Sugemalimab also gained approvals in the European Union ("**E.U.**") and United Kingdom ("**U.K.**") for first-line treatment of stage IV non-small cell lung cancer ("**NSCLC**"), marking its entry into major international markets. We have recently completed the regulatory submission to the European Medicines Agency ("**EMA**") for the new indication application of sugemalimab in the treatment of stage III NSCLC.

  – **Strategic alliances drive global commercialization**

    - Partnered with Ewopharma AG ("**Ewopharma**") in May 2024 for commercialization in Central and Eastern Europe ("**CEE**") and Switzerland.

    - Collaborated with Pharmalink Store – L.L.C – O.P.C ("**Pharmalink**") in November 2024 to expand market access across the Middle East, North Africa ("**MENA**") Region and South Africa.

    - Entered a collaboration agreement with SteinCares ("**SteinCares**") in January 2025 for Latin America ("**LATAM**") Region.

    - Additional partnerships in Western Europe, Southeast Asia, and Canada are anticipated in 2025.

– **Robust clinical data reinforce efficacy**

  - GEMSTONE-304 Study: Final progression-free survival ("**PFS**") and interim overall survival ("**OS**") data for the first-line esophageal squamous cell carcinoma ("**ESCC**") published in *Nature Medicine* (February 2024).

  - GEMSTONE-302 Study: Four-year OS data for stage IV NSCLC presented at the 2024 Congress of European Society for Medical Oncology ("**ESMO**"), confirming sustained survival benefits.

  - GEMSTONE-303 Study: Final PFS and OS analysis for GC/GEJC with combined positive score ("**CPS**") ≥5 published in the top-tier medical journal – *Journal of the American Medical Association* (February 2025).

  - ESMO Guideline Recognition: CEJEMLY® recommended as first-line NSCLC therapy in ESMO's 2025 Non-Oncogene-Addicted Metastatic NSCLC Living Guidelines (February 2025).

• **AYVAKIT® (avapritinib), KIT/PDGFRA inhibitor**

– **Localized manufacturing in China**

The National Medical Products Administration of China ("**NMPA**") approved domestic production of AYVAKIT® tablets (300 mg and 100 mg) in June and August 2024 respectively. Full transition to localized supply is expected in 2025, improving cost efficiency.

– **NRDL inclusion enhances accessibility**

AYVAKIT® (avapritinib) has been included to China's National Reimbursement Drug List ("**NRDL**"), effective January 1, 2024 for unresectable or metastatic gastrointestinal stromal tumor ("**GIST**"), harboring the PDGFRA exon 18-mutated, including PDGFRA D842V mutations. This significantly improves AYVAKIT®'s affordability for eligible patients.

– **Commercial partnership with Hengrui**

In July 2024, we forged a new partnership with Jiangsu Hengrui Pharmaceuticals Co., Ltd. ("**Hengrui**"), granting them the exclusive promotion rights in mainland China to amplify commercial reach and profitability.

- **GAVRETO® (pralsetinib), RET inhibitor**

  – **Progress towards localized manufacturing**

  The NMPA's Center for Drug Evaluation ("**CDE**") accepted the manufacturing localization and bioequivalence ("**BE**") study application in April 2024, and regulatory review is ongoing.

  – **Sustained collaboration with Allist**

  Commercial operations has been transferred to Shanghai Allist Pharmaceuticals Co., Ltd ("**Allist**") in the first half of 2024 under an exclusive agreement signed in November 2023. Collaboration remains strong to maximize market penetration.

Clinical Stage Core Assets

- **CS5001 (ROR1 ADC)**

  – **Phase Ib clinical trial with registration potential**

  A global multicenter clinical trial of CS5001 is actively enrolling patients across the United States of America ("**U.S.**"), Australia and China. Recruitment is ongoing for monotherapy cohorts targeting aggressive and indolent advanced lymphomas with potential to be expanded into a Phase II single-arm registrational study. Additional cohorts, including CS5001 in combination with R-CHOP (Rituximab + Cyclophosphamide + Hydroxydaunorubicin + Vincristine + Prednisone) for the first-line diffuse large B-cell lymphoma ("**DLBCL**"), and CS5001 in combination with standard of cares ("**SOC**") for front-line DLBCL will be initiated to expand the therapeutic potential of CS5001 across all DLBCL stages. CS5001 is also being studied as both a monotherapy and in combination with a PD-L1 inhibitor for advanced solid tumors, underscoring its versatility across oncology indications.

  – **Compelling clinical data at ASCO & ASH 2024**

  Phase Ia data for CS5001 presented at the 2024 American Society of Clinical Oncology ("**ASCO**") Annual Meeting and the 66th American Society of Hematology ("**ASH**") Annual Meeting demonstrated that CS5001 is so far the first receptor tyrosine kinase-like orphan receptor 1 ("**ROR1**") antibody-drug conjugate ("**ADC**") known to demonstrate clinical anti-tumor activity in both solid tumors and lymphomas. Clinical data of CS5001 revealed superior efficacy and favorable safety profile as a monotherapy for both aggressive and indolent advanced lymphomas. At the tentative recommended Phase II dose ("**RP2D**") (125 μg/kg), CS5001 achieved an objective response rate ("**ORR**") of 70% in non-Hodgkin lymphoma ("**NHL**") and 100% in Hodgkin lymphoma ("**HL**"). These results support its potential as a faster-to-market candidate and a frontline combination therapy backbone.

- **CS2009 (PD-1/VEGF/CTLA-4 trispecific antibody)**

  – **Global Phase I clinical trial initiated**

  A global multicenter first-in-human ("**FIH**") trial among solid tumors has been launched in Australia in December 2024, with subsequent expansion to China and the U.S. The first patient was dosed in March 2025.

  – **Potential FIC/BIC next-generation I/O backbone**

  Preclinical data presented at the 39th Annual Meeting of the Society for Immunotherapy of Cancer ("**SITC**") highlighted its first-in-class ("**FIC**") or best-in-class ("**BIC**") potential with superior antitumor activity compared to potential competitors benchmarks, including PD-1/CTLA-4 bispecific antibody or PD-1/VEGF bispecific antibody and anti-PD-1/anti-CTLA-4 combination therapies. Unique trispecific mechanism positions CS2009 as a next-generation immuno-oncology backbone with broad applicability.

Preclinical/IND-enabling Stage Programs and ADC Platform

CStone's preclinical pipeline includes more than nine promising candidates, each with global rights and focusing on FIC/BIC profiles with broad indications. These candidates include multispecific antibodies, ADCs and radionuclide drug conjugates ("**RDC**") covering various therapeutic fields such as oncology, autoimmune diseases, and metabolic disorders. CStone is dedicated to delivering clinical value through the development of these Pipeline 2.0 candidates, which will undergo international, multi-center clinical trials to maximize their global potential.

