

# CHINA RESOURCES PHARMACEUTICAL GROUP LIMITED

(華潤醫藥集團有限公司)

(the “Company”)

*(Incorporated in Hong Kong with limited liability)*

## Dividend Policy

(the “Policy”)

(adopted on 17 December 2018)

The Company has adopted a dividend policy to distribute not less than 20% of the Group's annual distributable profit, excluding one-off gains, as dividends to the shareholders of the Company, subject to the criteria set out below.

Such declaration and payment of dividends shall remain to be determined at the absolute discretion of the board of directors of the Company (the “**Board**”) and subject to all applicable requirements (including without limitation restrictions on dividend declaration and payment) under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Companies Ordinance**”) and the Articles of Association of the Company.

In proposing any dividend payment, the Board shall also take into account the following criteria, including:

- the Company and its subsidiaries’ (collectively, the “**Group**”) actual and expected results of operations and cash flow and financial position;
- general business conditions and business strategies;
- distributable profit, retained earnings and/or distributable reserves of the Company and the members of the Group;
- the Group's expected working capital requirements and future expansion plans;
- the Group's indebtedness level and liquidity position;
- legal, regulatory and other contractual restrictions on the Group's declaration and payment of dividend; and
- other factors that the Board deems appropriate.

The Board may from time to time pay to the shareholders such interim dividends subject to the Companies Ordinance and the Articles of Association of the Company.

Except in the case of interim dividend, any dividends declared by the Company must be approved by an ordinary resolution of shareholders at an annual general meeting and must not exceed the amount recommended by the Board.

Dividends may be distributed in the form of cash or shares subject to and in accordance with the Companies Ordinance and the Articles of Association of the Company.

The Company will regularly review the Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Policy at any time, and this Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.