

PROFILES

1. *Executive directors:*

Mr. Cai Zhixiang, aged 53, Chairman of the Board of the Company, joined GZPHL 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. 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 52, Vice Chairman of the Board and Chief Pharmacist of the Company, joined GZPHL in 1970 and has 32 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 Deputy Chairman and General Manager of GZPHL, the Chairman of Guangzhou Baiyunshan Pharmaceutical Co., Ltd. and an independent director of Guangzhou Steel Company Ltd. Mr. Li is also an executive member of 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 52, 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. Zhou Yuejin, aged 45, is a Director and the General Manager of the Company. Mr. Zhou obtained a Bachelor degree of Industrial Study and Master degree in Economics, and qualified as Senior Economist, and Certified Pharmacist. He joined the Company in 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 58, has been appointed as independent Non-executive Director of the Company since 1997. Mr. Chu 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.

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Mr. Zhang Bohua, aged 70, has been appointed as independent non-executive Director of the Company since 1997. Mr. Zhang is Honorary Managing Director of Yue Xiu Enterprises (Holdings) Limited and Managing Director of Guangzhou Investment Company Limited and China Canton Investment Ltd.

Mr. Liu Jinxiang, aged 63, has been appointed as independent non-executive Director of the Company since 2000. Mr. Liu was previously Managing Director of Yue Xiu Enterprises (Holdings) Limited, Guangzhou 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 45, has been appointed as independent non-executive Director of the Company since 2000. Mr. Wu is currently the Chairman of the Board of Directors of Guangzhou Stock Company Limited, and an independent Director 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 Securities Company Limited.

Mr. Huang Buren, aged 67, has been appointed as independent non-executive Director of the Company since 2000. Mr. Huang is qualified as a China Tax Specialist and 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.

3. Supervisors:

Mr. Chen Canying, aged 53, joined GZPHL in 1973. Mr. Chen is the Chairman of the Supervisory Committee of the Company. Mr. Chen graduated from Guangzhou Administration College in 1985. Mr. Chen is also the Chairman of the Labor Union of the Company, 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 39, has been appointed as Supervisor since 2000. Mr. Tan is currently the Vice-Managing Director and President of Guangzhou Stock Company Limited. He has a Master degree in 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 Yue Xiu Securities Company Limited.

Mr. Luo Jidong, aged 49, has been appointed as Supervisor since 2000. He 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. He Shuhua, aged 46, joined GZPHL in 1982. He is the Vice General Manager and Secretary 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 a representative of the 12th Guangzhou Municipal People's Congress.

Mr. Li Decheng, aged 42, joined GZPHL in 1978. He is the Deputy General Manager of the Company and the General Manager of Guangzhou Pan Gao Shou Pharmaceutical Co. Ltd. He graduated from Guangzhou Teaching College in 1988 with a University Diploma in Political Science and Economic Management and has a Master degree from Northeast Finance University and is an executive member of China Chinese Medicine Association and the Vice Chairman of the Association of Chinese Food.

Mr. Gao Fang, aged 44, joined GZPHL in 2002 as Financial Controller of the Company. He 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 Shenzhen Stock Exchange, Vice General Manager of Shenzhen Shungang Logistic Holding Company, Ltd. and Vice General Manager and Financial Controller of Beijing Bi De Technology (Holdings) Company Ltd.

DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S INTERESTS IN EQUITY AND DEBT SECURITIES

1. As at 31 December 2002, 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 in Hong Kong, were as follows:

Directors:

| Name | Type of interest | Company | Number of Shares |
|--------------|------------------|---|------------------|
| Cai Zhixiang | Family | Guangzhou Xing Qun Pharmaceutical Co., Ltd. ("Xing Qun") | 1,900 |
| | Family | Guangzhou Pan Gao Shou Pharmaceutical Co., Ltd. ("Pan Gao Shou") | 1,670 |
| | Family | Guangzhou Yang Cheng Pharmaceutical Co., Ltd. ("Yang Cheng") | 1,960 |
| | Family | Guangzhou Jing Xiu Tang Pharmaceutical Co., Ltd ("Jing Xiu Tang") | 2,240 |

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| Name | Type of interest | Company | Number of Shares |
|---------------------------|------------------|--|------------------|
| | Family | Guangzhou Guang Hua Pharmaceutical Co., Ltd. ("Guang Hua") | 1,670 |
| | Family | Guangzhou Tian Xin Pharmaceutical Co., Ltd. ("Tian Xin") | 1,670 |
| | Trust * | Po Lian Development Company Limited ("Po Lian") | 200,000 |
| Li Yimin | Family | Xing Qun | 1,900 |
| | Family | Pan Gao Shou | 1,670 |
| | Family | Yang Cheng | 1,960 |
| | Family | Jing Xiu Tang | 2,240 |
| | Family | Tian Xin | 1,670 |
| | Family | Guang Hua | 1,670 |
| | Trust * | Po Lian | 200,000 |
| Zhou Yuejin | Trust* | Po Lian | 200,000 |
| Supervisors: | | | |
| Chen Canying | Personal | Yang Cheng | 22,150 |
| Senior management: | | | |
| Li Decheng | Personal | Jing Xiu Tang | 1,920 |
| | Personal | Yang Cheng | 1,680 |

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

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2. Save as above, as at 31 December 2002, the register maintained in accordance with section 29 of the SDI Ordinance did not disclose, nor had the Company been notified that, the Directors, Supervisors or Senior Management, including their respective spouses 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).

ANNUAL EMOLUMENTS

During the year, total emolument of Directors, Supervisors and Senior Management amounted to Rmb4,950,000. Total emoluments of the three highest paid Directors in the Company amounted to Rmb2,520,000. Total emoluments of the three highest paid Senior Management amounted to Rmb1,240,000.

Allowances and other emoluments of the independent Directors are as follows:

| Name | Allowance Rmb | Other emoluments Rmb |
|-------------------|------------------|-------------------------|
| 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 Rmb100,000 | 8 |
| Rmb100,000 – Rmb400,000 | 2 |
| Over Rmb400,000 | 6 |
| | <hr/> |
| | 16 |
| | <hr/> <hr/> |

* Details of the five highest paid employees are set out on page 129.

Policy on determining emoluments of Directors, Supervisors and Senior Management

Emoluments of Directors and Supervisors were proposed by the Board of Directors of the Company (the "Board"). A resolution passed at the 2001 annual general meeting ("AGM") 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.

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

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REASONS FOR RESIGNATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD

During the reporting period, as approved by the 16th meeting of the Board of the 2nd term, Mr. Jiang Shijie resigned from the Financial Controller position due to his retirement and Mr. Gao Fang has been appointed as the Company's Financial Controller. Mr. Jiang Shijie is currently the Financial Consultant of the Company.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

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

- (a) The term of each contract is from 18 October 2000 to the date of election of the 3rd term of the Board in 2003.
- (b) The term of appointment of each Director and Supervisor of the Company is three years until the date of re-election of the 3rd term of the Board in 2003 under the Articles of Association of the Company. All Directors and Supervisors due for retirement can offer themselves for re-election.

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

EMPLOYEES OF THE GROUP:

As at 31 December 2002, the number of employees on the payroll register of the Group was 8,413, including:

| | No. of employees |
|----------------|-------------------------|
| Production | 3,046 |
| Sales | 2,536 |
| Technical | 1,767 |
| Finance | 278 |
| Administration | 786 |

Among the employees, there are 45 holding a master degree, 540 holding a bachelor degree, and 4,139 retired. The total salaries and welfare for the year were approximately Rmb354 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 rules and regulations.