

DIRECTORS, SUPERVISORS, SENIOR OFFICERS AND STAFF

BRIEF INTRODUCTION OF THE DIRECTORS, SUPERVISORS AND SENIOR OFFICERS

DIRECTORS



Mr. He Duanshi, aged 58, senior economist and practising public pharmacist, graduated from Wuhan University in 1967, specialising in chemistry. Mr. He joined the Factory in 1970 and had previously held the positions of deputy director of workshop and manager of the Factory. Mr. He is currently a representative of the Ninth National People's Congress of the PRC. Mr. He is the chairman of the board of directors for the Company (the "Chairman"), SXPGC and XLPGC.



Mr. Lu Shengmin, aged 56, deputy chief pharmacist, graduated from Shenyang Pharmaceutical College, specialising in pharmaceuticals and joined the Factory in 1969. Mr. Lu had previously held the positions of deputy director of workshop and head of division of labor for the Factory, and was secretary to the Company's Communist Party Committee. Mr. Lu is the vice chairman of the board of directors for the Company (the "Vice Chairman")

and SXPGC.



Mr. Liu Congde, aged 37, senior engineer, graduated from Wuhan Chemical Industrial College, specialising in fine chemistry and joined the Factory in 1985. Mr. Liu had previously held the positions of assistant to the general manager and deputy general manager of the Factory. Mr. Liu is a director of the Company, and concurrently holds the positions of director and general manager of SXPGC, as well as director and deputy general manager of XLPGC.



Mr. Li Yiwei, aged 58, senior engineer, graduated from Wuhan University in 1967, specialising in chemistry. Mr. Li joined the Factory in 1970 and was previously the deputy director of workshop, head of production control division and deputy manager of the Factory and was the deputy general manager and general manager of the Factory. Mr. Li is a director of the Company and the deputy manager of SXPGC.



Mr. Li Shixiang, aged 57, senior political work specialist, graduated from Nanjing Engineering College (now Dongnan University), specialising in radio engineering. Mr. Li joined the Factory in 1970 and was previously director of the workshop and chairman of the labor union of the Factory. Mr. Li is a director of the Company and SXPGC.



Mr. Yu Gongfu, aged 51, senior engineer, graduated from Shandong Engineering College in 1974, specialising in industrial automation and joined the Factory in 1968. Mr. Yu had previously held the positions of vice-chairman of labor union and deputy manager of the Factory and was a deputy general manager of the Factory. Mr. Yu is a director of the Company and a director and deputy general manager of SXPGC.



Mr. Gao Qinggang, aged 52, senior accountant, graduated from Shandong Television and Broadcasting University, specialising in industrial accounting. Mr. Gao joined the Factory in

1978 and was previously the deputy director and director of finance department of the Factory, as well as the chief of the Shareholding System Reform Office. Mr. Gao is a director, deputy general manager and the financial controller of the Company.



Mr. Li Zhi, aged 61, senior economist, graduated from Zhejiang Chemical Training Institute in 1959, specialising in analytical chemistry and joined the Factory in 1959. He previously held the positions of deputy director of workshop, deputy head of planning division, workshop director, deputy manager and chief economist of the Factory. Mr. Li resigned as a director and deputy general manager of the Company on 9 March 2001.



Mr. Zhang Gongquan, aged 60, senior political work specialist, graduated from Shandong Engineering Institute in 1984. Mr. Zhang joined the Factory in 1961 and previously held the positions of deputy secretary to the Communist Youth League Committee, deputy manager and deputy secretary to the Communist Party Committee of the Factory. Mr. Zhang resigned as director of the Company on 20 June 2001.

Mr. Qi Moujia, aged 68, senior engineer, the former director-general of the State Pharmaceutical Administration of the PRC. Mr. Qi is an independent non-executive director of the Company.

Mr. Xiao Yu, aged 75, researcher, the member of the consulting committee of Shandong Public Accountant Associates, consultant of Shandong Accountant Academy and part-time professor of Shandong Finance College. Mr. Xiao is an independent non-executive director of the Company.

Ms. Julia Frances Charlton, aged 42, a partner of Charltons, Solicitors and Notary Public. Ms. Charlton was admitted as a solicitor of the Supreme Courts of England and Wales and of Hong Kong in 1985 and 1987 respectively. Ms. Charlton is an independent non-executive director of the Company.

SUPERVISORS

Mr. Ma Jingxing, aged 57, senior political work specialist. Mr. Ma joined the Factory in 1981 and previously held the positions of deputy director of workshop, director of supervisory department and secretary to the disciplinary committee of the Company. Mr. Ma is the chairman of the supervisory committee of the Company (the "Supervisory Committee").

