

Human Resources

COMMUNICATION BETWEEN THE COMPANY AND STAFF

The Company encourages mutual understanding, mutual trust, sincere cooperation, all-round communication and harmonious relationships among its staff. Through the Staff Handbook, the Company communicates to its entire staff about its mission, values, strategic goals, operation concepts and corporate spirit, thereby enhancing employees' sense of commitment to the Company. The Company encourages its staff to participate in proposal fine-tuning activities, and gives appropriate rewards to the staff when their suggestions are being accepted. The Company set up a special suggestion box to collect staff's opinions. When working on important matters such as research and development plans, the Company invites its staff representatives to participate and listens to staff's opinions. When there is a dispute between the Company and its staff, we encourage mutual communication and negotiation to resolve the issues.

HUMAN RESOURCES SITUATION

The Company believes that human resources are the most important assets of the Company. We put a strong emphasis on nurturing talents with the establishment of three core teams of senior management, senior engineering professionals and senior technicians as the focus, the strengthening of education and training as well as exploration of potentials in internal human resources as the foundation, and recruitment of external talents as the supplement, thereby realizing a sustainable development of the Company's human resources.

For a long period of time, our human resources management is closely knitted with the Company's overall development planning. By actively and appropriately implementing a talent-based "strong

corporation" strategy, we have built a diligent, high quality and experienced staff team.

At the end of 2006, the Company had 23,508 employees in total. Among them, there were 12,182 production staff, 97 sales representatives, 8,863 technicians, 357 financial personnel and 3,352 administrative staff.

There were 11,238 employees who had tertiary qualifications or above, amounting to 48% of the workforce. Among them, 6,692 employees held specialized university degrees, 4,288 employees held general university degrees and 258 employees held master degrees or above.

DEVELOPMENT AND INCENTIVE SCHEME

The Company believes in growing together with its staff, we put strong emphasis on education and training. We provide financial sponsorships and other assistance on staff training, thereby increasing the staff's sense of commitment to the Company, and motivating them to develop their inner strengths, hence improving their career development.

The Company encourages its staff to participate in training programs in accordance with their personal needs and career plans, guaranteeing their training time, so that they can continuously improve their technical expertise and become all-rounded employees, delivering better service to the Company.

The Company put a strong emphasis on staff development. In 2006, we provide various kinds of training programs to our staff, including new staff entrance training, job position qualification training, technical skill training, international cooperation training, and on-the-job continuing education. Besides, we also organize business management training in association with other tertiary education institutions.

In 2007, the Company will continue to develop various levels and forms of training for our staff in accordance with the Company's development and staff's career plan. The Company will strive hard to enhance our staff's knowledge, technical expertise and management efficiency.

STAFF SAFETY

Providing a safe working environment for our staff is the Company's top priority. The Company works hard to improve the safety standards of our staff, prevents accidents and minimizes occupational hazard.

1. To establish the safety and prevention concept of "Safety as the first priority; precaution as the major measure" among staff, and to discover and eliminate potential hazards on time, safeguarding workplace safety, maintaining good working environment and preventing occupational diseases.

2. To actively develop safety education. New staff at power plants have to undergo safety education at the plant level, workshop level and work team level before going to work. This includes basic knowledge of safety in the workplace, major hazards and risk factors as well as safety issues, major preventive measures against industrial accidents and occupational diseases, case studies of typical hazards, handling procedures on accidents, and functions and correct usage of protective gears.

3. To establish the certificate-for-job system. Personnel who are engaged in special operations have to undergo special safety knowledge and safe operation training, and pass through exams to obtain certificates before they can start working in their job. We also implement safety education specifically for staff who are going to handle new work techniques, new technology, new equipment and new materials.

4. To promote a safety culture and enhance staff's safety awareness in order to protect their own safety by spreading safety knowledge around the Company.

