

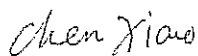
General

This is our Communication On Progress from 2010 to 2011.

Dear Mr. Secretary-General,

I am pleased to confirm that Wenzhou Hongfeng Electrical Alloy Co., Ltd. supports the Ten Principles Compact with respect to human rights, labor, environment and anti-corruption. We express our intent to advance those principles within our influence. We are committed to making the Global Compact and its principle strategy, culture and day-to-day operations of our company, and collaborative projects which advance the broader development goals Nations, particularly the Millennium Development Goals. Wenzhou Hongfeng Electrical Alloy Co., Ltd. is a clear statement of this commitment to our stakeholders and the general. We recognize that a key requirement for participation in the Global annual submission of a Communication on Progress (COP) that describes efforts to implement the ten principles. We support public accountability transparency, and therefore commit to report on progress within one Global Compact, and annually thereafter according to the Global Compact

Sincerely yours,



General Manager

Human Rights Principles

Principle 1: Business should support and respect the protection of internationally proclaimed human rights

Principle 2: make sure that they are not complicit in human rights abuses

Assessment, policy and goals

Human rights are rights inherent to all human beings, whatever our nationality, place of residence, sex, national or ethnic origin, color, religion, language, or any other status. We are all equally entitled to our human rights without discrimination. These rights are all interrelated, interdependent and indivisible.

Hongfeng shall not discriminate against any employee for any reason such as age, race, gender, sexual orientation, marital status, religious belief, national extraction or disability. We are to guarantee our employees a fair working environment and protection from the loss of their jobs. All employees without any discrimination whatsoever have the right to equal pay for equal work. All candidates seeking to be hired are now required to pass through a series of quantitative exams (multiple choices) which ensures objectivity, fairness and equal chances are given to all in our hiring process. We affirm and pledge to uphold the universal human rights of all individuals without limitation.

We employ and train members from all of China to join our international programs. We not only provide them with a well-paid job, but also train them to develop a marketable skill. Earlier this spring, through our Empowerment Training Program, Hongfeng trained a group of employees and members of the new academician on entrepreneurial concepts and how to apply them to real-life situations. In the second half of the program, the individuals who received training partnered with small businesses to assist in developing sustainable business plans.

We know that big changes start with small steps. So whether it's offering a grant to an entrepreneur or providing a new academician with their first job, Hongfeng seeks to empower entire communities by reaching out to staff on an individual basis. We pull full respect for human rights to form a company's management culture. We are willing to respect each employee's value and personal freedom, to give employees the greatest trust, try to meet the request of the staff, to create unity, harmony, optimistic overall atmosphere

Labour Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour;

Principle 6: the elimination of discrimination in respect of employment and occupation

Assessment, policy and goals

Hongfeng in 2010 added two another plants at Ningbo and Wenzhou City, and hired more than 800 employees from more than 20 cities and over 100 areas in China, including 7 nations. Through system training and unitary arrangement they are enjoying their works at Hongfeng Home. Periodically they may be gathered to learn ten principles of the Global Compact and we encourage our employees, customers and suppliers to join Global Compact and take actions to support ten principles. As an developing company committed to delivering the highest quality of products and services, we work hard to ensure every employee is treated with dignity and respect – wherever they work. Our employees are an essential ingredient to the success of the company and we are committed to providing positive, productive and supportive working environments where all employees are valued and inspired to be the best they can be. In an increasingly complex global environment, the Hongfeng Global Labour Principles set out employment principles that will help us achieve this goal. The principles are guided by internationally recognized instruments and underpin Hongfeng's membership of the UN Global Compact.

We recognize that we are not perfect all of the time and in all of the locations in which we operate, but it is our firm intention to make Hongfeng a good place to work for all our employees worldwide. We are committed to working towards the achievement of these principles throughout its operations worldwide. Any employee who has a question regarding these principles, or who believes their terms have not been complied with, can rise this directly with their manager or a member of the human resources department. Reporting of serious violations of group policies or national regulations can be directed confidentially or anonymously to general manager, either on-line or by phone. For this way achieving without any holdbacks, we specifically set out Staff to General Manager Response System and complaint box to understand minds from staff. Hongfeng undertakes to investigate any questions or concerns thoroughly and impartially and to respond with appropriate corrective action wherever necessary. No reprisal or retaliatory action will be taken against any employee who raises a concern relating to these principles when made in good faith, or against any employee who cooperates with inquiries into any such complaint.

