

HINAC



This is our **Communication on Progress**
in implementing the principles of the
United Nations Global Compact.

We welcome feedback on its contents.
联合国全球契约组织

UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS 2014

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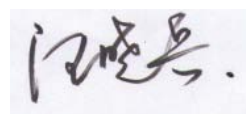
Speech by Managing Director

In 2014, downward pressure of China's macro-economy is further mounting and the adjustment after international financial crisis still needs to be completed. Under the circumstances, we are actively expanding new businesses and markets on the basis of well doing our main industry to realize a sound, stable and sustainable development of enterprise relying on the our strategic competence with foresight as well as accurate control of industry and market.

As a high-tech enterprise, we completed the great upgrading and R&D for many products in 2014. At a time when the technological R&D was increasingly developed, we also placed the market, corporate culture construction and public utilities on the critical position. We realized the first project of PV power generation and power supply & distribution for high speed railway station, which also marks that we are entering new field and market. Under the background of China's policy of "One Belt One Road", we established the first overseas liaison office——HNAC Pakistan Liaison Office. To earnestly ensure human rights in labor employment, we continue to improve a series of human rights assurance system strictly according to the relevant laws and regulations, such as labor union, Worker's Congress, providing equal opportunities to work and increasingly sound mechanism of occupational safety and health. We work to cultivate staff's awareness and behaviors of resource conservation, utilization and recycling. We are committed to implement energy conservation and emission reduction as well as low-carbon operation during the process of our business. We actively respond to the call of relevant department to participate in various donation activities. Besides, we are very glad to share our achievements with the people all over the world. With the auspice of Ministry of Science and technology of China, we successfully accomplished the 4th International Training Workshop for Technology Officials from Developing Countries and brought up a large number of trainees for electric power automation control industry and made our contributions to the development of automation control industry.

We have been pursuing the promotion of corporate value in accordance with 10 principles of United Nations Global Compact. We also tried to integrate the fundamental principles and elements of contract organizations into corporate development strategies, business process and culture. At the same time, we strive to positively influence our cooperators with our own ways to ensure they can adhere to global contract principles as well. We firmly believed that we are not only the one to implement Global Contract principles but also the one pursuing the globalization of UN Global Contract, which is also our further aim.

Last but not at least, we consciously accept the public supervision and will report our progress on implementation of "Global Contract" in public. Any suggestions are welcome.



Wang Xiaobing

Managing Director

May, 2015

Company Profile

As the barrier of UNIDO ICSHP Changsha Base, Changsha Huaneng Automatic Control Group, established in 1990's, is now an investment management company incorporating science and technology, culture and education. HNAC Technology Co., Ltd., Changsha Huazi Investment Management Co., Ltd. and Changsha Huayuan Culture Communication Co., Ltd. are the subordinate companies of the Group.

Changsha Huazi Investment Management Co., Ltd. is engaged in the investment management of the enterprise. Changsha Huayuan Culture Communication Co., Ltd. undertakes the organization, planning, graphic design and production of large-scale cultural and art activities, eco-environmental information consulting service, etc. The core enterprise HNAC Technology Co., Ltd., also the biggest operational entity of the Group, is the pre-IPO company supported by the government.

HNAC devote itself to provide the automation system integrated solution for the users of water conservancy, electric power and industrial areas and realize the Turnkey Project. It is the global unique control equipment manufacturing base under UNIDO ICSHP, a pointed production enterprise for key products of National Electricity Company, a recommended enterprise for national urban and rural power grid construction and transformation projects, the main drafter of for MWR automatic control equipment industry standards, such as Pump Station Automation and Informatization, Application Guide for Power Plant Automatic Equipments, etc. Till now, HNAC has provided the effective, superior products and services to 32 foreign countries and over 6000 users. And now its hydropower automatic control equipments take the first market share all over China and even the world.

As the president unit of Changsha Technology Innovation Strategic Alliance of Smart Power Equipments Industry, HNAC played an active role in the alliance in 2014. We have promoted the research and industrialization of power generation, distribution intelligent monitoring system key technologies, research, development and application of smart compacted mini hydropower station and the distributed PV power projects. The smart compacted mini hydropower station is put into operation in Nanjiang Canyon, Guizhou Province, which has the largest installed capacity in China. The distributed PV power station, HNAC pilot project is now under construction within our industrial park. HNAC insisted that "Quality is the operation foundation". In 2014, the Quality Control Department has paid return visit to 35 customers (power stations). Meanwhile, the Welding Group was awarded the prize of "National Worker Pioneer", which is also strong evidence of our quality control. Based on customer-oriented, we have launched the cost-efficient products and further promoted the power system knowledge to clients. HNAC International Technology Exchange Center is identified as Hunan Provincial Popular Science Base.

Environmental Performance

I Commitment and system

In order to promote the sustainable development of economic society, keep improving the regional environmental quality, further upgrade the product quality, environment and Occupation Health Safety Management level and strengthen the environmental awareness of all staff, we hereby committed:

- 1) To conduct deeply in environmental publicity and education and propose the scientific development theory by building the enterprise culture and implement the environmental system policy. We adhere to strengthen the environmental protection in enterprise development and to promote the enterprise development during the process of environmental protection.
- 2) To implement the environmental protection policies and criterion, the pollution discharge declaration and pollution charges policy, we will consciously abide by construction project environmental effect evaluation and relative stipulations and positively study the site inspection and supervision management, so as to ensure no environmental pollution accident and a improved environmental quality.
- 3) To reinforce the input and technical renovation in energy saving and emission reduction invest, the operation management of pollution regulation facilities. We take the initiative action in closing down outdated production facilities and technologies, playing an active role in implementing clean production, developing circular economy, increasing resource utilization rate and decreasing the discharge of contaminant. We also perfected the reserve plan for environmental emergencies, organized the emergency excise to ensure the safety environment.
- 4) To strengthen the enterprise environmental management and the honest awareness, so as to make the concept of credit through the whole process of production management. We take the initiative action in balancing the relationship between enterprise, staff and the interested parties, maintain their environmental benefits and accept the supervision of the public and media.

