

# Directors, Supervisors, Senior Management and Staff

## 1. PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### Directors

**Mr. Yang Rongming**, aged 51, Chairman of the Company, is a postgraduate and currently the Chairman and General Manager of GPLH. Mr. Yang started his career in October 1970 and served as vice factory manager of Guangzhou Monosodium Glutamate and Food Factory, Deputy General Manager of Guangzhou Ao Sang Monosodium Glutamate & Food Co., Ltd, Director and General Manager of Guangzhou Eagle Coin Enterprises Group Corporation, Chairman and General Manager of Guangzhou Zhujiang Brewery Group Co., Ltd and Chairman of Guangzhou Zhujiang Brewery Co., Ltd. Mr. Yang has extensive experience in business management and sales and marketing.

**Mr. Zhou Yuejin**, aged 47, is the Vice Chairman of the Company. Mr. Zhou obtained a Bachelor degree of Industrial Study and a Master degree in Economics, and is qualified as a Senior Economist and a Certified Pharmacist. He joined GPLH 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 Guangzhou He Ji Gong Pharmaceutical Co., Ltd., Director and Vice General Manager of Po Lian Development Co., Ltd (“Po Lian”), General Manager of the Company and Chairman of Guangzhou Hanfang Contemporary Medicine Research and Development Co., Ltd (“Guangzhou Hanfang”). Mr. Zhou is also a Director of Guangzhou Wang Lao Ji Pharmaceutical Co., Ltd (“Wang Lao Ji”) and a Director of Golden Eagle Asset Management Co., Ltd. He has extensive experience in business management and investment.

**Mr. Feng Zansheng**, aged 54, a Director of the Company, joined GPLH 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, 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. He Shuhua**, aged 48, a Director, Deputy General Manager and Company 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 a Director of China Pharmaceutical Group Co., Ltd, Chairman of Guangxi Yingkang Pharmaceutical Co., Ltd. (“Guangxi Yingkang”), an executive member of Guangdong Statistics Society and a representative of the 12th Guangzhou Municipal People’s Congress. Mr. He has been the Company Secretary of the Company since 1997, Deputy General Manager of the Company since 2001 and Director of the Company since November 2004. He has extensive experience in business management and sales and marketing.

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## Independent Non-executive Directors

**Mr. Wu Zhang**, aged 47, has been an Independent Non-executive Director of the Company since 2000. He is currently 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, Directors and Deputy General Manager of Hong Kong Yue Xiu Finance Co., Ltd and Hong Kong Yue Xiu Securities Co., Ltd.

**Mr. Wong Hin Wing**, aged 42, was appointed as an Independent Non-executive Director of the Company on 26 March 2004. Mr. Wong holds a Master's degree in Executive Business Administration from the Chinese University of Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Hong Kong Institute of Directors, the Association of Chartered Certified Accountants, as well as a member of the American Institute of Certified Public Accountants. He is also a fellow member of the Institute of Chartered Secretaries and Administrators and a member of the Securities Institute in the United Kingdom. Mr. Wong is currently the managing director and Responsible Officer of Legend Capital Partners Inc., a licensed corporation under the Securities and Futures Ordinance. He has over 21 years of experience in accounting, finance, investment management and advisory. Mr. Wong had worked with an international audit firm for four years and was the chief financial officer of a listed public company for seven years. He is also an independent non-executive director of Aeon Credit Service (Asia) Company Limited, a public company listed on HKEX.

**Mr. Zhang Heyong**, aged 64, has been an Independent Non-executive Director of the Company since March 2004. Mr. Zhang graduated from the Medical Science Department of Shanghai Medical University, and is currently the consultant of the State Foods and Medicine Supervisory and Administration, Counsellor of State Council, Chairman of the China OTC Medicine Association, Chairman of the Association of China Medicine Quality Control, Chairman of the Association of China Medicine Packaging and Chairman of the Association of China Medicine Packaging Equipment Industry. Mr. Zhang has extensive experience in the pharmaceutical industry.

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## Supervisors

**Mr. Chen Canying**, aged 55, Chairman of the Supervisory Committee of the Company, joined GPLH in 1973. Mr. Chen graduated from Guangzhou Administration College in 1985. He is also 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. Ou Yangqiang**, aged 42, an economist, has been a Supervisor of the Company since March 2004. He is the senior manager of the Human Resources Department of the Company. Mr. Ou graduated from Guangzhou Administration College and was awarded a diploma by the Economics Management University in 2000. He joined GPLH in 1999 and served as the deputy head and the head of the Administration Department of GPLH.

**Mr. Zhong Yugan**, aged 48, has been a Supervisor of the Company since March 2004. Mr. Zhong graduated from the Business Economics Department of Beijing Business College in 1982 and was awarded a Bachelor of arts in economics. He studied abroad in the University of 契里爾·麥托蒂 in the former Yugoslavia. Mr. Zhong is currently the Head of the Business Administration Faculty in the Guangdong Business College, the professor of management studies and the tutor of Master degree postgraduates. He is also the Vice Chairman of the Association of Marketing Research of China higher institutes, Deputy General Secretary of the Association of China Marketing Study, committee member of academic work of the Association of China International Public Relations, the Vice Chairman of the Guangdong Provincial Business Economics Association and the executive member of the Guangdong Provincial Public Relations Association. Mr. Zhong has extensive experience in the fields of marketing and sales, strategic decision making and corporate management.

