

Transcript of June 18, 2013 Interview of
LuoZhou Mine Manager

Note: On June 18, 2013, immediately following the interview of a LuoZhou mine employee, the investigators conducted the following interview of LuoZhou Mine Manager Deng. Important findings are highlighted in yellow.

Investigator: 哎，大姐，麻烦问一下你们办公楼在哪里？

Excuse me, Madam, where is your office building?

Female Employee A: 那边，你找哪个？

Over there, who are you looking for?

Investigator: 要的，要的，我就是来了解点情况，我是重庆那边一个造纸厂的。他们就说有个罗州煤矿，优能煤业，就是说想过来问一下关于煤的事情，我们最开始接触了一个公司，叫做利维。这个煤矿是叫做罗州煤矿啊？

Okay. I'm here to find out about something. I work for a paper company in Chongqing. They told us about this LuoZhou Coalmine and a Union Energy Group. I'm here to find out more about coal supplies. We were originally in touch with a company named Liwei (L&L Energy). Is this mine called LuoZhou Coalmine?

Female Employee A: 优能集团的。

Uh-huh, part of Union Energy.

Investigator: 这个煤矿是哪个集团的？

Which Company owns this coal mine?

Female Employee A: 优能集团的。

Union Energy.

Investigator: 优能啊？是优能的啊？我们接触的，我们说了一个利维，利维你们听说过没有？

Union Energy? So it's owned by Union Energy? The one we were in touch with... uh, we knew this Liwei (L & L Energy) Company. Have you heard of Liwei (L & L Energy)?

Female Employee A: 不晓得。不晓得啊！你到上面问一下。

No, we don't know. You can ask (about this) in the building up there.

Investigator: 我到上面问一下。要的，要的。

I'll go up there and ask. Good.

Female Employee A: 门上头有字。(听不清)

There are signs on the doors there. (*Inaudible*)

Investigator: 要的，要的。好，谢谢。

Good. Good. Thanks.

(The investigators walk into the office building and enter the first room on his left. The investigators starts talking to the staff in the office.)

Investigator: 喂，你好，我是重庆那边的，恒安的一个造纸厂的，听得懂我说重庆话不？

Hello, how are you? I'm from the Chongqing area. I work for a paper-making factory under Heng'an. Can you understand my Chongqing accent?

Male Employee A: 听得懂。

I can understand you.

Investigator: 因为是这样的，我们需要点煤，在贵阳建了个分厂，我们本来说想到矿上来考察一下，就是我们白天赶路赶到我们现在才到。就是想问点情况，可不可以？

The reason I'm here is because we need some coal. We set up a subsidiary factory in the Guiyang area. We were planning to come to the mine to have a look, but we spent the day on the road and didn't get here until now. So I just wanted to ask about some basic information, is that okay?

Male Employee A: 你到二楼办公室，去问那个邓总。

You can ask about this in the office on the 2nd floor. Talk to the manager Mr. Deng.

Investigator: 邓总啊？

Manager Mr. Deng?

Male Employee A: 邓总。Mr. Deng.

Investigator: 要的，要的。他是管啥子的？

Good. Good. What is his responsibility here?

Male Employee A: 他是这个矿的矿总经理。

He is the general manager of this coal mine.

Investigator: 要的，谢谢。

Okay, thanks.

(The investigators climb upstairs and walk into one of the office rooms.)

Investigator: 你好, 请问邓总在不在?
Hello, is manager Mr. Deng here?

Male Employee B: 中间门那个。
The door in the middle.

Investigator: 那个办公室哈?
That office room over there?

Male Employee B: 对。Yes.

Investigator: 好。谢谢。Okay. Thanks.

(The investigators walk into Deng's office.)

Manager Mr. Deng: 进来。Come in.

Investigator: 你好, 请问邓总在不在?
Hello, is general manager Mr. Deng here?

Manager Mr. Deng: 我就是。I'm Deng.

Investigator: 邓总, 你好。我是重庆那边的, 我是恒安纸业那边的, 我们需要点煤啊。
Hi, Mr. Deng. I'm from the Chongqing area; I am from Heng'an paper group.
We need to purchase some coal.

Manager Mr. Deng: 恒安的?
Heng'an?

Investigator: 啊。恒安纸业在重庆那边有分厂啊。现在到贵阳那边来考察嘛, 因为我们
赶了一天路啊, 才赶到, 才找到你们这个矿。情况是这个样子的。

Yes, Heng'an Paper has a subsidiary in Chongqing. We're looking into
expanding to Guiyang. We spent the day on the way to find the mine and just got
here. That's why we're here (late).

Manager Mr. Deng: 你跑过来, 没得好大意义嘛。
You came all the way here, it's probably not necessary.

Investigator: 啊?
Really?

Manager Mr. Deng: 你是想取煤样是吧?
You wanted to see some coal samples, right?

Investigator: 那也是一方面，还有就是想了解点情况。
That was part of it. The other was to learn more information.

Manager Mr. Deng: 坐嘛。
Have a seat.

Investigator: 要得，要得，谢谢。
Okay, okay. Thanks.