CStone has also developed an in-house ADC technology platform featuring proprietary linkers, optimized for diverse targets and payloads. This platform supports multiple ADC products in Pipeline 2.0, including CS5007 (dual targeting epidermal growth factor receptor ("**EGFR**") and human epidermal growth factor receptor 3 ("**HER3**")), CS5005 (targeting somatostatin receptor 2 ("**SSTR2**")), CS5008 (dual targeting delta-like ligand 3 ("**DLL3**") and SSTR2) and CS5006 (targeting ITGB4).

FUTURE AND OUTLOOK

Our mission is to deliver transformative therapies through scientific excellence and technological innovation, making high-quality treatments accessible worldwide to benefit patients and their families.

As we look to the future, we reaffirm our commitment to advancing a robust and differentiated pipeline by prioritizing internal discovery capabilities and sustained R&D investments. Concurrently, we aim to maximize the global commercial potential of our approved drugs through strategic collaborations and localized manufacturing. Key growth drivers in 2025 include:

- Clinical milestones
  - Progress CS5001 (ROR1 ADC) and CS2009 (PD-1/VEGF/CTLA-4 trispecific antibody) towards pivotal trials and in parallel pursue global partnerships to expedite development.
  - Advance early-stage candidates (e.g., CS2011, CS5007, CS5005, CS5008, CS5006) into clinical stages within the next two years.
- Commercial excellence:
  - Maximize the value of approved products through strategic collaborations and manufacturing localization (e.g., AYVAKIT®, GAVRETO®) to enhance profitability and market reach.
  - Accelerate ex-China commercialization of sugemalimab via regional partnerships.
- Innovation and technology:
  - Strengthen proprietary platforms (e.g., ADC technology) to sustain pipeline growth.
  - Present key clinical data at major conferences (e.g., AACR, ESMO, ASH)

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

OUR VISION

To be a pioneer in enhancing global patient health through innovation.

OVERVIEW

CStone (HKEX: 2616), established in late 2015, is an innovation-driven biopharmaceutical company focused on the research and development of anti-cancer therapies. Dedicated to addressing patients' unmet medical needs in China and globally, the Company has made significant strides since its inception. To date, the Company has successfully launched 4 innovative drugs and secured approvals for 16 NDAs covering 9 indications. The Company's pipeline is balanced by 16 promising candidates, featuring potentially FIC or BIC ADCs, multispecific antibodies, immunotherapies and precision medicines. CStone also prides itself on a management team with comprehensive experiences and capabilities that span the entire drug development spectrum, from preclinical and translational research to clinical development, drug manufacturing, business development, and commercialization. For details of any of the foregoing, please refer to the rest of this announcement and, where applicable, the Prospectus and prior announcements published on the websites of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Company.

Product Pipeline

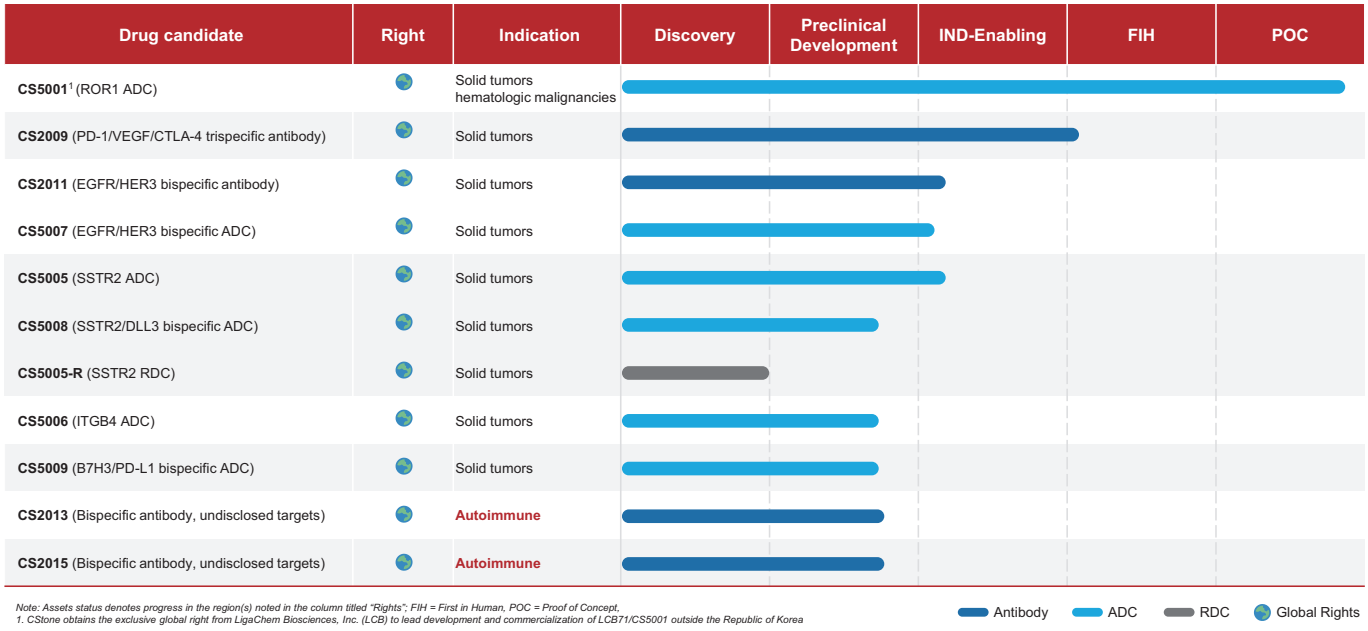
The following pipeline chart demonstrates the milestone and development status of our selected assets as of the date of this announcement:

Drug candidate	Indication	POC	Pivotal	NDA	Marketed	Approval						Partners	Partnering regions
						CN	TW	HK	US	EU	UK		
Pralsetinib (RET)	2L NSCLC					✓	✓	✓	✓			blueprint, rigel	◀ Mainland China
	1L NSCLC					✓	✓	✓	✓				
	1L MTC / TC					✓	✓ (TC)		✓ (TC)				
	Multiple tumors												
Avapritinib (KIT/PDGFRA)	PDGFRA exon 18 GIST					✓	✓	✓	✓			blueprint	◀ Mainland China
	SM[1]								✓				
Sugemalimab (PD-L1)	1L Stage IV NSCLC					✓						Pfizer	◀ Mainland China
	1L Stage IV NSCLC									✓	✓		
	Stage III NSCLC					✓						ewopharma	◀ Switzerland and Central Eastern Europe
	1L GC/GEJ					✓							
	1L ESCC					✓						PHARMALINK	◀ Middle East and Africa
	R/R ENKTL					✓						STEINCARES	◀ Latin America
	R/R ENKTL												
CS1003 (PD-1)	1L HCC											三生制药	◀ Mainland China
CS1002 (CTLA-4)	Solid tumors												◀ Greater China

Note: Assets status denotes progress in the region with rights; CN = Mainland China, TW = Taiwan, China, HK = Hong Kong SAR, China, US = United States, 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, HCC = Hepatocellular Carcinoma; RoW, Rest of World

1. POC was conducted in the U.S. and no clinical trials have been conducted in China;

Greater China Global Rights Expedited registration



Note: Assets status denotes progress in the region(s) noted in the column titled "Rights"; FIH = First in Human, POC = Proof of Concept,
1. CStone obtains the exclusive global right from LigaChem Biosciences, Inc. (LCB) to lead development and commercialization of LCB71/CS5001 outside the Republic of Korea

BUSINESS REVIEW

Commercial Products

Our partnerships with pharmaceutical and biotech companies are cornerstones of our near-term commercial plans as well as our global aspirations. In order to further improve the commercialization efficiency, we have established commercial collaborations with multiple companies during the year to leverage their strengths while enabling us to strategically focus on research and development going forward.

