

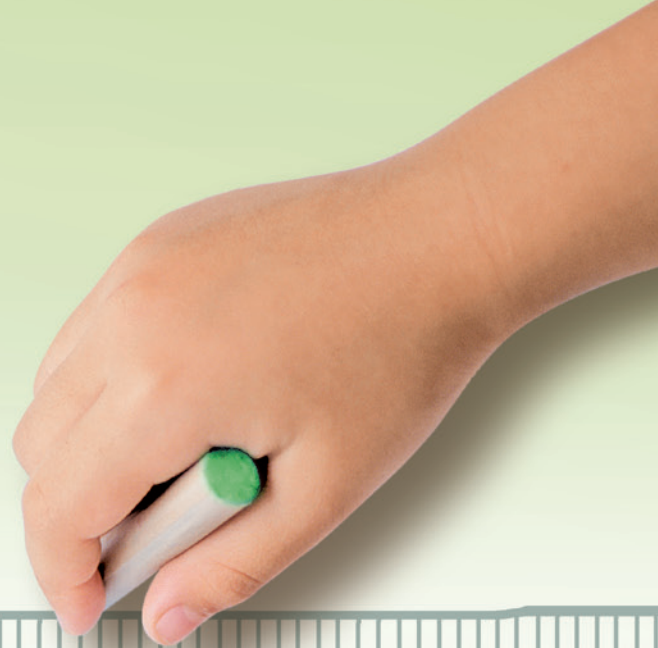


中國罕王控股有限公司  
CHINA HANKING HOLDINGS LIMITED

罕王  
HANKING

(Incorporated in the Cayman Islands with limited liability)  
Stock Code: 03788

## Environmental, Social & Governance Report



2013





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## Chairlady's Statement



**Ms. Yang Min**  
Chairlady of the Board

Since its listing in 2011, China Hanking Holdings Limited has achieved relatively swift growth and has become a real international mining company under the guidance of the development strategy of “Diversification, Low-cost, High-growth”. Meanwhile, developing various minerals in China, Australia and Indonesia, the Group has basically formed the new pattern with “iron ore business as the main business, supplemented by gold mining and nickel ore business”. While maintaining rapid growth, the Group also developed comprehensive values covering investment decisions, value creation and social responsibility through updating and improving its own values.

What is the ultimate goal for the investment activities of an enterprise or an investor? Many people will answer without hesitation: to maximize shareholders’ benefits. However, the pursuit for the maximization of investment profits and shareholder returns is just a necessary condition for the survival of an enterprise, but it is not a sufficient condition for the sustainable development of the enterprise. In modern investment activities, the significance of enterprise investment becomes increasingly extensive and the social responsibility connotation of an investment plays an increasingly significant role in the core value system of an enterprise. What are core values? The core values of an investment mean the maximum of the benefits of the whole society and its stakeholders, which covers the maximum of enterprise earnings, or the maximum of the benefits of the associated entities (including the investment entity) and individuals.

The social responsibility core values of the Group provides direction and action guidance for the survival and development of the enterprise and lays a foundation for the development of the employees' common code of conduct. Core value creation in the investments reflects not only the requisite for the survival and development of the Group, but also the common expectations of the society and extensive stakeholders. Whether the social integrated benefits have been maximized is the benchmark for determining whether the Group has maximized the core values. To sum up more simply, whether the investments and operations of the Group create core values depends on whether the associated organizations or individuals, including shareholders and employees, are satisfied with, and support, the investment activities and the results.

A highly recognized corporate responsibility culture is the prerequisite for fulfilling social responsibilities in an all-round way as well as the basis for the value perception that is consistent and interlinked among the senior management, all employees and numerous partners. Through top-level design of strategic positioning, cultural guidance and investment decisions, the Group has achieved comprehensive improvement and progress in terms of safety, environmental protection, community, health and other fields. As regards the development and utilization of resources, the Group, through thinking innovation, management innovation and technical innovation, continuously creates new social values, and promotes harmony and mutual prosperity between the Company and investors, employees, customers, suppliers, communities, the public and government or non-governmental organizations, gradually becoming a sophisticated international mining enterprise characterized by strong sense of responsibility, wide recognition and eco-development.

This new and comprehensive value system that drives the sustainable development of the enterprise is the start and end points for the Group to compete in market operations. To provide the social environments with positive energy and to assist the society in making progress is the fundamental objective and driving force for the development and growth of the Group. The Group takes energy conservation, emission reduction and recycling economy into account throughout the processes of corporate strategic decisions, investment activities, business processes and operations management, and treats it as the new competitiveness and the efficiency growth point of the enterprise. To this end, we have established the dedicated HSEC for the macro planning of the Group's fulfillment of social responsibility and the supervision of the fulfillment of major responsibility, and further improved the organizational structure and management system of safety, environmental protection, health and community management.

The fulfillment of social responsibility is a response to the society's ardent expectations from the Group and an important manifestation of the fact that the Company has become a corporate citizen. In 2013, the Group further strengthened the organizational structure of safety production management and control, arranged sufficient professionals for real-time safety management at front-line production premises, improved the safety production responsibility system of the mines, enhanced the employees' safety production awareness, applied a variety of safety and environmental



## Chairlady's Statement

protection monitoring techniques, and maintained good records of safety and environmental protection. Through training and education, the Group further strengthened the construction of soft environment of mines, and strengthened the employees' sense of social responsibility. As regards the construction of green mines, the Group achieved remarkable results in completing large-scale mine reclamation and afforestation projects. The glorious national title of "Green Mine Pilot Enterprise" won by Aoni Mine, in particular, is a vivid example of the Group's fulfillment of social responsibility. While making efforts in well dealing with the village-enterprise relationship and government-corporate relationship, the Group was also actively involved in welfare activities of the communities, and carried out "warmth-sending" to rural householders in hardship, initiatively rendered affordable assistance for emergency service and disaster relief in the communities and organized fundraising activities for people in disaster-stricken areas.

The Group adheres to the development path of "recycling economy and comprehensive utilization", strives to build ecological mines in line with modern standards, and speeds up the pace of developing and utilizing the tailings. After repeated researches and demonstration, the new processing plant of Maogong Mine aggressively introduced the process to extract "construction sand" from the tailings, which was proved to be scientific and effective by trial production. The extraction of construction sand from tailings not only reduces waste emissions, but also increases the revenue of the mine. In addition, both Benxi Mine and Shangma Mine applied the latest tailings dry-type emission dump technology and processes, further improving the recycling rate of water resources and enhancing the level of operation safety of the tailings ponds. Guided by the process route of "more crushing and less grinding", Aoni Mine and Maogong Mine, the two main mines of the Group, carried out technical innovations, aggressively introduced the technology of high-pressure grinding rolls and achieved significant results of "Energy Conservation and Efficiency Improvement".

The Group attaches great importance to operation compliance, good faith cooperation, cultural integration, employee care, as well as charity and public welfare, and, as a corporate citizen, continuously expands the breadth and depth of social responsibility fulfillment. On the basis of mid- to long-term planning and fulfillment, we will continue to improve the social responsibility working system, strengthen the responsibility governance and responsibility integration, continue with our pioneering innovations and strive for the maximum of the integrated value of economy, society and environment. We will continue to uphold the tenet of "Safe Mines, Harmonious Mines, Green Mines" and make unremitting efforts for the construction of "Beautiful Earth".

# Foreword

## About the report

The report is prepared in accordance with Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited – Environmental, Social and Governance Reporting Guide issued by the Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”). As the first Environmental, Social and Governance Report released by the Company, the report mainly summarizes the performance of the Company in respect of corporate social responsibility and governance in 2013, covering the iron ore business, nickel ore business and gold mining business owned by the Company and its subsidiaries (the “**Group**”).