Hongfeng is committed to providing a safe and healthy working environment, to minimizing the risk of accidents, personal injury and adverse health impacts, and to continuous improvement in

health and safety performance. We will provide the facilities, training and protective equipment necessary to ensure a safe workplace for all our employees. We will facilitate reporting of unsafe acts without fear of reprisal. We are committed to ensuring the physical security of all its employees.

Apart from improving conditions for our employees, these principles help reduce the risk of workplace conflicts, which can harm all parties financially and damage a company's reputation.

Hongfeng will treat every employee with respect and dignity and will not tolerate discrimination or harassment of any kind. Employment-related decisions are based on a variety of relevant factors such as qualifications, skills, performance and relevant experience.

Hongfeng will comply rigorously with all local laws and regulations and will in no event employ children under 15 years, or under 16 years for work at sea. We will not permit hazardous work or night work for children less than 18 years.

Hongfeng will not use any form of forced or involuntary labour, and refrain from practices that can give rise to a risk of involuntary labour.

Hongfeng respects its employees' right to associate freely, form or join organizations of their choosing and to bargain collectively in accordance with recognized international instruments, local laws and regulations, in full freedom and without fear of reprisal, intimidation or harassment. We also recognise its employees' right to refrain from collective representation. Hongfeng is committed to conduct collective bargaining with freely chosen employee representatives of a legally recognized union.

Hongfeng is committed to assuring full compliance with applicable laws, regulations, and relevant collective agreements concerning working hours and overtime, leave and minimum rest periods. It is company policy not to make systematic use of extensive overtime work and any overtime hours will be appropriately compensated according to individual terms of employment, applicable regulation and relevant collective agreements.

Hongfeng will provide its employees with compensation and employment-related benefits on a competitive basis. We recognize that wages are essential to meeting employees' basic needs and will at least pay the minimum wage and mandated benefits required by local law.

Hongfeng is committed to uphold the privacy of our employees. We undertake to follow fair disciplinary, grievance and dismissal procedures which are provided for by company policies and collective bargaining agreements including, upon request, the provision of exit conversations for employees leaving the company.

Environmental Principles

Principle 7: businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility;

Principle 9: encourage the development and diffusion of environmentally friendly technologies

Today, overexploitation is putting ecosystems and natural resources under pressure. This has already triggered fierce competition over access to resources, and accompanying higher prices. Competition over natural resources will only increase as billions of newcomers join the global consumer class over the next few decades. To answer these challenges and thrive in the years ahead, businesses must innovate long term solutions that decouple the provision of services from the use of natural resources. At Hongfeng, we see the state of the environment as a good reason for making changes to business operations.

We clearly realize that we are part of environment problem, yet we also believe we must be part of

the solution – by maximizing our positive impact on the environment, and minimizing our negative impact. We comply with all applicable legislation and standards, but our environment strategy requires us to go further, and take a proactive approach. Instead of waiting for new laws, we strive to be ahead of the game. And where no legal requirements are in place, we apply responsible standards.

Our environmental and climate change work can be divided into three basic areas: reducing exhaust gas emissions; fighting pollution; and managing equipment for water purification.

Data from Environmental Protection Bureau of Yueqing City of Zhejiang Province convinced that both exhaust gas and polluted water emissions furtherly surpass the standard.

Anti-Corruption Principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

At Hongfeng, every staff from employee to general manager gives most respects for fair and justice and is against to any form of bribery. We have clear statement on our policy system that to prohibit the offer or receipt of gifts, hospitality or expenses whenever such arrangements would be in violation of applicable domestic law.

Hongfeng Company, its employees or intermediaries, should not make direct or indirect contributions to political parties, party officials, candidates, organizations or individuals engaged in politics, as a subterfuge for bribery.