Mr. Yu Changjie, aged 46, joined the Factory in 1976 as a technician. Mr. Yu is currently a section leader at Workshop No. 8 and the chairman of the team management committee of the Company. Mr. Yu is a member of the Supervisory Committee.

Ms. Zhai Lumin, aged 41, assistant accountant, joined the Factory in 1976 and is the director of Finance and Assets Department of SXPGC. Ms. Zhai is a member of the Supervisory Committee.

Ms. Wang Xuan, aged 28, economist, graduated from Shandong Agricultural University and joined the Factory in 1994. Ms. Wang is the deputy general manager of Shandong Xincat Pharmaceutical Company Limited, which is a subsidiary of XLPGL. Ms. Wang is a member of the Supervisory Committee.

Ms. Liu Aihong, aged 30, engineer, graduated from China Pharmaceutical University and joined the Factory in 1994. Ms. Liu is the administrative assistant to the general manager of Shandong Zibo Xinhua-Chemferm Pharmaceutical Company Limited, which is also a subsidiary of XLPGL. Ms. Liu is a member of the Supervisory Committee.

SENIOR OFFICERS

Ms. Guo Qin, aged 42, senior engineer and practising public pharmacist, graduated from Shandong Medicinal University, specialising in pharmacy. Ms. Guo joined the Factory in

1982, and previously held the positions of deputy director of the preparation workshop and the preparation sales department, deputy director and director of the quality controlling department, as well as deputy director and director of Inspection Center for the Quality of Drugs, a subsidiary of the Shandong Pharmaceutical Administration. She was also the director of the enterprise management department, assistant to the general manager and deputy general manager of the Factory. Ms. Guo is the general manager of the Company and a director of SXPGC.

Mr. Zhang Zhongming, aged 55, senior engineer, graduated from China Pharmaceutical University, specialising in pharmacy. Mr. Zhang joined the Factory in 1969 and had held the posts of product technician, workshop engineer, director of the technology department and deputy engineer in general of the Factory. Mr. Zhang is also a member of the Seventh State Pharmacopoeia Committee. Mr. Zhang is a deputy general manager of the Company.

Mr. Huo Yong, aged 54, senior economist, graduated from Beijing Chemical Industry School and joined the Factory in 1969. Mr. Huo had previously held the positions of deputy chief of labor division, deputy director and director of human resources department of the Factory. Mr. Huo is a deputy general manager of the Company.

Mr. Zhang Daiming, aged 39, senior economist, graduated from Qingdao Chemical Industry College, specialising in organic chemistry and obtained a master degree of economics from Shanghai Financial and Economic University. Mr. Zhang joined the Factory in 1987 and was previously of deputy manager and manager of international trade department of the Company. Mr. Zhang is a deputy general manager of the Company.

Mr. Wang Xiaolong, aged 37, senior engineer, graduated from Shandong Industrial University specialising in automation. Mr. Wang joined the Factory in 1988 and previously held the positions of deputy director and director of electricity workshop and director of the machinery sub-factory. Mr. Wang is a deputy general manager of the Company.

Mr. Ren Fulong, aged 39, senior engineer and practising public pharmacist, graduated from Shandong Changwei Medical College, specialising in medicine in 1985. From 1985 to 1988, Mr. Ren was a resident physician of hospital. In 1991, Mr. Ren obtained his master degree and became the deputy manager of medicine of the Beijing Medicinal University. He also joined the Factory in 1991. He was previously the deputy director and director of the Research Institute of the Company, and was a deputy general manager and one of the assistants to the general manager of the Company. Mr. Ren resigned as deputy general manager of the Company on 14 December 2001.

Mr. Cao Changqiu, aged 32, economist, graduated from Qingdao Ocean University,

specialising in economic management and joined the Factory in 1991. Mr. Cao is one of the company secretaries of the Company.

Ms. Guo Lei, aged 33, economist, graduated from Guangzhou Foreign Trade College, specialising in accounting and joined the Factory in 1992. Ms. Guo is one of the company secretaries of the Company.

The terms of the Directors, Supervisors and Senior Officers will expire on 30 June 2002.