Manager Mr. Deng: 坐，这边坐。拿点儿水过来。那是和你一块儿过来的？
Sit, have a seat here. Have some water. Is that guy there with you?

Investigator: 那个胖胖的？嗯。我站会儿，今天开车开了一天了。
That chubby one? Uh, I'll stand a while. I've been driving all day.

Manager Mr. Deng: 坐下吧，坐下吧。如果是要取样的话。
Sit down, sit down. If you want to take some samples...

Investigator: 嗯。我来，我来。
Oh. I got it, I got it (lighter for cigarettes).

Manager Mr. Deng: 不用客气，不用客气。如果是取样的话，因为产品煤不能很好的体现，是工程煤。
It's okay, no need to be formal. If you want to see the sample, the final coal product's quality could not be reflected well, because it's only engineering (development) coal.

Investigator: 啊？
Ah?

Manager Mr. Deng: 体现不出一个很好的质量出来。
(The sample) could not yet show a good quality.

Investigator: 啊，他是这样的，我们公司的之前跑采购的人啊，他跟我们说了下，他对这边并不熟悉，他在那边接触了一个公司，叫做利维，你们听过没有啊？
Ah, I see. Our purchasing guy from my company told me that he was not familiar with this area. He got in touch with another company named Liwei (L&L Energy). Have you heard of them?

Manager Mr. Deng: 我晓得，使我们威奢矿的另外一边的一个股东。
I know them. They're a shareholder of our Weishe mine.

Investigator: 另外一个股东？
Another shareholder?

Manager Mr. Deng: 这个利维公司，我们是一个集团公司，其中有一个矿是和利维控股。
This Liwei (L&L Energy) Company...we're a group holding company, one of our mines is jointly owned together with Liwei.

Investigator: 其中有一个矿？
So one of the mines?

Manager Mr. Deng: 嗯。其中有一个矿是和他们合伙的。
Yes. One of the mines...is a partnership with them.

Investigator: 哦，他就跟我们讲，这边罗州、拉苏还有一个好像叫？
Oh, they told us there is this LuoZhou mine here, Lashu, and another...hmm?

Manager Mr. Deng: 威奢嘛。
Weishe.

Investigator: 啊，威奢。
Ah, Weishe.

Manager Mr. Deng: 威奢就是利维控嘛。
Weishe is controlled by Liwei (L&L Energy).

Investigator: 威奢是利维控？那罗州呢？罗州不关它的事儿？
Weishe is controlled by Liwei (L&L Energy)? What about LuoZhou? LuoZhou has nothing to do with them?

Manager Mr. Deng: 罗州不关。
LuoZhou does not.

Investigator: 罗州不关它的事。都是优能的？
So LuoZhou has nothing to do with them. Is it totally owned by Union Energy?

Manager Mr. Deng: 都是优能的，都是优能控股的。
It's totally owned by Union Energy. It's all Union Energy.

Investigator: 当时我们都是觉得，都是利维来跟我们谈的，我们那边，等于说，我们那边也有人是在贵州人，他们说这边有个优能矿业，在这边，还多出名呢。然后他就说你去问一下，到底是啥回事情。因为就是说我们也不晓得你们这种公司之间的股权啊，总公司，子公司之间的关系啊，我们就是说过来跑一趟。晓得罗州这边有个煤矿。我们个人晓得的只有罗州和拉苏，听他们说还有个威奢之类的。我就是想过来了解一下，你也晓得，我们也是大的集团公司，需要的话，合作这方面啊。

At that time, even we felt... It was Liwei (L&L Energy who has been talking to us. We have people from Guizhou saying that there's this Union Energy Group, and it's quite well known here. Then I was told to come here and find out about the situation. Because we really don't know the equity relationship between the companies, such as parent, holding company, subsidiary etc, so we decided to come here and have a look. We know about this LuoZhou mine here. We only knew about LuoZhou and Lashu ourselves, and we heard about this Weishe mine-something from them. You know, we're a big group company as well, if needed, in terms of cooperation...

Manager Mr. Deng: 你们主要的合作的取向是哪方面？是煤炭销售合作还是？

What areas are you cooperating (with them)? Is it coal sales or what?

Investigator: 是供煤，我们要用，做原料。

It's coal supply. We need coal as a raw material.

Manager Mr. Deng: 你们是？ You are...?

Investigator: 烧原浆要用，我们锅炉啊这些。所以说是这方面的，我们想过来了解下关于罗州煤矿这方面的情况。罗州煤矿开始生产么？

To make the paper pulp. We need it for our boilers. That's why we're here. We just want to find out more about the LuoZhou coal mine. Has the LuoZhou coal mine started production?

Manager Mr. Deng: 还没的。

Not yet.

Investigator: 还没有啊。那这边大概多久生产？晓不晓得？

Still not? How soon can production start here? Do you have any idea?

Manager Mr. Deng: 可能年底。

Probably at the end of the year.

Investigator: 可能年底哈。

At the end of this year, okay.

Manager Mr. Deng: 因为这段时间我们在探煤，加上我们再抢拉苏，拉苏这个月底到下个月初年产 30 万吨的产能，所以大部分的人全部在那边。几个矿的人都在 那边，在突击。

Because we have been doing coal exploration these days, plus we've been busy with LaShu. LaShu, at the end of this month or beginning of next month, will have an annual production capacity of 300,000 tons. So we have most of our guys over there (at LaShu). Workers from several other mines are all there, rushing the work.