The report, words used herein having the same meaning as defined in the Annual Report 2013 of the Company, should be read in conjunction with the Annual Report 2013 of the Company. The report shall be published both in Chinese and English. Should there be any discrepancy between the Chinese and the English versions, the Chinese version shall prevail. If you have any doubts or suggestions regarding the content of this report, please contact us by phone or email or regular mail. Our contact details are as follows:

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## Overview



### Corporate introduction

China Hanking Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 2 August 2010, and was listed on the Hong Kong Stock Exchange on 30 September 2011 (stock code: 03788).

The Group was founded in 1992. Since its establishment, the Company upheld the core value of “people-oriented and business integrity”, and adhered to the tenet of “safe mine, harmonious mine and green mine”. In 2013, the Company became an international mining company engaging in exploration, mining, processing and selling businesses of iron ore, gold ore and nickel ore.



## Corporate introduction (Continued)

### Iron ore business

The iron ore business is the core business of the Group. With five iron ore mines in Liaoning Province of China, i.e. the Aoniu Mine, Maogong Mine, Benxi Mine, Xingzhou Mine and Shangma Mine, the Group is engaged in exploration, mining, processing and selling of iron ore, producing iron ore concentrates at an average grade of 66%. In 2013, the technology improvement and expansion project of the phase II of the First Processing Plant of the Aoniu Mine and the construction of the new processing plant of Maogong Mine with an annual processing productivity of 3 million tons were successively completed, and both plants have already been put into operation. The processing plant of Aoniu Mine and the new processing plant of Maogong Mine were among the few modern processing plants which had an annual ore processing capacity of 3 million tons in Northern China, and were among the handful of ore processing plants in China which applied new technology of high-pressure grinding rolls. Through technology improvement and expansion of ore processing plants of each mine, the iron ore business achieved the strategic target of an annual ore processing capacity of 10 million tons.



## Overview

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### Corporate introduction (Continued)

#### Nickel ore business

The Group completed the acquisition of 70% equity interest in Hanking (Indonesia) Mining Limited in March 2013. Such company, through its three project companies, owns the laterite nickel mine located in North Konawe Regency, South East Sulawesi, Indonesia, which possessed the measured and indicated nickel resources of 3.75 million tons and the inferred nickel resources of 1.04 million tons when acquired. After the acquisition, the measured, indicated and inferred nickel resources increased by 90.54 million tons through continuous exploration, with an average grade of 0.79% for nickel and an average grade of 50.27% for iron ore. The primary business operations of the Group in Indonesia include laterite nickel exploration, mining, smelting and selling and the product is laterite nickel which is mainly used by iron-steel plants as raw material for the production of stainless steel. Nickel is widely used in the field of consumable, military, transportation, aerospace and construction industries. Many countries, including the PRC, have considered nickel as one of the strategic resources.

#### Gold mining business

In the first half of 2013, the Group acquired 100% equity interest in SXO's gold assets located in the famous centre of Yilgarn goldfield in western Australia. As at the end of 2013, SXO had a gold resource complied with the JORC standards of around 2.504 million ounces, at an average grade of 3.7 g/t gold. This asset has sound production and transportation facilities, including a processing plant with an annual ore processing capacity of 2.4 million tons. The mine is currently at the stage of maintenance and will be put into operation in due time.



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## Health, safety, environmental protection and community organization

On 18 March 2013, the Company established **HSEC**, which is comprised of three members, i.e. Dr. Pan Guocheng, Mr. Lan Fusheng and Dr. Wang Anjian, all having rich experience in mining industry. The HSEC held its first meeting on 28 November 2013 to review the Company's governance policies on health, safety, environmental protection and community and provide recommendations for improvement. By the establishment of the HSEC, the Group built a sound hierarchy of health, safety, environmental protection and community working organizations at all levels from the board of directors of the Company (the "**Board**") to the production workshops at each mine. The HSEC under the Board is responsible for leading the works regarding health, safety, environmental protection and community across the Group, including establishing dedicated management organizations under the operation headquarters of each business division to manage issues regarding health, safety, environmental protection and community within each business division, and establishing relevant enforcement organizations and appointing designated staff for each mine and their respective production workshops to enforce and supervise the implementation of relevant policies, so as to form an organization featured with definite responsibilities and effective supervision.





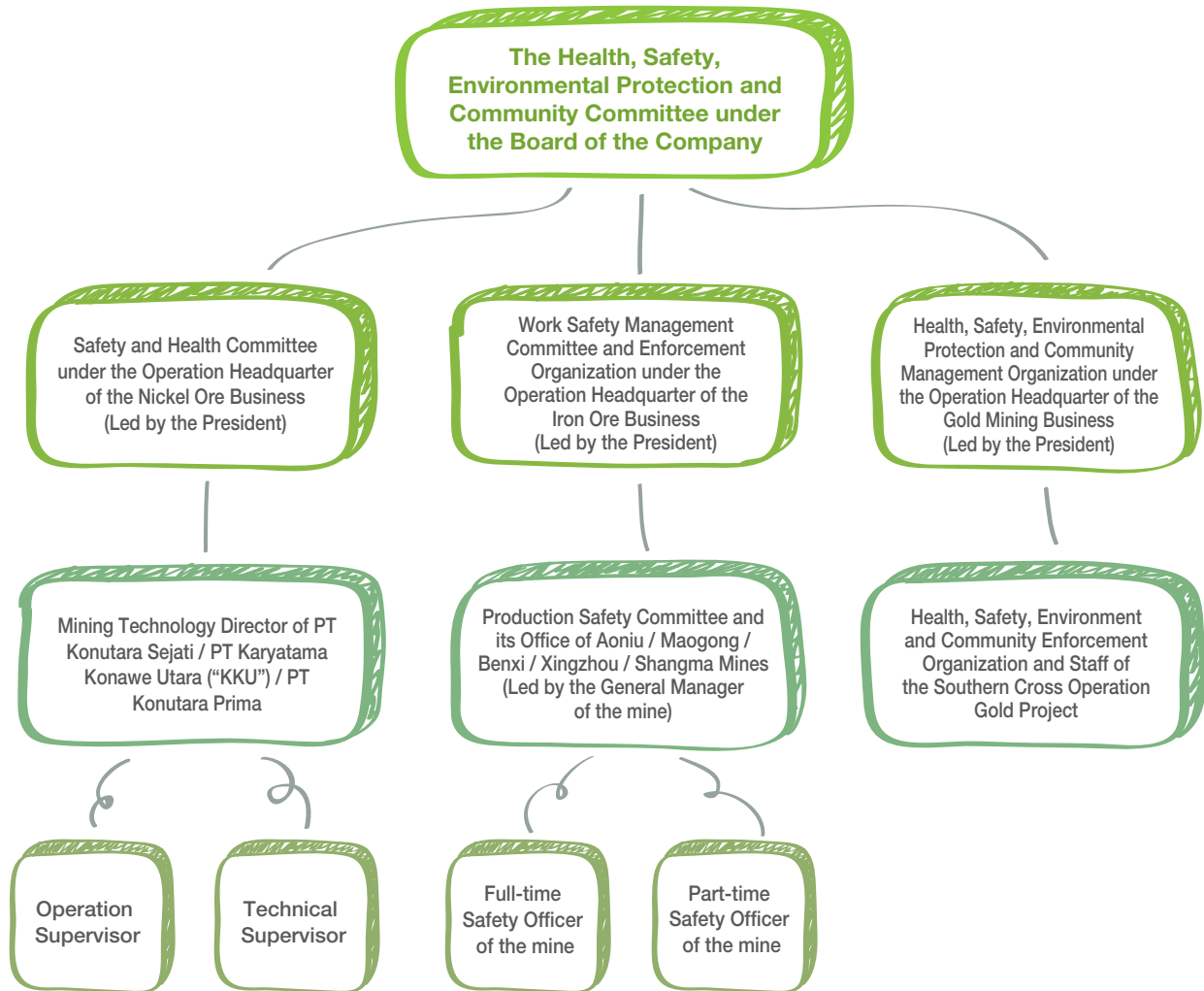
## Overview

### Rules of procedures and terms of reference of the HSEC

On the meeting held on 27 August 2013, the Board approved the Terms of Reference and Operating Model of the Health, Safety, Environmental Protection and Community Committee (published at the website of the Company), which stipulates the rules of procedures and terms of reference of the HSEC. The HSEC is comprised of three members and shall have one chairman. The HSEC shall at least hold one meeting every year. Meetings of the HSEC shall be held by at least two members attending the meeting. Each member shall have one vote. Resolutions adopted at the meetings shall take effect upon approval by more than one-half of all members.

