

2013 Semi-annual Earnings Preannouncement

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.

I. financial period: 1 January 2013 –30 June 2013

II. Earnings Forecast: loss

Unit: RMB in ten thousand

| Items | As at 30 June 2013 | As at 30 June 2012 |
|---|------------------------------------|--------------------|
| Profit Attributable to equity shareholders of the company | year-on-year decline by 159%--188% | Profit: 1,021.07 |
| | Loss: 600-900 | |

Figure.1.1

As shown in figure 1.1, it is expected that the consolidated net profit attributable to equity shareholders of the company will record a substantial decline for the six months ended 30 June 2013 as compared with that for the six months ended 30 June 2012. The decline is mainly due to (i) a decline of the gross profit caused by a significant decrease of the silver price in Q2 which results in the situation that the book value of the cost of silver exceeds its market value; and (ii) the inventory impairment resulted from the decrease of the silver price.

As the information contained in this announcement is only based on the preliminary assessment by the management of the company, which has not been audited, shareholders and potential investors are strongly advised to exercise caution when dealing in the shares of the company.

Board of Directors

Wenzhou Hongfeng Electrical Alloy Co. Ltd

3 July 2013