Details on our commercial portfolio are set out below:

- ***CEJEMLY® (sugemalimab) approved in China, E.U. and U.K., expanding global presence and commercial value***

  – Sugemalimab, developed by CStone using OmniRat® transgenic animal platform, is a fully human, full-length anti-PD-L1 immunoglobulin G4 (IgG4) monoclonal antibody, which may reduce the risk of immunogenicity and toxicity for patients and offer a unique advantage over similar drugs.

  – Approved indications in different territories.

The NMPA has approved sugemalimab for five indications:

- **Stage IV NSCLC:** In combination with chemotherapy as first-line treatment of patients with metastatic non-squamous NSCLC with no EGFR or ALK genomic tumor aberrations and metastatic squamous NSCLC;

- **Stage III NSCLC:** For patients with unresectable Stage III NSCLC whose disease has not progressed following concurrent or sequential platinum-based chemoradiotherapy;

- **NK/T-cell lymphoma:** For patients with relapsed or refractory extranodal NK/T-cell lymphoma;

- **ESCC:** In combination with fluorouracil and platinum-based chemotherapy as first-line treatment of patients with unresectable locally advanced, recurrent or metastatic ESCC; and

- **GC/GEJC:** In combination with fluoropyrimidine- and platinum-containing chemotherapy as first-line treatment for unresectable locally advanced or metastatic gastric or gastroesophageal junction (G/GEJ) adenocarcinoma with PD-L1 CPS≥5.

The European Commission ("**EC**") and the Medicines and Healthcare products Regulatory Agency ("**MHRA**") in the U.K. have approved sugemalimab (brand name: CEJEMLY®) in combination with platinum-based chemotherapy for the first-line treatment of patients with metastatic NSCLC with no sensitizing EGFR mutations, or ALK, receptor tyrosine kinase-like orphan receptor 1 ("**ROS1**") or rearrangement during transfection ("**RET**") genomic tumor aberrations. We have completed the submission to EMA for the new indication application of Stage III NSCLC. If approved, sugemalimab's dual utility in stage III and IV NSCLC could solidify its role as a cornerstone immunotherapy in lung cancer. We continue to engage with health authorities in Europe and other regions for other indications of sugemalimab.

– Commercial collaborations

In May 2024, we successfully entered a strategic commercial collaboration with Ewopharma. Under the terms of the licensing and commercialization agreement, Ewopharma will gain the commercial rights for sugemalimab in Switzerland and 18 CEE countries. CStone will receive up to US$51.3 million consisting of an upfront payment and additional considerations payable upon the achievement of certain regulatory and sales milestones. In addition, CStone will book revenues from sales of drug supply to Ewopharma and its affiliates. Ewopharma will be in charge of pricing, reimbursement, sales & marketing, and distribution, while CStone will be responsible for product supply and providing necessary training and support for the brand.

In November 2024, we entered another strategic commercial collaboration with Pharmalink, a prominent pharmaceutical company based in the United Arab Emirates ("**UAE**"). Under the license and commercialization agreement, Pharmalink will gain the commercial rights for sugemalimab in the MENA region and South Africa. CStone will receive upfront and regulatory milestone payments from Pharmalink and also be entitled to royalties on net sales of sugemalimab in the MENA region and South Africa. Pharmalink will be responsible for the regulatory activities and commercialization of sugemalimab in the abovementioned regions, while CStone will be responsible for the supply of sugemalimab.

In January 2025, we formed a strategic commercialization partnership with SteinCares for 10 LATAM countries, including Brazil, Argentina, Mexico, Chile, Colombia, Costa Rica, Panama, Peru, Guatemala and Ecuador. We will receive upfront, regulatory and commercial milestone payments, and book revenue from sales of drug supply to SteinCares and its affiliates. SteinCares will be responsible for all regulatory and commercialization activities of sugemalimab in their territory, while CStone will be responsible for product supply.

Additional partnerships are expected in regions including Western Europe, Southeast Asia and Canada, further supporting global commercialization. We continue collaboration with Pfizer to drive the commercialization of CEJEMLY® (sugemalimab) in mainland China.

– Guideline and academic recognition

  - **2024 Guidelines and Consensus:** In 2024, CEJEMLY® (sugemalimab) as a treatment of HER2-negative advanced gastric cancer (CPS ≥5) has been included in the 2024 Chinese Society of Clinical Oncology ("**CSCO**") guideline for gastric cancer as a Level 1 (1A evidence) recommendation, as a treatment of advanced ESCC in the 2024 CSCO guideline for esophageal cancer as a Level 1 (1A evidence) recommendation and as a treatment of HER2-negative esophageal adenocarcinoma in 2024 CSCO guideline for esophageal cancer as a Level 1 (1A evidence) recommendation in China. In addition, CEJEMLY® (sugemalimab) as a treatment of R/R extranodal NK/T cell lymphoma ("**ENKTL**") has been included in the 2024 CSCO Immune Checkpoint Inhibitor Clinical Practice Guidelines as a Level 1 recommendation and the 2024 Chinese Expert Consensus on Immunotherapy of Lymphoma in China. In February 2025, CEJEMLY® (sugemalimab) has been included in the ESMO Guideline and is recommended as a Level [I, A] first-line combination therapy for both non-oncogene-addicted metastatic squamous and non-squamous NSCLC.

  - **Publications and Presentations:** In February 2024, the results of the PFS final analysis and the OS interim analysis in the registrational GEMSTONE-304 study (first-line ESCC) were published in a prestigious medical journal – *Nature Medicine*. In July 2024, the results of the long-term OS analysis in the GEMSTONE-302 study (first-line Stage IV NSCLC) were presented at the 2024 Congress of ESMO. In February 2025, the results of the PFS and OS final analysis in the registrational GEMSTONE-303 study (first-line GC/GEJC with CPS ≥5) were published in a top-tier medical journal – *Journal of the American Medical Association*.