The primary duties of the HSEC include: assisting the Board as for effective implementation of issues concerning the health, safety, environmental protection and community arising from the operation activities of the Group; ensuring efficient use of resources, reduction and prevention of pollution as well as product management, and creating harmonious relationship, good values and cultural heritage of the community where the Group operates; making recommendations to the Board on problems of the health, safety, environmental protection and community which may affect the strategy, business and goodwill of the Group; establishing long term and annual plans for health, safety and environmental protection and community and monitoring the implementation of the plans; making enquiries on the material safety and environmental incidents and corresponding responsibilities as caused by employees of the Company or from production and operation, property assets or other facilities as well as reviewing and supervising the treatment of those incidents; and making recommendations to the Board on revision of these policies, etc.

## Health, Safety, Environmental Protection and Community Organization of the Group





## Workplace Quality

### Health and safety

Adhering to the tenet of "Safe Mine", the Group is committed to the maintenance of a healthy and safe working environment.

The Group has set up a dedicated health and safety management and enforcement organization with specialized personnel, and has developed and implemented health and safety management systems and operating procedures. The Group spends on safety measures every year, which are exclusively used for health and safety protection, such as providing employees with labor protection facilities and supplies, improving the health and safety environment at workplace and organizing physical examination every year to prevent and control occupational diseases. The Group strictly implements "6S Management Provisions" in the offices, prohibits smoking, and builds up a healthy, safe, tidy and comfortable working environment. The Company organizes safety and health education and trainings for the employees, develops specialized management systems and safe operating procedures with respect to key places, such as mining yards, mine shafts, explosives magazines, waste dumps, processing plants and tailing ponds, as well as blasting equipments, dangerous chemicals and other special equipments and special operations, and monitors major hazards. The Group has full-time safety officers to conduct safety supervisions and inspections, continually strengthens daily, weekly, monthly, quarterly occasional and mutual safety inspections, so as to timely detect and effectively rectify all kinds of safety risks.

## Health and safety (Continued)

Throughout 2013, the Group took proactive measures to prevent safety and health risks in production, and basically achieved the goal for the year: ZERO pollution, ZERO fire and ZERO major mechanical failure accident during production; the Group recorded two minor injury accidents, in which two persons were slightly injured, one serious injury accident, in which one person was seriously injured, and one fatality accident, in which one person was dead. Both the minor injury rate per thousand persons and the severe injury rate per thousand persons were the same with those of 2012. The rates of safety education training, attendance with special operation certificate, and accident reporting and dealing for 2013 have all reached 100%, and the implementation rate of safety instructions and the rectification rate of accident risks have reached 99%.

Production safety indicators	Persons/accidents	Description	Lost days
Major pollution accidents	0	-	-
Fire accidents	0	-	-
Major mechanical failure accidents	0	-	-
Minor injuries	2 persons in 2 accidents	Iron ore business: 1 person in 1 accident, resulting in 60 working days lost; Nickel ore business: 1 person in 1 accident with 1 working day lost.	61
Serious injuries	1 person in 1 accident	Iron ore business: 1 person in 1 accident	90
Deaths	1 person in 1 accident	Iron ore business: 1 person in 1 accident	-

The Group has adopted the following occupational health and safety measures as well as the relevant implementation and monitoring approaches, so as to ensure occupational health and safety and production safety of the employees of the Group.

## Dedicated organization and personnel

The health and safety working organizations at all levels of the Group from the Board to the production workshops at each mine are responsible for the implementation and monitoring of health and safety work; the Group has developed a multi-level health and safety management system characterized by “comprehensive coverage” and a health and safety management organizational structure in which health and safety work is carried out by “each level, grade, upper and lower management and every party concerned”.

## Workplace Quality

### The information system

The Group has adopted the “Hanking Mining Production Safety Management Information System” for its iron ore business, which is a software system designed for safety management of the Company. This system may provide timely, prompt and effective safety management, including hazard source monitoring, supervision and rectification of safety risks, health and safety accidents reporting, issue of orders and directions, data statistics and analysis. The Group will continue to improve the system, which will then be applied to all mines.



*Hanking Mining Production Safety Management Information System*

### Institutionalization and standardization

The Group has developed and strictly implemented several health and production safety management systems, job responsibility systems and operating procedures, so as to institutionalize health and safety management, standardize operating procedures and clarify responsibilities.

### Training and promotion

The Group organizes trainings for production safety management officers every year, so as to improve their health and safety skills. The Group also seeks to enhance the employees’ safety awareness and ensure implementation of the production safety regulations and technical operation instructions through a combination of internal and external health and safety education and promotion in various forms such as holding safety work meetings, organizing safety knowledge contests and operation skill competition of main jobs, and setting up safety warning signs, banners and slogans. In 2013:

- the rates of safety education training, and attendance with special operation certificate have reached 100%;





- over 50 full-time and part-time production safety management officers all received one training by rotation;
- safety officers of all mines completed safety education and training examinations in the first half of the year.
- during the national production safety month in June 2013, each of the Maogong Mine and the Aoniui Mine held production safety knowledge contests focusing on the Production Safety Law, life safety, transportation safety and public security;
- on 25 April 2013, Aoniui Mining, as the headquarter of iron ore business, organized all mines and the relevant departments to carry out safety trainings on the theme of “Occupational hazards and occupational diseases, occupational health protection”.
- in March 2013, Maogong Mine organized safety education and safety knowledge training for all employees with a passing rate of 100% for the relevant examination;
- from 3 July to 5 July 2013, Maogong Mine provided “three levels” safety education to 21 newly-recruited university graduates, all of whom passed the examination;
- in November 2013, Maogong Mine conducted professional fire protection training for 7 employees;



- in 2013, the Group unified the doorplates, regulation posters and corridor paintings at all mine sites in accordance with the Company’s Visual Identification System Management Manual, replaced the safety warning signs according to national standards and installed traffic signs at 7 mine sites including Shiwen, Hou’an and Shangma Mines.

Warning Signs



## Workplace Quality

### Investigation into hidden risks

The Group has developed and implemented the Safety Inspection System, the Accident Risk Investigation and Rectification System, the Major Hazards Monitoring System and other systems, continually strengthens the daily, weekly, monthly, quarterly, occasional and mutual safety inspections to timely detect and effectively rectify all kinds of safety risks. In 2013, the Company detected 139 safety risks of various categories, 137 of which were rectified, and the rectification rate reached approximately 99%. The Company conducts real-time monitoring on explosives magazines, oil storage and tailing ponds so as to prevent the occurrence of hazards.

### Target assessment



*Execution of Safety Responsibility Documents*

The Group has developed strict safety production responsibility assessment objectives. The Company has signed Target Evaluation Responsibility Documents with the general manager of each mine. Each mine and each workshop and each workshop and each team has signed Safety Responsibility Documents. The Group has implemented the one-vote veto safety system. The effectiveness of safety production is linked to the personal economic interests, promotion and assessment, and the Group strictly implements the provisions of reward and punishment.

In accordance with the Safety Production Target Evaluation Responsibility Documents signed in early 2013, the iron ore business of the Company timely paid the safety assessment reward of RMB114,500 for 2013, which significantly improved work ethic of each responsible party. Meanwhile, the Company punished the behaviors of “illegal command, illegal operations and violation of labor discipline” and the units and staff that caused accidents on the basis of the relevant liabilities, and imposed a total fine of RMB89,000. The Company also punished the outsourcing construction units for poor safety management and violations, imposing a total fine of RMB55,000.

