FOSUN PHARMA
复星医药

上海復星醫藥（集團）股份有限公司

Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 02196)

ANNOUNCEMENT REGARDING PROGRESS UPDATE ON MEDIA REPORTS

Reference is made to the announcement of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (the "**Company**", together with its subsidiaries, the "**Group**") dated 31 August 2018 (the "**Announcement**") in relation to the clarifications on media reports. Unless otherwise specified, capitalised terms used herein shall have the same meaning ascribed to them in the Announcement.

PROGRESS UPDATE

Chongqing FDA made an unannounced inspection and the relevant investigations at Chongqing Research Institute in August 2018 with respect to the matters reflected in the Letter. Chongqing Research Institute has recently received the results of the inspection and investigation issued by Chongqing FDA (the "**Inspection Results**"), details of which are set out below:

Conducted a sampling test against the samples and all inventory of the API aripiprazole (including sampling test of certain batches of the inventory products by National Institutes for Food and Drug Control), the results of which indicated that the standard requirements were complied with.

Based on the inspection findings, during the process of manufacturing the API aripiprazole, Chongqing Research Institute changed the registered production process thereof, while during the period of which the production records were completed according to the actual production process, it fabricated the batch records of certain part of the production process based on the registered production process; and it submitted the documents for supplemental application and report for the change of production process of its API aripiprazole to Chongqing FDA until August 2017. The process validation batches have been recorded truly since 2017.

Based on the Inspection Results, Chongqing FDA has made the following decision:

(i) a warning was given for failure to comply with "Good Manufacturing Practice for Pharmaceutical Products" by Chongqing Research Institute in its drugs manufacturing, which constitutes a breach of the "Drug Administration Law of the People's Republic of China (Revision 2015)";

(ii) withdraw the GMP certificate (Certificate Number: CQ20160014 API (Aripiprazole)) according to the "Measures on Standard Certification for Drug Production Management" given the violation of the requirements under "Good Manufacturing Practice for Pharmaceutical Products" as Chongqing Research Institute failed to manufacture API aripiprazole in compliance with the relevant GMP prior to 2017. Chongqing Research Institute shall not engage in manufacturing of API aripiprazole during the period of withdrawal.

Based on the Inspection Results, the sampling test results indicated that the historical products of API aripiprazole were complied with standard requirements, and except for the withdrawal of GMP certificate in respect of API aripiprazole product line, which is required to be rectified, amongst the other products of Chongqing Research Institute, the actual production process of API iron sucrose is in line with the registered production process, and there was a minor change to the production process of API pemetrexed disodium, which is in compliance with the relevant regulations on the management of change to production process without impact on the product quality, and the production and sale of such other products will be carried out normally.

The operating income and net profit attributable of Chongqing Research Institute represents a small proportion of the Group as a whole. It is expected that the withdrawal of the GMP certificate of the API aripiprazole will not have a material impact on the Group's production and operation and its financial position of 2018.

After the above incidents, the management of the Company attached great importance to it and has requested Chongqing Research Institute to conduct a comprehensive review of the manufacture process of all products and complete the rectification as soon as possible. The Company has seriously dealt with the responsible personnel. In response to the issues indicated in the Inspection Results, Chongqing Research Institute will fully learn its lessons, carefully analyse the issues and deficiencies, proceed the rectification plan and complete the system rectification works as soon as possible. The Company will pay close attention to the follow-up progress and comply with its disclosure obligations.

The Company wishes to remind the shareholders and potential investors of the Company to refer to announcements posted on the websites of The Stock Exchange of Hong Kong Limited (http://www.hkexnews.hk) and the Company for information on the Group. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*
Chen Qiyu
Chairman

Shanghai, People's Republic of China
12 October 2018

As at the date of this announcement, the executive directors of the Company are Mr. Chen Qiyu, Mr. Yao Fang and Mr. Wu Yifang; the non-executive directors of the Company are Mr. Wang Qunbin, Mr. Wang Can, Ms. Mu Haining and Mr. Zhang Xueqing; and the independent non-executive directors of the Company are Mr. Cao Huimin, Mr. Jiang Xian, Dr. Wong Tin Yau Kelvin and Mr. Wai Shiu Kwan Danny.

* *for identification purposes only*