- ***GAVRETO® (pralsetinib) commercialization collaboration progresses smoothly***

  – GAVRETO® (pralsetinib), a FIC rearranged during transfection ("**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, the treatment of adults with locally advanced or metastatic RET fusion-positive NSCLC previously treated with platinum-based chemotherapy; and the treatment of patients with advanced or metastatic RET-mutant medullary thyroid cancer ("**MTC**") and RET fusion-positive thyroid cancer ("**TC**"). In addition, this medicine 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 it has been approved by the Taiwan Food and Drug Administration ("**TFDA**") for the treatment of adult patients with locally advanced or metastatic RET fusion-positive NSCLC and advanced or metastatic RET fusion-positive TC.

  – The application of manufacturing localization for pralsetinib, including manufacturing and clinical BE study, has been submitted to the CDE and is currently under review.

  – In 2024, we continue to integrate GAVRETO® (pralsetinib) into Allist's highly synergistic lung cancer franchise, enabling GAVRETO® (pralsetinib) to benefit from Allist's mature commercial team and broad market coverage, while simultaneously allowing us to reduce operating costs associated with GAVRETO® (pralsetinib) commercialization and improving overall profitability.

  – GAVRETO® (pralsetinib) has been included in 11 of China's national guidelines for testing and treatment in multiple therapeutic areas, such as NSCLC and TC. In 2023, GAVRETO® (pralsetinib) was recommended by the 2023 CSCO NSCLC guidelines, which recommended RET mutation gene testing and GAVRETO® (pralsetinib) in the treatment of RET positive NSCLC patients. In 2024, GAVRETO® (pralsetinib) as a treatment of stage IV RET fusion-positive NSCLC has been upgraded to a Level 1 recommendation in the 2024 CSCO NSCLC guideline.

  – In February 2024, the results from the Phase I/II ARROW trial in Chinese patients with RET-mutant MTC were published in *Endocrine-Related Cancer*. Pralsetinib demonstrated broad, deep, and durable efficacy, as well as a manageable safety profile in Chinese patients with advanced RET-mutant MTC.

- ***AYVAKIT® (avapritinib) manufacturing localization approved and partnership with Hengrui***

  – 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.

  – The manufacturing localization application for avapritinib tablets has been approved by NMPA.

  – In July 2024, we entered into a commercial partnership with Hengrui to grant the exclusive promotion rights of precision therapy AYVAKIT® (avapritinib) in mainland China to Hengrui. Except for promotion, CStone retains all other rights to AYVAKIT® (avapritinib) in mainland China, including rights to development, registration, manufacturing and distribution, etc. This partnership integrates AYVAKIT® (avapritinib) into Hengrui's extensive and robust commercial infrastructure.

  – We continued to improve the accessibility and affordability of AYVAKIT® (avapritinib). In 2023, AYVAKIT® (avapritinib) was added to the 2023 NRDL in China, for the treatment of adults with unresectable or metastatic GIST harboring the PDGFRA exon 18 mutation, including PDGFRA D842V mutations. The updated NRDL was implemented on January 1, 2024.

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

Clinical Stage Core Products

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

CS5001 (LCB71, ROR1 ADC) advancing into Phase 1b stage with encouraging efficacy and safety profile

- CS5001 is a clinical-stage ADC targeting ROR1. CS5001 has been uniquely designed with proprietary tumor-cleavable linker and pyrrolobenzodiazepine ("**PBD**") prodrug. Only after reaching the tumor, the linker and prodrug are cleaved to release the PBD toxin, resulting in lethal DNA cross-links in cancer cells. The use of the linker plus PBD prodrug effectively helps address toxicity associated with traditional PBD payloads, leading to a better safety profile. CS5001 has demonstrated complete tumor suppression in several preclinical cancer models and demonstrated favorable serum half-life and pharmacokinetic characteristics. CS5001 is a promising candidate drug with precision treatment potential in both hematologic tumors and malignant solid tumors. Additionally, CS5001 utilizes site-specific conjugation for a precise drug antibody ratio of which enables homogeneous production and large-scale manufacturing. CS5001 is so far the first ROR1 ADC known to demonstrate clinical anti-tumor activity in both solid tumors and lymphomas.

- A global multicenter clinical trial of CS5001 is actively enrolling patients across the U.S., Australia and China. Recruitment is ongoing for monotherapy cohorts targeting aggressive and indolent advanced lymphomas with potential to be expanded into a Phase II single-arm registrational study. Other cohorts in Phase Ib includes:

  – CS5001 + R-CHOP: First-line treatment for DLBCL patients who have not received prior systemic therapy.

  – CS5001 + SoC: For patients with relapsed or refractory DLBCL.

  – CS5001 Monotherapy: Targeting ROR1-expressing solid tumors.

  – CS5001 + Sugemalimab: Combination therapy for advanced solid tumors.

- In June 2024, we presented the FIH data at the ASCO annual meeting in a poster session:

  – As of the data cut-off date in poster, dose-limiting toxicity ("**DLT**") evaluation for the first nine dose levels (7 to 156 μg/kg) in Phase 1a has been completed. No DLTs were observed, and the maximum tolerated dose was not reached. Most treatment-related adverse events observed were Grade 1 or 2 (per NCI-CTCAE v5.0), indicating that CS5001 was well tolerated by heavily pretreated patients with advanced solid tumors and lymphomas.

– Pharmacokinetics ("**PK**") data suggested dose-proportional exposure of CS5001, with similar exposure for ADC and total antibody, demonstrating excellent stability of CS5001 ADC in circulation.

– Encouraging anti-tumor activity has been observed in various solid tumors (per RECIST v1.1) and hematologic malignancies (per Lugano 2014):

  ▪ Hodgkin Lymphoma: Objective responses were observed from dose level 5 (50 μg/kg) and above, including 1 complete response ("**CR**") and 4 partial response ("**PR**") among 9 evaluable patients at dose levels 5-9, achieving an ORR of 55.6%.

  ▪ DLBCL: Objective responses were observed from dose level 7 (100 μg/kg) and above, including 1 CR and 2 PRs among 6 evaluable patients at dose levels 7-9, achieving an ORR of 50.0%.

  ▪ In solid tumors, multiple PRs and stable diseases ("**SDs**") with reduced tumor burden were emerging from dose level 7 (100 μg/kg) and above, notably in NSCLC (1 PR and 3 SDs), pancreatic cancer (1 PR), Triple Negative Breast Cancer (1 SD), and ovarian cancer (1 SD). Based on the efficacy trends observed, more potent anti-tumor activity is expected in solid tumors as the dose increases.

• In December 2024, we presented the latest clinical data in lymphomas at the 66th ASH Annual Meeting in a poster session:

– As of the data cut-off date in poster, dose escalation has been completed and no DLT has been reported up to DL10 (195 μg/kg) so far, indicating that CS5001 was well tolerated by heavily pretreated patients with advanced B-cell lymphomas.