### Continuous investment

The Group ensures the fund investment in health and safety and sets aside safety measure fees exclusively for the improvement of mine production safety conditions, the addition, updating and maintenance of safety equipments and environmental protection equipments, the purchase of labor protection appliances, as well as health and safety education training and promotion. In 2013, the iron ore business spent safety measure fees of RMB10.95 million, and the nickel ore business spent IDR200,000,000.

In 2013, the tailing pond of Aoni Mine was successfully upgraded to the third grade, the follow-up project of the newly-established tailing pond of the Yanghu Processing Plant of Shangma Mine was completed and the pond was put into use at the end of September, the safety and environmental protection facilities of the 3 million-ton processing plant of Maogong Mine were completed and put into use, and the 15-ton new explosives magazine of Benxi Mine was completed and put into use at the end of November. These completed key safety projects have excluded safety risks and enhanced safety.

### Contracting management

The Group strengthens the safety management of the contractors, implements the contractor filing system, timely grasps the basic situation of the construction teams of the contractors, signs safety agreements with the contractors, which specifies the rights and obligations of both parties in respect of safety production, and strengthens the safety supervision and inspection at site.

## Emergency response management



*Emergency response drill organized by Aoniui Mine*

The iron ore business of the Group has developed and implemented the Emergency Provisions and specifies the procedures of emergency management. On the basis of their actual situation, each mine has developed their own emergency plans for safety accidents and the emergency plans for unexpected environmental accidents, which are filed with the Administration of Work Safety and the Environmental Protection Bureau after examination by experts. Each mine has also set up emergency response headquarters and duty rooms to constantly monitor hazards and rapidly deal with and report dangerous conditions. Each mine regularly organizes the study of emergency response plans and conducts field exercises and tabletop exercises. The gold mining business of the Group has also developed the relevant emergency response plans and procedures, and conducted field exercises on a regular basis.

The “Six Major Systems” for safety and refuge have been put into use in the underground mining projects of Aoniui Mine and will be promoted to the other mines. The “Six Major Systems” include: (1) the monitoring and supervision system, (2) the underground personnel positioning system, (3) the emergency refuge system, (4) the compressed-air self-help system, (5) the water rescue system and (6) the communication system. The “Six Major Systems” can monitor and supervise the underground safety mining environment, locate and communicate with underground personnel, and, in combination with other refuge and self-help systems, can assist underground personnel in safety, refuge and self-rescue issues.

After Benxi Mine transformed from open-pit mining into underground mining in 2013, the safety work has also started the work mode focusing on underground mining safety management. On the basis of the “Six Major Systems” for underground safety and refuge, Benxi Mine has improved comprehensively the safety management system, and the underground mining work has smoothly undergone the hazardous period for testing mining methods. The mine has realized the goal of zero accident, gained valuable experiences in safety management and provided favorable references for the other mines of the Group concerning the transformation from open-pit mining into underground mining.

## Health security



*Employees entering into the work sites must wear safety helmets*

The following measures are implemented by the Group:

- Annual physical examination is provided for its employees to ensure their health;
- Employees receive pre-job trainings on safety and health;
- Mine workers are equipped with labor protection appliances, including safety helmets, safety boots, mouth masks and reflective waistcoats, etc;
- Staff are designated to supervise the operation of the heavy equipments at mining sites to prevent accidents;
- Throughout the whole course of operation, safety officers shall conduct inspection over the production sites to ensure that all staff wear labor protection appliances;



## Workplace Quality

- Security inspection booths are set up at each entrance to the mine areas to examine the mental state as well as the equipment of labor protection appliances of the staff entering into the mine areas;
- The safety officers shall hold safety production meeting every week to promote and provide education on health and safety to all staff;
- Safety production trainings are conducted on a regular basis;

Some mines engage on-site doctors, while mines without on-site doctors maintain constant touch with local hospitals to ensure timely treatment for injured or sick employees.



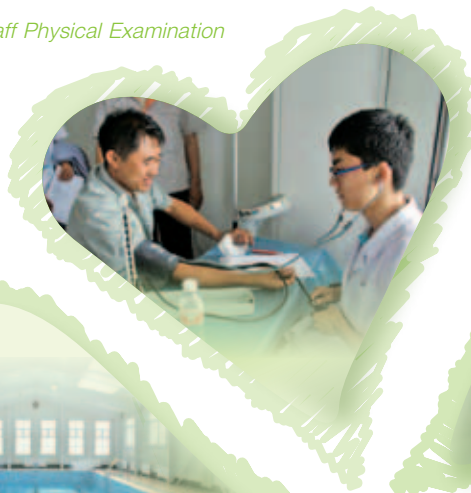
The construction and application of these new equipments, technologies and management approaches in 2013 have significantly improved the intrinsic safety level of the Company, laying a solid foundation for the fulfillment of “intrinsically safe mines”.

With the transformation from open-pit mining into underground mining, in 2014, the Group will improve and perfect its existing safety management system, regime and process, reform the Company’s overall safety management team and monitoring mechanism, and enhance the awareness of safety responsibilities of all management and production staff, particularly the frontline workers of underground mining, so as to ensure achievement of the Company’s safety production goal.

## Working conditions

Adhering to the philosophy of “human oriented”, the Group respects its employees as owners of the enterprise and is committed to providing healthy and safe working environment for all employees. The Group also encourages the employees to exert their creativity and potential and to align personal development with enterprise growth, so as to promote mutual development between individual employee and the enterprise.

*Staff Physical Examination*



*Staff Quarters*



*Staff Swimming Pool*



*Staff Recreation Room*



*Staff Library*



*People-oriented &  
Employee Focus*

## Workplace Quality



*Offices at Aoniu Mine*

### Equal opportunity

The Group provides equal opportunities for employees in respect of benefits, promotion, appraisal, training, development and other aspects. The employees should not be discriminated or deprived of such opportunities on the basis of age, gender, ethnicity, nationality and region, religion, political ideology, illness or disability.

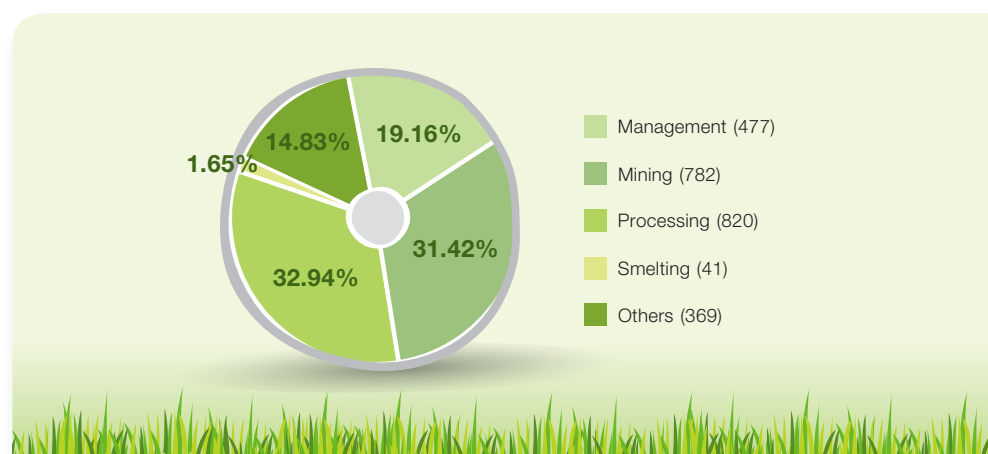
### Diversity

The Group appreciates the importance of cultural diversity in the development of the enterprise, and employs employees in a wide range of ages, genders, ethnicities, nationalities and regions, religions, political ideology and education background.

