

Human Resources Development

In 2012, in order to provide human resources and organizational support for the Group's strategic transformation, our human resources work focused on the strategy of pursuing sustainable development through accelerating strategic transformation and innovation, enhancing management standards, adapting to organizational reform, standardizing labor management, optimizing incentive mechanism, stimulating talent vitality and enhancing the standardization, refinement and scientificity of human resources work.

Pursuant to the requirements of the Group's strategic transformation, Senior Management Selection Program was implemented with strong emphasis on the scientific nature and transparency, and in-depth exploration of various core issues including the selection procedures and appraisal contents. Several outstanding young leaders were successfully identified through the competitive selection program, which had effectively demonstrated the direction regarding appointment and tremendously stimulated the vitality of the management team. In the meantime, through theme-based investigations and evaluations, the Group acquired a thorough understanding and control of our current management team data at various units. The selection and recommendation for management reserve pool, performed once every three years within the Group, was developed in order to achieve adjustment and enhancement of the management team structure.

Efforts had been made for steady optimization of our organizations, improvement of the operational effectiveness of headquarters' organizations and enhancement of the functionalities of headquarters' departments and internal organizations in order to adapt to the needs for future business development. Business mentoring and resources support had been provided to the newly established professional organizations in order to achieve smooth transition of human resources to these professional organizations and help support the prompt formation of their operational capabilities for the Group's strategic transformation.

Adhering to the principle of a market-oriented remuneration system, the Group amended and optimized a series of total remuneration management measures, optimized the total remuneration management system, built up a systematic and diversified remuneration management system which embodies the management principle of linking remuneration to the financial results. In addition, the Group improved our remuneration distribution structure, satisfied the resources placement needs of emerging business units and key locations in order to fully support our strategic transformation and business development.

In conjunction with the strategic transformation, the Group conducted a series of training including theme-based training on the Four-Network Coordination for our senior management, which effectively promoted the implementation of the Group's strategic implementation. The Group continued to implement the advanced network technology training program and initiated specialized professional training programs including the ACCA project in order to upgrade our overall capabilities. Furthermore, apart from continuing to arrange internal trainers to provide training at the group level and across provincial subsidiaries, the Group also organized internal trainers to participate in developing training courses, training new trainers and participating in specific teaching and research activities in order to support the development of key business areas.

In 2013, the Group continues to face intense market competition and cross-sector challenges which highlight the need to continuously promote mechanism innovation and reform. The Group will strive to optimize and re-establish our job and remuneration systems, promptly react to the human resources demand and management requirements in light of the mobile internet environment and stimulate the vitality of our employees. The Group will undertake further market-oriented reform on labor deployment, adjust our labor structure, enhance the efficiency of human resources placement, strengthen performance management, review and resolve current existing performance management issues, amend and optimize the performance management system and enhance the application of result-oriented principles of performance results in different aspects including incentivized remuneration, training and development, in order to nurture a scientific, objective, fair and equitable performance management culture, as well as to provide effective support and assistance for the Group's strategic transformation.