

### 3.3 PUBLIC FLOAT

Based on the available public information and to the best knowledge of the Directors, the Company has maintained sufficient public float as at the latest practicable date prior to the date of this interim report.

### 3.4 PRE-EMPTIVE RIGHTS

According to the laws of the PRC and the Articles of Association of the Company, there is no pre-emptive right which would oblige the Company to issue new shares to the existing shareholders on a pro-rata basis.

### 3.5 NEITHER THE COMPANY NOR ANY OF ITS SUBSIDIARIES HAD PURCHASED, SOLD OR REDEEMED ANY OF THE COMPANY'S SHARES DURING THE REPORTING PERIOD.

## 4. DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND STAFF

### 4.1 DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S INTEREST IN SHARES

4.1.1 As at 30 June 2005, the Directors', Supervisors' and Senior Management's interest in A Shares of the Company were as follows:

Name	Position	Shares held as at 1 January 2005 (share)	Shares held as at 30 June 2004 (share)	Reason for change
Yang Rongming	Chairman	—	—	—
Zhou Yuejin	Vice Chairman	28,900	28,900	—
Xie Bin	Director, General Manager	1,000	1,000	—
Feng Zansheng	Director	—	—	—
Wu Zhang	Independent Director	—	—	—
Wong Hin Wing	Independent Director	—	—	—
Zhang Heyong	Independent Director	—	—	—
Chen Canying	Chairman of the Supervisory Committee	9,800	9,800	—
Ouyang Qiang	Supervisor	10,100	10,100	—
Zhong Yugan	Supervisor	—	—	—
He Shuhua	Deputy General Manager and Company Secretary	27,700	27,700	—
Su Guangfeng	Deputy General Manager	—	—	—
Gao Fang	Financial Controller	—	—	—

*Note:* According to the long-term incentive scheme approved at the Company's first Extraordinary General Meeting of 2002, Senior Management of the Company is entitled to an incentive bonus, provided that the targeted operating profit of the relevant year is achieved. Part of the bonus has been used to subscribe for the Company's RMB denominated ordinary shares (A shares) and such tradings have been reported to the Shanghai Stock Exchange ("SSE") in accordance with relevant rules and regulations.

4.1.2 Directors, Supervisors and Senior Management's interests and short positions in the shares and underlying shares of the Company or any associated corporations.

- (1) As at 30 June 2005, the interests or short positions of the Directors, Supervisors and Senior Management in the shares and underlying shares and debentures 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 the 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 recorded in the register referred therein, or which were required pursuant to the Model Code for Securities Transactions by directors of listed companies (the "Model Code") contained in the Rules Governing the Listing of Securities on the HKEX (the "Listing Rules") to be notified to the Company and the HKEX were as follows:

**Directors**

Name	Type of interest	Company	Number of shares
Zhou Yuejin	Personal	the Company (A shares)	28,900
Xie Bin	Personal	the Company (A shares)	1,000

**Supervisors**

Name	Type of interest	Company	Number of shares
Chen Canying	Personal	the Company (A shares)	9,800
Ou Yangqiang	Personal	Guangzhou Wang Lao Ji Pharmaceutical Company Limited the Company (A shares)	22,150 10,100

**Senior Management**

Name	Type of interest	Company	Number of shares
He Shuhua	Personal	the Company (A shares)	27,700

\* The shares above, except those in the Company (A shares), are staff shares.

- (2) Save as disclosed above, as at 30 June 2005, none of the Directors, Supervisors, Senior Management and their associates had any personal, family, corporate or other interests or short positions 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 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 recorded in the register referred therein, or which were required, pursuant to the Model Code, to be notified to the Company and HKEX.

**4.2 APPOINTMENTS AND RESIGNATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD**

- (1) As approved at the 11th meeting of the Third Session of the board of directors of the Company held on 27 April 2005, Mr. He Shuhua resigned from directorship for work reasons.
- (2) At the 2004 annual general meeting of the Company held on 30 June 2005, Mr. Xie Bin was elected as an Executive Director of the Third Session of the board of directors of the Company, with effect from the date of appointment up to the date when the members of the new session of the board of directors are elected.
- (3) At the 11th meeting of the third session of the board of directors of the Company held on 30 June 2005, Mr. Su Guangfeng was appointed as the Deputy General Manager of the Company, with effect from the date of appointment date up to the when the members of the new session of the board of directors are elected.

**4.3 DURING THE REPORTING PERIOD, THE NUMBER OF THE COMPANY'S EMPLOYEES WAS APPROXIMATELY 8,330. THE REMUNERATION POLICY OF THE EMPLOYEES HAD NO MATERIAL CHANGES COMPARED WITH THAT OF THE PREVIOUS REPORTING PERIOD. THE TOTAL STAFF COSTS FOR THE FIRST HALF OF 2005 WAS RMB315,569,000.**