II System and policy

The GB/T24001-2004 Environment Management System was conducted in HNAC effectively and we have got the approval for updating the certificate. According to the specific situation, we have nominated the representative for environmental and occupation health safety affairs and built the related environmental protection system. Our environmental

objective in 2014 is no environmental pollution, the waste water, waste gas and noise emissions reach the national standards. The internal audit and surveillance audit both emphasized the safety and environment. Based on present laws and regulations and other requirements, combining with previous experience of safety production, we re-identified and evaluate the environmental factor and source of danger during the process of safety production implementation. We have listed general environmental factors, important environmental factors, general sources of danger, and important sources of danger, which covered every aspect of the company activities and provided a basis for the effective control of these sources of danger. On above basis, we have revised the special emergency rescue plans, management plans and management policies, which have strong pertinence and operability. We also organized a monthly inspection on the quality, safety and environment and release 7 notices for rectification. The problems aroused have clear division of labor and responsibility and are rectified within prescribed time limit.

III Achievement

1) Implementation of environmental objectives: All kinds of important environmental factor are controlled within a standard range. There is no pollution accident on poisonous and harmful substance leakage. The noise emission within production area reached the standard. The raw materials used meet with the environmental protection requirement. We had a classified management on the solid wastes and had a 100% disposal rate. The emission of waste gas, waste water and waste residue are standard. And there is no major environmental pollution accident.

2) Implementation of occupational safety and health objectives: The staff will have the health examination once every two years. Each special operations personnel will have once each year to guarantee there is no occupational disease and major security accident. The major hazard sources are effectively control by the management.

3) According to the requirement of environmental management system, we have re-evaluated the recognized 49 items of environmental factors and confirmed 3 of them as the great important and established the “List of important environmental factor”. We rearranged 5 regulations and other documents and updated “List of laws, regulations and other requirements”. The environment, energy, waste water, waste gas, noise and solid wastes are evaluated according to Compliance Evaluation Control Procedures.

4) Real-time monitoring of self-developed HZES3000 Enterprise Energy Management System

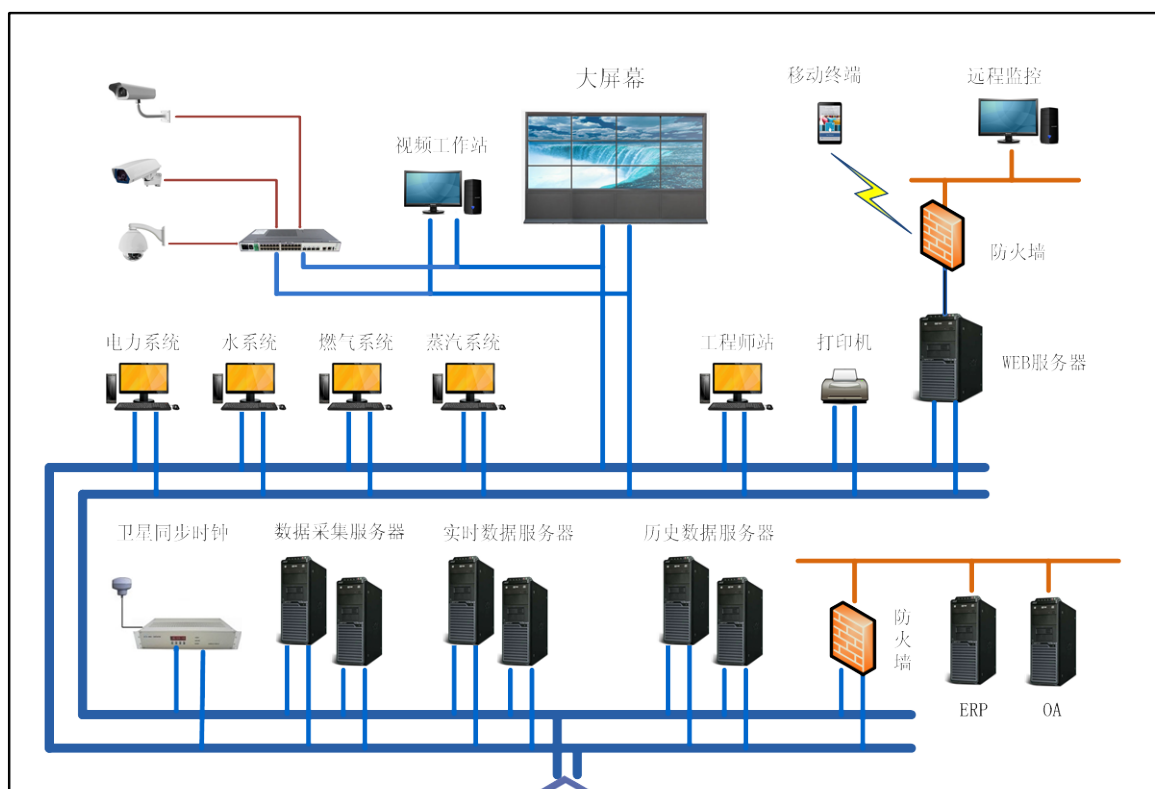
Energy is the lifeline of world economic development. As the main consumer of energy, enterprise has a permanent mission of sustainable development. The sustainable

development is not only an important channel for reducing cost and improving the market competitiveness of products, but also a great responsibility of advancing social resources sustainable use and environmental improvement.