## Senior Management

**Mr. Xie Bin**, aged 47, an economist with a Master degree in science, has been the General Manger of the Company since November 2004. Mr. Xie commenced working since August 1974 and served as the factory manager of Guangzhou Baiyunshan Chinese Medicine Factory and Guangzhou Baiyunshan Pharmaceutical Manufacturing General Factory, Deputy General Manager and General Manager of Baiyunshan Pharmaceutical. He is also Vice Chairman of Wang Lao Ji, Manager of Guangzhou Chinese Medicine Corporation and a Director of Baiyunshan Pharmaceutical. Mr. Xie has extensive experience in enterprise management, sales and marketing.

**Mr. Gao Fang**, aged 46, 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, Director and Deputy General Manager of Hong Kong Guangxin Enterprise Company and Deputy General Manager and Financial Controller of Beijing Bi De Technology (Holdings) Co., Ltd.

# Directors, Supervisors, Senior Management and Staff

## 2. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S INTERESTS IN SHARES (A SHARES) DURING THE REPORTING PERIOD

Name	Position	Shares held as at 1 January 2004	Shares held as at 31 December 2004
Yang Rongming	Chairman	—	—
Zhou Yuejin	Vice Chairman	28,900	28,900
Feng Zansheng	Executive Director	—	—
He Shuhua	Executive Director, Deputy General Manager and Company Secretary	27,700	27,700
Wu Zhang	Independent Non-executive Director	—	—
Wong Hin Wing	Independent Non-executive Director	—	—
Zhang Heyong	Independent Non-executive Director	—	—
Cai Zhixiang	Chairman (Resigned on 9 September 2004)	14,700	14,700
Li Yimin	Vice Chairman (Resigned on 22 June 2004)	14,700	14,700
Chu Youlin	Independent Non-executive Director (ceased to act on 26 March 2004)	—	—
Zhang Bohua	Independent Non-executive Director (ceased to act on 26 March 2004)	—	—
Liu Jinxiang	Independent Non-executive Director (ceased to act on 26 March 2004)	—	—
Huang Buren	Independent Non-executive Director (ceased to act on 26 March 2004)	—	—
Chen Canying	Chairman of the Supervisory Committee	9,800	9,800
Ou Yangqiang	Supervisor	10,100	10,100
Zhong Yugan	Supervisor	—	—
Tan Sima	Supervisor (ceased to act on 26 March 2004)	—	—
Luo Jidong	Supervisor (ceased to act on 26 March 2004)	—	—
Xie Bin	General Manager	1,000	1,000
Gao Fang	Financial Controller	—	—
Li Decheng	Deputy General Manager (resigned on 26 January 2004)	—	—

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## 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 2004, the interests or short positions of the Directors, Supervisors and Senior Management in the shares and underlying shares of the Company or any of 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 recorded in the register referred therein, or which were required pursuant to the Model Code ("Model Code") of the Rules Governing the Listing of Securities on HKEX (the "Listing Rules") for Securities Transactions by Directors of Listed Issuers to be notified to the Company and HKEX were as follows:

### Directors:

Name	Type of interest	Company	Number of shares
Zhou Yuejin	Personal Trust *	A shares of the Company Po Lian Development Co., Ltd. ("Po Lian")	28,900 200,000
He Shuhua	Personal	A shares of the Company	27,700

### Supervisors:

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

### Senior Management:

Name	Type of interest	Company	Number of shares
He Shuhua	Personal	A shares of the Company	27,700
Xie Bin	Personal	A shares of the Company	1,000

\* Mr. Zhou Yuejin holds 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.

\*\* The name of Guangzhou Yang Cheng Pharmaceutical Co., Ltd was changed to Guangzhou Wang Lao Ji Pharmaceutical Co., Ltd with effect from 5 February 2004.

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- (2) Save as disclosed above, as at 31 December 2004, none of the Directors, Supervisors, Senior Management and their associates had any personal, family, corporate or other interests of 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 of the Directors, Supervisors and Senior Management of the Company who received emolument from the Group amounted to RMB3,164,000. The total emoluments of the three highest paid Directors of the Company amounted to RMB2,232,000 and the total emoluments of the three highest paid Senior Management amounted to RMB1,523,000.

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

Name	Allowance for the Year	Other emoluments
	RMB'000	RMB'000
Wu Zhang	74	Nil
Wong Hin Wing	67	Nil
Zhang Heyong	67	Nil
Chu Youlin, David	25	Nil
Liu Jinxiang	16	Nil
Zhang Bohua	25	Nil
Huang Buren	5	Nil

The number of Directors, Supervisors and Senior Management who received their emoluments from the Group was 14, out of whom 9 received emoluments below RMB100,000 for the Year, 1 received emoluments between RMB100,000 to RMB400,000 for the Year and 4 received their emoluments over RMB400,000 for the Year.

