

## Human Resources Development

As a service provider for telecommunications, media and technology companies, the Group has always regarded our staff, who possesses professional skills and service spirit, as our most valuable resources. In 2009, the Group actively responded to the changes to our external environment, which particularly included the opportunities provided by the domestic 3G network construction and subsequent business development, and accordingly increased our headcount reasonably. We perfected and consolidated our human resources management platform, put forth innovating management measures and optimized our talent recruitment, retention and incentive mechanism. We progressed the information system construction, optimized staff allocation, improved staff quality and cared for staff growth. These would provide human resources and organizational support for the effective implementation of our strategies.

In 2009, the Group put forth an innovative headcount control mechanism, established a forecast model on human resources needs, promoted the scientific deployment of human resources among business lines and subsidiaries, thereby achieved the dynamic management of our human resources. According to the current business development and long term development needs, we mainly focused on the recruitment of talents in the field of businesses such as 3G, overseas, ACO and maintenance. We accelerated the nutrition of professional managers with excellent management capabilities, professional skills and leadership abilities. We also further optimized our human resources structure. As at the end of 2009, the Group had a total of 125,249 employees, of which 8,316 were management personnel, 46,980 were technical and marketing personnel, and 69,953 were operational personnel.

In 2009, the Group continued to improve its performance appraisal management system and strengthened performance appraisal and job performance evaluation for senior management, thereby enhanced both performance and capability of the management personnel. We improved our incentive mechanism under the impartial principle, strengthened the linkage between remuneration package and corporate performance, regulated the senior management remuneration distribution and continued to implement the share appreciation right scheme to middle and senior management. We intensified the incentive effectiveness of remuneration distribution to facilitate the enhancement of corporate performance level.

In 2009, the Group continued to improve its training scheme and endeavoured to provide on-job training programmes to employees. At the same time, we guided our staff actively to take part in education programmes for academic credentials and training and tests for professional qualifications. Hence, the overall capability of all our staff team had improved effectively. We strengthened our efforts in improving the leadership abilities of top management and had successfully conducted series of training activities like seminars for senior management and seminars for head office's middle management, thereby facilitated the upgrading of leadership and strategic execution capability of middle and senior management. We also conducted various professional qualifications certification training programmes such as International Project Management Professional (IPMP), International Public Management Association for Human Resources (IPMA), Sales & Marketing Executives International (SMEI) and International Import-Export Institute- Certified International Trade Logistics Specialist (IIEI-CITLS) to train our staff with international top technical skills.

In 2009, the Group kept on its "people-oriented" philosophy and care on staff. We abided the relevant national laws and regulations, established a harmonious and stable labour relationship and set up a harmonious enterprise. We optimized our talent promotion mechanism and provided clear career development pathes for our staff, such that our employee were able to reap the fruits of the corporate development. Furthermore, the Company stressed great importance on labour safe production and achieved our effective protection on our staff's health and safety.



 Recreation activities



 On-job training