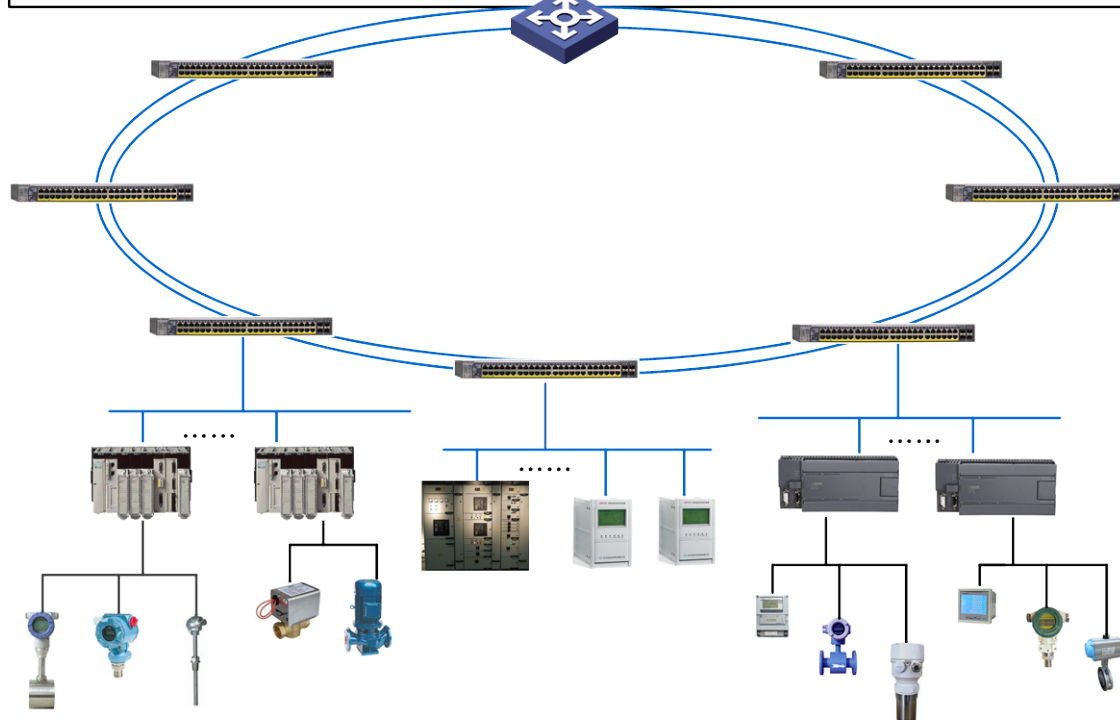
Energy Management System is established on the basis of automation, information technology and integrated management mode. It performs the dynamic monitoring and digital management on production, energy transmission, distribution and consumption of enterprise. It realized energy saving object management, energy efficiency management, saving opportunity recognition, energy metering and statistic, energy efficiency analysis, and also supported the transformation of energy-saving technology, renewable resources utilization of enterprise.

HZES3000 Enterprise Energy Management System adopts automation technology, networks communication technology, real-time database technology, data analysis and predict technology to monitor and control the production, transmission, distribution and consumption of the energy mediums like electricity, water, gas, heat, wind, oil, etc. With the help of intelligent data network, HZES3000 obtained the parameters, information and energy data during production process, so as to implement the dynamic monitoring and management, perform energy efficiency analysis and evaluation, and further make the optimal dispatching plan. In this way, we can make full use of the resources and lower the production cost.

能源管理



网络通信



数据采集

Frame chart of HZES3000 Enterprise Energy Management System

5) HNAC Industrial Park distributed PV power project

The total installed capacity of project is 1MW and total investment RMB 15,965,500 Yuan in 2 phases. The 500kW distributed PV power system pilot project was located in 3 areas. The whole project adopts 255Wp polycrystalline solar cells. The total DC rated power is about 500kWp.

The operation of environmental management system made HNAC staff more conscious about the importance of environmental protection and their responsibility on environmental protection.

IV Feedback and evaluation

1) The discharged wastewater (domestic sewage) meets the requirement of relative standards, which is supervised by Guangzhou Guangdian Metering and Inspection Co., Ltd.

2) The exhaust gas meets with requirement through ventilation and isolation.

3) Through the reasonable location of each equipment, adding acoustic panel and wearing noise-proof earflap, and the measures on high noise source, the noise level within the factory has reached the standard. The discharge index is reached through the monitoring of Changsha Center for Disease Control and Prevention.

4) Solid waste: general solid wastes and dangerous solid wastes. The general solid wastes are recycled by the waste company for integrated utilization. The dangerous solid wastes will send to special unit with qualification for disposition.

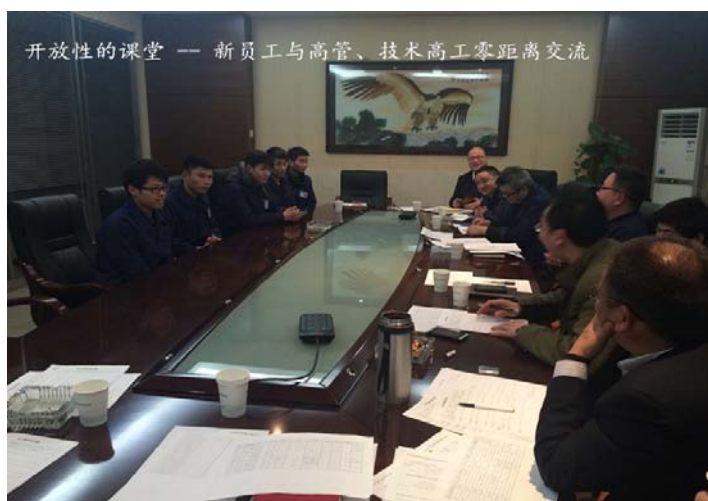
Hunan Rights Performance

Since its establishment, HNAC adhere to laws and regulations on labor security, supporting and respecting the internationally proclaimed human rights. We designed and drafted a series of effective management methods and plans for human rights performance, which are seriously implemented now. Pursuant to the principle of *Play Fair, Follow the Truth*, we mastered and improved the work performance of staff via management, publicity, supervision, inspection and assessment.