Investigator: 嗯。是这个样的，我听工人是这么在说，我们是走过来的，车子又开不进来，然后就开到那个。

Oh I see. I heard from one worker saying that... we walked into this place because the car couldn't come in, so we were only able to drive to that point...

Manager Mr. Deng: 那个塌方哪里。

The collapsed point (on the road).

Investigator: 哎。塌方那截。

Yes, the place where it collapsed.

Manager Mr. Deng: 走过来嘛，你们可以。你们开的小车啊？

Walk to here. You can walk to here. You guys drove a sedan?

Investigator: 开的小车。

A sedan.

Manager Mr. Deng: (对其他调查员说) 你坐到嘛，你坐到嘛。

(Speaks to the other investigator) You come here and sit down.

Investigator: 我们从重庆过来的，我们又没找到路，我们从贵阳到毕节又走的是老路，又没走到高速，我们那个老，老，领导的意思主要是过来亲自跑一趟，因为现在毕竟说现在合作方面关于有太多的有些欺瞒行为阿之类的，你个人到现场去看一眼，稳当点嘛，就本来我预计白天就能到，下午三，四点。

We came from Chongqing and we got lost. We took the old road from Guiyang and Bijie (city) because we didn't find the freeway. Our boss...uh, leader, wanted us to come here in person to see it, because after all there are quite a lot of deceitful behavior in business cooperation out there nowadays. So he wanted us to come here to see with our own eyes, just to be safe. We were planning to get here at 3 or 4pm.

Manager Mr. Deng: 你们现在是和利维再谈，还是和我们，准备和我们谈。

So your plan is to negotiate a deal with Liwei (L&L Energy or you would like to talk to us?

Investigator: 现在情况是在和利维谈，但是我们觉得利维不是很有实力，都是像，听说优能，优能矿业是个大的集团，想过来把情况了解清楚了。如果，比如说，比如刚才说的，它如果说罗州是它们利维的，还有个叫只，拉苏哈，拉苏是他们利维的，实际上那些都是你们优能的，我肯定要找个那个，像你们实力大点的企业，就是那个意思。更想把这个事情证实下，因为我们在跟他们接触的同时，就一直，比如想说，我们可不可以考察一下，它一直又没有说这个事情，懂我说的吧，你应该，你应该明白这个东西肯定都有门道了。

The situation right now is we are talking to Liwei (L&L Energy). But we kind of feel that Liwei (L&L Energy) is not as strong. Not like...Union Energy...we heard Union Energy is a big group, and we wanted to find out more about the situation. If, for example, like we just talked about, they tell us LuoZhou belongs to Liwei (L&L Energy) themselves, and other mine, Lashu, also belongs to Liwei (L&L Energy), but the reality is they all belong to Union Energy. For us, it is definitely better to go to better, stronger enterprises like you guys. More importantly, we'd like to verify things, because at the same time we're negotiating with them, for a while, we requested, "can we come to check them (the mines) out", but they haven't been letting us do it. You know what I mean...how these type of things work.

Manager Mr. Deng: 因为这个东西就是说，他们和总部咋个谈不清楚。

Because...about this matter, I'm not sure what they discussed with headquarters.

Investigator: 就说，反正现在就是说罗州煤矿是属于优能的。

To be clear, no matter what, this LuoZhou mine is owned by Union Energy now?

Manager Mr. Deng: 艾。

Right.

Investigator: 那我们到时候，那我们直接到时候可以跟优能谈谈了。

In that case we can talk about business directly with Union Energy.

Manager Mr. Deng: 艾。

Right.

Investigator: 那你们现在那个，那个矿现在勘察产量有好大？

So what is your exploration confirmed production capacity amount?

Manager Mr. Deng: 2700 万吨。

27 million tons.

Investigator: 2700 万吨，然后年产，产量好多？

27 million tons. Then annually...what's the production capacity?

Manager Mr. Deng: 我们现在是 15 万吨的。

We are right now 150,000-ton (capacity).

Investigator: 哦，15 万吨。

Oh, 150,000-ton.

Manager Mr. Deng: 生产(听不清)，我们下一步准备是 40 万吨。

Production (inaudible), our plan for the next step is 400,000 tons a year.

Investigator: 哦，就是说才开始试运行是 15 万。【被打断】
Oh, so when it starts production, it's 150,000. (*Interrupted*)

Manager Mr. Deng: 这是那个国家政策，我不晓得你们了解呗。
This is the national government's policy. I'm not sure if you know this.

Investigator: 因为我们不是内行，不熟。
Not really, because we're not in this business.

Manager Mr. Deng: 就是本身贵州政策估计又在变，又在变。那么像现在的 15 万吨，预计 15 年（2015 年）正常后 30 万吨才能生存。
The government policies in Guizhou (province) are constantly changing. We're talking about 150,000 tons per year. I think it is expected to reach 300,000 tons in order for us to survive.

Investigator: 嗯。
Oh.

