

# Directors, Supervisors, Senior Management and Staff

## (I) BASIC INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

| <b>Name</b>       | <b>Position</b>                                    | <b>Sex</b> | <b>Age</b> | <b>Period of appointment</b>              |
|-------------------|--|------------|------------|---|
| Wang Yanmou       | Independent<br>non-executive director              | Male       | 72         | From 1 September, 2000<br>to 31 May, 2004 |
| Kang Woon         | Independent<br>non-executive director              | Male       | 41         | From 1 September, 2000<br>to 31 May, 2004 |
| Xue Tongzu        | Independent<br>non-executive director              | Female     | 67         | From 25 April, 2002 to<br>31 May, 2004    |
| Guo Wensan        | Chairman   | Male       | 49         | From 1 September, 2000<br>to 31 May, 2004 |
| Li Shunan         | Executive director                                 | Male       | 46         | From 1 September, 2000<br>to 31 May, 2004 |
| Yu Biao           | Executive director                                 | Male       | 50         | From 1 September, 2000<br>to 31 May, 2004 |
| Zhu Dejin         | Executive director                                 | Male       | 57         | From 1 September, 2000<br>to 31 May, 2004 |
| Guo Jingbin       | Executive director                                 | Male       | 46         | From 1 September, 2000<br>to 31 May, 2004 |
| Wang Jun          | Chairman of the<br>supervisory committee           | Male       | 47         | From 1 September, 2000<br>to 31 May, 2004 |
| Ji Qinying        | Supervisor   | Male       | 48         | From 1 September, 2000<br>to 31 May, 2004 |
| Zhu Zhongping     | Supervisor   | Male       | 48         | From 1 September, 2000<br>to 31 May, 2004 |
| Ren Yong          | Executive general manager                          | Male       | 41         | From 1 September, 2000<br>to 31 May, 2004 |
| Qi Shengli        | Deputy general manager                             | Male       | 39         | From 1 September, 2000<br>to 31 May, 2004 |
| He Chengfa        | Deputy general manager                             | Male       | 38         | From 1 September, 2000<br>to 31 May, 2004 |
| Sun Yidong        | Deputy general manager                             | Male       | 45         | From 1 September, 2000<br>to 31 May, 2004 |
| Zhang Mingjing    | Secretary to the board of<br>directors             | Female     | 42         | From 1 September, 2000<br>to 31 May, 2004 |
| Chiu Pak Yue, Leo | Secretary to the board of<br>directors (Hong Kong) | Male       | 40         | From 1 September, 2000<br>to 31 May, 2004 |

## (I) BASIC INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT *(Continued)*

Pursuant to the resolutions of a shareholders' general meeting held on 28 August, 2000, if no shareholders' meeting is convened upon the expiration of the term of office of the abovementioned directors and supervisors, their term of office shall be extended to the date of the next shareholders' meeting provided that the time interval in between shall not exceed one year.

The terms of office of independent non-executive directors Mr. Wang Yanmou and Mr. Kang Woon, having served as independent non-executive directors of the Company for two consecutive terms, are expired and they will not serve as the Company's independent non-executive directors, as stipulated by the China Securities Regulatory Commission. The Company hereby expresses its sincere gratitude to the two directors for their diligence and contribution to the development of the Company during their terms of office.

During the reporting period, none of the abovementioned directors and supervisors and senior management members held or traded in the shares of the Company.

### Existing directors and supervisors working in the Company's corporate shareholders

| Name          | Name of corporate shareholder        | Position held in corporate shareholder   | Duration of appointment                                   | Any remuneration and allowances received |
|---------------|--------------------------------------|--|---|--|
| Guo Wensan    | Anhui Conch Holdings Company Limited | Chairman<br>General manager  | From January 1997 to present                              | No                                       |
| Li Shunan     | Anhui Conch Holdings Company Limited | Vice-chairman<br>Deputy general manager  | From January 1997 to present                              | No                                       |
| Yu Biao       | Anhui Conch Holdings Company Limited | Director<br>Deputy general manager   | From December 1998 to present                             | No                                       |
| Zhu Dejin     | Anhui Conch Holdings Company Limited | Director<br>Deputy general manager   | From January 1997 to present                              | No                                       |
| Guo Jingbin   | Anhui Conch Holdings Company Limited | Director<br>Deputy general manager   | From January 1997 to present                              | No                                       |
| Wang Jun      | Anhui Conch Holdings Company Limited | Vice-secretary of the Communist Party Committee<br>Secretary of the Disciplinary Committee | From July 2002 to present<br>From January 1997 to present | No                                       |
| Zhu Zhongping | Anhui Conch Holdings Company Limited | Deputy chief accountant  | From July 1999 to present                                 | No                                       |

