

Profiles

1. Executive directors:

Mr. Cai Zhixiang, aged 52, chairman of the Board of the Company, joined GZPHI 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 Technology in the United States. At present, he is the Chairman of GZPHL. Mr. Cai is also an executive member and Vice Chairman of the Executive Committee of Guangzhou Red-Cross Association, and Honorary Chairman of Guangdong Medical Association of Industry and Commerce.

Mr. Li Yimin, aged 51, vice chairman of the Board and Chief Pharmacist of the Company, joined GZPHL in 1970 and has 31 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 & Technology in the United States in 2000. At present, he is the Deputy Chairman and General Manager of GZPHL, the Chairman of Guangzhou Baiyunshan Pharmaceutical Company, Ltd and an independent director of Guangzhou Steel Company Ltd. Mr. Li is also an executive member of the Executive Committee of Chinese Pharmaceutical Enterprises Administrative Association of China and Chinese Medicine Society of China, and holds the position of Vice Chairman of the Chinese Medicine Society of Guangdong Province, and the Guangzhou Chain Store Operations Association respectively.

Mr. Feng Zansheng, aged 51, a Director of the Company, joined GZPHL 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 GZPHL, and Vice Chairman of the Chinese Medical Commerce Association. He is also an executive member of Guangdong Medical Society and Vice Commissioner of Trading Specialty.

Mr. Chen Xiangzhi, aged 39, was a Director and the General Manager of the Company, joined GZPHL in 1985. Mr. Chen graduated from South China Teachers University in 1985. He undertook further study at the Guangdong Society Science Institution and graduated with a Masters Degree in Political Economics in 2000. At present, he is the Commissioner of the Association of Marketing, and executive member of the Chinese Medical Association of Guangdong Province. He resigned from the position of the General Manager of the Company, and the positions of Chairman of the Board and General Manager of GZ Yangcheng in December 2001. From 27 December 2001, he has taken up the position of Director and General manager of Guangzhou Baiyunshan.

Mr. Zhou Yuejin, aged 44, is Director and General Manager of the Company. Mr. Zhou obtained degree of Bachelor of Industrial Study and Master in Economic, and qualified as Senior Economist, and Certified Pharmacist. He joined the Company in August 1975. He was once the supervisor of business department, assistant of factory manager, vice factory manager, factory manager of the Guangzhou Hejigong Pharmaceutical Company Ltd., Director and Vice General Manager of Po Lian Development Company Limited. He took the position of General Manager of the Company in December 2001. He has extensive experience in business management and investment.

2. *Independent non-executive directors:*

Mr. Chu Youlin, David, aged 57, is a member of the Legislative Council of Hong Kong's 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 69, is Honorary Managing Director of Yue Xiu Enterprises (Holdings) Limited and Managing Director of Yue Xiu Investment Company Limited and China Canton Investment Ltd.

Mr. Liu Jinxiang, aged 61, is currently Managing Director of Yue Xiu Enterprises (Holdings) Limited, Yue Xiu Investment Company Limited, and Yue Xiu Transportation Company Limited. Mr. Liu graduated from Xi'an Construction Technology University in 1964 and has over 30 years experience in industrial technology and management of enterprise and economic affairs. He was once Vice-Mayor of Guangzhou City and head of Guangzhou's Economic Committee.

Mr. Wu Zhang, aged 44, is currently the Chairman of the Board of Directors of Guangzhou Stock Company Limited, the independent directors of Guangzhou Zhujiang Corporation Company Ltd. Mr. Wu received a Master Degree in Management from Murdoch University in Australia and has a strong theoretical knowledge and rich experience in economics, finance and stock management. From 1989 to 1999, he was General Manager of Guangzhou Yue Yin Finance Development Company, and Chairman of the Board of Directors and Vice General Manager of Hong Kong Yue Xiu Finance Company Limited and Hong Kong Yue Xiu Stock Company Limited.

