

Announcement on the Pledge of shares by the Controlling Shareholder

Wenzhou Hongfeng Electrical Alloy Co. Ltd (hereinafter, the Company) and its directors guarantee the information disclosed is true, accurate and complete and free from false representations, misleading statements and material omissions.

The company received a notice from Mr. Chen Xiao, the controlling shareholder of the company, that Mr. Chen Xiao pledged his 12,220,000 restricted shares, representing approximately 20.89% of the shares held by him and approximately 13.27% of the total shares of the company to ZhongYuan Trust Co. Ltd as the guarantee for his loan.

As at the date of this announcement, Mr. Chen Xiao holds 58,500,000 shares of the company representing approximately 63.53% of the total shares.

As at the date of this announcement, Mr. Chen Xiao pledges a total number of 47,060,000 shares representing approximately 80.44% of the shares held by him and approximately 51.11% of the total shares of the company.

Board of Directors

Wenzhou Hongfeng Electrical Alloy Co. Ltd

28 May 2013