## (I) BASIC INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT *(Continued)*

### **Biography of directors, supervisors and senior management**

#### *Executive directors*

**Mr. Guo Wensan** is a senior engineer and chairman of the board of directors of the Company. Mr. Guo graduated from Shanghai Tongji University in 1978 and joined the Group in 1980. He has held various leadership posts in the Group and gained more than 20 years of experience in corporate governance. He also possesses extensive and in-depth technical know-how of the cement industry. Mr. Guo was awarded the “May First” labour prize and model labour in national building materials system and has received the Golden “Great Contribution Award” from the Anhui People’s Government. Mr. Guo is also vice-chairman of the China Building Materials Industry Association.

**Mr. Li Shunan** is a senior engineer and an executive director of the Company. Mr. Li graduated from the College of Anhui Building Materials and joined the Group in August 1980. Mr. Li has held various leadership posts such as general manager of Ningguo Cement Plant, and had also been deputy general manager of the Company. He also possesses profound experience in technical know-how of the cement industry and production management.

**Mr. Zhu Dejin** is an economist and an executive director of the Company. Mr. Zhu graduated from Jilin Siping Teachers School in 1976 and joined the Group later in various leadership posts such as deputy general manager of the Company and possesses excellent experience in corporate management.

**Mr. Yu Biao** is a senior engineer and an executive director of the Company. Mr. Yu graduated from Anhui College of Building Materials and joined the Group in August 1980. Mr. Yu has held various leadership posts including deputy general manager of the Company. He has in-depth knowledge about technical know-how of the cement industry and vast experience in project management. He was appointed member of the technology education committee of State Building Materials Bureau in July 1999. Mr. Yu is also vice-chairman of the China Cement Association.

**Mr. Guo Jingbin** is an engineer and an executive director of the Company. Mr. Guo graduated from Shanghai College of Building Materials and joined the Group in February 1980. Mr. Guo has held various leadership posts including secretary to the board of directors and deputy general manager of the Company. He is also experienced in the capital market.

#### *Independent non-executive directors*

**Mr. Wang Yanmou** was appointed as an independent non-executive director of the Company on 1 September, 2000, and was an independent non-executive director of the first and the second sessions of the board of directors of the Company. Mr. Wang obtained his bachelor degree from PRC Southeastern University in 1956 and his associated doctoral degree in Technology Science (equivalent to a Ph.D qualification in the United States according to the regulations of the PRC Government) from the USSR in 1962. Mr. Wang has been chief of the China Building Materials Research Institute and State Bureau of Building Materials Industry and was elected chairman of the China Portland Cement Society. Mr. Wang is also a consultant to the Expert Committee of the China International Construction Consultant Company since 1997 and is the visiting consultant of the China National Investment Association and honorary chairman of the China National Building Industry Committee. He has also been a delegate to the Eighth Chinese People’s Political Consultative Conference.

## (I) BASIC INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT *(Continued)*

### *Independent non-executive directors (Continued)*

**Mr. Kang Woon** was appointed as an independent non-executive director of the Company on 28 August, 2000. He was an independent non-executive director of the first and the second sessions of the board of directors of the Company. He holds a doctoral degree in Jurisprudence from the University of Texas at Austin. Mr. Kang is an attorney-at-law of the Supreme Court of the State of New York, United States of America and a member of the Bar Association of the Frankfurt am Main, Federal Republic of Germany. He has been a partner of Jones, Day, Reavis & Pogue, an international law firm, since August 1990.

