

Directors, Supervisors, Senior Management and Staff

PROFILES

1. Directors:

Mr. Cai Zhixiang, aged 54, Chairman of the Board of the Company, joined GPHL in 1981 and has over 20 years' experience in the pharmaceutical industry. Mr. Cai graduated from Guangzhou Administration College in 1991 with a Diploma in Business Administration. In 2000, he received a Master degree in management from University of Management and Technology in the United States. He is also the Chairman of GPHL, an executive member and Vice Chairman of the Executive Committee of Guangzhou Red-Cross Association, the Honorary Vice Chairman of Guangdong Medical Association of Industry and Commerce, an executive member of the Guangzhou Association Entrepreneurs, the Vice Chairman of Guangzhou Enterprise Assessment Association, an executive member of the China Entrepreneurs National Executive Committees and an executive member of the Executive Committee of the Cultural Construction Association of China Top 100 Enterprises.

Mr. Li Yimin, aged 53, Vice Chairman of the Board of the Company and Chief Pharmacist, joined GPHL in 1970 and has 33 years' experience in the Chinese pharmaceutical industry. Mr. Li further studied at the Faculty of Biology of Zhong Shan University in 1976. He received a Master degree in management from University of Management and Technology in the United States in 2000. At present, he is the Vice Chairman and General Manager of GPHL, the Chairman of Guangzhou Baiyunshan Pharmaceutical Co., Ltd. and an Independent Director of Guangzhou Steel Holdings Ltd. Mr. Li is also an executive member of Chinese Medicine Society of China, Chairman of the Association of Pharmaceutical Industry of Guangdong Province, Vice Chairman of the Guangdong Medicine Society, Vice Chairman of the Chinese Medicine Society of Guangdong Province, and Vice Chairman of Guangzhou Chain Store Operations Association respectively.

Mr. Feng Zansheng, aged 53, a Director of the Company, joined GPHL in 1970. He graduated from Guangzhou Medical College in 1977 with a Diploma in Medical Treatment. Mr. Feng is the Chairman and General Manager of Guangzhou Pharmaceutical Corporation, Vice Chairman of the Chinese Medical Commerce Association, an executive member of Guangdong Medical Society and Vice Commissioner of Trading Specialty.

Mr. Zhou Yuejin, aged 46, is a Director and the General Manager of the Company. Mr. Zhou obtained a Bachelor degree of Industrial Study and a Master degree in Economics, and qualified as a Senior Economist and a Certified Pharmacist. He joined GPHL in 1975. He was the supervisor of the business department of, assistant to the factory manager of, vice factory manager of and factory manager of the Guangzhou He Ji Gong Pharmaceutical Co., Ltd., Director and Deputy General Manager of Po Lian Development Co., Ltd. He has been the General Manager of the Company since December 2001. He has extensive experience in business management and investment.

Independent Non-executive Directors:

Mr. Chu Youlin, David, aged 59, has been appointed as an Independent Non-executive Director of the Company since 1997. Mr. Chu is a member of the Legislative Council of the Hong Kong Special Administrative Region and the Chairman of Wah Tak Fung Holdings Limited. Mr. Chu received a Master degree in Management from Northwest University and a Master degree in Business Administration from Harvard University in the United States.

Mr. Zhang Bohua, aged 71, has been appointed as an Independent Non-executive Director of the Company since 1997. Mr. Zhang is the Chairman of Yue Xiu China Investment Co., Ltd and China Canton Investment Ltd.

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Mr. Liu Jinxiang, aged 64, has been appointed as an Independent Non-executive Director of the Company since 2000. Mr. Liu was previously the Managing Director of Yue Xiu Enterprises (Holdings) Limited, Guangzhou Investment Co., Ltd, and Yue Xiu Transportation Co., Ltd. Mr. Liu graduated from Xi'an Construction Technology University in 1964 and has over 40 years' management experience in areas of industrial technology, enterprise management and economic affairs. He was Vice-Mayor of Guangzhou City and head of Guangzhou Economic Committee.