Manager Mr. Deng: 我们是从去年，去年年底本身，本身走巷道设计各方面就有往 45 万吨方面考虑。
Since last year, uh, end of last year, we've considered a plan for 450,000 tons/year when we did the design for tunneling and other aspects.

Investigator: 那之前利维跟我们说的完全不是那个概念，那你们罗州煤矿今年，半年以来都还没出过煤啥。
So what Liwei (L&L Energy) told us earlier was completely different. So the LuoZhou coal mine has not produced any coal over the 1st half, uh, since the beginning of this year?

Manager Mr. Deng: 工程煤出过。
(We) had development coal.

Investigator: 哦，工程煤出过。
Oh, you did produce some development coal.

Manager Mr. Deng: 一直都是工程煤，所以，刚刚，刚才你取煤样，讲实话，现在取出的样体不能很真实的反映我们的煤。(被打断)
We have been producing only development coal. That was why, earlier when you talked about looking at some samples...to be frank, the samples taken right now can not truly reflect the quality of our coal (*interrupted*).

Investigator: 煤质，煤品质嘛。
Quality of the coal.

Manager Mr. Deng: 对不对，对吧。

You agree, huh?

Investigator: 嗯，嗯。

Right, right.

Manager Mr. Deng: 也对于你们来讲要注重品质，肯定也是没得意义。

For you guys, who care about the quality, it is not very meaningful.

Investigator: 那现在工程煤出的多不多啊？

So basically the amount of development coal produced right now is not much?

Manager Mr. Deng: 工程煤现在都暂时都还没出来。

Development coal is not even being produced at this moment, temporarily.

Investigator: 都没出哈。

Haven't produced any, okay.

Manager Mr. Deng: 下一步才会出。我们这一段时间，从6月份开始（听不清）。

The next step, starting June, we are going to (*interrupted*)

Investigator No. 2: 你们侧重那样，哪样的煤出，出去吗？侧重于那样煤？

What type of coal do you focus on...uh, producing? What type of coal?

Manager Mr. Deng: 你侧重哪块（种）煤吗？你是指块煤，还是，还是，指那样东西，还是讲（听不清）。

Focusing on what type of coal? Were you referring to lump coal...or... were you talking about other things... or you are talking about (*inaudible*)

Investigator No.2: 你本来是说工程煤阿。

You were talking about development coal...

Manager Mr. Deng: 工程煤是这样子，是在掘进的过程中，因为要走巷道，要推到那采煤的时候，在事后会出一点煤，是这么回事。

Development coal is, during the process of excavation, because we dig into the tunnel, when you dig through the coal, you end up producing a little coal. That's what it is.

Investigator: 现在是这么个情况啊，因为我们对煤的品质不是很懂，我们主要是比如说烧原浆用的，比如说锅炉用的，我们主要想考察的都是

So the situation, because we don't know much about the quality of the coal, our primary need is for pulp-making, such as fueling the boilers, so what we mainly would like to know...

Manager Mr. Deng: 烧原浆？你们是？
Pulp making? You are referring to....?

Investigator: 制纸，造纸的。
Paper manufacturing, it's for papermaking.

Manager Mr. Deng: 造纸？
Paper production?

Investigator: 嗯，嗯。
Yes. Yes.

Manager Mr. Deng: 它对煤的要求有些啊。
What's the requirement for coal?

Investigator: 嗯，那是我们技术部门的。
That is...hmm, our technical department...

Manager Mr. Deng: 硫啊，各方面的这些东西，你像说化工厂它就会要求，硫啊，各方面这些东西会，会，会有些，像，像如果钢厂喷水啊，煤的要求又不一样。关键是你们的要求的品质，有些技术指标。
Like sulfur content, that kind of stuff. For example, chemical factories have requirements, in terms of stuff like sulfur content and other stuff. For pulverized coal for the steel factories, there are different requirements. It really depends on your requirement of coal quality and other technical aspects.

Investigator: 主要技术指标，我们技术人员那边还有点那个。我们这回主要是来对利维所对我们描述的东西，规模啊。
The main technical requirements...our technical guys have those. Our main purpose here this time is to look at the things described to us by Liwei (L&L Energy), such as production scale...

Manager Mr. Deng: 这东西，我觉得...哦，行，喝点水。
This matter, I think...uh, come, have some water.

Investigator: 要的。Sure.

Manager Mr. Deng: 我来倒。我觉得你们不，不用太在意这点事情，为啥呢。因为我的想法哈，不管利维最终讲的啥东西，还没到实际，现在可能也许不存在，也许利维会和我们还会有别的合作啥的。
I got the water. I don't think you should care too much about this matter. Why is that? Because, in my opinion, whatever Liwei (L&L Energy) says at last, it has not been finalized and it may not exist now. Liwei (L&L Energy) and us possibly will have other cooperation.

Investigator: 就是说，现在都不清楚哦，但是关键至少我们了解的情况，他现在等于说，说的东西不是太真实，所以我们就想来证实一下。如果比如说，举个例子，我们如果接触到你们优能集团，我们可以直接跟你们那个。

In other words, everything is still uncertain. But at least at this time, based on what we found out, they have not been entirely truthful with regard to what they said to us. This is why we came here to verify things. For example, if we get in touch with you guys, Union Energy Group, we can directly talk to you guys.