I Security for staff

A series of labor protection rules are strictly carried out, at the same time we value the strengthening of the legal awareness of our staff. So neither labor disputes nor labor arbitration happened in our company till now. HNAC was awarded “Model Enterprise of Harmonious Labor Relations” every year.

Every single employee had signed the labor contract and we paid full insurance for them



according to national regulations. The employees work 8 hours a day and 5 days a week along with legal holidays. All employees are paid monthly and those who worked overtime enjoy the overtime wage. The qualified license and the periodic training are required for special positions like drivers, security staff, and production controllers, etc. We also provide off-job training and non off-job training of various operating skills via joint class by school and enterprises cooperation. After the training, we will issue the authorized certificate to improve the professional value of staff.

We rigorously implement the Workers Congress System. The Workers Congress System exercises deliberation proposal, deliberation approval, democratic election, deliberation appraisal, supervision censorship and other function and power. We also put up a platform for staff's communication so as to know more about staff and meet their proper requirements.

II Caring for staff



Topic discussion

As a high-tech enterprise, most of our staff is engineer. In order to make a better management to knowledge-based staff, we hold various meeting for staff and executives to discuss and exchange about work development, career planning and technological knowledge.

We ensured our staff live and work in a lively atmosphere and be integrate into a freely exchanging environment in our company.

To relief the tiredness and improve efficiency,

we organize all staff to do exercise in the corridor or office every 3:30 pm and hold the exercise competition so that acquire a health body and delighted mentality.



Broadcast Exercise Competition

The benefits we offered to our staff includes: welfare goods and materials in festivals, free lunch and allowance for overtime work, endowment insurance, medical insurance, unemployment insurance, employment injury and maternity insurances, housing fund, physical examination, annual leave, free bus for staff and trainings.

员工福利满意度调查情况统计

调查时间：2015年3月24日 调查地点：员工食堂 调查方式：问卷调查
发放问卷：100份 收回有效问卷：95份
具体统计情况如下：

1、2014年全年发放的各类福利物资员工满意度情况统计：

福利名目	实际发放物资	满意度		
元宵福利	现金	满意：75%；	一般：21%；	不满意：4%；
高温福利	清凉解渴饮料、驱蚊人药水、清凉良粉凉宝、雷迪电扇蚊香液、福能低泡浓缩洗衣粉	满意：52%；	一般：37%；	不满意：11%；
国庆福利	美的电饭煲	满意：43%；	一般：36%；	不满意：21%；
元旦福利	美的暖脚垫（NJS2-10D）	满意：40%；	一般：42%；	不满意：18%；
厂庆福利	好时LED台灯	满意：39%；	一般：40%；	不满意：21%；
春节福利	养生堂颈椎按摩器	满意：30%；	一般：35%；	不满意：35%；
三八福利	浮士德汤锅	满意：28%；	一般：31%；	不满意：11%；
中秋福利	元祖月饼礼盒	满意：26%；	一般：33%；	不满意：21%；
五一福利	天添竹纤维星期牌套盒	满意：26%；	一般：44%；	不满意：30%；
端午福利	香港罗蔓粽子礼盒	满意：22%；	一般：37%；	不满意：21%；

2、员工整体对2014年度发放的具体福利物资满意度情况统计：

一般 55%； 满意 35%； 不满意 8%； 很满意 1%； 很不满意 1%；

3、目前员工福利的发放方式（时间、地点、部门为单位发放等）是否合适情况统计：

合适 99%； 不合适 1%；

4、对发放人员的服务态度满意度情况统计：

满意 100%； 不满意 0%；

5、员工整体对2014年度福利发放工作的满意度情况统计：

满意 51%； 一般 40%； 很满意 4%； 不满意 4%； 很不满意 0%；

To work out a beneficial scheme that is appropriate for enterprise and can meet workers' needs, we can know about their satisfaction and expectation of benefits by annual questionnaire and feedback so that improve the attraction of enterprise's benefits.

Improvement of staff living conditions:

We strengthen management for working lunch so as to improve staff's happiness index centered on good food and drink as well as good rest. We take a series of measures in improving staff's working lunch and dorm conditions:

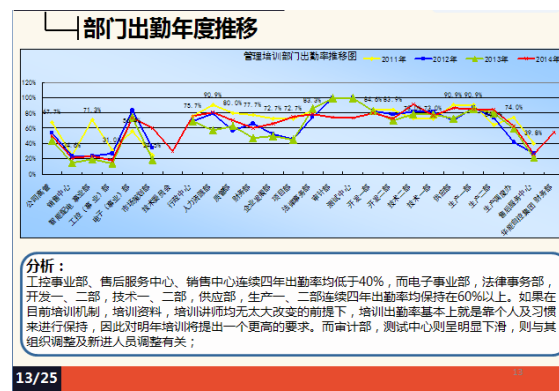
We will have a questionnaire among staff for canteen satisfaction, which will be as the performance incentives for staff.