– A total of 33 patients with advanced B-cell lymphoma were enrolled, including 17 DLBCL, 11 HL, 2 follicular lymphoma ("**FL**"), 1 mantle cell lymphoma ("**MCL**"), 1 marginal zone lymphoma ("**MZL**"), and 1 high-grade B-cell lymphoma ("**HGBCL**"). Among them, 84.8% were Asian, and the rest were non-Asian. 81.8% of the patients had received at least 3 prior lines of systemic anti-tumor therapy. In the DL8 cohort, patients who had previously received Chimeric Antigen Receptor T-Cell Immunotherapy ("**CAR-T**") and hematopoietic stem cell transplantation therapy each accounted for over 20%.

– CS5001 demonstrated encouraging anti-tumor activity in B-cell lymphomas, with an ORR of 48.4% across all dose levels; a notably higher ORR of 76.9% was observed at DL8 (125 μg/kg) among 13 evaluable patients.

  - **HL**: objective responses were observed from effective dose of DL5 (50 μg/kg) and above, including 3 CRs and 3 PRs among 10 evaluable patients at DLs 5-9 (ORR: 60.0%). 2 CRs and 1 PR were observed at DL8 (125 μg/kg) among 3 evaluable patients.

  - **NHL**: objective responses were observed from effective dose of DL7 (100 μg/kg) and above, including 3 CRs (2 DLBCL and 1 MCL) and 6 PRs (3 DLBCL, 1 MZL, 1 HGBCL and 1 FL) among 16 evaluable patients at DLs 7-9 (ORR: 56.3%). A notably higher ORR of 70.0% was observed at DL8 (125 μg/kg) among 10 evaluable patients.

CS2009 (PD-1/VEGF/CTLA-4) launched a global Phase I clinical trial, with potential to be the next-generation I/O backbone

- CS2009, a leading asset from the Company's Pipeline 2.0, is a trispecific antibody targeting PD-1, VEGFA and CTLA-4 with the potential to be FIC or BIC for major tumor types. CS2009 has a differentiated molecular design that combines three clinically validated targets, preferentially invigorating exhausted tumor-infiltrating T lymphocytes ("**TILs**") and demonstrating VEGF neutralization comparable to existing anti-VEGF antibodies. It covers a wide range of cancers, including non-small cell lung cancer, ovarian cancer, renal cell carcinoma, cervical cancer, hepatocellular carcinoma, and gastric cancer.

- CS2009 features an innovative molecular design that simultaneously targets PD-1, VEGFA and CTLA-4, with balanced affinity for PD-1 and CTLA-4. This design enables preferential blocking of both PD-1 and CTLA-4 on double-positive tumor-infiltrating TILs whilst sparing CTLA-4 on single-positive peripheral T cells, potentially reducing systematic toxicity without compromising efficacy. CS2009 also induces high and rapid internalization, thereby down-regulating PD-1 & CTLA-4 expression on the TIL cell membrane. Additionally, CS2009 retains full VEGFA inhibitory function; preclinical data have also demonstrated that CS2009's anti-VEGFA activity exhibits significant synergistic effects with its immune checkpoint inhibitory functions-crosslinking with VEGFA markedly enhances both anti-PD-1 and anti-CTLA-4 activities.

- In November 2024, we presented the preclinical data of CS2009 at the 39th SITC Annual Meeting. The results demonstrated superior anti-tumor activity of CS2009 compared to potential competitors, including PD-1/CTLA-4 or PD-1/VEGF bispecific antibody and PD-1/CTLA-4 or PD-1/VEGF combination therapies.

- We have submitted a global, multicenter, FIH clinical trial application in Australia for CS2009 (PD-1/VEGF/CTLA-4 trispecific antibody) to address various solid tumors, with subsequent expansion to China and the U.S. anticipated in 2025. We successfully dosed the first patient in March 2025, with no infusion reactions or other adverse events observed.

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

Nofazinlimab (CS1003, PD-1 antibody)

- In March 2024, we completed a prespecified interim analysis for the global phase III trial of nofazinlimab in combination with LENVIMA® (lenvatinib) for the first-line treatment of patients with unresectable or metastatic hepatocellular carcinoma ("**HCC**"). No new or unexpected safety signals were observed; and the independent Data Monitoring Committee ("**iDMC**") recommended a continued follow-up, without protocol modification, until the final assessment of OS.

- In September 2024, the results from the Phase I trial in Chinese patients with advanced solid tumors or lymphomas were published in *Targeted Oncology*.

CS1002 (CTLA-4 antibody)

- In January 2024, our partner Hengrui received an IND approval from the NMPA for evaluating CS1002/SHR-8068 in combination with adebrelimab and chemotherapy as the first-line treatment of patients with advanced or metastatic non-squamous NSCLC.

- In February 2024, the results of CS1002 in combination with nofazinlimab from the Phase I trial in patients with advanced solid tumors were published in *Cancer*.

- In October 2024, our partner Hengrui initiated a Phase III clinical study of CS1002/SHR-8068 in combination with adebrelimab and bevacizumab for the first-line treatment of advanced HCC.

Preclinical/IND enabling candidates

The Company has developed a strong competitive edge in immunology and oncology with advanced molecular design technology. We continue to focus on innovation in next-generation antibodies and antibody-based therapies, including multispecific antibodies, ADCs, and RDC, etc. We have also expanded our early research efforts into non-oncology therapeutic areas, such as autoimmune and metabolic diseases.

We have actively and efficiently advanced our innovative candidates with several initiatives:

- **In-house proprietary ADC technology platform:** CStone is actively advancing the development of next-generation proprietary linkers to enhance systematic stability and tumor selectivity of ADCs. The beta-glucuronide linker is designated to enhance hydrophilicity to improve circulating stability of the ADCs, while the overexpression of beta-glucuronidase in tumor microenvironment ("**TME**") facilitates efficient tumor-selective release of toxin. Semi-stochastic conjugation with maleimide function group is clinically validated and easy to manufacture. The in-house proprietary ADC technology platform facilitates to optimize ADC safety and efficacy, increases compatibility with diverse targets, and supports multiple upcoming ADC projects in CStone's Pipeline 2.0, including CS5005 (targeting SSTR2), CS5006 (targeting ITGB4), CS5007 (dual targeting EGFR&HER3), and CS5008 (dual targeting DLL3&SSTR2).

- **CS5007 (EGFR/HER3 bispecific ADC) and its antibody backbone CS2011 (EGFR/HER3 bispecific antibody):** CS5007 is a potential BIC molecule, exhibiting a potent and synergistic blocking activity against both EGFR and HER3 signaling. This ADC molecule targets a range of solid tumor indications, including NSCLC, squamous cell carcinoma of head and neck ("**SCCHN**"), colorectal cancer ("**CRC**"), etc.

- **CS5005 (SSTR2 ADC) and CS5008 (SSTR2/DLL3 ADC):** CS5005 is a SSTR2-targeting ADC with FIC potential, using CStone's proprietary high-affinity and selective anti-SSTR2 antibody and linker payload platform. CS5008 is a novel DLL3/SSTR2 dual-targeting ADC using CStone's proprietary antibodies and linker payload. These two ADC molecules are designated to address SCLC and neuroendocrine tumors.