Manager Mr. Deng: 因为，目前我，我觉得哈，这东西嘛，我们不太了解，就是说，因为我们是这样子的，额，其中一个矿在和利维在合作，是，确实是。

Because...currently we...this is what I think...this matter of yours, we don't know all the details. Our situation here is that, uh, one of our mines is indeed a joint partnership with Liwei (L&L Energy). That is true.

Investigator: 但是那个开始生产没有嘛？

Has that (mine) started production?

Manager Mr. Deng: 额，也和我们的情况差不多。

Uh, similar to our situation.

Investigator: 哦，都是现在。

Oh, so now...

Manager Mr. Deng: 但它可能会比罗州矿提前。

But it may be earlier than the LuoZhou mine.

Investigator: 哦。Oh.

Manager Mr. Deng: 它是威奢矿，在你们过来，在野马川那里分路上去。

It's the Weishe mine. It's on your way here, on the other road forked at YeMaChuan.

Investigator: 嗯，嗯。

Okay okay.

Manager Mr. Deng: 那边是。是，这么一个矿是这样子。

That was it. That is the only mine with this...

Investigator: 嗯，嗯。

Okay, okay.

Manager Mr. Deng: 我们这一边和拉苏都还没得合作。

Our mine here and Lashu haven't had any cooperation (with L&L Energy).

Investigator: 哦，拉苏和罗州开始生产了没得？我们从你们这拿的到煤不？

Oh, have Lashu and LuoZhou started production yet? Can we get coal from these two places?

Manager Mr. Deng: 目前，你们的就是月的要求？

Currently, what is your monthly demand?

Investigator: 量，量好大是不是？

Volume, you are asking about the volume?

Manager Mr. Deng: 量好大？

How much volume?

Investigator: 大概我们搞技术跟我们说了一下，大概的量，我们一个月用到，因为是新厂，2000-2500左右吨。

Our technical guy briefly told us about it, approximate volume...every month we need, about, because it's a new factory, 2,000-2,500 tons.

Manager Mr. Deng: 你们准备咋走？

How do you plan to move it?

Investigator: 只有走货运啊，咋个走嘛？

It just has to be cargo transport, what else can we do?

Manager Mr. Deng: 不是，一般你们是靠车皮...

Not that. You normally ship through rail car...

Investigator: 车皮。

Rail car.

Manager Mr. Deng: 还短途？靠公路运输。

Or short range, with road transportation.

Investigator: 公路运输，因为我们分厂考察建在贵阳的周边。

Road transportation, because our subsidiary factory is planning to be built near the Guiyang surrounding area.

Manager Mr. Deng: 周边？

Surrounding area?

Investigator: 嗯。Yes.

Manager Mr. Deng: 贵阳周边会面临运费过高哦。

The Guiyang area will face a high transportation cost.

Investigator: 那你除了火车皮以外还能走啥子？

Except rail car, what else can you do?

Manager Mr. Deng: 哦，我以为你们是到重庆。

Oh, I thought you were going to Chongqing.

Investigator: 到重庆就是坐火车是吧？

So it goes by rail if it's Chongqing?

Manager Mr. Deng: 到重庆反正要不就从我们往这边走水城（我查过地图，应该是六盘水市下属水城县，距离赫章正好约 90 公里）到我们这大概现在有 90 公里左右，搞车皮走。

If it goes to Chongqing, you could go from us here through Shuicheng (Shuicheng county in Liupanshui city, about 90 kilometers from Hezhang county). It's about 90 kilometers from us here now, then use rail cars.

Investigator: 嗯. Okay.

Manager Mr. Deng: 从车皮走，相对来说要划算一些，但是你一个月 2000，就是说你到 2000 到 5000 吨可能也不是很大的量。

Shipping via rail, is relatively more economic. But you only have 2,000 tons per month... in other words, from 2,000-5,000 tons is not really very big volume.

Investigator: 哎，但是我那，那个因为是个分厂嘛，到时候可以，它量会递增，因为包括现在恒安在我们重庆，都是在巴南那边修了一个就是原浆生产的一个分厂，相当于西南分布的一个大厂，如果我把情况了解回去过后，优能那边的情况比较实在的话，我们比如说我们的技术部门和领导再来跟你们接洽。

Oh, because that is a new subsidiary factory. When it's time, it's going to increase its volume. For instance, Heng'an, in Chongqing, built a subsidiary pulp factory in the BaNan area. Now it's becoming a major production base in the southwestern region. If I learn more about the situation here and find Union Energy to be quite reliable, our technical guys and high level leaders will come to talk to you.

Manager Mr. Deng: 我就奇怪你们当时不考虑，比如黔西啊相对近一点（意思是建厂时怎么没考虑减少运输费用的问题），如果走公路的话。

I was surprised why you guys didn't consider places such as Qianxi, which is relatively closer, if you do road transportation.

Investigator: 但是原来我们在重庆的厂它就是这个样的撒，因为我们现在在贵阳考虑个分厂，所以喊我们来联系下。

But our original plant in Chongqing was going from there, and because we are considering a new plant in the Guiyang area, we're looking everywhere.

