



Shanghai Wells Hanger Co., Ltd.
No.558 Bo Yuan Rd., Jiading, Shanghai 201812

Tel: (086-021) 6913-4905 - Fax: (086-021) 6913-4751 - Website: www.wellshanger.com

April 14, 2008

Dear Valued Customers,

Thank you for your continuing support of Wells.

As you may be well aware, the price of steel is continuing its steep climb, with no indication of an imminent stop. Chinese wire rods, currently at \$778/metric ton, is still approximately 25% lower than U.S. wire rods at \$975/metric ton, giving it no reason to stop at the current price. The resulting increase in our variable costs makes it difficult for us to maintain our current production.

The depreciation of the U.S. dollar to RMB has also put a strain on us. The current exchange rate for USD to RMB is at a ratio of 1: 6.99 (as of April 10, 2008), with newest analyst projection to be a ratio of 1: 6.35.

Moreover, the newly enforced Chinese labor laws are problematic in that the limits on overtime hinder our efforts to produce at our prior capacity. The law's stipulation on severance pay also hampers our business efficiency as it is difficult and costly to dismiss ineffectual employees.

Due to these uncontrollable circumstances, we regret to inform you that in order to offset these pressures, we are forced to increase our prices effective immediately on April 15, 2008. New quotations will be sent out in the same week.

However, with your interest in mind, we are encouraging all our customers to consider purchasing directly through FOB China. Through this method, your company will in turn be able to save 6-7% than would be possible if we were to ship to your door. Please feel free to contact us if you have questions regarding placing orders based on FOB China.

We sincerely appreciate your understanding and thank you again for your support.

Sincerely,

Vicky Chu
Shanghai Wells Hanger Co., Ltd

JKBY:fy