

Our employees are the Group's greatest assets. Management sees human resource management as a "partner of business", "representative of innovation", and "propellant of learning". In 2004, the Group began a try-out process to restructure its compensation and performance evaluation system. The original system puts more emphasis on qualification and tenure, while the new system, still valuing these criteria, shifts focus to performance and leadership.

The Group offers career development plans to its employees and encourages employees to utilize and grow their talents and expertise. From recruit, training, to performance evaluation, management works closely with its employees. For selected employees, the Group will also assist in their further education and provide them with the resources to advance in their careers. For the year ended 31 December 2004, the Group employs 705 full time employees.

## RECRUITING AND CAREER PLANNING

The Group's human resources department works closely with professional recruiting agencies to setup a comprehensive recruiting system. Once the recruits are hired, the Human Resources Department works with them to develop their career paths. The objective is to place the right people in the right place and to maintain a balance between the pool of talent within the Group and the Group's development.

In order to attract more outstanding talents to facilitate future development, CHC Greater China set up "Chia Hsin Scholarship" in Jiangsu University for academic excellence and disadvantaged students. The scholarship aims at supporting our future generation so that they may continue to contribute to society, while offering them a potential career with the Group.

## REMUNERATION AND BENEFITS

The Group has established a job description evaluation system for new recruits and reviews the remuneration structure on a regular basis. The Group also participates in salary surveys conducted by external consultants and uses the information as a benchmark for revising employee compensation. Other forms of compensation include government required and performance linked benefit plans. Details of the retirement benefits plan for the year ended 31 December 2004 are set out in note 29 to the financial statements.



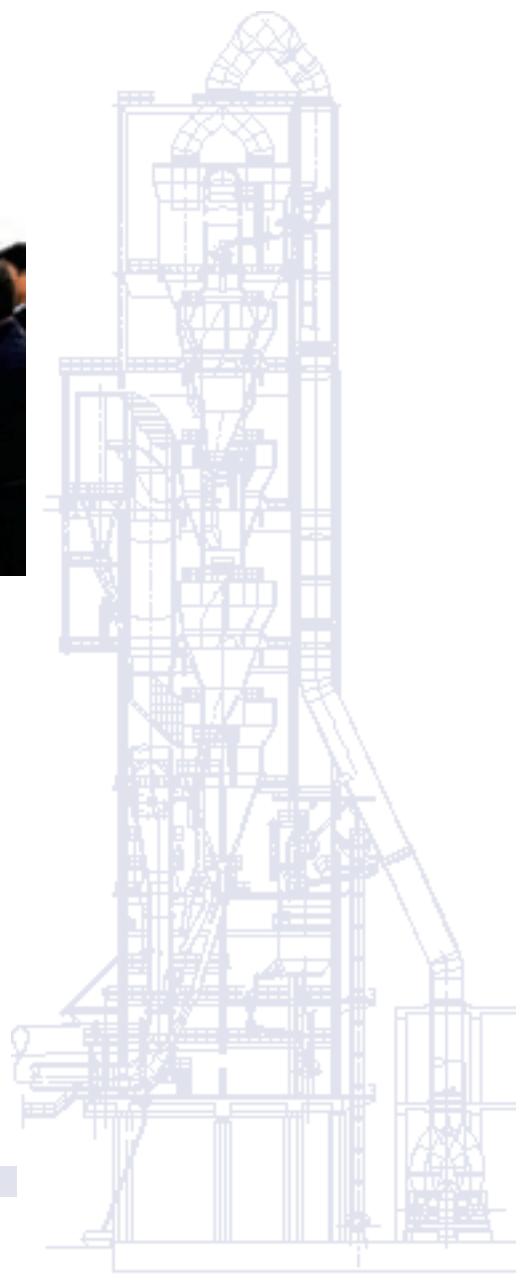
## TRAINING PROGRAMS

Various training programs are available within the Group for employee development. All new recruits go through a week long orientation on the Group's philosophy and operations through visiting the production facilities and lectures from division managers. Participants amounted to over 2,000. Interim training in production, sales, marketing, and management skills, together with job rotations, are conducted for high achievers and managers.

## PERFORMANCE APPRAISAL SYSTEM

The Group is in the process of introducing the 360 degree evaluation system and the balanced card score evaluation system. Annual objectives are set at the beginning of each year and reviewed on a quarterly basis. This is an ongoing process and in turn will be used to determine the remuneration and career advancement of each employee.

CHC Greater China abides to "people-oriented" policies in developing talents. It attaches importance to the development and enhancement of human capital to maintain a leading and solid pace of development.



Pre-Heater Tower