Manager Mr. Deng: 贵阳的话你是，从贵阳来讲撒，也是黔西近，那黔西近。

If it's Guiyang... if we are talking about Guiyang, Qianxi is still closer.

Investigator: 也是黔西近。

Qianxi is still closer.

Manager Mr. Deng: 黔西也就是离贵阳一百多公里。

Qianxi is only about 100 kilometers from Guiyang.

Investigator: 因为是那样的啊，你晓得恒安那边是，我们的集团公司在深圳那边，然后就是说那边，那边的分，我们这边的分厂老总他也是沿海那边的人，他对这个也不是很了解，然后我们公司技术部门的人向他推荐就说，贵州本来也出煤啥，可不可以考虑下那边，因为交通那方面还没涉及到。因为我们主要是厂在筹建当中。

The reason is, that, you know about Heng'an, our group's headquarter is in Shenzhen, and then our new general manager in our area is also from the coastal region, so he doesn't know this very well either. So our guys from the technical department suggest Guizhou is rich in coal, and can we consider there. The issues related to transportation have not been considered, because we are still in the planning stage.

Manager Mr. Deng: 我考虑的只是，就是说，从你们的成本来考虑。

I was merely giving it some consideration from your cost perspective.

Investigator: 运输成本。

Shipping cost.

Manager Mr. Deng: 我只是考虑你成本。

I was thinking about your cost.

Investigator: 嗯。Okay.

Manager Mr. Deng: 你，假如我和黔西同样一个品质的煤卖价，肯定比黔西要贵啊。你的运费和成本也会降低啊。

For you, if we and someone in Qianxi sell coal of similar quality, we must be more expensive. Your shipping and cost will be lower.

Investigator: 也会降低啊。

It will be lower too.

Manager Mr. Deng: 会降低啊，肯定啊，我们这里到贵阳三百（被打断）

Definitely lower, from here to Guiyang, it's 300...

Investigator: 三百三十里路，我们早晨过来的，额，三百三十路。

330 kilometers. We came this morning, yes, it's about 330.

Manager Mr. Deng: 那边过去，你就是从矿走了嘛，三百三十里路还不一定到我们矿上嘛。
If you come from there, assuming you start from the mine, 330 kilometers won't even take you to our mine.

Investigator: 哦，对，对，就是那样。

Okay, yes. That's right.

Manager Mr. Deng: 我从矿，就是加油站那边上来离我们这边大概 40 公里。

If I start from the mine... even if I start from that gas station, it's about 40 kilometers.

Investigator: 像那样，像那样，麻烦你给我们提供的情况，我们也是打个前站，先把它了解回去，然后我们再了解关于你们的情况，因为毕竟我出都出来了，了解一些问题，然后就是说，产量预计就是，反正现在就是年产 15 万吨。然后就是...

In that case... in that case, if you can kindly provide us some details, we're merely here doing some scouting, trying to find out some preliminary information, so later we can learn more about your situation. After all I'm already out here, just asking some questions. So basically, your production volume is expected to be 150,000 tons per annum. Then...

Manager Mr. Deng: 我们是，我们是 3 个矿应该是 60 万吨。

We... the three mines of ours should have 600,000 tons per year.

Investigator: 嗯，3 个矿 60 万吨。

Okay, three mines, 600,000 tons.

Manager Mr. Deng: 嗯。Yes.

Investigator: 然后就是拉苏，威奢和罗州，哦，哦，我想下，我看下。它还说了一点，需要问你，嗯，主要说的是产量。那几个矿，你们说生产的预计都能生产？

So we have Lashu, Weishe, and LuoZhou, er, er, let me see, let me see. There's one other thing to ask you about, uh, it's mainly the production volume. When did you say your expected production start dates for these mines are?

Manager Mr. Deng: 嗯，今年年底。额，拉苏可能会提前一点。

Oh, end of this year. Uh, Lashu could be earlier than that.

Investigator: 拉苏会提前一点。

Lashu will be earlier.

Manager Mr. Deng: 因为估计是那样子，它要走巷道比较多啊，会不会出来一点(煤)。

The reason, I guess, is that it needs more tunneling work, so it may end up producing a little.

Investigator: 因为我们建设周期也还有一段时间。
Because we still need some time to do construction...

Manager Mr. Deng: 这个事，其实我觉得，你们先了解吧。
This decision, I actually think, you should first do some research.

Investigator: 艾，对，对，对，就是那事。
Oh yes, yes, yes. That's right.

Manager Mr. Deng: 反正作为优能集团是赫章唯一一家集团公司，贵州是这样子，只有一百家集团公司可以，可以存在，下一步拉，我们由于有几个政策，很多矿要，要兼并和重组。
After all, Union Energy is the only coal group company in Hezhang County. The situation in Guizhou is that there are only 100 group companies allowed to exist. Next step, due to the requirement of the national policy, there's going to be a lot of mergers and reorganizations among a lot of mines.

Investigator: 嗯，嗯。
Okay, okay.

Manager Mr. Deng: 可能煤源会比较恼火。
The coal supply will probably become tight.

