

## HUMAN RESOURCES

The Group had 12,558 employees as at 30th June 2001. In order to adjust and improve the structure of human resources and to enhance labour productivity, the Group has planned to implement measures to reduce the headcount in the current year. The number of staff is expected to be reduced by 800 for the year. In the first half of the year, the net reduction in the Group's headcount was 417, representing the completion of 52.13% of the staff reduction plan for the year.

The Group's remuneration policy is linked to efficiency. The employee's salary is determined based on the results of the assessments of their level of responsibility, skills, strengths, working environment and performance. The total staff costs of the Group for the six months ended 30th June 2001 amounted to approximately Rmb127,908,000.

High quality staff is the most valuable resource of the Group. The Group has always placed emphasis on the training and development needs of employees. Training courses mainly cover areas such as work skills, modern financial accounting, laws and regulations, office automation, qualifications of employees in charge of special operations, team building and industry safety. The Group also encourages its employees to enrol self training courses. The number of employees receiving training is expected to reach approximately 6,389 for the year. In the first half of the year, 4,694 employees have received training, representing the completion of 76.60% of the full-year staff training plan.