- **CS5006 (ITGB4 ADC):** CS5006 is a FIC ADC with a novel therapeutic target-integrin β4 (ITGB4). ITGB4 is a transmembrane protein that pairs exclusively with integrin α6 (ITGA6) to form the heterodimer α6β4. Both in vitro and in vivo studies demonstrated robust evidence for clinical development. This molecule targets a wide range of indications including NSCLC, SCCHN, CRC, etc.

- **Autoimmune multi-specifics:** CS2013, a bispecific molecule targeting two critical pathways in B-cell development, is in drug discovery stage and designed to address unmet needs in treating systemic lupus erythematosus ("**SLE**"), IgA nephropathy ("**IgAN**"), and other B-cell mediated autoimmune diseases. CS2015, a bispecific molecule simultaneously blocking two complementary and synergistic pathways, provides enhanced suppression of Th2-mediated immune responses. CS2015 aims to address diseases such as atopic dermatitis ("**AD**"), asthma, systemic sclerosis ("**SS**"), hidradenitis suppurativa ("**HS**"), etc.

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Business Development and Strategic Partnerships

Our business development team plays a pivotal role in driving strategic growth for our organization. This encompasses expanding the commercialization of our in-market drugs, strengthening our clinical-stage pipeline with potential FIC and BIC molecules, and acquiring innovative technologies that enhance our research and development efforts. As of the date of this announcement, we have established strong strategic partnerships with leading companies, including Pfizer, Hengrui, 3SBio Inc., Allist, Ewopharma, Pharmalink, SteinCares and others.

In relation to the commercialization of our in-market drugs, AYVAKIT®, we entered into a strategic partnership with Hengrui in July 2024. This agreement grants Hengrui exclusive promotion rights for AYVAKIT® in mainland China, while CStone retains all other rights, including development, registration, manufacturing, and distribution, etc. Under the terms of the agreement, CStone received an upfront payment of RMB35 million and continues to book AYVAKIT®'s sales revenue from mainland China in its financial reports, with Hengrui charging a service fee for its promotional activities.

Additionally, we signed an exclusive commercialization agreement for GAVRETO® with Allist in November 2023. During the first half of 2024, we transitioned our commercial activities for pralsetinib to Allist and are now collaborating with them on its commercialization in mainland China.

As part of our ongoing efforts to globally commercialize our PD-L1 product, sugemalimab (CEJEMLY®), we remain committed to establishing strategic partnerships across key regions. In May 2024, we successfully entered a commercial collaboration with Ewopharma, covering Switzerland and 18 CEE countries. In November 2024, we further expanded our global footprint by forming a strategic alliance with Pharmalink for MENA Region, as well as South Africa. In January 2025, we formed a strategic commercialization partnership with SteinCares for LATAM Region.

Beyond these initiatives, we remain actively engaged with potential partners to explore a range of opportunities aimed at accelerating value creation. These include in-licensing, out-licensing, and strategic partnerships.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

	NOTES	For the year ended December 31, 2024 RMB'000 (Audited)	2023 RMB'000 (Audited)
Revenue	3	**407,205**	463,842
Cost of revenue		**(167,051)**	(159,547)
Gross profit		**240,154**	304,295
Other income	5	**27,058**	50,608
Other gains and losses	5	**2,985**	199,544
Research and development expenses		**(134,657)**	(527,799)
Selling and marketing expenses		**(133,778)**	(199,349)
Administrative expenses		**(77,802)**	(182,714)
Finance costs		**(15,167)**	(11,819)
Loss for the year	6	**(91,207)**	(367,234)
Other comprehensive income (expense):			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**985**	(770)
Total comprehensive expense for the year		**(90,222)**	(368,004)
Loss per share			
– Basic (RMB)	8	**(0.07)**	(0.29)
– Diluted (RMB)		**(0.07)**	(0.29)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2024

	NOTES	**December 31, 2024** ***RMB'000*** **(Audited)**	December 31, 2023 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment		**93,218**	105,664
Right-of-use assets		**37,325**	47,704
Intangible assets		**161,366**	173,045
Financial assets measured at fair value through profit or loss ("**FVTPL**")		**9,032**	3,541
Other receivables		**2,617**	2,258
		303,558	332,212
Current assets			
Account receivables	*10*	**83,929**	172,438
Deposits, prepayments and other receivables		**46,946**	21,850
Inventories		**286,096**	108,828
Time deposits with original maturity over three months		**285,000**	30,000
Cash and cash equivalents		**387,937**	996,671
		1,089,908	1,329,787
Current liabilities			
Account and other payables and accrued expenses	*11*	**576,181**	681,442
Refund liabilities		**2,224**	22,698
Bank borrowings		**60,800**	105,986
Contract liabilities		**10,385**	6,885
Lease liabilities		**32,416**	33,327
		682,006	850,338
Net current assets		**407,902**	479,449
Total assets less current liabilities		**711,460**	811,611

	NOTES	**December 31, 2024** ***RMB'000*** **(Audited)**	December 31, 2023 RMB'000 (Audited)
Non-current liabilities			
Account payables	*11*	**–**	68,729
Bank borrowings		**257,400**	213,000
Contract liabilities		**84,832**	61,967
Lease liabilities		**5,357**	11,135
		347,589	354,831
Net assets		**363,871**	456,830
Capital and reserves			
Share capital		**860**	860
Treasury shares held in the trusts		**(7)**	(8)
Reserves		**363,018**	455,978
Total equity		**363,871**	456,830

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 since February 26, 2019.

The Company is an investment holding company. The Company's subsidiaries are principally engaged in research and development of highly complex biopharmaceutical products and sale of pharmaceutical products.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the same as the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the the International Accounting Standards Board, for the first time, which are mandatory effective for the Group's annual period beginning on January 1, 2024 for the preparation of the Group's consolidated financial statements:

Amendments to IFRS 16	Lease Liability in Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IAS 21	Lack of Exchangeability[2]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[3]
IFRS 18	Presentation and Disclosure in Financial Statements[4]

[1] Effective for annual periods beginning on or after a date to be determined
[2] Effective for annual periods beginning on or after January 1, 2025
[3] Effective for annual periods beginning on or after January 1, 2026
[4] Effective for annual periods beginning on or after January 1, 2027

Except for the new IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made. IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January, 1 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

3. REVENUE

Disaggregation of Revenue from Contracts with Customers

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
	(Audited)	(Audited)
Types of goods or services		
Sales of pharmaceutical products	**175,100**	336,712
License fee income	**203,986**	95,704
Royalty income	**28,119**	31,426
	407,205	463,842
Timing of revenue recognition		
A point in time	**407,205**	463,842

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 officer 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 all of the Group's operation and non-current assets are located in the People's Republic of China (the "**PRC**"). The geographical information of the Group's revenue, determined based on geographical location of the registered office of the customers, during the year is as follows:

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
	(Audited)	(Audited)
Mainland China	**293,355**	370,234
Outside Mainland China	**113,850**	93,608
	407,205	463,842

Information About Major Customers

Revenue from the customers of the corresponding years contributing over 10% of the total sales of the Group are as follow:

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
	(Audited)	(Audited)
Customer A	**157,956**	242,314
Customer B	**134,650**	67,130
Customer C	**(note)**	82,717
Customer D	**–**	60,000

Note: The Group carried out transactions with this customer for the year ended December 31, 2024 but the amount of the transaction was less than 10% of the total revenue of the Group.