Investigator: 嗯，嗯，Okay, okay.

Manager Mr. Deng: （听不懂）要不就新开井口，会很多地方停起。会有这种可能。
(inaudible) or opening up new tunnel, and a lot of places will be idled. That is possible.

Investigator: 反正我了解到你们这边情况就是罗州，拉苏，威奢都还没生产。然后拉苏可能3个当中会（被打断）
Regardless, what I learned about your situation was that LuoZhou, Lashu and Weishe haven't started production. Then, out of the three, Lashu may be... (interrupted).

Manager Mr. Deng: 不，我们应该在最滞后的，之前应该会出些煤，但是量不敢太有好多。
No. Our mine should be the most delayed. Prior to that, it may produce some coal, but I'm not confident to talk about the volume.

Investigator: 大概? Approximately?

Manager Mr. Deng: 我估计几百吨是有吧，每个月。I estimate we should have several hundred tons, every month.

Investigator: 每个月几百吨还是有啊。

So a couple of hundred tons every month.

Manager Mr. Deng: 但是我不太了解嘛。拉苏也会有一点。

But I'm not too sure, LaShu should produce some too.

Investigator: 对，对。其他也没啥子的，主要是我们来了解下这情况，因为主要是利维把前景描述的有多好勒，然后就是说..

Right, right. Other than that, there's nothing else. We mainly came here to learn more, because Liwei (L&L Energy) painted such a bright prospect to us, and told us...

Manager Mr. Deng: 他们主要是，意思是和你们谈了终端供应了嘛。

So their main intention is to negotiate a supply deal with you guys?

Investigator: 差，差不多就是这个意思。

Yeah, more or less like that.

Manager Mr. Deng: 相当于意思是你们来包销。

Or is it like you guys act as a wholesaler?

Investigator: 其实我们... Actually, we...

Manager Mr. Deng: 你们再从我们终端，终端打总嘛。

Or you guys came directly to us producers... for purchase?

Investigator: 直接提供我们终，终端用户嘛，相当于那种。

Directly supplying us, the end user, something like that.

Manager Mr. Deng: 我们讲实话应该与考虑啊，从优能最早，我最早也不在这边，我原来最开始管销售，下一步可能销售我现在还不晓得啊，有可能...

Honestly, from our own perspective to consider, from early days at Union Energy... I wasn't at this place earlier. I was originally in charge of sales from the very beginning. Next step may be sales again, but I don't know the assignment yet, very possible...

Investigator: 主要是等生产开始了。

So (you are) mainly here to wait for the production to start...

Manager Mr. Deng: 嗯，对，现在因为煤有点不正常，我们也倾向于终端用户。

Yes, correct. Because the coal (market) is not normal at this time, our previous focus was originally on end users too.

Investigator: 对头，对头。

Yes, yes.

Manager Mr. Deng: 比如我会和钢厂，因为我们毕竟也有些钢厂的资源，也会和你们，和一些化工厂。

For example, we would sell directly to steel factories, because after all we have some resources at some steel mills; and we would talk to you guys, as well as some chemical manufacturers.

Investigator: 对头。

Correct.

Manager Mr. Deng: 原来还没得考虑你们这块，我们就是说直接终端打起交道来。

(We) haven't originally considered industries like you guys. Basically we like dealing directly with final end users.

Investigator: 其实还简单些，把中间的减了，不管从我们还是从你们来说，都是最好的。

It's in fact easier. To cut the middlemen, for both you guys and us, is the best.

Manager Mr. Deng: (听不懂) 但是和终端打交道，比如说钢厂我们不愿意进，不愿意进的原因就是因为款的问题。

(inaudible) But dealing with final end users, for example, steel factories, we don't like to sell directly to them. The reason for not dealing with them directly is payment terms.

Investigator: 嗯，就是一个付款的问题。

Okay, it's just a matter of paying on time.

Manager Mr. Deng: 哎。

Correct.

Investigator: 嗯。

Okay.

Manager Mr. Deng: 但如果我们要和终端打交道，肯定不会像现在的煤贩子、和终端的模式。

But if we want to deal directly with final end users, it's definitely not operating a model like the current one, "coal distributors to final end users."

Investigator: 那行，我把你这个沟通的情况跟公司说下，然后是在不行，我们也没得必要再跟它接触，直接跟你们优能接触，然后现在对优能下面的3个矿都是那个情况，拉苏。罗州和威奢，然后反正等于说，那个开始生产相对的说要滞后一些，要到年底去了。

That sounded good. I'm going to report what I communicated with you to the company. Then unless it's totally necessary, we don't have to deal with them (L&L Energy), we can directly talk to you guys at Union Energy. Then regarding the details about the 3 mines owned by Union Energy: Lashu,

LuoZhou and Weishe, it's going to be a little late when production starts. It will be at the end of the year.

Manager Mr. Deng: 嗯。

Yes.

Investigator: 拉苏可能要稍微快一些，大概时间...

Lashu will start a little faster, approximate time...

Manager Mr. Deng: 我们预计，本来预计是8月份。

We were planning... we originally planned for August commencement of production.

Investigator: 预计8月份额？

Planned for August?