Notes:

- Details of the five highest paid employees are set out on the notes to the accounts on page 148.
- Details of the emoluments of the Directors for the Year are set out on the notes to the accounts on page 147.

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Policy on determining emoluments:

Emoluments of Directors and Supervisors were proposed by the Board. A resolution has passed at the 2003 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 by the Board after taking into account of the Company's operating results and individual performance.

## 5. APPOINTMENT AND RESIGNATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD

- (1) At the Company's first Extraordinary General Meeting ("EGM") of 2004 held on 26 March 2004, Mr. Cai Zhixiang, Mr. Li Yimin, Mr. Zhou Yuejin and Mr. Feng Zansheng were elected as the Executive Directors of, and Mr. Wu Zhang, Mr. Wong Hin Wing and Mr. Zhang Heyong as the Independent Non-executive Directors of the Third Session of the Company's Board of Directors. Mr. Ou Yangqiang and Mr. Zhong Yugan were elected as the Supervisors of the Third Session of the Company's Supervisory Committee. The meeting reported that Mr. Chen Canying was elected at the employees' general meeting as the Supervisor representing employees at the Third Session of the Company's Supervisory Committee. Each of the above appointed Directors and Supervisors shall have a term of office from the date of appointment to the date of election of the Fourth Session of the Board and Supervisors.
- (2) As approved at the 28th meeting of the Second Session of the Board, Mr. Li Decheng resigned on 26 January 2004 as the Deputy General Manager of the Company due to work relocation.
- (3) As approved at the 2nd meeting of the Third Session of the Board, Mr. Li Yimin resigned as Director and Vice Chairman of the Company on 22 June 2004.
- (4) As approved at the 4th meeting of the Third Session of the Board, Mr. Cai Zhixiang resigned as Director and Chairman of the Company on 9 September 2004.
- (5) At the Company's second EGM of 2004 held on 1 November 2004, Mr. Yang Rongming and Mr. He Shuhua were elected as the Executive Directors of the Company, with a term of office commencing from the date of appointment until the date of election of the Fourth Session of the Board of the Company.
- (6) As approved at the 9th meeting of the Third Session of the Board, Mr. Zhou Yuejin resigned as the General Manager of the Company on 26 November 2004. At the same date, Mr. Xie Bin was appointed as the General Manager of the Company, with a term of office commencing from the date of appointment until the date of election of the Fourth Session of the Board of the Company.

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## 6. DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the present Directors and Supervisors has entered into a service contract with the Company. Details are set out as follows:

- (1) The service contracts entered into between the Company and Mr. Zhou Yuejin and Mr. Feng Zansheng as Executive Directors, Mr. Wu Zhang, Mr. Wong Hin Wing and Mr. Zhang Heyong as Independent Non-executive Directors and Mr. Chen Canying, Mr. Ou Yangqiang and Mr. Zhong Yugan as Supervisors were for a term commencing from 26 March 2004 up to the date of election of the Fourth Session of the Board and Supervisors.
- (2) The service contracts entered into between the Company and Mr. Yang Rongming and Mr. He Shuhua as Executive Directors were for a term commencing from 1 November 2004 up to the date of election of the Fourth Session of the Board.
- (3) The term of office of each Director and Supervisor of the Company commences from the date of their respective appointment to the date of election of the Fourth Session of the Board and Supervisors. The term shall be approximately three years. All Directors and Supervisors are eligible to offer themselves for re-election.
- (4) The service contracts with the Directors and Supervisors do not contain any provisions for compensation for early termination of contract, or for failure in being re-elected after expiration of their term of office.

## 7. DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company, its fellow subsidiaries or its holding company was a party and in which a Director or Supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.



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## 8. STANDARD CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISOR

During the Reporting Period, the Company had adopted Appendix 10 of the Listing Rules entitled "Model Code for Securities Transactions by Directors of Listed Issuers" as its own rules for securities transactions by Directors and Supervisors of the Company. After making specific inquiry of all the Directors and Supervisors, the Company confirms that its Directors and Supervisors have fully complied with the standard laid down in the said rules.

## 9. EMPLOYEES OF THE GROUP

As at 31 December 2004, the number of employees on the payroll register of the Group was 8,879, including:

	<b>No. of employees</b>
Production and supporting staff	4,526
Sales personnel	1,695
Technical and engineering	1,257
Finance and statistics staff	279
Other administrative staff	1,122

77 of the employees are holders of a master degree and 893 are holders of a bachelor degree. The number of retirees was 4,498. The total salary payment for the Year was approximately RMB399,000,000.

The remuneration of the employees of the Group includes salaries, bonuses and other fringe benefits. The Group applied different rates of remuneration to different employees, based on the employees' performance, experience, position and other factors and is in compliance with the relevant PRC rules and regulations.