

**Transcript of September 18, 2013 Afternoon Interview of
Village Official (Zhang Gui Hua 张贵华) regarding the
Hong Xing Coal Washing Facility**

(Two investigators, joined by a third investigator, return to the village committee office again in the afternoon to get more clarification from the village official interviewed that morning).

(Investigators hold a local newspaper, dated September 11, 2013, in front of the camera. This was the most recent newspaper they could find in this remote, rural village in China.)

Investigator A: Make it fast. Don't waste time.

Investigator B: Okay.

Investigator A: Bring your bag.

Investigator B: Okay.

(Investigators get out of the car and start walking to the village committee office. The investigator holding the camera stopped in front of the gate and filmed the sign, showing Village Committee of Walu Village, Xiongbi Township, Shizong County)

(Two investigators that met with the village official in the morning went ahead into the office to greet the official. The 3rd investigator holding the camera followed them into the office several seconds later)

Village Official: Have a seat. Have a seat.

Investigator A: (inaudible)

Village Official: Sit down.

Investigator A: What happened was, we made a phone call back to the company and reported our findings. Our leaders want us to make a written report, so we wanted to come back and get several clarifications, as well as take some notes.

Investigator B: Because when we were here earlier, we really did not clearly get the specific times. The specific time it (Hong Xing) stopped production.

Village Official: Production stopped...in last year, June of 2012.

Investigator A: Then we went back and looked it up on the Internet, about the details of 11.10 (November 10, 2011) mine accident. It looked like all mines around here were shut down after the accident.

Village Official: All of them were shut down and idled, to investigate and regulate.

Investigator A: So all mines were idled, and the Hong Xing Coal Washing Factory (Hong Xing) had no business to do.

Village Official: No raw material came in, so it couldn't make its finished products.

Investigator A: Write those down. (Speaking to the other investigator)

Investigator A: Sir, another thing, what was the name of the original owner? Was it Ma...something?

Village Official: The owner that (inaudible) was Hong Xing Li. That's why it was named Hong Xing Coal Washing Factory.

Investigator A: Oh that's why it was called Hong Xing Coal Washing Factory.

Village Official: Later on, the owner...I think...something went wrong (inaudible) place a bet when playing Mahjong...

Investigator A: So (he) lost his bet and sold it to that...?

Village Official: Yifu Ma.

Investigator A: Okay, sold to Yifu Ma (the name could also be Zifu Ma, unclear due to heavy local dialect).

Village Official: Later he transferred it (the ownership) to Laozhong Yang.

Investigator A: Laozhong Yang.

Investigator B: So the current owner is Laozhong Yang?

Village Official: Right.

Investigator A: Sir, have you ever heard of whether this Hong Xing Coal Washing Factory is owned by this Liwei Taifeng company...?

Investigator B: It's either Liwei Taifeng, Liwei Energy or Liwei Tianneng?

Investigator A: So you haven't heard of them?

Village Official: No. (Shook his head)

Investigator A: Never heard of them?

Village Official: Right.

Investigator A: Do you have any idea what kind of coal washing volume it was doing, every year?

Village Official: The specific coal washing volume...I'm not too sure.

Investigator B: Do you have a rough idea about the number?

Village Official: Let me ask...(Reached into his pocket for his cell phone).

Investigator B: That's okay. We can find that out by ourselves.

Investigator A: Yeah, we're just curious. We can look into that ourselves.

Investigator C: Compared to the others in the surrounding region, was it more of a large or medium scale?

Village Official: The biggest right now is that Jinliyan (inaudible) Coal Washing Factory up there. The equipment there is probably bigger than this. And the size of their factory (inaudible).

Investigator B: Excuse me, sir. I have another question. That accident happened in 2011, but they didn't stop production until 2012?

Village Official: 2011. November 11th (sic) of 2011.

Investigator A/Investigator B: October (sic) 10th. That was the date of the accident happening.

Investigator B: But the date around which it stopped production was in 2012?

Village Official: Last year (2012).

Investigator B: In the time between those dates, was it pretty much operating at a loss? What was the operational status during that period?

Village Official: This...uh...as long as there was normal supply of raw material coal coming in, it could sustain normal production.

Investigator B: So the main reason was the lack of raw material supply...

Village Official: Right.

Investigator B: How was the factory doing operation wise, during those several months (between accident and shut down dates)?

Village Official: During those several months in between, (inaudible) factory has no coal, so (inaudible) stopped.

Investigator B: So basically its business volume (during that period) had been very light?

Village Official: Right.

Investigator A: We're taking notes of this information and making it into a report to our company. We already sent them the owner Mr. Yang's phone number. They may directly get in touch with him.

Investigator A: Anything else we need to know? (Speaking to the other investigators)

Investigator B: The specific time it stopped production was June or July last year, right?

Village Official: Right (Nods his head).

Investigator B: Just to confirm again, have you heard about this Liwei Taifeng, or Liwei Energy or Liwei Tianneng company having any relationship with Hong Xing?

Village Official: Never heard of them (shook his head).

Investigator B: Okay good.

Village Official: The only one that came here (to set up an operation) was Kun Steel (maybe referring to Kunming Iron and Steel).

Investigator A: Oh, Kun Steel.

Village Official: (inaudible) is up there, near the mine. The mine was on this side (inaudible, loud background noise).

Investigator B: That owner Mr. Yang isn't a local from here?

Village Official: No, from Shizong.

Investigator B: Oh from Shizong. Shizong County.

Village Official: The original owner Hong Xing Li was from here, from our township. The other owners later...(interrupted)

Investigator B: What a big bet he placed in a mahjong game, to lose the entire coal-washing factory!

Village Official: He still has other mines.

Investigator A: Okay. Still got other assets.

Village Official: (inaudible) (Chuckles)

Investigator A/Investigator B: (Chuckles)

Investigator A: (inaudible) lost it in a gamble. (Speaking to the other investigators)

Investigator A: Good. That should be it. Thanks a lot, sir.

Village Official: Let me know if you need anything else.

Investigator B: Okay, thank you.

Investigator C: (inaudible)

Village Official: Holiday starting tonight.

Investigator A: Oh Mid-autumn Festival.

Investigator C: Thank you.

(Investigators stand up and start to leave)

(Investigators walk downstairs, out of the office building and stop in front of the gate to film the village committee office sign again)