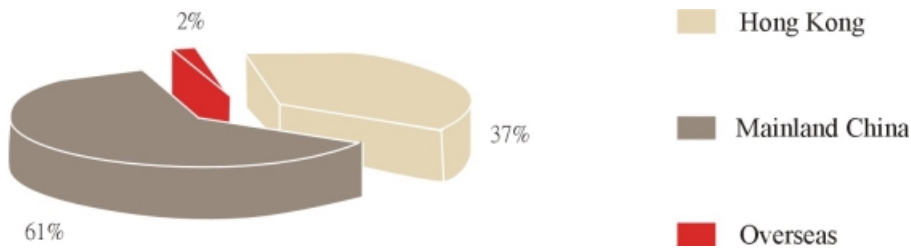


HUMAN RESOURCES

As at the end of December 2000, the Group employed 11,354 people in its headquarters in Hong Kong and its principal subsidiary companies worldwide. The two main areas of concentration are in Hong Kong and Mainland China, employing 4,236 and 6,877 staff respectively. Another 241 people are employed in subsidiaries in Japan, Singapore and Canada.



Headcount Distribution

HUMAN RESOURCES MANAGEMENT

The Group recognizes and respects each individual's rights and adopts non-discriminatory employment policies giving equal opportunities to qualified candidates. CITIC Pacific strives to be consistent and fair in administering its human resources management practices to the mutual benefit of its employees and the Group. A Code of Conduct was officially adopted in 1995 covering many aspects of business ethics, including relations with suppliers and customers and employees in terms of employment practices. Everyone working on the affairs of the Group is required to follow this Code and heads of business units are charged with the responsibility of disseminating the Group's requirement to people concerned. An explanation of the contents of the Code is included in the induction of new employees and refresher courses conducted by internal or external speakers are arranged for employees from time to time. Any violation or non-compliance of the Code would be subject to established disciplinary procedure or actions as appropriate.

EMPLOYEE COMPENSATION

The Group aims to attract, retain and motivate employees who have the relevant skills, knowledge and abilities to develop, support and sustain the continued success of the Group. On an annual basis, CITIC Pacific reviews the cash compensation and benefits programme provided for its employees to ensure that the overall compensation is internally equitable and in line with local norms and industry practice. Shareholders approved a share option scheme for the Group's employees in May 2000 and details are given on page 51. Financial information on Directors' emoluments can be found on page 74.

RETIREMENT BENEFITS

In compliance with the Mandatory Provident Fund Schemes Ordinance ("MPFSO"), the CITIC Group Retirement Plan ("the Plan"), formerly known as the Dah Chong Hong Holdings Limited Amalgamated Provident Fund, was set up in 2000 under a Trust Deed to provide retirement benefits for employees of the Group and its subsidiaries and associates. The Plan is a defined contribution scheme registered under the Occupational Retirement Schemes Ordinance and has obtained an exemption certificate having satisfied the requirements of the MPFSO. The Group has appointed the HSBC Trustee (Hong Kong) Limited as Trustee of the Plan, who in turn appoints the investment manager and plan administrator to manage the Plan in accordance with the Trust Deed and Rules. Employees are offered a choice of investments and the Trustee issues statements to members of the Plan twice a year.

A CITIC Group Mandatory Provident Fund Scheme was also set up during the year in accordance with the stipulations of the MPFSO to offer a choice to employees who opt not to join the Plan. The Hang Seng Bank has been appointed as service provider of this scheme.

The Group also operates other retirement schemes in three subsidiary companies and details are given in the Notes to Accounts on pages 75 to 76.

TRAINING & DEVELOPMENT

CITIC Pacific is committed to providing a healthy organizational environment conducive to each individual's development. Employees are encouraged to commit to continuous improvement by taking responsibility of their own learning and self-development. Seminars and courses organized by professional institutions are sponsored by the Group to help employees improve their current job performance. In-house training for all levels of employees are organized regularly on product knowledge and skills training. Where applicable, the Group arranges external service providers to conduct customized training programmes on specific subjects such as managerial development and e-commerce.

CITIC Pacific also believes in investing in our future generation. The Group has put in place various management trainee and apprentice training programmes to foster growth and provide opportunities for the younger members of society.