食堂满意度调查问卷结果汇总及通报						
1. 此次问卷调查采用不记名方式; 2. 此次问卷调查共发放问卷30份, 其中有效问卷30份, 有效率为100%。 3. 此次调查问卷的发放时间为: 2015年3月6日 4. 此次调查问卷的主要范围: 春招入职新员工						
			项目	权重	分值	
			食堂就餐卫生环境	25	25.00	
			食堂器皿和个人餐具的清洁情况	25	21.67	
			食堂总体满意度	25	25.00	
			食堂评价(自由打分)	25	21.43	
			总计	100	93.09	当月“食堂工作”对应绩效考核等级: 10级
分值计算说明: 各项目分A、B、C、D、E五档, 分值 = (A%+B%+C%-D%-E%)*权重25						
以下为调查问卷汇总情况及与上月对比情况:						
1、您认为员工食堂的就餐卫生环境如何?						
	总票数	有效票数	A 很好	B 好	C 一般	D 较差
票数	30	30	5	16	9	0
所占比例	100%	100%	17%	53%	30%	0%
员工意见: 地面滑。						
上月数据:						
	总票数	有效票数	A 很好	B 好	C 一般	D 较差
票数	30	30	2	18	10	0
所占比例	1	1	6.67%	60.00%	33.33%	0.00%

III Staff training

Learning is the best benefits of staff. The training course held in every Tuesday's evening has been becoming the place for staff's learning and improving. To further improve training efficiency, optimizing and innovating training methods, we held training by team management and with compulsory class hour in 2014 annual training work. We ask for dividing staff into different teams and focuses on different topics to attend training course; we also set up time system and require that one person needs to attend class for one hour (24 hours together for one year). The performance and annual preferential depend on staff's attendance rate and class hours. The integration of learning, evaluation and incentive will make all staff develop and work joyfully with the impetus of mechanical.

To efficiently meet staff's requirements, except for staff's requirements investigation and scheme in the early period of each year, the human resource department will evaluate training result relying on staff's attendance, training feedback and training work improvement. We also seek to help company and staff to finds the most suitable course and teaching methods through different course's quality and popularity.



IV Staff development

Performance assessment

To follow the development of company, realizing the efficient incentives for staff, using special standards and targets, we also have performance evaluation to those who are responsible for producing process and consequences, which aims to give a correct judgement for the facts and efficiency of assigned work so that promote and standardize every incentive mechanical of company in all round way. We integrate performance evaluation into staff's salary and their promotion.

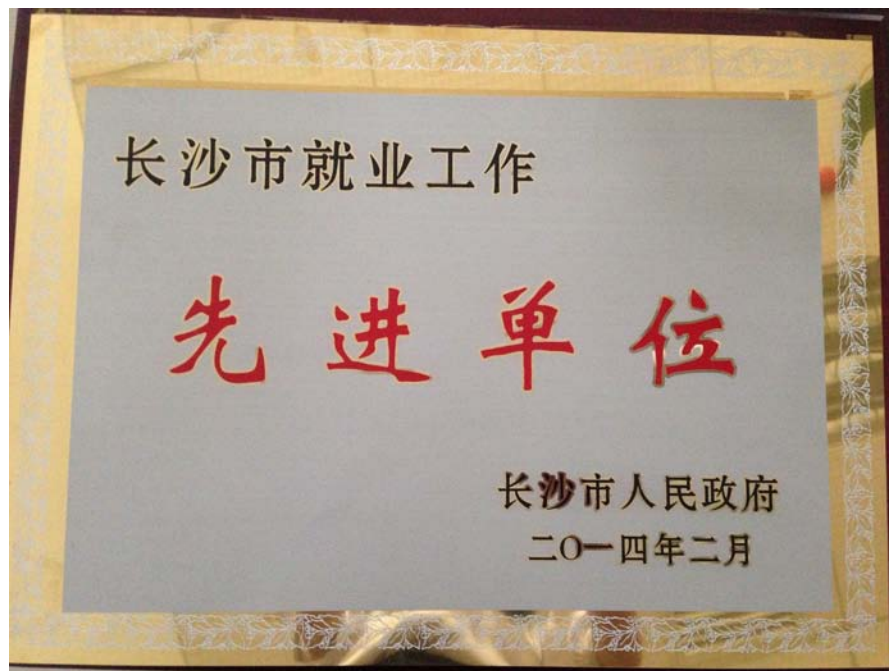
Salary

Our salary is in accordance with local price level, the salary in same industry and our ability of payment. Besides, staff's salary is closely related to the performance of company, department and each employee and different performance evaluation result should be accurately indicated in staff's salary in order to realize staff's self-justice and finally ensure our overall targets come true.

V Staff feedback

The staff makes company their home and be proud of its development. We share the happiness and sorrow; we work together to create glorious achievements. HNAC was titled as the "Youth Employment Practice Base for Communist Youth League Central Committee", "Model Enterprise for Harmonious Labor Relations in Changsha" and "Home of model workers in Changsha". In the year of 2011, HNAC was awarded the "National Outstanding Private Enterprise in Recruitment week" and "Advanced Unit for Housing Fund Deposited in Changsha by Changsha Housing Fund Center". And was reviewed and commended for Model Enterprise for Harmonious Labor Relations in Hunan Province. In 2012, HNAC was awarded as the "Advanced Unit for Housing Fund Deposited in Changsha" once again. In 2014, HNAC has obtained the titles

of “Advanced Unit for Recruitment in Changsha” and “Model Enterprise for Harmonious Labor Relations in Changsha”.



Economic Performance & Future Vision

I Management policy

1) Purpose and performance

Based on people oriented and market oriented, HNAC performs its corporate responsibility and insists on production management and capital management. Under the guidelines of “Frankness, Practicality, Cooperation and Enterprising”, and following the enterprise philosophy that “Win the trust by quality and gain the contract by the trust”, HNAC always keeps a honest and mutual-trust relationship with clients, employees and partners, furthest paying back to the shareholder and the society and making joint effort to create a famous brand in the hydropower and hydroelectric automatic supervision industry in China.

2) Policy and regulation

Based on ISO9001, ISO14001 and OHSAS18001, HNAC has set up an environment management and occupational health security system which involves decision-making management and the management by objectives, so that it can carry forward the comprehensive risk management system, control decision-making and operation risk, optimize the management and business flow, reduce the operation waste and lower the operation cost. The above three systems will be audited by the company and the third authority each year, and any problem found in this course will be corrected so as to ensure these three systems to be consistent with the company strategy, for it actually incorporates decision-making, production and management in the management system and thus enhances the control for them. Meanwhile, the company now starts to set up the overall risk management system which will manage and control the decision and operation risk.