Mr. Wu Zhang, aged 46, has been appointed as an Independent Non-executive Director of the Company since 2000. Mr. Wu is currently the Chairman of the Board of Directors of Guangzhou Securities Co., Ltd, Chairman of Golden Eagle Asset Management Co., Ltd and an Independent Director of Guangzhou Zhujiang Corporation Co., Ltd. Mr. Wu received a Master degree in Management from Murdoch University in Australia and has a strong theoretical knowledge in economics and finance and sound experience in securities management. From 1989 to 1999, he was General Manager of Guangzhou Yue Yin Finance Development Company, Director and Deputy General Manager of Hong Kong Yue Xiu Finance Company Limited and Hong Kong Yue Xiu Securities Co., Ltd.

Mr. Huang Buren, aged 68, has been appointed as an Independent Non-executive Director of the Company since 2000. Mr. Huang was qualified as a China Tax Specialist and a Certified Tax Specialist in 1996. He has over 40 years' experience in fiscal and tax affairs. Mr. Huang has previously been the Chief of a branch of the Guangzhou Finance Bureau, Vice commissioner of the Guangzhou Finance and Tax Bureau and Commissioner of the Guangzhou Price Bureau.

Supervisors:

Mr. Chen Canying, aged 54, Chairman of the Supervisory Committee of the Company, joined GPLH in 1973. Mr. Chen graduated from Guangzhou Administration College in 1985. He is also the Chairman of the Labor Union of GPLH and the Company. Mr. Chen is also an executive member of the Guangzhou Entrepreneurs Association, a member of the Editorial Committee of the "Chinese Medicine Affairs Paper", and an executive member of the Chinese Medicine Economic Research Association.

Mr. Tan Sima, aged 40, has been appointed as Supervisor of the Company since 2000. Mr. Tan is currently the Vice Chairman and General Manager of Guangzhou Securities Co., Ltd. He has a Master degree in Economics from Zhong Shan University and has rich experience and strong theoretical knowledge of management of securities. Mr. Tan was the Deputy General Manager of Hong Kong Yue Xiu Finance Co., Ltd, Managing Director of Guangzhou Yue Yin Finance Development Company. He is also Deputy General Manager of Yue Xiu Securities Co., Ltd.

Mr. Luo Jidong, aged 50, has been appointed as Supervisor of the Company since 2000. He is a Senior Economist and the Chief of the China Merchant Bank, Guangzhou branch. He obtained a Master degree in Economics from Southwest Finance University and has rich experience in financial management.

Senior management:

Mr. He Shuhua, aged 47, Deputy General Manager and Secretary of the Company, joined GPLH in 1982. He graduated from Zhong Shan University in 1982 with a Bachelor degree in Biology. In 1995, he obtained a Master degree in Statistics from the same university. He is also an executive member of Guangdong Statistics Society and a representative of the 12th Guangzhou Municipal People's Congress.

Mr. Li Decheng, aged 43, is the Deputy General Manager of the Company and the General Manager of Guangzhou Pan Gao Shou Pharmaceutical Co. Ltd. He joined GPLH in 1978. Mr. Li graduated from Guangzhou Teaching College in 1988 with a University Diploma in Political Science and Economic Management and a post-graduate of the Northeast Finance University. He is an executive member of the China Chinese Medicine Association.

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Mr. Gao Fang, aged 45, joined the Company in 2002. He is the Financial Controller of the Company. Mr. Gao received post-graduate education and is a qualified lawyer, Certified Public Accountant and Senior Economist. He was previously in charge of the audit department of the Shenzhen Stock Exchange, a Director and Deputy General Manager of Hong Kong Guangxin Enterprise Company and Deputy General Manager and Financial Controller of Beijing Bi Te Technology (Holdings) Co., Ltd.