Nationality or region of employees	Number of employees	Percentage of total workforce	Turnover rate (by region)
Mainland China	2,205	88.59%	5.38%
Hong Kong	4	0.16%	0.00%
Australia	16	0.64%	0.12%
Indonesia	261	10.49%	0.44%
Other countries or regions	3	0.12%	0.00%
Total	2,489	100%	5.95%

## Recruitment

The Group adheres to the employment ideas of “combination of ability and integrity, proper assignment on employees’ characteristics, equal opportunity and survival of the fittest”, has developed and implemented the Recruitment Management System, attracts talents in accordance with the principles of openness, equality, competition and competitive selection, and has developed specific processes to ensure the implementation of these principles. In 2013, the Group has 2,489 employees, and most of the positions are assumed by occupational and professional persons.



Age	Number of employees	Percentage of total workforce	Turnover rate (by age)
20-30	673	27.04%	2.41%
31-40	738	29.65%	1.73%
41-50	762	30.61%	1.65%
above 51	316	12.70%	0.16%
Total	2,489	100%	5.95%



## Workplace Quality

### Labor standards

The Group strictly complies with the labor standards of the places where each business operates as well as the laws and regulations prohibiting the use of child or forced labor. The Group has never used child or forced labor in its operation and is not aware of such practices.

### Compensation and benefits

The Group has developed and implemented the Remuneration Management Regulations and the Performance Management Regulations, providing attractive salaries and benefits for the employees. Employee remunerations comprises basic salary, performance salary and reward and punishment amounts and are adjusted in accordance with the results of the Company, the values of employee positions, individual capability and performance, the level of social development and other factors. The Company pays social insurances for the employees, provides food, accommodation (non-local employees), transportation and communication subsidies for the employees, and provides subsidies and double wages for the Chinese employees who work in Indonesia for a long term. In 2013, the total remuneration and benefit paid to the employees of the Group amounted to approximately RMB232,437,000.

Faced with an increasingly accelerated pace of life, the Group encourages the employees to balance work and life, organizes physical examinations and tour every year, and organizes various sports and social activities for the employees. The Company has staff recreation rooms with books, entertainment and fitness facilities and other cultural and entertainment facilities to enrich their leisure life and enhance their physical and mental health.

In 2014, the Group will continue to promote corporate culture, enhance the employees' sense of the corporate mission and the acknowledgement of the operation philosophy of the Company, encourage the cultural and sports life of the extensive employees, enhance the cohesion effects of the Company to the employees, and broaden the communication channels between management at different levels and front-line employees.

### Dismissal

The Group terminates employment in strict compliance with the labor laws and regulations of the places where each business operates or through negotiation; meanwhile the employees also have the right of resignation. The Group recognizes the importance of talents to the development of the enterprise and takes great efforts to improve employee retention. In 2013, the employee turnover rate was 5.95%.



## Promotion

The Group provides equal promotion opportunities for the employees in terms of the needs of positions and work capabilities of the employees. The Group offers a platform for the ambitious and capable youth who are willing to work hard to realize their dreams and demonstrate their talents. Currently, a number of young talents assume important positions in important sectors of the Group through hard work.

## Working hours and holidays

Focusing on keeping a proper balance between work and rest for the employees, the Group has developed and implemented the Duty and Leave Management Measures, and strictly complied with the provisions regarding working hours and holidays under the law of the places where each business operates. The employees work for eight hours a day, while the administrative departments adopt a five-day week working pattern with rest on every Saturday, Sunday and statutory holidays. The production departments at each mine work in shifts. The Group also provides personal leave, sick leave, marriage leave, compassionate leave, maternity leave, work injury leave, home leave and annual leave for the convenience of the employees.

## Information-based working conditions

In order to fulfill the international development strategy of the Company and adapt to the Information Age, the Group has taken great effort to establish its information-based working platform covering most of its business areas. Leveraging on its own information center, the Company has established its company website and Office Automation (OA) system, which are under stable operation and constant improvement. The Company has developed a number of specialized information systems such as production management and control system, remote video conference system, production safety management system, financial management system, performance evaluation system, engineering management system, contract performance supervision and management system. The Company provides the employees with computers and mobile devices, and installs monitoring devices, positioning devices, sensing devices and other devices in major working premises, production process and equipments to obtain information, which will be conveyed to the network system of the Company, so as to achieve timely, accurate and effective management over production and operation and enhance work efficiency.



*Central Control Room of Aoniu Mine 1st Processing Workshop*

In 2014, the Group will continue to strengthen the mine digitized construction and use modern software technology to improve three-dimensional modeling of reserve trend, woodland and land management, pit condition and processing plant monitoring. Meanwhile, the Group will upgrade the internal network management information system for office operation, so as to strengthen information sharing and circulation and ensure the completeness, accuracy and confidentiality of company data.



## Workplace Quality

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### Development and training

In order to improve the overall quality and professional skills of all staff, the Group has developed and implemented the Training Management System, and established a set of training system and process including induction training, vocational technical training and quality training.

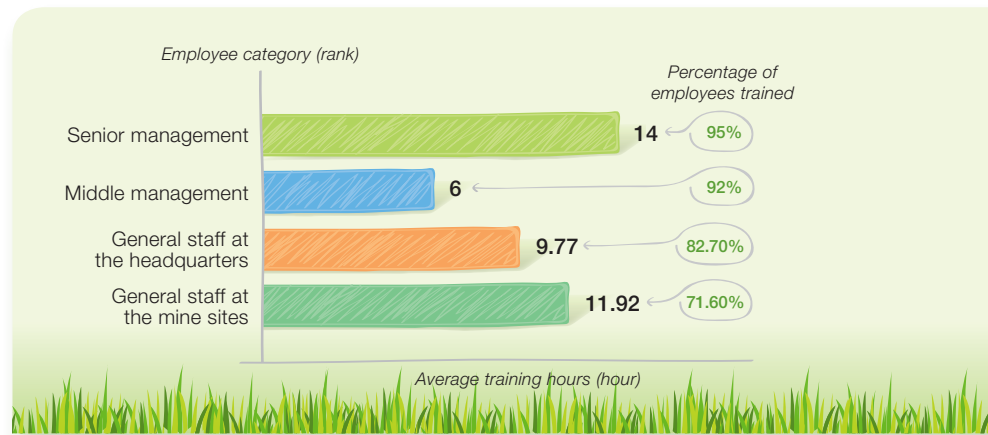
The Group has purchased some courses of the E-learning system operated by an online college covering various aspects such as personal professional skills, personal quality, work efficiency, teamwork, ethics and professional conducts. The employees of the Group have access to the online college for autonomous learning from the beginning of 2014.

#### Trainings provided by the iron ore business

In 2013, the iron ore business organized a total of 58 internal and external trainings for 18,476.5 learning hours with 1,824 participants, i.e. an average of 10.13 learning hours per employee. Among which, there were 5 front-line production trainings, 13 management trainings and 40 overall quality improvement trainings, which include 45 internal trainings, 10 external trainings and 3 trainings by guest speakers. Such trainings helped to strengthen the expertise of the management, enhance their daily management capability and team communication awareness, promoting improvement in the skills and safety management awareness of the front-line employees.

