



Retirement Insurance

As stipulated by the State regulations of the PRC, the Group participates in a defined contribution retirement scheme. All employees are entitled to an annual pension equal to a fixed proportion of the average basic salary amount within the geographical area of their last employment at their retirement date. During the Period, the Group was required to make contributions to a local social security bureau at a rate of 20% of the average basic salaries within the geographical area where the employees are under employment with the Group. The Group has no obligation for the payment of pension benefits beyond the annual contributions to the local social security bureau.

During the Period, contributions to the local social security bureau made by the Group under the defined contribution retirement scheme amounted to Rmb3,017,000. In addition, in February 2002, the Company has made a one-off additional pension contribution for the following two groups of employees with Chengdu City Social Insurance Administration and Chengdu branch of Taikang Life Insurance Company Limited: (1) for a total of 10 employees aged 50 (for females) and 55 (for males), the total contribution amounted to RMB955,000; (2) for a total of 196 employees, who are medium level management staff and staff of above medium rank with an employment age of 20 years or above, the total contribution amounted to RMB5,965,000. Such one-off additional pension contribution had been charged to the profit and loss account for the Period.