2. Directors', Supervisors' and Senior Management's interests in shares (A shares) during the Reporting Period

Name	Position	Shares	Shares	Reason for change
		held as at 1 January 2003 (share)	held as at 31 December 2003 (share)	
Mr. Cai Zhixiang	Director	14,700	14,700	Note
Mr. Li Yimin	Director	14,700	14,700	Note
Mr. Zhou Yuejin	Director	3,700	28,900	Note
Mr. Feng Zansheng	Director	—	—	
Mr. Chu Youlin	Independent Non-executive Director	—	—	
Mr. Zhang Bohua	Independent Non-executive Director	—	—	
Mr. Liu Jinxiang	Independent Non-executive Director	—	—	
Mr. Wu Zhang	Independent Non-executive Director	—	—	
Mr. Huang Buren	Independent Non-executive Director	—	—	
Mr. Chen Canying	Chairman of the Supervisory Committee	9,800	9,800	Note
Mr. Tan Sima	Supervisor	—	—	
Mr. Luo Jidong	Supervisor	—	—	
Mr. He Shuhua	Deputy General Manager and Company Secretary	11,200	27,700	Note
Mr. Li Decheng	Deputy General Manager	—	—	
Mr. Gao Fang	Financial Controller	—	—	

Note: According to the long-term incentive scheme approved at the Company's 2002 first Extraordinary General Meeting, the senior management of the Company is entitled to an incentive bonus, provided that the target of operating profit of the relevant year is achieved. Part of the bonus can be used to subscribe for the Company's issued A Shares. The senior management's interests in the Company have been reported to SSE in accordance with relevant rules and regulations.

3. Directors', Supervisors' and Senior Management's interests and short positions in the shares, underlying shares and debentures of the company

- (1) As at 31 December 2003, the interests or short positions of the Directors, Supervisors and Senior Management in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were notified to the Company and HKEX pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and HKEX, were as follows:

Directors, Supervisors, Senior Management and Staff

Directors:

Name	Type of interests	Company	Number of shares (share)
Mr. Cai Zhixiang	Personal	A shares of the Company	14,700
	Family	Guangzhou Xing Qun Pharmaceutical Co., Ltd. ("Guangzhou Xing Qun")	1,900
	Family	Guangzhou Pan Gao Shou Pharmaceutical Co., Ltd. ("Guangzhou Pan Gao Shou")	1,670
	Family	Guangzhou Yang Cheng Pharmaceutical Co., Ltd. ("Guangzhou Yang Cheng")**	1,960
	Family	Guangzhou Jing Xiu Tang Pharmaceutical Co., Ltd. ("Guangzhou Jing Xiu Tang")	2,240
	Family	Guangzhou Guang Hua Pharmaceutical Co., Ltd. ("Guangzhou Guang Hua")	1,670
	Family	Guangzhou Tian Xin Pharmaceutical Co., Ltd. ("Guangzhou Tian Xin")	1,670
	Trust*	Po Lian Development Company Limited ("Po Lian")	200,000
Mr. Li Yimin	Personal	A shares of the Company	14,700
	Family	Guangzhou Xing Qun	1,900
	Family	Guangzhou Pan Gao Shou	1,670
	Family	Guangzhou Yang Cheng	1,960
	Family	Guangzhou Jing Xiu Tang	2,240
	Family	Guangzhou Tian Xin	1,670
	Family	Guangzhou Guang Hua	1,670
	Trust *	Po Lian	200,000
Mr. Zhou Yuejin	Personal	A shares of the Company	28,900
	Trust *	Po Lian	200,000

Supervisors:

Name	Type of interests	Company	Number of shares (share)
Mr. Chen Canying	Personal	A shares of the Company	9,800
	Personal	Guangzhou Yang Cheng	22,150

Senior Management:

Name	Type of interests	Company	Number of shares (share)
Mr. He Shuhua	Personal	A shares of the Company	27,700
Mr. Li Decheng	Personal	Guangzhou Jing Xiu Tang	3,820
	Personal	Guangzhou Yang Cheng	1,680

* Messrs. Cai Zhixiang, Li Yimin and Zhou Yuejin hold the said shares in Po Lian as trustees only. The above said shares, except those in Po Lian and the A shares of the Company, are inner staff shares.