3) Organization and responsibility

In the very beginning of every year, each department of HNAC will have the objective commitment for the key works; and self-check, follow and check the work objective every half year and every year; and each department is responsible for the business development and the production organization, according to the assignment of responsibility and the stipulation of the relevant documents, aiming to reaching the annual business operation and management goal.

Besides, HNAC actively involves its staff in the enterprise construction, encourage all staff to fulfill our social responsibility, and keeps innovating the management concept and work mode, so as to form the enterprise value and files focusing on performing the social responsibility. In addition, the application of the enterprise information management system

not only enhances the effectiveness of system performance but also promotes the awareness of social responsibility, which can implement the sustainable development substantially. The other advanced management technology like process management, OA system, WeChat communication platform, together with other communication mechanism among different management departments can enhance the efficiency of the communication and the information feedback and thus improve the processing efficiency of work.

In the course of the communication, HNAC sufficiently empower the shareholder, the managing personnel and the staff. To guarantee the right of the staff, HNAC builds the system of workers and staff congress, and hold the non-scheduled meeting of workers and staff to listen to their voice, and then involve their advice, requirements and suggestions into the administrative system, or review relevant problems.

4) Training

HNAC has already established the sustainable training system which well planned the overall periodic and systematic training for all staff. On one hand, it conducts the routine training separately for the management personnel and the new staff every Tuesday, and on the other hand it focuses on the communication with the well-known enterprise, colleges and universities and scientific research institutions. Moreover, it actively participates in the seminars and the technical discussions in this industry. Since 2011, HNAC has undertaken the international training workshop sponsored by the Ministry of Science and Technology, which has already had more than 100 foreign delegates attended it by now. Through the communication in the workshop, the advanced technology in China has been promoted to the foreign countries and the voice from China in the hydropower and the hydroelectric industry are listened worldwide. Meanwhile, as the pointed training organization of the Chinese Association of Hydroelectric Power, HNAC had provided training for more than 2,000 personnel in this industry in recent 10 years, and now the national training system for the automatic technology is completed.

At the same time, HNAC uses OA system and the electronic publications to broadcast the Global Compact and the meaning of the sustainable development, so that everyone can study and discuss the requirements on the Global Compact and the sustainable development together.

5) Supervision and verification

HNAC supervises the economic performance through the following three ways: 1. By the post-evaluation of the decision, manage the system inspection, evaluate the decision-making process and keep improving; 2. Carry out the daily and annual check by setting up the annual operation target, target completion condition and other target systems; 3. The audit department is responsible for the audit supervision and efficiency supervision of the economic

performance.

The Global Compact and the sustainable development are incorporated in the daily management of the company. And all relevant departments also assigned the personnel to do the work relating to the Global Compact, including the index data collection, report compiling, improvement and the submittal for review.

With the optimization and improvement of the Global Compact and the sustainable development management system, the quality, the environmental and the Occupation Health Safety Management System are further promoted, and the strategic management and the future planning are more clear and definite, and the sustainable development is better guaranteed.

II Performance indicator

1) Direct value created

In 2014, the sales revenue of the company reached to RMB 356,900,000 Yuan maintaining the leading position in the automatic control field for the small and medium hydropower in China. HNAC has developed into a famous brand of automatic control equipments in the field of water conservancy and hydropower.

2) Operating cost

The effective cost control is the basic factor that the company can gain the profit and success. For this industry is seasonal, autumn and winter are the peak season reconstructing the hydropower. As a result, the business of 3rd and the 4th season are better. In addition, the global economic situation in recent 2 years are severe, so the costing saving is closely related to the enterprise' survival and sustainable development.

Since the establishment, HNAC has attached great importance to the cost control. However, from the year of 2011, the financial budget further implement the cost control in the following ways: 1) set up the cost control mechanism, set out the target for the next year at the end of this year, disaggregate cost index, detail the control mechanism, complete the cost assess system and control the operation cost; 2) strengthen the cost consciousness, not only including the daily operating expenses inside the company, covering water, electricity, gas and the office supplies, nut also limiting the expenses at business trip and reception; 3) prepare different activities to arouse the enthusiasm of staff for cost control; 4) exploit the potentialities, closely control the major costs, like project equipment selection, R&D and new project buildings.

Since 2011, the budget enforcement became more reasonable and standard, and the cost proportion declined in a certain range. At the end of each year, the Budget Committee will

analyze the cost structure in detailed and then set out the cost control index according the features of different departments, clear the lines of their responsibilities and enforce the supervision and the implement as well as take the budget performance into the annual assessment index system of each department.

3) New business index

- a. In January, 2014, HNAC was listed as one of eight On-line Monitoring Service Providers, who provide on-line monitoring services to energy-consuming enterprises. Leading by Industrial Control Business unit, HNAC developed the energy management project. In the year 2014, HNAC had undertaken the construction and commissioning of Energy Consumption On-line Monitoring System of Hunan Huahuan Taifeng Metallurgy LLC and Hunan Chenzhou Mining Industry Ltd. Now the projects data are accessed to Hunan Economic and Information Technology Commission. In addition, HNAC HZES3000 Energy Management System was put into operation.
- b. In April, HNAC signed its first PV power project, Xiaheqing South Beach 9MW PV power project in Jiuquan, Gansu Province. The contract amount is RMB 1,836,600 Yuan. This is our first step in the distributed PV power generation field.
- c. In July, followed the foreign development policy “One Belt One Road”, HNAC established the Pakistan Liaison Office for further development of overseas business, which is also the first overseas liaison office of HNAC.
- d. In November, China Railway No. 5 Engineering Group Shanghai-Kunming High-speed Railway East Section Power Distribution Blockset Cabinet finished the installation and debugging. The contract amount is RMB 5,320,000 Yuan. It is the first power distribution in transportation field, which laid the foundation for our future development on rail transportation and magnetic suspended railway project, etc.