5. OTHER INCOME/OTHER GAINS AND LOSSES

Other income

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
	(Audited)	(Audited)
Bank and other interest income	**12,667**	24,886
Government grants income	**2,800**	17,752
Income from sales of scrap materials	**2,922**	6,705
Amortisation of payments received for exclusive promotion rights granted	**8,635**	1,148
Others	**34**	117
	27,058	50,608

Other gains and losses

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
	(Audited)	(Audited)
Net gain on fair value changes of financial assets measured at FVTPL	**6,005**	59
Net gain (loss) on disposal of property, plant and equipment	**378**	(576)
Net gain on fair value of money market funds	**352**	242
Net foreign exchange (loss) gain	**(2,803)**	20,360
Gain on disposal of an intangible asset	**–**	179,467
Others	**(947)**	(8)
	2,985	199,544

6. LOSS FOR THE YEAR

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
	(Audited)	(Audited)
Loss for the year has been arrived at after charging (crediting):		
Depreciation of:		
Property, plant and equipment	**1,687**	5,636
Right-of-use assets	**36,439**	37,999
Amortisation of intangible assets	**11,679**	14,555
Total depreciation and amortisation charged to profit or loss	**49,805**	58,190
Directors' emoluments	**31,055**	59,498
Other staff costs:		
Salaries and other allowances, including redundancy cost amounting of RMB3,059,000 (2023: RMB30,957,000)	**93,269**	235,870
Performance related bonus	**9,869**	9,828
Retirement benefit scheme contributions	**21,324**	46,498
Share-based payment expenses	**(25,048)**	(14,109)
	99,414	278,087
	130,469	337,585
Auditor's remuneration	**1,874**	2,214
Impairment losses recognised on construction in progress (included in research and development expenses)	**10,727**	26,404
(Reversal of) write-down of inventories (recognised in cost of revenue of RMB29,632,000 (2023: RMB8,822,000) and reversed in research and development expenses RMB32,001,000 (2023: nil))	**(2,369)**	8,822
Cost of inventories recognised as cost of revenue	**63,329**	60,599

7. INCOME TAX EXPENSE

No income tax expense for the years ended December 31, 2023 and 2024 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 year is as follows:

	For the year ended December 31,	
	2024	2023
	(Audited)	(Audited)
Loss (RMB'000)		
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	**(91,207)**	(367,234)
Number of shares ('000)		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**1,276,198**	1,263,073

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

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

9. DIVIDENDS

No dividend was paid or declared by the Company during the years ended December 31, 2023 and 2024, nor has any dividend been proposed since the end of the reporting year.

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.

	December 31, 2024	December 31, 2023
	RMB'000	*RMB'000*
	(Audited)	(Audited)
0 – 60 days	**48,688**	28,447
61 – 90 days	**–**	20
Over 90 days	**35,241**	143,971
	83,929	172,438

11. ACCOUNT AND OTHER PAYABLES AND ACCRUED EXPENSES

	December 31, 2024	December 31, 2023
	RMB'000	*RMB'000*
	(Audited)	(Audited)
Account payables	**338,029**	315,106
Other payables and accruals	**238,152**	435,065
	576,181	750,171
Analysed as:		
– Non-current	**–**	68,729
– Current	**576,181**	681,442
	576,181	750,171

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

	December 31, 2024	December 31, 2023
	RMB'000	*RMB'000*
	(Audited)	(Audited)
0 – 30 days	**74,545**	171,216
31 – 60 days	**142,635**	24,520
61 – 90 days	**24,848**	39,850
Over 90 days	**96,001**	79,520
	338,029	315,106

FINANCIAL REVIEW

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended December 31, 2024 Compared to Year ended December 31, 2023

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
	(Audited)	(Audited)
Revenue	**407,205**	463,842
Cost of revenue	**(167,051)**	(159,547)
Gross profit	**240,154**	304,295
Other income	**27,058**	50,608
Other gains and losses	**2,985**	199,544
Research and development expenses	**(134,657)**	(527,799)
Selling and marketing expenses	**(133,778)**	(199,349)
Administrative expenses	**(77,802)**	(182,714)
Finance costs	**(15,167)**	(11,819)
Loss for the year	**(91,207)**	(367,234)
Other comprehensive income (expense):		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**985**	(770)
Total comprehensive expense for the year	**(90,222)**	(368,004)
Non-IFRS measures:		
Adjusted loss for the year	**(94,018)**	(330,241)

Revenue. Our revenue was RMB407.2 million for the year ended December 31, 2024, composed of RMB175.1 million in sales of pharmaceutical products (avapritinib and pralsetinib), RMB204.0 million in license fee income and RMB28.1 million in royalty income of sugemalimab, representing a year-on-year increase of RMB108.3 million, or 113.1%, in license fee which was largely offset by a decrease in revenue from sales of pharmaceutical products, such that total revenue decreased by RMB56.6 million, or 12.2%, year-on-year.

Other Income. Our other income decreased by RMB23.5 million from RMB50.6 million for the year ended December 31, 2023 to RMB27.1 million for the year ended December 31, 2024. This was primarily due to less bank and other interest income and government grants.

Other Gains and Losses. Our other gains and losses decreased by RMB196.5 million from RMB199.5 million for the year ended December 31, 2023 to RMB3.0 million for the year ended December 31, 2024. The high level of other gains in 2023 was primarily due to an one-off gain of RMB179.5 million related to the transfer of license for the ivosidenib business.

Research and Development Expenses. Our research and development expenses decreased by RMB393.1 million from RMB527.8 million for the year ended December 31, 2023 to RMB134.7 million for the year ended December 31, 2024. This decrease was primarily attributable to a decrease of RMB351.3 million in milestone fee and third party contracting cost for different phases of our clinical trials from RMB361.7 million for the year ended December 31, 2023 to RMB10.4 million for the year ended December 31, 2024.

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Milestone fee and third party contracting cost	**10,383**	361,691
Employee cost	**84,791**	103,051
Depreciation and others	**39,483**	63,057
Total	**134,657**	527,799

Administrative Expenses. Our administrative expenses decreased by RMB104.9 million from RMB182.7 million for the year ended December 31, 2023 to RMB77.8 million for the year ended December 31, 2024. This decrease was primarily attributable to a decrease of RMB80.9 million in employee cost from RMB111.4 million for the year ended December 31, 2023 to RMB30.5 million for the year ended December 31, 2024.