The two tables below provide details on the trainings provided by the iron ore business:

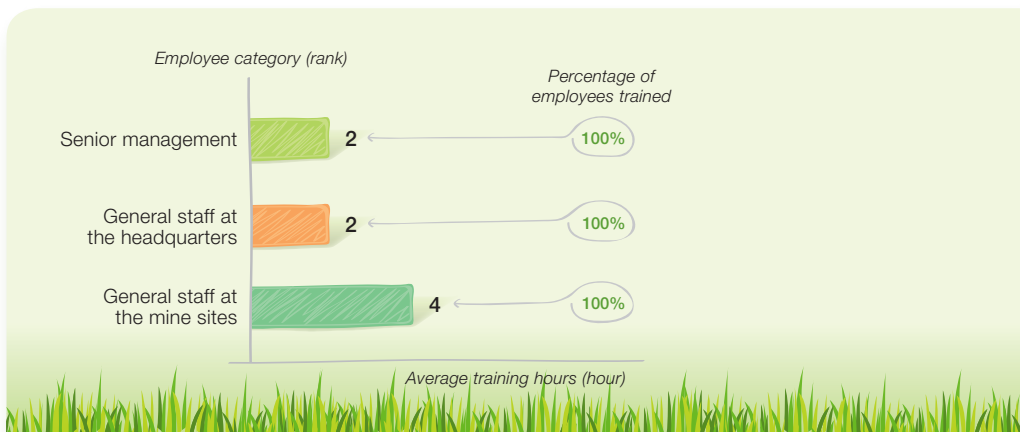
Training topics	Training content	Number of participants	Percentage
Production safety	Three-levels safety training	758	36.27%
Personal professional skills	Special work, special operation	449	21.48%
Work efficiency	Personal competence, emails, technology	287	13.73%
Ethics & professional conducts	Professional ethics, quality employees	200	9.57%
Others	Induction training, statistics, internal control etc.	130	6.22%



## Workplace Quality

The two tables below provide details on the trainings provided by the gold mining business:

Training topics	Training content	Number of participants	Percentage
Production safety	Firefighter license	1	6%
Environmental protection	Mine restoration	1	6%
Personal professional skills	Taxation in Australia	1	6%
Work efficiency	Microsoft Window 8	2	12%
Ethics and professional conducts	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange	1	6%
Others	Induction training	16	100%



The two tables below provide details on the trainings provided by the nickel ore business:

Training topics (for instance)	Training content	Number of participants	Percentage
Production Safety	Wearing safety devices and emphasis of matters during production process	408	100%

Employee category (rank)	Percentage of employees trained (%)	Average training hours (hour)
Senior management	100%	At least 1 hour every week
Middle management	100%	At least 1 hour every week
General staff of management function	100%	At least 1 hour every week
General staff of mining function	100%	At least 1 hour every week
General staff of smelting function	100%	At least 1 hour every week





## Environmental Protection

Upholding the tenet of “green mines”, the Group has made great efforts in promoting the construction of the mine environment. Adhering to the development path of “recycling economy and comprehensive utilization”, the Group strives to build modernized ecological mines, and aims to achieve the targets of energy conservation and emission reduction as well as cleaner production and mitigate impacts of production activities on environment by ways of recycling and technology upgrade.

The Group abides by all of the applicable environmental laws and regulations of each place where each business operates, and takes the required environmental protection measures. The Group also carefully implements the deposit system on the restoration and treatment of the mine environment which is implemented in the PRC (a guarantee fund deposited by a person with mining right to satisfy the obligations of restoring and treating the mine environment) and strictly implements the “three simultaneous” system for environmental protection (the pollution prevention facilities in a construction project must be designed, constructed and examined and accepted simultaneously with the main project), prepares and implements the plans for protecting, treating and restoring the mine environment. The restoration and treatment of the geological environment at the mine sites is obviously better than the average level of the respective regions required by the mineral resources planning. During the reporting period, no major geological disasters have occurred.



- In March 2012, Aoniu Mine was awarded the title of “National Green Mine Pilot Enterprise” by the Ministry of Land and Resources of the People’s Republic of China.
- On 10 April 2013, as one of the sixth batch of enterprises implementing cleaner production designated by the Environmental Protection Department of Liaoning Province, Aoniu Mine passed the examination and inspection jointly conducted by the Cleaner Production Guide Centre under the Environmental Protection Department of Liaoning Province, Sewage Treatment Management Centre of Liaoning Province and Shenyang Environmental Protection Design Institute, marking a new stage in pursuit of cleaner production.



*Pavilion and fountain at Aoniu Mine*

Currently, open-pit mining is the main method adopted by the Group, which needs to occupy some land. However, when the mining is completed, the Group can close the mine and take reclamation measures to restore the land occupied by mining into land for cultivation and plantation. In addition, as the Group is gradually transforming from open-pit mining to underground mining, the land required will decrease. This year, Benxi Mine successfully closed the open-pit mine after the transformation.

So far, the iron ore business of the Group has completed land reclamation and revegetation with an area of 1,021.4 mu, while the nickel ore business has completed land reclamation with an area of 82.5 mu. Set out below are some typical land reclamation projects:

- After decommissioning of the tailings pond of Aoniu Mine First Processing Plant, the Group conducted land reclamation and revegetation on the dam and pond;
- Yaopu mining block was converted to forests after closure of open-pit mining, which is currently covered with dense vegetation. This project was named by Fushun City as the Demonstration Area for Converting Mine to Forests.
- In 2013, Benxi Mine planted over 86,400 trees, flowers and shrubs and paved over 600 square meters of lawns in the plant area and surrounding the old tailings pond, the dam body of the dry-type emission dump and the office buildings.
- In 2013, Shangma Mine duly performed its duties of converting mine to forests, land reclamation and revegetation, with an accumulative reclamation and revegetation area of 222 mu.



Liaoning Hanking Agriculture and Forestry Development Co. Ltd., established by the Group recently, is responsible for the integrated development and utilization of idle forest and land at the mine. It establishes nurseries and farms at the mine, nurtures seedlings for reclamation and plants green organic vegetables, with the aim to build the present farm into an ecological base which integrates green ecological planting, livestock breeding, as well as employee training and leisure, and promote the development and utilization of the idle forest and land at the mine.

## Environmental Protection

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### Use of resources

As a mining company, mining and processing of mineral resources are the Group's core businesses. The Group strives to improve the recovery rate and the extraction rate of useful metal contained in the ores by continuous upgrading and renovation of processing technology and equipments, so as to achieve more efficient use of resources and to some extent reduce consumption of mineral resources.

### Improvement of the extraction rate

The mining method of "separate mining, explosion and transportation" can separate rubble and ore at the mining phase; bench mining from the top to the bottom ensures the extraction rate of iron ore at a level over 95%.

### Improvement of the recovery rate

In order to fully recycle and utilize the resources, the Group utilizes specialized tailing recycling equipment for the tailings after concentration and magnetic separation and reduces grade of the tailing magnet from 0.7%-0.8% to below 0.3%, further improving the recovery rate during the processing stage. In addition, useful minerals are recovered from the separated soil, which reduces waste of mineral resources and wins favorable tax treatment.

### Increase of resources

The Company proactively carried out mine exploration so as to increase mineral reserve. In 2013, the iron ore resources of the Company had an increase of 8,150 thousand tons through exploration activities, while the annual output of iron ores amounted to 6.28 million tons, therefore the newly found iron ore reserve continued to exceed the consumption of resource. After completion of the acquisition of the Indonesia laterite nickel mine project, an increase of 90.54 million tons of resources with high TFe and low Ni were recorded by reassessment of various drilling materials and market survey data of mines. In 2013, the Group's nickel ore output amounted to 0.78 million tons. After acquisition of the Australian gold mine project, the Group carried out exploration works. According to the estimate made by CSA Global Pty Ltd (a professional organization) in accordance with the JORC Code, the gold resources had an increase of 99,000 ounces, bringing the total gold resources of the Group up to 2,504,000 ounces.



## Emissions

The Group takes “zero” emission of harmful substances as the goal. Only soil and stone is separated during the mining operation. In 2013, 16.14 million tons of soil and stone were separated; as a physical magnetic separation process was adopted by the iron ore business to produce iron ore concentrates, only tailing pulps occurred during the processing stage, so no toxic substances or pollutants were emitted during production; the nickel ore business mainly involves mining and sale of laterite nickel ore, and the smelting business has not started yet, so no toxic and hazardous substances are emitted during production process; as the gold mining business was suspended for maintenance throughout 2013, there were no production emissions. The emission of the waste water, gas and industrial residue of the Group have reached the required standards.

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## Energy conservation and emission reduction

The Group is committed to developing “environment-friendly” mines. Report on environmental impact assessment is prepared for each operating project which will not commence until such report is reviewed and passed by professional experts, so as to minimize the impact of the operating project on the environment.

