social responsibilities fulfillment in 2011

The Board of Directors of the Company and the Directors make sure that the content of this announcement does not contain any false records, misleading statements or material omissions, and severally and jointly accept responsibility for the truthfulness, accuracy and completeness.

This report uses the Shanghai Stock Exchange <<the notice on the annual report about the job of Listed Companies in 2011>> and <<the company to fulfill its social responsibility reporting guidelines>> as a guide, and it is prepared and released according to the practice status of the corporate social responsibility fulfillment in 2011.

I. Company Overview

Jinduicheng Molybdenum Industry Co., Ltd. was founded on May 16, 2007, was set up jointly by Jinduicheng Molybdenum Group Co., Ltd., TaiYuan Iron and Steel Group Co., Ltd. in color (Ningxia) Orient Group Co., Ltd., Baoshan Iron and Steel Group Co., Ltd. On April 17, 2008, the Company's initial public offering of A shares in the Shanghai Stock Exchange.

The company is well-known in the world, and is Asia’s largest molybdenum mining, beneficiation, processing, research, trade, enterprise integration; Jinduicheng Molybdenum Mine is one of the world's largest molybdenum mines. Ruyang donggou molybdenum mine owned by Ruyang Limited Liability Company holding by the company is also the world's large molybdenum deposit. Mine production uses the large-scale open-pit mining, with modern mining equipment and advanced mining techniques; possess a high degree of automation, large-scale, all types of molybdenum beneficiation, calcinations', chemical and metal processing production
line. Production of molybdenum metallurgical charge, molybdenum Chemistry and Chemical Engineering, molybdenum deep processing of three series of more than thirty kinds of molybdenum products, with an annual output equivalent to about 14,000 tons of molybdenum and molybdenum products, is a global molybdenum industry chain is the most complete professional company. The company passes the certification of ISO9001 quality management system, ISO14001 environmental management system and OHSAS18001 occupational health and safety management system firstly in molybdenum industry in our country. The product quality is excellent, and major products are exemption by the State Quality, "Chinese famous brand" products-winning, sells best in domestic and overseas markets, and have a good reputation in the global molybdenum applications and trade area.

The company has a state-level enterprise technical centers specializing in molybdenum and related refractory metals research and development and post-doctoral research station, has established a long-term technology exchange, joint testing, to develop relations with some well-known domestic and foreign enterprises and research institutions and university, in molybdenum scientific research and production application technology has made a number of important results, which support the company go ahead towards a higher, faster, stronger development Goals.

2. The concept of corporate social responsibility

The corporate social responsibility is that the enterprises undertake the responsibility of the interests of the natural environment and resources, the state and society as well as shareholders, creditors, employees, customers, suppliers, communities and other stakeholders initiative in order to achieve harmony and sustainable development as the goal in the development process, Since its
establishment, in the beginning, the company pursues the basic values of "a contribution for the country to benefit the people, sustainable and harmonious development", positively undertakes the corporate social responsibility, effectively implement the corporate social mission, make due contribution to implementation of the scientific development concept and building a harmonious society.

3. Their social responsibilities fulfillment status in 2011

The company seriously practiced the concept of social responsibility, adhered to the business law and tax law in 2011. The company achieved a total profit of 856 million Yuan, 978 million Yuan to pay taxes; 2007-2011 cumulative pay taxes of 6.6 billion Yuan, and contributed to the national fiscal and local economic development. Actively protect the shareholders, creditors, customers, suppliers, employees’ stakeholders, meanwhile, strengthened the protection of resources and environment, promoted technological progress and sustainable development of the industry, and better fulfilled corporate social responsibility.