**Ms. Xue Tongzu** is a senior engineer at professor level. She was appointed as an independent non-executive director of the Company on 25 April, 2002. Ms. Xue graduated from China University of Mining and Technology in July 1962. She has extensive experience in the building materials industry of the PRC, and has assumed different posts in China National Building Materials Department, China National Building Committee, State Administration of Building Materials Industry of China and the China Building Materials Industry Corporation. She has also been chairman of the investment department of the State Administration of Building Materials Industry and general manager of China Building Materials Industry Construction Corporation respectively. Since 1993, Ms. Xue has been receiving special government allowance.

### *Supervisors*

**Mr. Wang Jun** is a senior engineer. Mr. Wang graduated from Anhui University and joined the Group in 1982. Mr. Wang has held various posts at Ningguo Cement Plant including those of director of automatic measurement department, director of personnel department and the secretary of the Party Committee.

**Mr. Ji Qinying** is an engineer. Mr. Ji graduated from Shanghai College of Building Materials, and joined the Group in 1980. Mr. Ji has held various posts at Ningguo Cement Plant including those of deputy director of operation department as well as deputy general manager of Tongling Hailuo Cement Co. Ltd.

**Mr. Zhu Zhongping** is an economist. Mr. Zhu is the deputy accountant and the director of the financial department of Holdings. Mr. Zhu graduated from Anhui Financial College in 1980, and held various posts such as deputy director and director of the Ningguo Cement Plant branch. Mr. Zhu joined the Group in 1997 and was director of the financial department. Mr. Zhu is a specialist of finance management, finance and capital management.

### *Senior management*

**Mr. Ren Yong** is an engineer and the executive general manager of the Company. Mr. Ren graduated from Shanghai College of Building Materials and joined the MBA training courses organised by the State Economy and Trade Commission in 1998 and the faculty of commerce of Stockholm University in Sweden. Mr. Ren joined the Group in 1982 and has held various leadership posts at Ningguo Cement Plant, including deputy director of manufacturing plant and deputy general manager of Tongling Hailuo Cement Co. Ltd..

## (I) BASIC INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT *(Continued)*

### *Senior management (Continued)*

**Mr. Qi Shengli** is an economist and a deputy general manager of the Company. Mr. Qi graduated from Wuhan Industrial University and joined the Group in 1989. Mr. Qi had been a deputy director of the personnel department of Ningguo Cement Plant and director of personnel department of the Company.

**Mr. He Chengfa** is an engineer and a deputy general manager and director of the equipment department of the Company. He graduated from Wuhan Industrial University and joined the Group in 1990. He had been deputy engineer of the mechanical department and assistant director of Ningguo Cement Plant.

**Mr. Sun Yidong** is a senior engineer and a deputy general manager and director of the development department of the Company. Mr. Sun graduated from Hefei Industrial University and joined the Group in 1982. Mr. Sun had been deputy director of the mechanical department of Ningguo Cement Plant and deputy director of Baimashan Cement Plant.

### *Secretaries of the board of directors*

**Ms. Zhang Mingjing** graduated from Anhui Educational Institute in July 1988. Ms. Zhang joined the Group in November 1987. Ms. Zhang has assumed positions of director of the external economy co-operation department and deputy director of the development department of Ningguo Cement Plant.

**Mr. Chiu Pak Yue Leo** is a practising solicitor in Hong Kong and graduated from the University of Hong Kong. Mr. Chiu is a partner of Chiu & Partners and a member of the Securities Law Committee of the Law Society of Hong Kong. Mr. Chiu was in charge of a large number of transactions of corporate finance and commercial law nature involving Hong Kong and international companies. These transactions include initial public offerings, mergers and acquisitions, privatisation, issues of Eurobonds and derivative instruments and group restructuring.

## (II) DURING THE REPORTING PERIOD, NONE OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY RESIGNED FROM THEIR RESPECTIVE POSTS.

## (III) INTERESTS IN SERVICE CONTRACTS, SHARE CAPITAL AND CONTRACTS OF DIRECTORS AND SUPERVISORS

Each of the executive directors and supervisors has entered into a service contract with the Company commencing from 1 September, 2000 and ending on 31 May, 2004.