## Technology innovation

- For many years, the Group has adhered to mine development with science and technology. The iron ore business has introduced advanced Metso jaw crushers and cone crushers and first-class domestic high-pressure roller mills and applied two stage single closed circuit crushing as well as the wet screening and wet pre-concentration process with high pressure grinding rolls. In certain sections, laminated high-frequency fine mesh screens are used. Through technological transformation, the Group improves the processing technological flows and reduces power consumption of grinding. Compared with the old system, the crushing and grinding processes of the new system can reduce the power consumption per ton of iron powder by 10 kWh, and the wet process does not produce dusts.
- The mining stopes and the crushing workshops of the processing plant produce some noise during production. The Group conducts technical process transformation, uses new equipment, installs damping pads, applies structural insulating materials and takes other measures, reducing noise from the previous 91 db to approx. 80 db which has met the requirements of Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-90).



## Environmental Protection

- By installing enclosed hoods and advanced LJD-1200 dust removers and bag filters and using water spray systems, the Group has made remarkable achievement in dust prevention and dust removal, with the efficiency reaching 99%.
- The layout of the technological equipment is made as compact as possible, shortening the horizontal transport distance and vertical lift of the pulps, and reducing the transportation and altitude difference of the belt conveyor. The Group endeavors to realize the self-flow delivery of part of the pulps and all of the tailings.
- The Group reasonably selects large equipment, reduces the number of equipment, improves the output per equipment and reduces energy consumption.
- In 2013, the newly-established processing plant of Maogong Mine utilized energy-efficient construction materials, improving the thermal and insulating performance and reducing energy consumption.

## Recycling economy

- The iron ore business has built up a tailing pulp concentration and overflow water recycling system to concentrate tailing pulps emitted from the processing plants. On one hand, the system can get large volume of backwater from the concentration pool, realizes a backwaters rate of over 40% to 70%, improves the water recycling rate by 10%, and saves 300,000 cubic meters of fresh water annually; all of the wastewater during processing can be recycled and “zero” wastewater is emitted during processing. On the other hand, the concentration of the concentrated tailing pulps increased from the previous 8% to 30%, reducing the tailing pulp throughput and saving power costs of over RMB3 million every year.
- Benxi Mine has adopted the new dry-type emission technologies for tailings, achieving “zero” emission of wastewater during processing and saving 72,000 kWh of power per month. In Shangma Mine, the dry-type emission system of Shangma Processing Plant has also been put into operation officially.
- The tailing sand from the processing plant of the iron ore business can be used in the production of non-burnt bricks for construction, and the comprehensive utilization rate of tailing sand is around 20%. Since 2014, Maogong Mine has used coarse tailing sand as construction sand. It is designed that 270,000 cubic meters of tailing sand can be extracted every year. Efforts have been made to improve the comprehensive utilization rate of tailing sand, which not only reduces emissions of tailings, but also turns waste into valuable materials.
- Domestic wastewater runs into the turbid recirculating water pool of the integrated water pumping station for use during processing.



*Lower right corner of the picture below is the thickening pool of the tailing pulp concentration and overflow water recycling system of Aoni Mine*



## Operating Practices



### Supply chain management

The Group has developed and implemented the Material Procurement Management System to unify the purchase, storage and deployment of the materials required by each mine. On the basis of the material requirement plans and the categories of the materials, the Group generally purchases materials through three methods, namely invitation bidding, price enquiry and sentinel procurement. Contracts shall be signed for all purchases and the Company strictly supervises and controls the performance of the contracts and the payment of the funds. The Company has a supplier list at place which is regularly evaluated and updated. The Company constantly analyses the inventory of the material warehouse, purchased categories and material consumption. With these measures, the Company eliminates the environmental and social risks of the supply chain and ensures the safety of the supply chain.

Among the many suppliers of the Group, there are 236 suppliers from Mainland China, 33 suppliers from Indonesia, 5 suppliers from Australia and 2 suppliers from other countries/regions. The Group generally purchases materials through three methods, namely invitation bidding, price enquiry and sentinel procurement. Of which, 132 suppliers are selected by way of invitation bidding and price enquiry. The selection of suppliers shall be subject to the internal approval process of the Company and supervised by the legal department and audit department of the Company.

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## Product responsibility

Cherishing its product quality and reputation, the Group has developed and implemented the Quality Management Procedures and the Sales Management Procedures and enhanced product quality inspections and sales management to ensure that superior products are offered for customers.

Before being carried out of the mines, the products sold by the Group to the customers are subject to measurement and sampling tests. Upon delivery to the customer, the products shall be measured and tested by the customer under the participation and supervision of the salesperson of the Company. Meanwhile, the salesperson and the supercargo of the Company shall randomly select, seal, number and deliver some samples to the Company's quality inspection center for testing, the result of which shall be compared with that of the customer. If there is a great difference between the test results of both parties, the Company and the customer shall deal with the dispute. If no settlement is reached, the dispute shall be referred to a third-party authoritative organization for review and arbitration. If the quality of the Company's product does not meet the standards, the settlement clerk of the Company shall calculate the quantity of substandard products every month and deduct the corresponding sales amount.

In 2013, Aoni Mine was testing the accurate measurement system for raw materials, fuel consumption and products and equipped all production vehicles with car weighing sensors, fuel sensors and vehicle positioning devices; with system interfaces of Yongyou production management software, the mine can conduct remote weighing monitoring, data query and browsing, fuel consumption remote monitoring and dynamic analysis. The system will be promoted to each mine if the pilot project is successful.

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## Anti-corruption

The Group and the employees have strictly complied with the relevant standards. No legal case concerning corruption, bribery, extortion, fraud or money laundering occurred within the Group in 2013.

The Group has developed and implemented the Internal Audit Regulations and the Internal Report Management Regulations, and also has engaged external auditors to conduct external audits on the Company, with an aim to prevent and control the fraud or wrongdoings within the Company through internal and external audit.

The employees may report any negligence or dereliction of duty, abuse of power, bribe-taking, embezzlement of company property and other irregularities of any employee to the audit department of the Group through official documents, letters, faxes, e-mails, telephones and interviews, etc. The audit department will report it to the audit committee which will conduct investigation, collect evidence, verify and deal with it after coming to a conclusion.



## Community Involvement

### Community relationship

Adhering to the tenet of “harmonious mines”, the Group attaches importance to the establishment of a harmonious relationship with the communities, understands their needs by actively participating in community activities, and takes concrete actions to ensure that interests of the communities are taken into consideration in the operations of the Group.

To reinforce the communication and harmonious coexistence with the local communities, each mine has developed some systems in line with their actual situations. With the relevant provisions and systems in place, the Group has achieved the long-term effects of the development of the coordination system. For example, Maogong Mine has developed the Visiting Guidelines, the Relevant Provisions Concerning the Demands of the Visiting Villagers, the Village and Enterprises Joint Mediation Meeting System, the Regular Reception Day, the General Manager Reception Day and the other systems, ensuring the smooth communication and active coordination with the community. The mine has also established a government-led joint mediation mechanism for the equal dialogue between the village and the enterprise. With the support from Shiwen Town Government of Fushun County and the Office of Justice, the joint mediation mechanism runs smoothly, and makes it possible for the coordinating function to play the role of “the first defense” in maintaining the stability of the relationship between the mine and the community.

## Community relationship (Continued)

In 2013, the competent leaders of Fushun County and Shiwen Town held 9 special coordination meetings. The full-time and part-time mediators of the mine at all levels jointly dealt with the traditional village-enterprise and villager-enterprise problems and new situations, strengthened mediation efforts, prevented contradictions from intensifying, and harvested outstanding results. Maogong Mine received nearly 70 visiting villagers, recording a decrease of 12.5% over the same period of the previous year.

## Community construction

The Group actively supported the community construction and tried to make contributions to the community.