(A) To be honesty and trustworthy, to safeguard the interests of the shareholders and creditors,

1). Establish a sound corporate governance structure. the company established the governance structure as the core to the shareholders' meeting, board of directors, board of supervisors, managers, sound science, clear responsibilities, mutual checks and balances base on the Company relevant provisions of 《Company Law》, 《Securities Act》 and other laws and regulations and <<Articles of Association>>; formed the functioning system of Authority to the shareholders' meeting, the Board of Directors for the decision-making body, the Board of Supervisors for the supervision agency, manager layer hierarchical authorization for the operation and management organization. Build the systematic Articles of Association on the basis of 《Articles of
Association》，《The Rules of Procedure of the shareholders' meeting》，《the Rules of Procedure of the Board of Directors》，《the Rules of Procedure of the Board of Supervisors》《General manager Rules》。At the same time, the company has developed to improve the work of the Board of Directors of the Professional Committee of Association of the Professional Committee of the Board of Directors to further standardize workflow. The company set up and improved specification governance mechanisms to promote the production and business activities in accordance with the law, compliance, and orderly conduct, which has provided a guarantee for the maintenance of shareholders and stakeholders.

2). Strengthen the internal controlling system. In 2011, the company as one of the listed companies of implementation of internal control regulations pilot in Shaanxi Province Securities Regulatory Bureau area, according to《Shaanxi SFC on Listed internal control specification pilot work notice》 (Shaanxi SFC [2011] No. 17 ) requirements, actively carry out a comprehensive internal control of the construction work, comprehensive budget covering the Company's organizational structure, development strategy, corporate culture, internal oversight, human resources, social responsibility, asset management, contract management, financial management, procurement operations, sales, research and development, engineering, information systems and other control activities carried out a comprehensive system of checks and combing risk, find deficiencies in internal control, itemized implement the rectification and enhance the company's risk prevention and control capacity.

3). conscientiously fulfill disclosure obligations; maintain the right to know of the shareholders and the creditors. "Company Information Disclosure Management System developed in accordance with the relevant provisions of the Shanghai Stock Exchange, the first responsibility to the chairman of the board of directors, Secretary
of the Board of Directors of the system of the person directly responsible for the information disclosure obligations to report on a regular basis, temporary announcement form, true, accurate, complete and timely fulfillment of the obligation of information disclosure to shareholders and creditors of the company to keep abreast of the master of business dynamics, financial condition and significant events information. Company disclosure 4 copies periodic reports and 16 copies interim announcement in 2011

4). Sound operation and the importance of the distribution of cash dividends to reward shareholders. Molybdenum product prices continue to slump, the rigidity of the production and operation costs rising influence of unfavorable factors, the company adheres to the scientific organization of production, strengthens the operation of the market, tapping the potential synergies in depth, aggressive cost cutting to achieve better economic efficiency, at the same time, the company attaches great importance to investment by a reasonable return, and actively build harmonious relations with shareholders, investors. June 16, 2011, the company implemented a fourth distribution of profits since its inception, to December 31, 2010 the total share capital of 3,226,604,400 shares as the base, to all shareholders for every 10 shares 2.5 Yuan cash dividend the (the tax included), for a total send a cash dividend of 807 million Yuan. Since its inception, the cumulative net profit of 7.95 billion Yuan, four cash dividend of dividend dividends 3.596 billion Yuan. December 31, 2011, the net asset attributable to shareholders of the Company was 13.454 billion Yuan.

5). Attach great importance to the protection of the legitimate rights and interests of creditors. The company created the concept of "business integrity, friendship and cooperation, mutual benefit and win-win" relationships with creditors, strictly fulfill the contracts signed with creditors to fully protect the legitimate rights and interests of
the creditors, payment on time, restitution due loans and fees and taxes, timely notification of significant information related to the interests of creditors, formed a good relationship of cooperation, has been fully affirmed the company's credit.

(B). Protect the interests of employees, build a harmonious enterprise

The company always adheres to the "people-oriented" concept, to respect the ownership status and legitimate rights and interests of the employees, continued to improve the working environment of employees, working conditions and benefits, to promote the growth and success of employees and personal fulfillment.