** Guangzhou Yang Cheng changed its name as Guangzhou Wang Lao Ji Pharmaceutical Co., Ltd effected from 5 February 2004.

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- (2) Save as disclosed above, as at 31 December 2003, none of the Directors, Supervisors, Senior Management and their associates had any personal, family, corporate or other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which would have to be notified to the Company and HKEX pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and HKEX.

4. Annual emoluments for the year

During the year, the total emoluments paid by the Group to Directors, Supervisors and Senior Management of the Company amounted to RMB5,130,000. The total emoluments of the three highest paid Directors of the Company amounted to RMB2,700,000 and the total emoluments of the three highest paid Senior Management amounted to RMB890,000.

Allowances and other emoluments of the Independent Non-executive Directors are as follows:

Name	Allowance for the year	Other emoluments
	RMB'000	RMB'000
Mr. Chu Youlin, David	94.3	Nil
Mr. Wu Zhang	42.0	Nil
Mr. Liu Jinxiang	58.9	Nil
Mr. Zhang Bohua	94.3	Nil
Mr. Huang Buren	19.8	Nil

Number of Directors, Supervisors and Senior Management who received their emoluments from the Group was 15. The number of Directors, Supervisors and Senior Management of the Company classified according to their emoluments are as follows:

Below RMB100,000	7
RMB 100,000 -RMB 400,000	2
Over RMB 400,000	6

Note: Details of the five highest paid employees are set out on the notes to the financial statements on page 130.

Policy on determining emoluments:

Emoluments of Directors and Supervisors were proposed by the Board of the Company. A resolution was passed at the 2002 Annual General Meeting ("AGM") authorising the Board to determine the amount of emoluments and method of payment for services of the Company's Directors and Supervisors. The amount of emoluments and payment method of Senior Management were determined after taking into account the Company's operating results and individual performance.

None of the Directors, Supervisors and Senior Management received emoluments other than from the Group.

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5. Resignation of Directors, Supervisors and Senior Management during the Reporting Period

During the Reporting Period, no Directors, Supervisors or Senior Management resigned nor any new Directors, Supervisors and Senior Management has been appointed.

Note: Post the Reporting Period, as approved at the 28th meeting of the Second Section of the Board, Mr. Li Decheng resigned as the Deputy General Manager of the Company due to work relocation.

6. Directors' and Supervisors' service contracts

A Summary of the service contracts between the Company and the Directors and Supervisors is set out as follows:

The term of each contract entered into between the Company and the Directors of the Second Section of the Board and the Supervisors of the Second Section of the Supervisory Committee was from 18 October 2000 to the date of election of the Third Section of the Board and the Third Section of the Supervisory Committee. The term of appointment of each Director and Supervisor of the Company is approximately three years until the date of election of the Third Section of the Board and the Third Section of the Supervisory Committee. All Directors and Supervisors are eligible to offer themselves for re-election.

The service contracts with the Directors and Supervisors do not contain any terms of compensation for termination of contract, or for failure in being re-elected after expiration of the appointment.

7. Employees of the Group

As at 31 December 2003, the number of employees on the payroll register of the Group was 8,772, including:

	No. of employees
Production	4,883
Sales	1,756
Technical engineering	870
Finance	273
Administration	990

Among the employees, 66 of the employees hold a master degree and 735 hold a bachelor degree. The number of retirees was 4,362. The total salary payment for the year were approximately RMB381 million.

The remuneration of the employees of the Group includes salaries, bonuses and other statutory benefits. Remuneration of employee is determined according to their performance, experience, position and other factors and in compliance with the relevant PRC rules and regulations.