Mr. Huang Buren, aged 65, qualified China Tax Specialist and Certified Tax Specialist in 1996. He was engaged in fiscal and tax affairs for over 40 years with a rich experience in management of fiscal and tax affairs. Mr. Huang has previously been the Chief of a branch of the Guangzhou Finance Bureau, Vice Chief of the Guangzhou Finance and Tax Bureau, and Chief of the Guangzhou Price Bureau.

3. *Supervisors:*

Mr. Chen Canying, aged 52, is the Chairman of the Supervisory Committee of the Company. Mr. Chen graduated from Guangzhou Party Cadres School in 1985. Mr. Chen is also the Chairman of the Guangzhou Medical Group's Supervisory Committee, Executive Director of the Guangzhou Entrepreneurs Association, a member of the Editorial Committee of "Chinese Medicine Affairs Paper", and an Executive Director of the Chinese Medicine Economic Research Association.

Mr. Tan Sima, aged 38, is currently the Vice-Managing Director and President of Guangzhou Stock Company Limited. He has a Master of Economics from Zhong Shan University and has rich experience and strong theoretical knowledge of securities and management of securities. Mr. Tan was once the Vice General Manager of Hong Kong Yue Xiu Finance Company Limited. He is now Executive Director and General Manager of Guangzhou Yue Yin Finance Development Company. He is also Vice General Manager of Guangzhou Securities Company Limited.

Mr. Luo Jidong, aged 48, is a Senior Economist and the Chief of the China Merchant Bank, Guangzhou branch. He obtained a Master of Economics from Southwest Finance University and has a rich experience in financial management.

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4. Senior management:

Mr. Li Decheng, aged 41, joined GZPHL in 1978. He is the Deputy General Manager of the Company and the General Manager of Guangzhou Pangaoshou Pharmaceutical Co. Ltd. He graduated from Guangzhou Teaching College in 1988 with a University Diploma in Political Science and Economic Management and has a Masters degree from Northeast Finance University and is the Vice Chairman of the Association of Chinese Food.

Mr. Jiang Shijie, aged 66, joined GZPHL in 1955, and is a Senior Accountant and the Financial Controller of the Company. He graduated from Guangzhou Finance School in 1954 with a Certificate in Accounting. Mr. Jiang is also an executive member of Guangzhou Accountant Association and China Pharmaceutical Accountants Association.

5. Company secretary:

Mr. He Shuhua, aged 45, joined GZPHL in 1982 and is the Company Secretary Vice General Manager of the Company. 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 executive member of the Editorial Committee of the "Chinese Medicine Market and Information Magazine"

Directors, Supervisors and Senior Management's interests in equity and debt securities

- As at 31 December 2001, the interests of the Directors, Supervisors and senior management in the shares, warrants and options of the Company and its associated corporations (within the meanings of the SDI Ordinance), as recorded in the register maintained by the Company under Section 29 of the SDI Ordinance or as notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Directors:

Name	Type of interest	Company	Number of Shares
Cai Zhixiang	Family	Guangzhou Xing Qun Pharmaceutical Co., Ltd. ("GZ Xing Qun")	1,900
	Family	Guangzhou Pan Gao Shou Pharmaceutical Co., Ltd ("GZ Pan Gao Shou")	1,670
	Family	Guangzhou Yang Cheng Pharmaceutical Co., Ltd ("GZ Yangcheng")	1,960
	Family	Guangzhou Jing Xiu Tang Pharmaceutical Co., Ltd ("GZ Jing Xiu Tang")	2,240
	Family	Guangzhou Guanghua Pharmaceutical Co., Ltd. ("GZ Guanghua")	1,670
	Family	Guangzhou Tianxin Pharmaceutical Co., Ltd. ("GZ Tianxin")	1,670
	Trust *	Po Lian Development Company Limited ("Po Lian")	200,000

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Name	Type of interest	Company	Number of Shares
Li Yimin	Family	GZ Xing Qun	1,900
	Family	GZ Pan Gao Shou	1,670
	Family	GZ Yangcheng	1,960
	Family	GZ Jing Xiu Tang	2,240
	Family	GZ Tianxin	1,670
	Family	GZ Guanghua	1,670
	Trust *	Po Lian	200,000