1). Adhere to employment in accordance with the law, to protect the legitimate rights and interests of employees. <<Labor Law>>, << Labor Contract Law >> seriously implement <<Company Law >> and other laws and regulations, the full implementation of the labor contract system, in accordance with the law to protect the rights enjoyed by the employees. Actively implement the social security system for employees to pay the full statutory social insurance and welfare, including the basic pension insurance, basic medical insurance, unemployment insurance, work injury insurance, housing provident fund, labor, labor safety, occupational health and rest the timing and other aspects of the management system, and are in line with the relevant national and local regulations and standards. The company constantly improve the pay system to ensure reasonable growth in employees' income; implementation of the technology leaders in special allowance system and project allowance system, and technical personnel to improve the cohesion and enthusiasm for innovation; pay staff overtime costs in accordance with the relevant regulations, to ensure that employees enjoy home leave, marriage leave, maternity leave etc.; organize shuttle buses to work, to provide convenience for employees; health medical staff on a regular basis, to establish employee health records; condolences
to insist on difficult employees, to help the poor to counter poverty; emphasis on improved working and living environment, the establishment of a staff canteen bathroom, cultural activity room infrastructure and through the organization of various forms of cultural and sports activities to enrich the cultural life of employees; emphasis on staff participation in democratic management, rationalization proposals actively carry out collection activities to promote the development of corporate reform.

2).Pay attention to production safety, maintain staff occupational health. The Company conscientiously implement the Production Safety Law Occupational Disease Prevention Law and the State on production safety guidelines, policies, combined with the production of practical establish complete production safety and occupational health management system and organization system, as well as the major security emergency rescue system various types of operational procedures covering all production and business activities of the Company; the seriously run OHSAS18001 management system, strict implementation of safety and occupational health management system. The Company's headquarters and sub-subsidiaries and factories and mines have safety production management institutions, the implementation of the responsibility system of production safety and occupational health, the safety of construction projects, "three simultaneous" system, ongoing security standardization work, safety and occupational health special activities formed regular, run persistence. Engineering and technological transformation of the emphasis on safety measures to invest 7.5 million Yuan in 2011, the implementation of the completion of the renovation project of the 13 security measures, timely provision of effective labor protection supplies, the implementation of the "6S" management on the job site, to ensure safety and occupation health, actively create the hardware environment, and promote the essence of security. Staff positions
operating procedure of the year zero fatal accidents million time injury rate of zero, no incidents of occupational diseases and occupational hazards, employees healthy rate of 100%, special operations personnel occupational healthy rate of 90% or more, toxic the hazardous workplaces detection rate of 100%, of radioactive the misuse irradiation and over-dose irradiation accident zero, the effective protection of employee occupational health.

3). Strengthen human resources management, cultivating three personnel. The company insists on the value of the "people, efficiency, loyalty, team" concept, and constantly optimize the configuration and management of human resources. Through a multi-channel, multi-channel Fresh Talent, cultivate and exercise the talent, three personnel of the building "technology, management, operation" at the same time to promote the rapid development of enterprises, but also the majority of employees their overall quality, level of business has been upgraded, individual value can be achieved. The specific measures include: the situation according to the demand for employees, hiring talent from the talent market and university graduates; carry out all kinds of positions pre-service training activities to improve staff skill levels; ongoing job skills training, skills certification and technical competition. The company offers the classroom and the stage for the majority of skilled workers learning skills and showing themselves; encourages employees to use their spare time to participate in serving academic education, a certain proportion of tuition fees for the academic staff to obtain subsidies; adhere to carry out a variety of special training, seminars, activities, broaden their horizons, to enhance the concept., the total number of employees is 5,019 by the end of 2011, college degree or more employees is 1092, accounted for 37.90% of the total number of employees, the employees with primary, Intermediate senior title is 1222 , accounted for 24.35% of the total number of employees.
(C) Mutual benefit and win-win, maintaining customers, suppliers and other related Stakeholders

The principle of "to operate in compliance with the law, mutual benefit and common development" business dealings with customers, suppliers and other stakeholders to learn from each other, to seek long-term strategic cooperation, promote the harmonious and sustainable development.

1). Conscientiously fulfills the contract, strengthen customer management. The company strictly fulfills the product ordering contract signed with customers to deliver products in accordance with the agreed period and quality specifications. File management, customer implementation of customer information through the collection, analysis, and communication with customers on a regular basis, survey customer satisfaction to determine the suitability and effectiveness of the products, services, processes, and constantly improve the quality of service, improve internal management, to meet customer requirements enhance customer satisfaction. The company attaches great importance to customer feedback, the development of customer complaints process management approach", the implementation of a reply within “the first asking responsibility” system and 24-hour system, form an effective customer feedback mechanism, sincere maintain customer interest.