DIRECTORS' AND SUPERVISORS' AND SENIOR OFFICERS' INTERESTS IN SHARES

	As at 31 December 2001 Number of shares	As at 1 January 2001 Number of shares
Directors		
Mr. He Duanshi, (Chairman)	4500	4500
Mr. Lu Shengmin, (Vice Chairman)	4500	4500
Mr. Liu Congde	3500	3500
Mr. Li Yiwei	4500	4500
Mr. Li Shixiang	4500	4500
Mr. Yu Gongfu	4500	4500
Mr. Gao Qinggang	3237	3237
Mr. Li Zhi (resigned on 9 March 2001)	4500	4500
Mr. Zhang Gongquan (resigned on 20 June 2001)	5800	4500
Mr. Qi Moujia (independent non-executive director)	Nil	Nil
Mr. Xiao Yu (independent non-executive director)	Nil	Nil
Ms. Julia Frances Charlton (independent non-executive director)	Nil	Nil
Supervisors		
Mr. Ma Jingxing	4500	4500
Mr. Yu Changjie	3000	3000
Ms. Zhai Lumin	Nil	Nil
Ms. Wang Xuan	Nil	Nil
Ms. Liu Aihong	Nil	Nil

Senior Officers

Ms. Guo Qin (general manager)	12483	12483
Mr. Zhang Zhongming	3237	3237
Mr. Huo Yong (appointed on 14 December 2001)	2983	2983
Mr. Zhang Daiming (appointed on 14 December 2001)	Nil	Nil
Mr. Wang Xiaolong (appointed on 14 December 2001)	2507	2507
Mr. Ren Fulong (resigned on 14 December 2001)	3240	3240
Mr. Cao Changqiu	3000	3000
Ms. Guo Lei	Nil	Nil

Shares held by the Directors, Supervisors and Senior Officers are A Shares. Apart from Mr. Zhang Gongquan who purchased 1,300 shares of the Company in the issue and offer of new A Shares of the Company, the number of shares held by the Directors, Supervisors and Senior Officers remained unchanged during the year ended 31 December 2001.

REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR OFFICERS

The remuneration plan of the Directors, Supervisors and Senior Officers are based on the Company's profit realised in the corresponding period, individual achievement and the average income of local residents determined in accordance with State policies. The Directors' and the Supervisors' remuneration must be approved by a general meeting of the Company, whereas the remuneration of Senior Officers must be approved by the board of directors of the Company (the "Board of Directors").

The aggregate remuneration of the Directors and Supervisors for the financial year ended 31 December 2001 was RMB2,931,593. The aggregate remuneration of the three highest paid Directors was RMB967,727. The aggregate of remuneration of the three highest paid Senior Officers was RMB523,079.

An analysis of the number of Directors, Supervisors and Senior Officers within the different bands of remuneration is as follows:

Bands	Under RMB100,000	From RMB100,000 to RMB200,000	From RMB200,000 to RMB300,000	Above RMB300,000
Number	15	0	8	2

The independent non-executive directors did not receive any emolument from the Company.

Three Supervisors, namely Ms. Zhai Lumin, Ms. Wang Xuan and Ms. Liu Aihong did not receive any emolument from the Company. They were paid by SXPGC, Shandong Zibo Xincat Pharmaceutical Company Limited and Shandong Zibo Xinhua-Chemferm Pharmaceutical Company Limited respectively.

CHANGE OF DIRECTORS, SUPERVISORS AND SENIOR OFFICERS

Upon their retirement, Mr. Li Zhi resigned as director and deputy general manager of the Company on 9 March 2000 and Mr. Zhang Gongquan resigned as director of the Company on 20 June 2001. On 14 December 2001, Mr. Li Yiwei resigned from the post of general manager, and Mr. Liu Congde, Mr. Yu Gongfu and Mr. Ren Fulong resigned from the posts of deputy general managers due to the change of work duties.

On 14 December 2001, the Board of Directors approved the appointment of Ms. Guo Qin as the new general manager of the Company and appointed Ms. Huo Yong, Mr. Zhang Daiming and Mr. Wang Xiaolong as new deputy general managers of the Company.

STAFF AND REMUNERATION

The staff remuneration plan of the Company was based on the Company's profit realised in the corresponding period and the average income of local residents determined in accordance with State policies.

The number of staff of the Group as at 31 December 2001 was 5,039, and their total amount of salaries and wages payable for the year ended 31 December 2001 was RMB83,795,000. The staff of the Group can be categorized by their work duties and their educational level as follows:

Area of Work	Number of Employees
Staff in production	3,625
Staff in engineering and technology	387
Staff in administration	295
Staff in finance	93
Staff in research and development	148
Staff in procurement of raw materials	27
Staff in sales	220

Staff in quality control and inspection	244
Total	5,039

Academic Qualification Attained	Number of Employees
University or above	542
College	790
Intermediate institutes	887
Senior secondary and technical schools	1,609
Junior secondary or below	1,211
Total	5,039

As at 31 December 2001, the number of retired staff of the Company was 1,969.