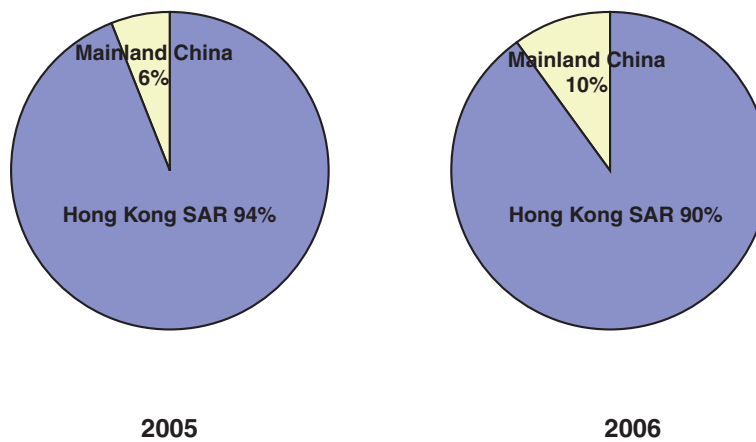


## HUMAN RESOURCES

As at the end of December 2006, the Group employed 173 staff (2005 : 161 staff) in its headquarters in Hong Kong and its principal subsidiaries.

### Headcount by Territory



### Human Resources Management

CITIC 1616 is an equal opportunity employer and adheres to non-discriminatory employment practices and procedures in recognizing and respecting individual's rights. Striving to administer a fair and consistent human resources management policy to the mutual benefit of its employees and the Group, it also upholds a high standard of business ethics and personal conduct of its employees. Every employee of the Group is required to strictly follow the Code of Conduct which covers the professional and technical standard of requirements in conducting business, and all heads of business units are charged with the responsibility of disseminating the Group's requirements to the people concerned.

### Employee Compensation

CITIC 1616 aims to attract, retain and motivate employees who have the relevant skills, knowledge and competencies to develop, support and sustain the continued success of the Group. Employee's cash remuneration typically comprises a base salary and a variable compensation, mainly in the form of a performance-linked discretionary bonus which is based on the Company's result and the individual's performance. Its compensation strategy is to cultivate a pay-for-performance culture to incentivize and reward employee performance that will lead to a long-term enhancement of the overall caliber of the Group. On an annual basis, the Group review the cash compensation and benefit programmes provided for its employees to ensure that the total compensation is internally equitable, externally competitive, as well as in support of the Group's business strategy.

### Remuneration Committee

The Remuneration Committee established on 16 March 2007, comprises three independent non-executive directors. Mr. Yang Xianzu is the Chairman of the Committee.

## HUMAN RESOURCES

The primary duties of the Remuneration Committee are to make recommendations to the Board on the Group's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration.

### **Retirement Benefits**

For the Hong Kong employees, the Group has set up the Mandatory Provident Fund Scheme (the "MPF Scheme"). Hong Kong based employees and the Group are required to contribute 5% of the relevant employee's monthly wage (up to a maximum contribution of HK\$1,000 by the Group) on a monthly basis to the fund, respectively. Employees may contribute more than 5% or HK\$1,000 into the fund. Prior to the establishment of the above statutorily required retirement scheme, the Group's employees are entitled to participate in the ORSO Scheme. A certain amount of employees have been members under both the ORSO Scheme and MPF Scheme. The ORSO Scheme has been frozen since 1 August 2003 and will eventually be dissolved by 1 August 2008 subject to the entire fund having been transferred out of the ORSO Plan.

Retirement benefit for employees in the mainland is based primarily on local mandatory requirements.

### **Training & Development**

In relation to positions which require special skills and professional qualifications, the Group will provide special training and/or sponsor outside training sessions for the employees. Newly recruited employees are required to attend an introduction course covering topics including the Group's introduction, general employment terms & conditions, benefits, staff obligations, and spirit of team work. The Group also subscribes to periodic magazines relating to the telecoms industry for its employees so that the staff can keep abreast of technological developments in the telecoms industry.

The Group has adopted a sponsorship programme whereby employees may apply for a tuition sponsorship for studies relevant to their employment. The award of the sponsorship is at the sole discretion of the Group and the employee should comply with such conditions and terms imposed by the Group on the award of the sponsorship, including commitment to work for the Group for a pre-determined period after completion of the studies.