

Directors, Supervisors, Senior Management and Staff

I. PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Directors

Mr. Yang Rongming, aged 53, Chairman of the Company, is a postgraduate and currently the Chairman and General Manager of GPL. 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 is also Director of Guangzhou Xing Qun Pharmaceutical Co., Ltd. ("Xing Qun Pharmaceutical"), Guangzhou Zhong Yi Pharmaceutical Co., Ltd. ("Zhong Yi Pharmaceutical") and Guangzhou Pharmaceuticals Corporation ("Pharmaceuticals Corporation") and Chairman of Guangzhou Pharmaceutical Soccer Club Co., Ltd ("GPSC"). Mr. Yang has extensive experience in business management and sales and marketing.

Mr. Feng Zansheng, aged 56, Director of the Company, joined GPL 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 Pharmaceuticals 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. Feng has extensive experience in corporate management and pharmaceutical trading

Mr. Chen Zhinong, aged 46, has been appointed as a Director of the Company since 15 June 2006. Having graduated from a university, he is currently the General Manager of Guangzhou International Group Co. Ltd.. Mr. Chen started his career since November 1983 and served as deputy factory manager and factory manager of Guangzhou Baiyunshan Pharmaceutical General Factory, general manager and chairman of Guangzhou Baiyunshan Enterprise Group Company, Director and Deputy General Manager of GPL, Chairman and General Manager of Guangzhou Han Fang Contemporary Chinese Medicine Research and Development Co., Ltd. ("Guangzhou Han Fang"), and Deputy Chairman of GPSC. Mr. Chen has extensive experience in corporate management and technology research and development.

Independent Non-executive Directors

Mr. Wu Zhang, aged 49, has been an Independent Non-executive Director of the Company since 2000. Mr. Wu is currently an independent director of Guangzhou Zhujiang Industrial Co., Ltd. Mr. Wu received a Master degree in Business Administration from Murdoch University in Australia and has a strong theoretical knowledge in economics and finance and sound experience in securities management. He served as the General Manager of Guangzhou Yue Yin Finance Development Company, Deputy Managing Director of Hong Kong Yue Xiu Finance Co., Ltd and Hong Kong Yue Xiu Securities Co., Ltd., Chairman of Guangzhou Securities Co., Ltd. and Chairman of Golden Eagle Asset Management Co., Ltd.

Mr. Wong Hin Wing, aged 44, has been an Independent Non-executive Director of the Company since 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 23 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 a director of Aeon Credit Service (Asia) Company Limited.

Mr. Zhang Heyong, aged 67, has been an Independent Non-executive Director of the Company since 26 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, Counselor 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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I. PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT *(continued)*

Supervisors

Mr. Chen Canying, aged 57, Chairman of the Supervisory Committee of the Company, joined GPLH in 1973. Mr. Chen graduated from Guangzhou Administration College in 1985. He served as a Director of Guangzhou Huan Ye Pharmaceutical Co., Ltd ("Guangzhou Huan Ye"). He is also Chairman of the Labor Unions of GPLH and the Company, and the Chairman of Guangzhou Seahorse Advertising Co., Ltd. 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. Ouyang Qiang, aged 45, an intermediate economist, has been a Supervisor of the Company since 26 March 2004. Mr. Ouyang 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 and the senior manager of the Human Resources Department of the Company. He is currently the factory manager of Guangzhou Chen Li Ji Pharmaceutical Factory ("Chen Li Ji").

Mr. Zhong Yugan, aged 50, has been a Supervisor of the Company since 26 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 from 1985 to 1987. Mr. Zhong is currently the Head of the Business Administration Faculty and a professor 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, 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 Vice Chairman of Guangdong Marketing Association. Mr. Zhong has extensive experience in the fields of marketing and sales, strategic decision-making and corporate management.

Senior Management

Mr. Shi Shaobin, aged 39, has been the General Manager of the Company since 15 June 2006. Mr. Shi received postgraduate education, holds a master degree in Business Administration and is a senior pharmaceutical engineer. After his graduation from the Faculty of Biology and Chemistry of the Zhongshan University in 1989, Mr. Shi served as section member of a research institute, staffer of the sales department, head of the administrative department, assistant to the general manager and manager of the marketing department, and deputy general manager of Guangzhou Jing Xiu Tang Pharmaceutical Co., Ltd. ("Jing Xiu Tang"). In 2001, he obtained a master degree in Business Administration. Mr. Shi served as chairman and general manager of Guangzhou Yangcheng Pharmaceutical Co., Ltd. from 2001 to 2004. Since 2005, he has been a director and chief executive of Guangzhou Wang Lao Ji Pharmaceutical Co., Ltd. ("Wang Lao Ji"). Mr. Shi has extensive experience in production, marketing and operation management.