Manager Mr. Deng: 原来我们这里预计的是8月份，但是现在地质的原因，我们现在在搞治理和探煤的工作。

This mine here was originally planned to start in August, but now due to geology related reasons, we are now working to resolve it and doing coal exploration work.

Investigator: 现在最快的是拉苏，拉苏的大概产量是好多，我也回去简单的跟我们老总介绍。

Now the earliest is going to be LaShu? What's the production volume of Lashu going to be? I can briefly report this to my boss when I'm back.

Manager Mr. Deng: 拉苏30万吨哪。

LaShu 300,000 tons.

Investigator: 30万不是年产量，是实际产量还是勘察。

300,000 is the annual capacity, or actual production volume or proven reserve?

Manager Mr. Deng: 不是，我们讲的产量是根据它的采矿许可证。

No, the production volume we talked about is based on its mining permit.

Investigator: 哦，哦，比如说勘察的。

Oh, oh, it's like exploration...

Manager Mr. Deng: 勘察是说储量。

Exploration... is about mine reserves.

Investigator: 哦。Okay.

Manager Mr. Deng: 勘察处量是2700万吨。

Our proven reserve is 27 million tons.

Investigator:

比如说你的许可证年产量 30 万吨，

And you're saying your approved production volume on the mining permit is 300,000 tons?

Manager Mr. Deng:

15 万吨. 150,000 tons.

Investigator:

罗州是 15 万吨，拉苏是 30 万吨，威奢...?

LuoZhou is 150,000 tons, Lashu is 300,000 and WeiShe...?

Manager Mr. Deng:

威奢是 15。

WeiShe is 150,000.

Investigator:

威奢是 15 哈？

WeiShe is 150,000 okay.

Manager Mr. Deng:

威奢和罗州我们都在跑。

We are working on both WeiShe and LuoZhou.

Investigator:

嗯。Okay.

Manager Mr. Deng:

下一步会技改 450,000.

Next step we will do technical improvement to 450,000.

Investigator:

哦，提升，提升它的产量。

Oh, just to increase... expand its production capacity.

Manager Mr. Deng:

提升了嘛。

Expansion.

Investigator:

哦，现在还没跑的下来嘛。

Oh, but that is still being worked on?

Manager Mr. Deng:

现在，现在正在走巷到。

Now, now we're doing tunneling.

Investigator:

哦，懂了，懂了。

Oh, understood, understood.

Manager Mr. Deng:

它需要一定的时间，我们是去年年底才，才搞完所有的 15 万的手续。

It takes some time. We just started at the end of last year, we just got all the approvals for the 150,000 tons.

Investigator:

要的，要的，反正就是说，我把这些情况反馈回去，到时候我再，也许我来，然后往公司...

Okay good. Nevertheless, we will report these details. Later, I may be back and the company...

Manager Mr. Deng: 你没有名片没得?

Do you have a business card?

Investigator: 我忘, 我问一下, 名片你带没。

I forgot to bring one, let me ask, did you bring yours?

Investigator No. 2: 好像没带, 在车上的。

I don't think so. I left them in the car.

Investigator: 要不我留个电话给你。

How about I leave you a phone number.

[the audio in the video at this point is redacted to conceal the phone number of the investigator]

Manager Mr. Deng: 嗯. Okay.

Investigator: 我留个电话给你?

Shall I leave you a phone number?

Manager Mr. Deng: 嗯. Okay.

Investigator: [redacted phone number], 哎, 你给我打一个过来, 咦, 没得信号。

[redacted phone number], okay. You give a call, wait, how come I get no signal.

Manager Mr. Deng: 你是移动。

You're on mobile (China mobile)?

Investigator: 我是联通。

I'm on Unicom (China Unicom).

Manager Mr. Deng: 联通在这没得信号啊?

Unicom gets no signal here?

Investigator: 我姓陈, 哎, 耳东陈。

My name is Chen. Yes, Er Dong (Chinese character composition of Chen) Chen.

Manager Mr. Deng: 我们要 (听不清)。

We're going to (*inaudible*).

Investigator: 那我们准备走了。

Then we'll be on our way.

Manager Mr. Deng: 送你们过去。

I'll drive you guys out.

Investigator: 不用，不用。谢谢了，把打火机拿去。

It's okay. No need. Thanks. Remember to take back the lighter.

Manager Mr. Deng: 难得走。

Don't have to walk.

(Investigators walk out of the office room with Manager Mr. Deng.)

Investigator: 所以说出来一趟还是有收获。

Coming out here really helped.

Manager Mr. Deng: 这个也不存在，你们最终肯定也是要来走一趟。

It doesn't matter. No matter what you guys eventually still have to come here to see it.

Investigator: 肯定最终也要走一趟。实在不行，就像你跟我介绍的那样，你觉得这边远了，我们到时候去你说的那个，黔西，是不是嘛，也还是可以的。

Definitely have to make one trip out here. If (the plan is) not working out eventually, just like you told me, you guys are too far out here. We can then go to that Qianxi place you mentioned, can't we? That can still work.

Manager Mr. Deng: 我是觉得你们... (录影结束) .

I think you...

(end of recording)