2). Integrity management, to maintain brand image. The company insists on the "quality of survival, quality and development, continue to meet customer needs, provide the community with China's leading world-class molybdenum products" customer first "norms of integrity, quality and efficiency, casting brand, as the concept of product quality; guidelines for quality work, depending on the quality of corporate life. The quality objectives formulated by the company: contract compliance rate of 100%, and scientific research and development product
identification pass rate of more than 95%, deliver products qualification rate reached 100% customer satisfaction rate of more than 95%.

The company implemented a comprehensive quality controlling and strictly run ISO9000 quality management system and PACD cycle, product production, testing, packaging, storage and transportation, and sale of various aspects of quality in a controlled state. Company's production process in strict accordance with the supply and marketing contracts, process documents, product standards and quality management system standards organizations from people (operating employees), machine (device configuration), materials (raw materials standard), French (process control file system), rings (six omni control environmental control), measured (process monitoring); quality inspection, packaging, storage and transportation of products manufactured before control standards and control procedures are strictly enforced. The quality of the company's products in the molybdenum industry in a leading position, "JDC" brand products of molybdenum product quality inspection certificate issued by the General Administration of Quality Supervision, Inspection, and the main products "JDC card molybdenum oxide assessed to the General Administration of Quality Supervision, Inspection "China Famous Brand", molybdenum concentrate, molybdenum, iron, molybdenum concentrate roasting, ammonium molybdate, molybdenum disulfide, 17 alloy molybdenum rod 10 are rated as "brand-name products in Shaanxi Province Shaanxi Provincial People's Government. Major molybdenum products have a number of world-renowned enterprise quality certification.

3).Adhere to a harmonious and win-win, seek common development. The company constantly improve procurement processes and mechanisms to implement the open tender and the sun procurement, and suppliers to create a fair, just a healthy competitive environment; preference selection, procurement of raw materials,
equipment, spare parts, advanced technology, green products, do not use the national phase-out products and backward technology, equipment, energy saving and environmental protection in order to ensure that the company’s production process, while promoting the social responsibility of the supplier to fulfill the energy saving. In the process of strengthening business cooperation with suppliers, and actively carry out the exchange of technical experience, to assist suppliers to solve technical problems, improve product quality, and help suppliers grow. Strictly abide by and fulfill the contract, to resolve disputes through friendly consultations, in order to guarantee a reasonable and legitimate interests of the supplier, the annual unfair competition complaints and breach of contract occurred. In 2011, the economic situation is complicated, depressed market environment concussion adverse situation, the company and its suppliers to enhance communication made each other understanding and support and protect the production and operation of material needs.

(D). Promote energy conservation, and effectively protect the environment, the company actively fulfill their shoulders energy saving, environmental protection responsibilities, so that the idea of the times, well-organized system of measures to improve the way.

1) Strengthen the construction of environmental protection regime. The company has established <<Management of Environmental Protection>>,<<sources of pollution and environmental protection>>,<<emission reduction assessment and incentives radioisotopes and radiation devices management approach >>,<<energy management statistical reporting system>> more comprehensive environmental protection and energy management system . We get ISO14001 environmental management system certification, and it is effectively implemented in the day-to-day production and operation, while, we passed the annual audit in 2011. There are
specialized agencies responsible for environmental protection and energy management systems and organizations to ensure effective work from the company to the Production units at all levels

2) Strictly implementation of the "three simultaneous" system. Production and Construction follow a comprehensive plan, step-by-step implementation of prevention and governance combined with integrated management "principle, adhere to the strict implementation of resource development and new, change, expansion project environmental impact assessment system, environmental protection measures, production and management, and project construction to implement "synchronized planning, simultaneous implementation of the simultaneous development of" three simultaneous "system to ensure that pollution control facilities, the main production projects designed, constructed, and put into use. "Three simultaneous" execution rate of 100%.

