

## HUMAN RESOURCES DEVELOPMENT

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In 2006, the Group's human resources work sought to develop pre-eminent organizations and human resources to contribute to the realization of the great blueprint of "One China Mobile" by following the scientific development concepts and the human resources development concepts. Guided by the demands of the market and customers, the Group made further efforts to improve and optimize the organizational structure, to advance and deepen its human resources enhancement project, to proactively explore a new system for its staff selection and utilization, to consolidate the foundations for its human resources management, and to improve the development of its human resources management information system. By making the best of the guiding role of forward-looking planning and consultancy, the Group continued to carry out innovations and reforms, to improve its management system, to advance its market-oriented operations and to improve the level of its professionalism. All these efforts provided firm organizational and human resources support for the strategic goal of being "a worldwide leader in telecommunications and achieving evolution from excellence to pre-eminence".

In 2006, closely in line with the Company's key strategies and corporate culture cultivation requirements, the Group improved the relevant systems and practices, regulated the employees' conduct, enhanced their level of professionalism, improved their organizational skills and further improved the performance management of the departments and employees. The Group employed a scientific appraisal methodology, selected essential appraisal indicators and enhanced the linkage between performance and competence, leading its performance management to become more standardized, scientific and market-oriented.

In 2006, the Group continued to progress in developing its market-oriented remuneration system to enhance the external competitiveness and internal equity of the remuneration system, enhance the linkage between remuneration management and performance management, and improve the cost efficiency of remuneration by concentrating on the refinement of each of the internal management systems. Moreover, the Group proactively improved the remuneration management methodology and procedures for all levels of employees, revised the remuneration allocation process for the senior and mid-level managers and strengthened the link between remuneration levels and the business performance in order to increase the motivational effect of remuneration.

During 2006, the Group continued to advance and deepen the human resources reform. The guideline of "enhancing by levels and categories and striving to innovate methodology" was established based on the subsidiaries' actual progress in implementing the human resources enhancement project. As the progress of the subsidiaries' implementations differed from one another, the Group has defined classifications and prioritizations and proposed upgrading plans accordingly and, on such basis, together with proactive emphasis on competence, the foundation for the further development of its human resources management system has been established.

Having always attached great importance to attracting, recruiting, nurturing and retaining talented people, the Group continued to increase its efforts in human resources exchange and training, and implement its strategy of enhancing employees' competence. In 2006 the Group took various modes to recruit talented people, consolidated the formation of professional teams, innovated the management model for its senior management, and improved the staff component of all levels of management teams. As a result, corporate leadership was further enhanced. In order to further improve the competitiveness of the Group and its employees, the Group attached more importance to the close alignment of training and the business results, with a view to improving its capacity of providing overall training solutions and to improving the development of both the business and the employees. The training program framework for China Mobile has basically been established and the Internet-based education program covering the thirty-one subsidiaries was implemented and promoted, reinforcing the development, management and analysis of the basic training data, and improving the efficiency and quality of the training efforts.