

HUMAN RESOURCES DEVELOPMENT

In 2009, the Company confronted with challenging competitive landscape and industry conditions. In response to the corporate strategic goal of being an internationally leading enterprise and its needs for developing the 3G business, and in order to develop a new competitive edge in human resources in support of its business operation, the Group's human resources work was energetically deployed following the scientific development concepts and through the proactive analysis of the changes in internal and external circumstances. By enhancing its system for employee utilization and optimizing its human resources structure, the Group improved its organizational capabilities. The Group consistently innovated its human resources management system and process and promoted the application of differentiation and diversified management. All these efforts provided stronger 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 2009, closely combined with its corporate key strategies and development needs for corporate reform and innovation, the Group's systems and practices were enhanced. Based on its corporate strategies, the Group launched its human resources strategic planning and management systems construction, and actively conducted researches on challenges and opportunities in relation to areas such as human resources strategies, management and personnel. Furthermore, the Group fully optimized its management system and proactively promoted the further development of its human resources management system. The Group has further pursued its human resources enhancement work and laid down the theoretical system and basic framework for its competence model building. The fundamental employment and labor management systems were consolidated so as to lower employment risks. In light of the current development stage and the direction for future development, the Group strengthened its performance management and brought the motivational and binding effect of the remuneration strategy into full play. The Group earnestly promoted the establishment of its core talent team and continuously optimized the dynamic of talent management system and built up the competitive advantage in key talents. The recruitment management system was fully optimized to maintain the enhancement of the efficiency of talent selection. A competence-based management system for senior management personnel was developed to produce a team of prominent leaders. The qualities of corporate human resources were comprehensively improved by effectively advancing the development of training system, perfecting the internal trainer management system, promoting the implementation of the training curriculum, and furthering the popularization of on-line learning. Foundation work was carried out in a pragmatic manner to propel the informatization of human resources management. According to the results of a survey conducted in September 2009 by Universum Communications, an internationally well-known employer brand management company, China Mobile was ranked first on the list of ideal employer brands.

In close connection with the business needs, the Group innovated its training methods and increased its training efforts. The Group provided training to employees for 921,000 times, out of which 8,751 times were for senior- and- middle management. The average training hours for each employee were 56.7 hours. The trainings enabled the participants to acquire new knowledge, grasp new skills and exchange experiences, and contributed to the implementation of corporate strategies, the promotion of businesses, and the enforcement of policies. In addition to providing on-the-job training to its employees, the Group also paid close attention to the building of employees' capabilities. A variety of learning facilities for its employees were provided to enable them to learn by mobile phones and on-line. Autonomous learning was encouraged and the Group was actively exploring in this area. All these efforts contributed to the enhancement of employees' competence and the promotion of their personal development.

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In 2010, given the complex and changing internal and external circumstances, the increasingly fierce competition in the industry, the Group's human resources needs will become more and more diversified and complicated and the Group's human resources work will be in pressing need of innovations and optimizations. The Group's human resources work will revolve around the overall corporate annual work requirements, be based on proactive analysis of the changes in internal and external circumstances, and be subject to adjustments according to actual needs and guidance according to actual circumstances. Efforts will be made to enhance its system for employee utilization as well as optimize and incentivize its employees so as to maintain employees' passion for work, integrate advantageous resources and enhance organizational capabilities. The Group will persistently innovate its human resources management system and process, and promote the diversity, differentiation and informatization of human resources management, so as to ensure that all tasks are carried out in a systematic, refined and professional manner and to strive to develop a new competitive advantage in human resources in support of its business operations.