Mr. He Shuhua, aged 50, 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 Chairman of Guangxi Ying Kang Pharmaceutical Co., Ltd. ("Guangxi Ying Kang"), Director of Guangzhou Han Fang and China Pharmaceutical Group Co., Ltd, an executive member of Guangdong Statistics Society. Mr. He has been the Company Secretary of the Company since 1997, Deputy General Manager of the Company since September 2001, and served as the Director of the Company from 1 November 2004 to 27 April 2005. He has extensive experience in business management and sales and marketing.

Mr. Su Guangfeng, aged 43, Deputy General Manager of the Company since June 2005, with a bachelor degree in industrial studies, joined Baiyunshan Co., Ltd in 1987 and served as the Deputy Chief of the Operation Department of Baiyunshan Co., Ltd and Deputy Plant Head of Guangzhou Baiyunshan Chinese Medicine Factory. He has been the Chairman and General Manager of Xing Qun Pharmaceutical since January 2005. He is also a manager of Ying Bang Branch Company of Guangzhou Pharmaceutical Company Limited ("Ying Bang Company"). Mr. Su has extensive experience in enterprise management, sales and marketing.



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I. PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT *(continued)*

Senior Management *(continued)*

Mr. Chen Binghua, aged 41, an accountant with a master degree in Administration, is the Financial Controller and Senior Manager of the Finance Department of the Company. Mr. Chen was General Manager of Shanghai Pudong Xidi Co., Ltd (上海浦东希迪有限公司), General Finance Manager of China Foreign Trade Development Company and Financial Chief of O-NET Communications Ltd. He is also a Director of Guangzhou Bai Di Bio-technology Co., Ltd. ("Guangzhou Bai Di"), Director and Financial Controller of Guangxi Ying Kang and Supervisor of China Pharmaceutical Group Co., Ltd. He has been the Senior Manager of the Finance Department of the Company since 2002 and the Financial Controller of the Company since December 2005. Mr. Chen has extensive experience in accounting and financial management.

II. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S INTERESTS IN SHARES (A SHARES) OF THE COMPANY DURING THE REPORTING PERIOD

Name	Position	Shares held as at the beginning of the Reporting Period (share)	Shares held as at the end of the Reporting Period (share)	Reason for change
Yang Rongming	Chairman	—	—	—
Chen Zhinong	Executive Director (appointed on 15 June 2006)	—	—	—
Feng Zansheng	Executive Director	—	—	—
Wu Zhang	Independent Non-executive Director	—	—	—
Wong Hin Wing	Independent Non-executive Director	—	—	—
Zhang Heyong	Independent Non-executive Director	—	—	—
Zhou Yuejin	Vice Chairman (resigned on 27 April 2006)	28,900	37,570	Bonus shares as a result of the Share Reform Plan
Xie Bin	Executive Director and General Manager (resigned on 15 June 2006)	1,000	1,300	Bonus shares as a result of the Share Reform Plan
Chen Canying	Chairman of the Supervisory Committee	9,800	12,740	Bonus shares as a result of the Share Reform Plan
Ouyang Qiang	Supervisor	10,100	13,130	Bonus shares as a result of the Share Reform Plan
Zhong Yugan	Supervisor	—	—	—
Shi Shaobin	General Manager (appointed on 15 June 2006)	—	—	—
He Shuhua	Deputy General Manager and Company Secretary	27,700	36,010	Bonus shares as a result of the Share Reform Plan
Su Guangfeng	Deputy General Manager	—	—	—
Chen Binghua	Financial Controller	4,800	6,240	Bonus shares as a result of the Share Reform Plan



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III. 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 2006, the interests or short positions of the Directors, Supervisors and Senior Management in the shares, 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 ("Model Code") of the Rules Governing the Listing of Securities on 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	A shares of the Company	37,570
Xie Bin	Personal	A shares of the Company	1,300
Feng Zansheng	Personal	Pharmaceuticals Corporation	700,000

Supervisors

Name	Type of interest	Company	Number of shares
Chen Canying	Personal	A shares of the company	12,740
Ouyang Qiang	Personal	A shares of the company	13,130

Senior Management

Name	Type of interest	Company	Number of shares
Shi Shaobin	Personal	Jing Xiu Tang	25,000
He Shuhua	Personal	A shares of the company	36,010
Chen Binghua	Personal	A shares of the company	6,240

2. Save as disclosed above, as at 31 December 2006, none of the Directors, Supervisors, Senior Management and their associates had any personal, family, corporate or other interests or 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 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 entered in the register referred therein, or which were required, pursuant to the Model Code of the Listing Rules, to be notified to the Company and the HKEx.



Directors, Supervisors, Senior Management and Staff

IV. EMOLUMENTS FOR THE YEAR

1. Policy on determining emoluments

The annual emoluments for Directors and Supervisors were proposed by the Board and approved at the Annual General Meeting of the Company at which the Board was authorized 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 for the Senior Management were determined by the Board after taking into account of the Company's operating results and individual performance.