3). increase publicity and improve energy efficiency. The company's long-term energy conservation publicity and education activities, and encourage their employees to start from the work and the life of the implementation of a comprehensive energy conservation; while vigorously carry out energy-saving technological transformation. In 2011, the company is mainly implemented four energy-saving technological transformation: open pit three electric locomotives Chopper energy-saving, energy-saving rate of 30%; the concentrator mill floating BAIHUALING 2 # 3 # system the capacitor energy saving, system power factor from about 73% to 90%; thirty acres of land Concentrator three synchronous machine excitation system energy saving ball mill saving 1.5%; molybdenum products unit two heat rotary kiln stove system energy saving per ton of molybdenum oxide The coal consumption per unit decline from about 400Kg about 310Kg, the coal varieties from Aberdeen coal blended coal instead.
In 2011, the company achieved Pollutant Discharge no larger than pollution incidents, the compliance rate reached 90% for the year, more than 82% of the water cycle utilization, 976.61 tons of standard coal in energy savings, the savings rate of 1.48%, the completion of the annual energy saving target 102.8%. Continuing efforts in energy conservation, environmental protection work, to maintain the natural beauty of the mountains, clear water and blue sky "Jinduicheng, beautiful home for the vast majority of workers and the local people to live and work in peace and contentment, Jinduicheng Molybdenum Mine Land Resources Ministry identified as one of the pilot units of the first batch of 37 national green mines.

(E) Adhere to the protective mining, improve resource utilization level

1). Organize rationally, utilize the mineral resources fully. Resource development and utilization of the laws and regulations of the Environmental Protection Act and the Shaanxi Province Mineral Resources Management Regulations "of the" Mineral Resources Law ", and the principle of" development, protection, and development in the protection of the "principle of scientific mining program, the establishment of a comprehensive mine production organization, supervision and management system and more perfect production job management system, sampling, laboratory analysis, operating procedures, the original geological data catalog, reserves are measured and mine Dilution management are strictly according to the system running; prepared according to year, season stripping production plans, monthly follow-up examination of program implementation, analysis of stock changes on a regular basis. Mining operations adhere to peel first, the rich and the poor adopted both rational organizations to the mine, so that low-grade, and oxidation of refractory ores is fully utilized, to participate in the annual lean ore with ore 22,041 tons.
2). Improve the efficiency of resource use and utilization level. The company continued to extend the molybdenum industry chain downstream, increase the production of molybdenum deep processing products, research and development and market development, tooling technology significantly improved the level of deep processing capacity doubled. Improve the efficiency of resource use of molybdenum, vigorously carry out integrated resource recycling research, the election molybdenum tailing sulfur, selected sulfur Tailings iron, the a molybdenum concentrate Last election of copper, election copper tailings re-election of the sulfur recovery process, sulfur, iron, copper, the main elements molybdenum ore and associated recovery, further enhance the value of resources. In order to encourage companies to further enhance the ability of comprehensive utilization of resources, and improve the efficiency of resource use, the 2011 is the Ministry of Land, as determined by the Ministry of Finance for the first demonstration base of comprehensive utilization of mineral resources, and give some support.

(F) Strengthen research and development; promote technological progress of the industry

Scientific and technological progress and innovation are the most important forces to enhance the comprehensive competitiveness of enterprises, promote and achieve sustainable development. Company based on actual, focus to adhere to the "mainly in new products, new technologies, new processes, new materials, application development, to expand the application of basic research; molybdenum industries, to expand the field of other refractory metals scientific and technological work direction, innovative science and technology management system and operation mechanism, increase research investment, strengthening the construction of scientific and technical personnel, and the efficient allocation of R & D resources, and strive to play the biggest role of talent and capital, building efficient, open, high level of technology
R & D support system, the establishment of China's largest production and research integration molybdenum metal materials Industrial Park and specialized in domestic molybdenum refractory metals research and development and related state-level enterprise technical centers, and was identified as the first molybdenum Engineering Research Center of Shaanxi Province. The company has been assessed in Shaanxi Province "innovative pilot enterprises to achieve a new leap in technological innovation platform.