4) Salary and welfare of staff

HNAC has established a reasonable salary and welfare system to guarantee the fundamental interests of staff.

- a. We have gained good economic benefits, at the same time we keep improving the salary and benefits of our staff. This made our staff heartily acknowledge and trust us and strengthened company coherence.
- b. HNAC provides staff with various social insurance, which covers endowment insurance, medical insurance, employment injury insurance, maternity insurance, unemployment insurance and housing funds, etc. to ensure their legal interest.

- c. Besides above social insurances, HNAC offered the workers, drivers and overseas officials with extra insurance.

5) Expenditure to the government

In 2014, the tax HNAC paid to the government amounted to RMB 35,620,000 Yuan.

6) Social investment and input

HNAC played an active role in undertaking social responsibilities, social investment, charity and social and public welfare undertakings.

Besides our donation and support teaching for HNAC Hope Primary School each year, our staff also engaged in all kinds of social charities to support the study and living of mountainous children.

7) Financial support and government support from government

In 2014, the program “Digital Small & Medium Hydropower Station Key Technology Cooperation R&D” in cooperation with Schneider was awarded International Scientific Cooperation special project, which has gained the 3-year rolling fund 2.55 million RMB of Ministry of Science & Technology, P. R. China. The project has finished the intelligent integration unit development.

In addition, following honors and supports were gained in 2014:

- a. In 2014, more than 10 provincial (municipal) projects were approved. And we are awarded Hunan Provincial Water Conservancy & Hydropower Popular Science Base;
- b. HNAC “MTC-3D Pump Station Automation & Information Management System”, “Power Transmission & Distribution Integrated Automation System”, “MTC-3W Water Treatment Automation System” are selected into Hunan Province Government Procurement (2nd batch) Catalog;
- c. The "Material transfer and silo automation systems", "Urban water supply and drainage real-time scheduling system" and other 2 more industrial control products are listed in Changsha Local Products Recommend List;
- d. The "Power transmission and distribution Integrated Automation System" was selected to Changsha independent innovation and energy saving products catalog (3rd batch);
- e. “HZ3000 Hydraulic Informatization System” has passed Hunan Provincial Industrial & Information Technology Innovation Project acceptance. The conclusion is: The product implements the Water information and new product technology goals, the integrated

technology products have reached advanced level in Water Resources Information System.

- f. Miao Honglei, HNAC R&D Vice Director was awarded the S&T Innovation Leading Talent in Changsha. Changsha Municipal government will arrange no less than 1 million RMB special funds for the project R&D of Miao's team;
- g. HNAC was listed one of eight On-line Monitoring Service Providers, who can provide on-line monitoring services to energy-consuming enterprises in Hunan. It can also sharing data with provincial key energy-consuming enterprise energy monitoring and management system, so as to gradually promote the energy saving of Hunan industrial enterprises and support the development of energy-saving and environmental protection industries.

8) Local supplier and purchasing policy

To positively respond to the purchase supporting policy of the higher authorities, HNAC confirms that the local purchasing is a policy than can well guarantee the supply and stabilize the local economy; therefore, we has established the long-term sustainable strategic cooperation with the local supplier to drive the development of the related supplying chain. In the meanwhile, HNAC has cooperated with the well-known international manufacturers to ensure the product quality, such as ABB, Schneider, Siemens and so on.

In 2013, HNAC took the leadership in the foundation of Changsha Technology Innovation Strategic Alliance of Smart Power Equipments Industry. Till the end of 2014, the alliance has more than 20 members units such as equipment manufacturers, universities, research institutes, etc. The members of Alliance are gradually achieved "one-stop" Green procurement, building integrated development of smart power equipment industry and seek to build a multi-billion industry cluster in Changsha.

9) Significant indirect economic impacts

HNAC paid a special attention to the scientific research and development. We have the provincial enterprise technical centers, which is the formation unit of provincial water conservancy and hydropower automation control engineering technology research center. In order to ensure the gradual growth in R & D, breaking the bottleneck related technology research and development. In 2012, HNAC was approved provincial academicians and experts workstations in measurement and controlling field and there are two existing two academicians in workstations, besides, in 2014 annual Award, we were honored as outstanding workstation. Since 2011, the annual research expenditure was increased year by year. A basic technical conditions industry standard of small hydropower cluster control

system that we drafted was released and we officially implemented it on 1st, November.

In 2014, HNAC approved to be Hunan Provincial Water Conservancy and Hydropower Popular Science Museum. Some products are listed in government procurement catalogue. This proved that HNAC constantly improve the capability of independent innovation. The research and development achievements are reflected in following aspects:

By the end of 2014, HNAC has 95 patents, in which 4 are patents for innovation; 39 software copyrights and 21 software products. The scientific result was successfully transformed into the production force, generating sound social and economic benefits;

HNAC paid a special attention to the scientific research and development. We have the provincial enterprise technical centers, which is the formation unit of provincial water conservancy and hydropower automation control engineering technology research center. In order to ensure the gradual growth in R & D, breaking the bottleneck related technology research and development. In 2012, HNAC was approved provincial academicians and experts workstations in measurement and controlling field and there are two existing two academicians in workstations, besides, in 2014 annual Award, we were honored as outstanding workstation. Since 2011, the annual research expenditure has proportion to total sales revenue (more than 4%) and 7.09% in 2013. In 2014, a basic technical conditions industry standard of small hydropower cluster control system that we drafted was released and we officially implemented it on 1st, November, 2014.

10) Employment opportunities

Depending on optimizing product quality and structure, HNAC actively seeks relevant policies and expand its business in 2014. Meanwhile, HNAC created more employment opportunities. By the end of 2014, we have a number of over 700 staff.