Name	Type of interest	Company	Number of Shares
Chen Xiangzhi	Family	GZ Pan Gao Shou	1,470
	Family	GZ Yangcheng	1,680
	Family	GZ Jing Xiu Tang	1,920
	Family	GZ Guanghua	1,470

Supervisors:

Chen Canying	Personal	GZ Yangcheng	22,150
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Senior management:

Zhou Yuejin	Trust*	Po Lian	200,000
Li Decheng	Personal	GZ Jing Xiu Tang	1,920
	Personal	GZ Yangcheng	1,680
Jiang Shijie	Family	GZ Jing Xiu Tang	1,920
	Family	GZ Yangcheng	1,680
	Family	GZ Xing Qun	1,600
	Family	GZ Tianxin	1,470

* Mr. Cai Zhixiang, Li Yimin and Zhou Yuejin are holding the said shares on behalf of Po Lian as trustee only.

2. Saved as above, as at 31 December 2001, the Company has not been notified in accordance with section 16 of the SDI Ordinance that, the directors, supervisors or chief executives, including their spouse and children under 18 years of age, had any interest in or had been granted, or exercised any right to subscribe for shares (or warrants, debentures, if applicable) of the Company and its associated corporations (within the meaning of the SDI Ordinance).

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3. Annual emoluments

During the year, total emolument of directors, supervisors and senior managements amounted to Rmb3,520,000. Total emoluments of the three highest paid directors in the Company amounted to Rmb1,580,000. Total emoluments of the three highest paid senior executives amounted to Rmb 710,000.

Allowance and other emoluments of the independent directors are as follows:

Name	Allowance <i>Rmb</i>	Other emoluments <i>Rmb</i>
Chu Youlin, David	95,200	Nil
Wu Zhang	42,600	Nil
Liu Jingxiang	59,500	Nil
Zhang Bohua	95,200	Nil
Huang Buren	20,100	Nil

The headcount of directors, supervisors and senior management was 16. The number of directors, supervisors and senior management of the Company classified according to their emoluments are as follows:

Below Rmb 100,000	7
Rmb 100,000 - Rmb 400,000	4
Over Rmb 400,000	5
	<u>16</u>

* Details of the five highest paid employees are set out on page 117.

Policy on determining emoluments of directors, supervisors and senior management.

Emoluments of directors and supervisors were proposed by the Board. Resolution passed in the annual general meeting authorised the Board to determine the amount of emoluments and payment method for the services of the Company's directors and supervisors. The amount of emoluments and payment method of senior executives were determined after taking into account of the Company's operating results and individual performance.

4. Reasons for resignation of Directors, Supervisors and Senior Management during the reporting period

During the reporting period, Chen Xiangzhi, General Manager, resigned due to internal transfer to a fellow subsidiary company. Xiao Cheng, Vice General Manager, resigned for retirement.

Subsequent to the balance sheet date, with the approval of the first 2002 Extraordinary General Meeting, Zhou Yuejin was appointed as director of the Company.

5. *Directors' and Supervisors' service contracts*

A summary of service contracts between the Company and the Directors and Supervisors is as follows:

- The term of each contract is from 18 October 2000 to the date of election of the Board of the 3rd term in 2003.
- The term of each appointment of the Directors of the Company is three years until the date of re-election of the Board of the 3rd term in 2003. Directors, who retired, could offer themselves for re-election.

The service contracts do not stipulate any terms of compensation for termination of contract, or for failure in re-election after expiration of the appointment.

6. *Employees of the Group:*

As at 31 December 2001, the number of employees on the payroll register of the Group was 8,320, including:

	No. of employees
Production related	2,608
Technology related	863
Finance related	307
Administration related	1,509
Sales related	3,033

Among the employees in the Company, there are 34 holding master degrees, 465 holding bachelor degrees, and 3,905 retired. The total salaries and welfare for the year were approximately Rmb376 million.

The remuneration of the employees of the Group includes their salaries, bonuses and other fringe benefits. The Group has different rates of remuneration for different employees, which are determined based on their performance, experience, position and other factors in compliance with the relevant PRC laws and regulations.