- In 2013, Maogong Mine repaired 2,100-meter road for Jingjia Village, and nearly 3,000-meter road for Maogong Village.
- In 2012-2013, Aoni Mine invested RMB800,000 to build three bridges and RMB1 million to repair and install water pipelines for the community.
- In the spring of 2013, Maogong Mine voluntarily removed more than 3,000 tons of domestic waste for Maogong Village, and funded to renovate 25 houses for villagers.
- In February 2013, the Indonesia nickel mine project company started the program to aid the building of houses for 68 families of Tambakua Village where KGU mine locates. The program was the largest program aided by the Indonesia nickel mine project company in 2013 and was hailed as a model by North Konawe Regency, an Indonesia county.
- In 2013, the Indonesia nickel mine project company built three bridges and culverts and 4.1km road for three villages (Tambakua, Sarimukti and Langgikima), which improved the local road conditions. Meanwhile, in order to alleviate the local power supply problems, the company also helped the local with two generators according to their aid application.

## Community environment

- The Group actively involved in community greening construction. In the spring of 2013, 15 volunteers from the iron ore business voluntarily spent half day planting trees at the neighborhood of the bend of Sidao River. In April 2013, Maogong Mine and Shiwen Town government joined hands to build riverside landscape area. More than 300 people from Maogong Mine and the town government planted perennial saplings such as Changbai scotch pines, flowering plums, privets and locust trees on both sides of the river.

*Participation by volunteers from Aoni Mine in the tree-planting activities at Hou'an Town*





## Community Involvement

### Emergency services and disaster relief

The Group actively participated in the emergency services, disaster relief and reconstruction work in the local communities.

- On 23 April, 2013, when a fire broke out in Xiaodonggou, Maogong Village, Shiwen Town, four employees of Maogong Mine immediately rushed to the site with tools to extinguish the fire and render assistance. They put out the fire and rescued the villagers in heavy smoke.
- On 16 August, 2013, the area where Aoni Mine located suffered from continuous rainstorm. In order to ensure the safety of the tailing pond and the safety of life and property of the downstream villagers, the employees on duty patrolled and kept a vigilant guard by turn in heavy rains and tried to prevent disasters.
- During the flood season in 2013, Xingzhou Mine dispatched excavators, forklifts, large trucks and other devices to repair the damaged roads, bridges and culverts and agricultural water conservancy facilities for Nianpan, Taigou, Luobokan and Beigou villages of Dongzhou District of Fushun City and bought rice, soybean oil, noodles, mineral water and other supplies for the affected families in Zhangdang region.
- During the flood season in 2013, some of the highways and bridges in Sidao and Lishu villages, Hou'an Town, Fushun County were in danger due to the attack of flood, Aoni Mine sent all of the transport vehicles to carry rubble for the reinforcement and repair of the roads of these villages so as to ensure the safety of the highways.
- In 2013, when Qingyuan County, Fushun City, Liaoning Province suffered from the flood on 16 August, the Group donated money and materials and organized employees and resources to participate in the disaster relief work and the post-disaster reconstruction. 1,630 employees of the iron ore business contributed RMB124,147, and brought instant noodles, mineral water, rice, flour and soybean oil and other relief supplies to the disaster area. The Company donated RMB1,000,000 for the disaster area. The Group also dispatched 12 large dumpers to carry stone for the construction of the damaged sections of the roads and the reconstruction of the affected regions.

*On behalf of the Company, the Chairlady Ms. Yang Min donated money to Qingyuan County, Fushun City for the 8.16 Flood*



*Mr. Yang Jiye (middle), Vice Chairman of the Board, participated in the disaster relief work in Qingyuan County, Fushun City*



## Community care



The Group especially cares about the people in the community who need help. On the eve of every Spring Festival, the Group visits the low-income worker families and brings to them rice, flour, oil and other necessities, and occasionally organizes some young employees of the Company to clean the houses for the villagers with mobility disabilities and provide assistance within their capacity.

- During the Spring Festival in 2013, Aoniu Mining provided 49 low-income worker families in the local community with rice, flour, oil and other necessities as well as cash, which were valued at RMB27,800.
- On 4 May, 2013, Maogong Mine hosted activities to “promote the spirit of the May Fourth Movement and enhance the harmonious relationship between the village and the enterprise”, cleaning the houses for some low-income families in Jingjia and Maogong villages and offering rice, flour, oil and other necessities.

## Education

In order to support the development of local education in Indonesia, the Indonesia nickel mine company owned by the Company funded part of the salaries of 35 volunteer teachers in Langgikima Town and Wiwirano Town every month, provided medical assistance for local university students, and donated computers, printers and other educational equipments.

## Labor demand

The candidates from the community where the Group runs business enjoy the priority to be recruited, which not only relieves the local employment pressure, increases villagers’ income, but also promotes good relationship between the villages and the enterprises.

## Culture

The Group attached great importance to promoting the community cultural activities by carrying out various forms of cultural exchange activities with communities such as painting and calligraphy, dancing and friendship parties.



- From 6 to 20 June 2013, the employees of the Group participated in the 2013 Workers Painting, Calligraphy and Photography Contest of Fushun City, and Ms. Yang Min, the Board Chairlady of the Company, won special prize for her calligraphy work of “A Propitious Omen” (《紫氣東來》).

- On 6 June 2013, Liaoning Province Chamber of Commerce of Mining Enterprises held its second gathering of presidents in Aoniu Mine.

- On 30 August 2013, 30 employees of the Group participated in the square dance contest of “Village-Enterprise Harmony Cup” in Aoniu Village.



- Every year, the Group organizes dating activities, gathering the single young men and women of the Company and other units of the community together to help them to find their love. On 9 November 2013, the “If You Are the One” single youth party was successfully held. Among a total of 86 male and female participants, 16 pairs began their sweet dating.



## Community Involvement

### Sports



Upholding the principle of “establishing harmonious relationship between villages and enterprises”, the Group carried out a variety of sports activities with local villagers, including basketball matches, mountain-climbing competitions and football games. These activities were not only conducive to the good health of the employees, but also promoted the harmonious relationship between the villages and our enterprises.

- On 7 May 2013, Aoni Mine and Aoni Village jointly held the second “May Fourth Mountain-climbing Friendly Match”. More than 200 people from Hou’an Town, Aoni Village and Aoni Mine attended the event which is held on around 4 May every year.
- On 22 July 2013, Aoni Mine and Aoni Village jointly held the first “Village-Enterprise Cooperation Basketball Friendly Match”.
- From 13 to 20 August 2013, the basketball team of Maogong Mine attended the “Beautiful Shiwen” basketball match held in Shiwen Town Fushun County.
- Every week, the environmental protection and community staff of the gold mining business voluntarily provide two hours of Australian football training for local people, and some mine staff also play Australian football game with local people.

### Religion

The Group respects the religious beliefs of the people at the places where each business operates. In the year 2013, the Indonesia nickel mine project company funded to build one mosque and renovate three mosques for Indonesia local community.

### Learning local languages

Dr. Pan Guocheng, the Chief Executive Officer of the Company, has repeatedly stressed that learning languages of the operation areas are important for the Company to operate locally and integrate into the local communities. In response to the call of the President and in order to facilitate communication in daily life and at work, the Chinese employees of the nickel project company in Indonesia actively learn the local language: at the Shenyang office of the Company, the Chinese employees to be dispatched to Indonesia participate in the training on communication in Indonesian; in Indonesia, the Chinese employees learn Indonesian during the spare time at night. Through the study, the Chinese employees in Indonesia are able to communicate in simple Indonesian. Influenced by the language learning activities of the Chinese employees, the Indonesian employees also begin to learn Chinese, and the employees from the two countries begin to learn from each other actively. Learning the local language not only facilitates life and work, establishes a closer relationship between the employees from two countries and enhances the cohesion effect of the enterprise, but also promotes the communication between employees and the community, and significantly accelerates the smooth progress of the nickel ore business in Indonesia.