III Honors and awards in 2014

- 1) On 9th of November, the cross-platform intelligent industrial process control and management system R&D and industrialization were awarded as the Internet of Things special project;

湖南省2014年第三批移动互联网产业发展专项资金明细表

单位:万元

部门	企业名称	项目名称	支持方向	金额
马栏区	湖南四通通信技术有限公司	基于4G网络的智慧农业物联网服务平台	产业化(新成立企业)	100
高新区	湖南群智网络科技有限公司	"司令农品"基于移动互联网安全农产品服务平台	产业化(新成立企业)	100
高新区	长沙引信科技发展有限公司	宏地北斗车联网信息服务平台产业化项目	产业化	100
高新区	湖南直信信息技术有限公司	微联网	产业化	100
高新区	湖南互动传媒有限公司	医疗大数据应用基础平台研发及产业化	产业化	100
高新区	长沙朗玛网络科技有限公司	ERP电子商务定制平台	产业化	100
高新区	湖南长城医疗科技有限公司	基于移动互联网的软件一体化医疗健康服务平台系统研发及产业化	产业化	100
高新区	湖南网安科技(长沙)有限公司	芒果网瓜蜜子手表	产业化(新成立企业)	50
高新区	华自科技股份有限公司	新一代跨平台智能工业过程控制与管理系统研发与产业化	产业化	50
高新区	东方新城信数字认证中心有限公司	第三方移动电子认证服务	产业化	50
高新区	湖南现代农商信息有限公司	基于移动互联网技术的城乡商贸流通B2B电子商务平台	产业化	50
高新区	湖南长信博中科技股份有限公司	基于移动互联网的区域卫生信息平台产业化	产业化	50
高新区	湖南克图智能科技有限公司	移动销售管理平台	产业化	50
高新区	湖南冠泰信息科技股份有限公司	基于移动互联网技术的视频运动智能管理平台	产业化	50
高新区	威登集团有限公司	基于移动互联网的用电管理平台研究及应用	产业化	50
高新区	湖南龙武信息网络有限公司	圣龙战记	产业化(新成立企业)	30
高新区	湖南等地网络科技有限公司	众筹中国	产业化(新成立企业)	30
高新区	湖南亿客信息科技有限公司	"游学"交互式移动学习平台	产业化	30
高新区	湖南科健科技有限公司	幼儿智能互动教育游戏平台——启蒙岛	产业化	30

湖南省财政厅 湖南省经济和信息化委员会

达。各市州及省直管县市收到本文后应尽快将补助资金拨付到项目承担单位,并督促项目承担单位严格做到专款专用,切实提高补助资金的使用效益。

附件:湖南省2014年第二批技术改造节能创新专项资金节能项目补助资金分配表(分发)

湘财企指〔2014〕63号

湖南省财政厅 湖南省经济和信息化委员会关于 下达2014年第二批技术改造节能创新专项资金 节能项目补助资金的通知

各市州、有关省直管县市财政局、经(工)信委(局),省直有关单位,有关省属企业:

根据《湖南省节能专项资金管理办法》(湘财企〔2011〕46号)和《湖南省节能技术改造财政奖励资金管理办法》(湘财企〔2011〕47号)精神,为推进企业节能降耗工作,现将省财政预算安排的2014年第二批技术改造节能创新专项资金节能项目补助资金予以下达(详见附件),相应列各市州、有关省直管县市2014年政府收支分类支出功能科目“2111001 能源节约利用”,支出经济科目“304 对企事业单位的补贴”。

按照《湖南省节能技术改造财政奖励资金管理办法》规定,节能奖励项目补助资金分两次下达。本文下达的节能奖励项目,本批次下达计划安排资金的60%,余额资金待核查后再下



信息公开选项:依申请公开

抄送:省审计厅。



- 2) On 30th of June, the project “Water Conservancy & Hydropower On-line Monitoring and Optimal Operation Automatic Control System” has gained the technical transformation energy efficiency special fund support.
- 3) On 18th of February, The program “Digital Small & Medium Hydropower Station Key Technology Cooperation R&D” in cooperation with a Fortune 500 company was awarded International Scientific Cooperation special project.

科学技术部文件

国科发计〔2014〕31号

科技部关于2014年度国家国际科技 合作专项项目立项的通知

湖南省科学技术厅：

按照《国家国际科技合作专项管理办法》和《国际科技合作与交流专项经费管理办法》的有关要求，2014年度国家国际科技合作专项项目立项工作已完成。经研究，现批准你单位推荐的由 华自科技股份有限公司 承担的 数字化中小水电站关键技术合作研发 项目（项目编号：2014DFA11120）作为2014年度国家国际科技合作专项项目予以立项。

请按照国家国际科技合作专项管理的有关规定和要求，认真

- 1 -

组织项目的实施工作。



（此件不公开）

科学技术部办公厅

2014年2月19日印发

- 2 -

- 4) From 20th of October to 8th of November, HNAC had undertaken the 4th International Training Workshop, which is a part of Foreign-aid Program of Ministry of Science & Technology, P. R. China.
- 5) On 9th of October, MTC-3D Pump Station Automation & Information Management System", "Power Transmission & Distribution Integrated Automation System", "MTC-3W Water Treatment Automation System" were listed in the government procurement catalogue.
- 6) On 8th of December, HZ3000 Hydraulic Informatization System has passed Hunan Provincial Industrial & Information Technology Innovation Project acceptance. The products have reached the advanced level.



- 7) On 30th of September, HNAC exhibition hall was awarded Hunan Provincial Water Conservancy & Hydropower Popular Science & Technology Museum;
- 8) On 9th of October, R&D Vice Director Miao Honglei was awarded as the S&T Innovation Leading Talent of Changsha;
- 9) On 9th of January, HNAC was listed one of eight On-line Monitoring Service Providers, who can provide on-line monitoring services to energy-consuming enterprises.
- 10) In March, HNAC was awarded the Software Industrial Base Key Enterprise of National Torch Program



HINAC

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