In 2011 the company completed 28 research projects, 13 patent applications, 12 granted patents. Vigorously promote the many varieties of molybdenum metal deep-processing product research and development, and optimize the product structure, and enhance the industry chain technology amount of molybdenum alloy wire, photovoltaic solar molybdenum target large-sized molybdenum plate (stick) and crucible multi Specifications molybdenum electrodes, special molybdenum powder and molybdenum wire and other products developed to achieve important results, some products have been supplied to customers. Company to carry out the development and industrialization of the large-size high-purity molybdenum metal targets research projects selected for the "12th Five-Year" National Science and Technology Program; 57 molybdenum concentrate new technology and industrialization by the year 2011 the Shaanxi Provincial Science and Technology Progress Second Award; "multiple hearth furnace roasted molybdenum concentrate introduction of technology and industry," 9 achievements have been awarded a 2011 Shaanxi Nonferrous technology first prize, second prize and third prize is four. Company with a number of domestic and foreign well-known institutions in the industry to expand technical exchanges and business cooperation, the journal <<China Molybdenum Industry>> organized was promoted to the national science and technology core journals.
(G). Play their own advantage, and promote the development of the industry healthily

As our molybdenum industry’s leading backbone enterprises, the company comply with the relevant state laws and regulations, operate in accordance with the business law, maintain the industry order actively, and has made unremitting efforts to promote the healthy development of China Molybdenum Industry. Companies to actively participate in the China Nonferrous Metal Industry Association Molybdenum Branch various industry conferences, and molybdenum website Molybdenum Annual Meeting of the Organization, the China Business Network Organization Meeting of tungsten, molybdenum, vanadium, high-level forum of the Antaike organizations tungsten, molybdenum, tungsten and molybdenum billion browse network organizations the alum Market Forum, the Ministry of Commerce, steel Webhosting Special Ferroalloy Conference, sponsored by the International Molybdenum Association International Conference activities with member companies and Relevant agencies to discuss macroeconomic and molybdenum market situation and industrial policy, new technological achievements, and response measures Exchanges and promote information sharing, industry self-regulation and health development.

The company is based on the maintenance of the molybdenum industry overall and long-term interests, active the molybdenum industry related policy recommendations Nonferrous Metals Association, and the relevant state ministries. Meanwhile, in the relevant state ministries and commissions under the leadership of the company presided over and participated in the formulation of molybdenum products national standards and industry standards. Presided over the system in recent years, to amend the national and industry standards: the molybdenum disulfide GB / T 23271-2009, the "roasted molybdenum concentrate GB / T
24482-2009 the molybdenum concentrate" YS / T 235-2007 "pure molybdenum
trioxide "YS / T 639-2007, molybdenum concentrate chemical analysis method (11
parts) YS / T 555-2009, the powder Metallurgy alloy molybdenum mandrels YS / T
245; participate in the formulation and revision of the national and industry standards:
the ammonium molybdate GB / T 3460-2007, "the molybdenum iron sample taken
and preparation method GB / T 24484-2009, molybdenum emission spectrometry"
YS / T 558-2009. 2011 to complete mandatory national standards for the
molybdenum concentrate unit product energy consumption per formulation of
roasted molybdenum concentrate unit product energy consumption per task; national
standards molybdenum disulfide by China Nonferrous Metals Industry Technology
third prize, made an example for the countries to strengthen the management of the
molybdenum industry, enhance the level of development of the industry.

4. Perseverance, and take the road of sustainable development

2011 is the first year of "second five", the company effectively take concrete
actions to fulfill corporate social responsibility, full attention shareholders, employees,
creditors, customers and other stakeholders by common interests, has achieved
some success, to promote the company's and sustainable social development.
Looking to the future, the company will make persistent efforts to persevere and
continue to actively fulfill their corporate social responsibility in economic growth,
technological innovation, environmental protection, resource conservation, to serve
the community and return to shareholders, employees and related parties, such as
the continued efforts, establish excellent good corporate citizen image, practice to
promote the purpose of the enterprise of nation molybdenum industrial development
better and better, and contribute to society, while promote the enterprise and society
to develop hormonally and sustainably.