

## HUMAN RESOURCES CONDITIONS AND STRATEGY

The Company consistently regards human resources as the most important resources and attaches great importance to talent cultivation focusing on the building of three teams, namely the senior business management team, the senior professional team and the senior technical team. While enhancing education and training and tapping the potentials of internal personnel resources is the basis of our human resources policies, such policies are supplemented by absorbing external outstanding talents, with a view to realizing the sustainable development of the Company's human resources.

Over the past ten years, human resources management closely revolved around the overall development planning of the Company, and the strategy of deploying outstanding personnel for a leading enterprise has been actively and steadily implemented, thereby building a staff team with strong dedication, good qualifications and extensive practical experience.

At the end of 2004, the number of staff of the Company totalled 22,129, of whom 11,039 were production staff, 69 were sales staff, 7,032 were technical staff, 315 were financial staff and 3,346 were administrative staff.

9,094 were university graduates representing 41% of the total number of staff, of whom 207 were postgraduates; 3,195 were university undergraduates; and 5,692 had tertiary technical qualifications.

## STAFF DEVELOPMENT AND TRAINING POLICY

The Company upholds the principle that the enterprise grows with its staff. It attaches great importance to education and training and provides financial support and other protection conditions for staff training, so as to enhance the sense of belonging of the staff towards the enterprise, to encourage the staff to further tap their potentials, and to promote their job career development.

The Company encourages the staff to participate in training according to work requirements and individual job career planning, guarantees the training period and continuously enhances individual job skills for growing into multi-talented personnel and providing better services to the Company.

The Company attaches great importance to comprehensive staff training. Various forms of training were provided to the staff in 2004, mainly comprising: induction training for new staff, job qualifications training, job skills training, international co-operative training, and on-the-job academic continuing education. Moreover, the Company has organized training on business administration knowledge jointly with institutions of higher education.

In 2005, the Company will continue to launch training courses at various levels and in various forms according to the development of the Company and the job career planning of the staff, with a view to enhancing the knowledge and skills of the staff and strengthening management efficiency.

## IMPLEMENTATION SITUATION OF THE STAFF MEDICAL INSURANCE PLANS

The units under the Company have established a medical insurance system for the staff according to the stipulations of the local governments. The system was effectively implemented according to schedule.