

CHINA RESOURCES PHARMACEUTICAL GROUP LIMITED

(華潤醫藥集團有限公司)

(the “Company”)

(Incorporated in Hong Kong with limited liability)

The roles and functions of the Chairman and the Chief Executive Officer of the Company

Chairman

The roles of the Chairman of the board of directors (the “**Board**”) of the Company (the “**Chairman**”) are segregated from that of the Chief Executive Officer of the Company (the “**Chief Executive Officer**”). The Chairman approves and monitors the Company’s strategies and policies, annual budgets and business plans, evaluates the performance of the Company, and supervises the management of the Company. The senior management team is responsible for the day-to-day operations of the Company and its subsidiaries (the “**Group**”) under the leadership of the Chief Executive Officer.

Such division of responsibilities also helps to reinforce their independence and accountability. The Chairman is responsible for providing leadership to, and overseeing the functioning of, the Board to ensure that it acts in the best interests of the Group and that Board meetings are planned and conducted in an effective manner. The Chairman is also responsible for setting the agenda for each Board meeting, taking into consideration, where appropriate, matters proposed by the directors (the “**Directors**”) and the company secretary (the “**Company Secretary**”) of the Company for inclusion in the agenda. With the support of the executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly informed of issues arising at Board meetings and provided with adequate and accurate information in a timely manner. The Chairman also actively encourages the Directors to be engaged in the Board’s affairs and contribute to the Board’s functions. The Board, under the leadership of the Chairman, has complied with the corporate governance practices and procedures and has taken appropriate steps to provide effective communication with our shareholders and other stakeholders. The Chairman should at least annually hold a meeting with the independent non-executive Directors without the presence of the other Directors so that the Chairman can listen to the views of the independent non-executive Directors in respect of corporate governance, effectiveness of the Board and any other issues they may wish to raise in the absence of other Directors and executives.

Chief Executive Officer

The Chief Executive Officer is responsible for managing the businesses of the Group, coordinating overall business operations, attending to the formulation and successful implementation of Group policies and strategies approved by the Board and assuming full accountability to the Board for all the Group's day-to-day operations.

The Chief Executive Officer is directly responsible for maintaining the operational performance of the Group. He also works with the Chief Financial Officer and the senior management team of the Company and presents annual budgets to the Board for consideration and approval, and ensures that the Board is provided with all the necessary information relating to the funding requirements of the businesses of the Group. He will also ensure that the funding requirements of the business are met, and will closely monitor the operating and financial results of the businesses against plans and budgets, taking remedial action if necessary. He communicates regularly with the Chairman and all Directors to keep them fully informed of all major business development and issues.