2. Emoluments for the Year

During the Year, the total emoluments of the Directors, Supervisors and Senior Management of the Company who received emoluments from the Group amounted to RMB3,217,000, details of which are set out as follows:

Name	Emoluments received from the Group		Whether received emoluments from the Company's shareholder or connected parties
	Whether received emoluments from the Group	Total emoluments for the Year (RMB' 000)	
Directors			
Yang Rongming	No	—	Yes
Feng Zansheng	Yes	611	No
Chen Zhinong	No	—	Yes
Wu Zhang	Yes	80	No
Wong Hin Wing	Yes	80	No
Zhang Heyong	Yes	80	No
Zhou Yuejin	Yes	232	No
Xie Bin	Yes	377	No
Supervisors			
Chen Canying	No	—	Yes
Ouyang Qiang	Yes	157	No
Zhong Yugan	Yes	30	No
Senior Management			
Shi Shaobin	Yes	622	No
He Shuhua	Yes	299	No
Su Guangfeng	Yes	454	No
Chen Binghua	Yes	195	No



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IV. EMOLUMENTS FOR THE YEAR *(continued)*

2. Emoluments for the Year *(continued)*

- Notes: (1) Mr. Zhou Yuejin resigned on 27 April 2006. His emoluments for the Year were the emoluments received from the Company as taking his original duties for the period from 1 January 2006 to the date of his resignation;
- (2) Mr. Xie Bin resigned on 15 June 2006. His emoluments for the Year were the emoluments received from the Company as taking his original duties for the period from 1 January 2006 to the date of his resignation;
- (3) Mr. Shi Shaobin was appointed on 15 June 2006. His emoluments for the Year were the emoluments received from a subordinated company of the Company as taking his original duties for the Year;
- (4) Mr. Ouyang Qiang has been the factory manager of Chen Li Ji, a subsidiary of the Company, since July 2006. His emoluments for the Year include the emoluments received from the subsidiary from July to December of the Year;
- (5) The emoluments of Mr. Feng Zansheng and Mr. Su Guangfeng for the Year were the emoluments they received from the Company's subsidiaries as taking their duties, and the emoluments of Mr. Wu Zhang, Mr. Wong Hin Wing, Mr. Zhang Heyong, Mr. Zhong Yugan, Mr. He Shuhua and Mr. Chen Binghua were the emoluments they received from the Company for the Year.
- (6) Details of the emoluments of the Directors, Supervisors and Senior Management for the Year are set out on the notes to the accounts on pages 180 to 182.

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

- 1 As approved at the 22nd meeting of the Third Session of the Board, Mr. Zhou Yuejin resigned as the Director and Vice Chairman of the Company.
- 2 At the Company's Annual General Meeting of 2005, Mr. Chen Zhinong was elected as the Executive Director of the Third Session of the Board of the Company, with a term of office commencing from the date of his appointment until the date of election of the new session of the Board of the Company.
- 3 As approved at the 23rd meeting of the Third Session of the Board, Mr. Xie Bin resigned as the Director and the General Manager of the Company.
- 4 As approved at the 23rd meeting of the Third Session of the Board, Mr. Shi Shaobin 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 new session of the Board of the Company.



Directors, Supervisors, Senior Management and Staff

VI. 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:

Directors	Contract term
Mr.Feng Zansheng (Executive Director), Mr. Wu Zhang, Mr.Wong Hin Wing and Mr.Zhang Heyong (Independent Non-executive Directors)	Commencing from 26 March 2004 up to the date of election of the Fourth Session of the Board
Mr.Yang Rongming (Executive Director)	Commencing from 1 November 2004 up to the date of election of the Fourth Session of the Board
Mr. Chen Zhinong (Executive Director)	Commencing from 15 June 2006 up to the date of election of the Fourth Session of the Board
Mr. Shi Shaobin (Executive Director)	Commencing from 2 April 2007 up to the date of election of the Fourth Session of the Board
Supervisors	Contract term
Mr. Chen Canying, Mr. Ouyang Qiang and Mr. Zhong Yugan	Commencing from 26 March 2004 up to the date of election of the Fourth Session of the Supervisory Committee

The term of office of each Director and Supervisor of the Company commenced from the date of their respective appointments to the date of election of the Fourth Session of the Board and the Fourth Session of the Supervisory Committee. The term of each session of the Board or the Supervisory Committee shall be approximately three years. All Directors and Supervisors are eligible to offer themselves for re-election.

The above-mentioned 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.

VII. DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

No contract of significance in relation to the business of the Group to which the Company, its 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.



Directors, Supervisors, Senior Management and Staff

VIII. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

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

IX. EMPLOYEES OF THE GROUP

As at 31 December 2006, the number of employees on the payroll register of the Group was 8,223, including:

	No. of employees
Production and supporting staff	3,639
Sales personnel	2,335
Technical, research and engineering staff	1,066
Finance and statistics staff	308
Other administrative staff	875

100 of the employees were holders of a master degree and 1,291 were holders of a bachelor degree. The number of retirees was 4,967. The total salary payment for the Year was approximately RMB418 million.

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

