



Much has been written in this year's annual report on creating a more efficient and coherent organisation: a strategy that is critical to our success as a company toward achieving higher growth and creating additional shareholders' value. Our employees are of high value to the organisation as a whole, and creating the most effective working environment will help us attract and retain the industry's best.





Our core themes for the coming financial year are to:

- Pursue a more effective organisational structure
- Establish a more effective job grading system
- Design efficient training and development programs
- Enhance staff morale to foster teamwork and an environment of success



Department	Headcount June 2001	Headcount June 2000
Steel (Steel Trading, Godown Operation, Engineering Products)	64	115
Building Products	23	14
Plastics & Machinery	18	16
Coil Centre	120	138
Corporate Support (Accounting, Human Resources, MIS, Company Secretarial)	62	54
Overseas Offices (Shanghai, Guangzhou, China Project)	23	18
Total:	<u>310</u>	<u>355</u>

Human resources will play a critical role in achieving these objectives by fostering a quality management culture, making continuous improvement in our organisational structure and systems, and cultivating teamwork. Having this in mind, our Human Resources Department launched a series of cross-department team building exercises last year. The objective is to develop positive culture elements across and within departments. The elements include understanding, open communication, staff involvement and participation, partnership efforts in problem solving, trust, and putting company goals and interests as top priorities. All of these elements are essential to achieving the mission and business objectives of the VSC Group.



EMPLOYEES AND REMUNERATION POLICIES

As at June, 2001, the VSC Group employed a workforce of 310. Total staff costs including contribution to retirement benefit scheme incurred during the year amounted to approximately HK\$72.3 million. The VSC Group offers competitive remuneration packages to ensure that we can recruit and retain the best human talent. Various fringe benefits ranging from Mandatory Provident Fund scheme, medical and dental insurance, hospitalisation insurance, extensive training and education subsidy are provided. The VSC Group has also adopted a Share Option Scheme for employees.