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Employee cost	**30,498**	111,436
Professional fees	**25,179**	31,955
Depreciation and amortization	**10,233**	19,049
Rental expenses	**3,906**	3,513
Others	**7,986**	16,761
Total	**77,802**	182,714

Selling and Marketing Expenses. Our selling and marketing expenses decreased by RMB65.5 million from RMB199.3 million for the for the year ended December 31, 2023 to RMB133.8 million for the year ended December 31, 2024. The decrease was primarily attributable to a decrease in employee cost by RMB109.5 million and others by RMB53.2 million, which was partially offset by an increase of RMB113.2 million in channel service fee.

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Channel service fee	**118,643**	5,484
Employee cost	**13,613**	123,098
Professional fees	**264**	16,353
Others	**1,258**	54,414
Total	**133,778**	199,349

Finance Costs. The finance costs increased by RMB3.4 million from RMB11.8 million for the year ended December 31, 2023 to RMB15.2 million for the year ended December 31, 2024, primarily due to an increase in interest expense in relation to deferred payment arrangement on account payables.

Non-IFRS Measures

To supplement the Group's consolidated financial statements, which are presented in accordance with the IFRS, the Company also uses adjusted loss for the year 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 year represents the loss for the year excluding the effect of certain non-cash items and onetime events, namely the share-based payment expenses. The term adjusted loss for the year 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 year to year and company to company to the extent applicable.

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

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
	(Audited)	(Audited)
Loss for the year	**(91,207)**	(367,234)
Added:		
Share-based payment expenses	**(2,811)**	36,993
Adjusted loss for the year	**(94,018)**	(330,241)

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

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
	(Audited)	(Audited)
Research and development expenses for the year	**(134,657)**	(527,799)
Added:		
Share-based payment expenses	**9,996**	(6,911)
Adjusted research and development expenses for the year	**(124,661)**	(534,710)

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 years indicated:

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
	(Audited)	(Audited)
Administrative and selling and marketing expenses for the year	**(211,580)**	(382,063)
Added:		
Share-based payment expenses	**(12,807)**	43,904
Adjusted administrative and selling and marketing expenses for the year	**(224,387)**	(338,159)

Employees and Remuneration Policies

The following table sets forth a breakdown of our employees as of December 31, 2024 by function:

Function	Number of employees	% of total number of employees
Research and Development	83	61.48
Sales, General and Administrative	52	38.52
Total	135	100.0

As of December 31, 2024, we had 94 employees in Shanghai, 12 employees in Beijing, 20 employees in Suzhou and 9 employees in other regions of the PRC and overseas. Our employees' remuneration comprises salaries, bonuses, employee provident fund, 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, workrelated 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 December 31, 2024, our cash and cash equivalents and time deposits were RMB672.9 million, as compared to RMB1,026.7 million as of December 31, 2023. The decrease was mainly due to the payment of research and development expenses, payroll and purchase of inventories. 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 December 31, 2024, our gearing ratio was 73.9% (December 31, 2023: 72.5%).

Charge on Assets

At December 31, 2024, the Group did not pledge any assets (December 31, 2023: RMB101,936,000).

OTHER FINANCIAL INFORMATION

Significant Investments, Material Acquisitions and Disposals

As at December 31, 2024, 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, 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 December 31, 2024, the Group's bank borrowings were RMB318,200,000, all bank borrowings denominated in RMB. In 2024, the Group obtained a new bank loan facility of RMB100 million for replenishing working capital and has withdrawn RMB50 million. As at December 31, 2024, RMB50 million remaining available for drawdown under this bank facility.

Contingent Liabilities

As at December 31, 2024, we did not have any material contingent liabilities (as at December 31, 2023: 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 Part 2 of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**"), save for the deviation as disclosed herein. Pursuant to code provision C.6.2 of the CG Code, a board meeting should be held to discuss the appointment of the company secretary and the matter should be dealt with by a physical board meeting rather than a written resolution. The appointment of the new joint company secretary was dealt with by a written resolution of the Board. Prior to the execution of the written resolution, all Directors were well informed of the new joint company secretary's educational background and working experiences and were satisfied that she possesses the required qualifications and expertise of the position without any dissenting opinion, and as such it was considered that a physical board meeting was not necessary for approving the said appointment.

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 C3 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 (including any sale of treasury Shares (as defined under the Listing Rules)) during the Reporting Period. As at December 31, 2024, the Company did not hold any treasury Shares as defined under the Listing Rules.

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 dated September 30, 2020 (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.

The table below sets out the planned applications of the proceeds and actual usage up to December 31, 2024:

	% of use of proceeds	Proceeds from the subscription *(RMB million)*	Unutilized net proceeds as of December 31, 2023 *(RMB million)*	Actual usage during the Reporting Period *(RMB million)*	Unutilized net proceeds as of December 31, 2024 *(RMB million)*
Fund the development activities under the collaboration agreement	100%	1,355.9	409.3	–	409.3

Note: The unutilized net proceeds are planned to be put into use by December 31, 2025. Please refer to the 2023 annual report of the Company for details.

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 December 31, 2024:

	% of use of proceeds	Proceeds from the placing *(RMB million)*	Unutilized net proceeds as of December 31, 2023 *(RMB million)*	Actual usage during the Reporting Period *(RMB million)*	Unutilized net proceeds as of December 31, 2024 *(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	–	–	–
Development of pipeline products including but not limited to CS5001 (a potentially best-in-class ROR1 ADC)	50%	169.06	53.47	53.47	–
Business development activities to enrich the Company's pipeline and fully utilize the Company's proven clinical capabilities	20%	67.62	52.31	52.31	–
General corporate purposes	10%	33.82	19.11	19.11	–
Total	100%	338.12	124.89	124.89	–

Note: The net proceeds have been fully utilized 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.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to internal control and financial reporting with the management. The Audit Committee reviewed and considered that the annual financial results for the year ended December 31, 2024 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

Scope of Work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on March 27, 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended December 31, 2024 (2023: Nil).

ANNUAL GENERAL MEETING

The date of the annual general meeting of the Company (the "**AGM**") will be announced in due course. Shareholders of the Company should refer to details regarding the AGM in the circular of the Company, the notice of AGM and form of proxy accompanying thereto to be published by the Company.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

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

The annual report for the year ended December 31, 2024 containing all the information required by Appendix D2 to the Listing Rules will be 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, March 27, 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, Mr. Xianghong Lin and Mr. Edward Hu as non-executive directors, and Dr. Paul Herbert Chew, Mr. Ting Yuk Anthony Wu, Mr. Hongbin Sun and Ms. Yip Betty Ho as independent non-executive directors.