During the reporting period, none of the directors and supervisors of the Company has any material interests in any contracts entered into by the Company or its subsidiaries.

## (IV) DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

None of the directors, supervisors of the Company or their respective spouses and children under 18 held any stocks or debt securities of or any other interests in the Company or its associated corporation (as defined in the Securities and Futures Ordinance) nor had they be granted or exercised any rights to subscribe for stocks or debt securities of the Company or its associated corporation (as defined in the Securities and Futures Ordinance). These stocks or interests shall be recorded in the register required to be kept and prepared by the Company under Section 352 of the Hong Kong Securities and Futures Ordinance.

## (V) CODE OF BEST PRACTICE

For the year ended 31 December, 2003, the Company has complied with the Code of Best Practice set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## (VI) ANNUAL REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### (1) Annual remuneration

|  | <i>RMB</i>       |
|--|------------------|
| <b>Aggregate annual remuneration</b>   | <b>5,692,900</b> |
| Aggregate remuneration of the three highest paid directors                                     | 1,705,800        |
| Aggregate remuneration of the three highest paid senior management                             | 1,440,000        |
| Allowances to independent directors  | –                |
| Other benefits to independent directors  | –                |
| Directors and supervisors who did not receive any remuneration and allowances from the Company | –                |
| <b>Bands of remuneration</b>   | <b>Number</b>    |
| RMB200,000 to 350,000  | 2                |
| RMB350,000 to 500,000  | 7                |
| RMB500,000 to 650,000  | 4                |

During the reporting period, the remuneration and allowances (if any) of all the directors and supervisors were paid by the Company. For details of the remuneration of directors and supervisors, please refer to Note 26(b) to the Financial Statements prepared in accordance with the IFRS.

### (2) Procedures and basis for determination of remuneration

The remuneration of directors and supervisors of the Company is fixed in pursuance with their service agreements passed by the shareholders in the general meetings and the economic efficiency of the Company. The monthly remuneration of senior management of the Company is determined in accordance with their positions held and the daily management performance. The annual remuneration is based on the achievement of operating targets and productivity as well as performance review.

## **(VII) HIGHEST PAID INDIVIDUALS**

During the reporting period, the five highest paid individuals of the Group were either the directors or the supervisors of the Company. Details of their remuneration are set out in Note 26(b) to the Financial Statements prepared in accordance with the IFRS.

## **(VIII) STAFF, REMUNERATION AND TRAINING**

As at 31 December, 2003, the Group had a total of 10,808, of which 7,409 were engaged in production, 422 were engaged in sales, 2,177 were technicians, 288 were engaged in financial work and 512 were engaged in administrative and management work. Out of these employees, 3,826 had received higher and secondary school education and 3,178 were university graduates.

Aggregate staff remuneration of the Group for the year amounted to RMB216.129 million. The Company had no responsibility for the expenses of resigned and retired employees.

During the reporting period, the Company further enhanced the training programme for its staff to meet its rapid business expansion. By using tests, assessments and collective evaluations and a combination of internal and external training programmes, the Company has adopted relevant measures to assure staff's improvement in applying the skills required by their posts and their corresponding level of performance. During the reporting period, the Company has seconded 85 professional technicians and management staff to large cement enterprises in Korea and Thailand for a large-scale technical and management experience exchange about clinker production line operations, with a view to enhance the Company's overall management in large cement clinker production line operations.

## **(IX) RETIREMENT INSURANCE PREMIUM**

Details of the retirement insurance premium are set out in Note 4 to the Financial Statements prepared in accordance with the IFRS. For the year ended 31 December, 2003, the retirement insurance premium charged to the profit and loss account of the Group was RMB13.962 million.

## **(X) STAFF HOUSING**

The Group does not own any quarters for staff housing nor operate any scheme for the provision of staff housing. The Group and its staff are required to make contributions at a prescribed percentage of the salaries of the relevant staff to a housing reserve fund to the government. Apart from such contributions, the Group does not have any other obligations. The housing reserve fund paid by the Group in 2003 amounted to about RMB5.7191 million.