

Panda Fireworks Group Co., Ltd. Announcement of the Resolutions Reached at the 9th Meeting of the 4th Board

The corporate Board of Directors guarantees the authenticity, accuracy, and completeness of this announcement and shall bear joint liabilities for false recordings, misleading statements or significant omissions.

The announcement of the 9th Meeting of the 4th Board of Panda Fireworks Group Co., Ltd. was sent to all directors by e-mail, fax and personal delivery notification on 16th July 2010. The meeting commenced at the corporation at 9:30am, 22nd July 2010. The meeting was presided over by Board President Zhao Weiping. Nine directors attended in accordance with relevant regulations of the *Corporation Law* and the *Articles of Association*. By electronic vote the board passed the following:

1. Establishment of Hunan Panda Fireworks Co., Ltd.

Hunan Panda Fireworks Co., Ltd. has a registered

capital of five million RMB. Panda Fireworks Group Co., Ltd. holds five million RMB, accounting for 100% of the registered capital. The registered location is Changsha city, Hunan Province. Panda Fireworks Group Co., Ltd. plans to separate the fireworks exporting operations onto Hunan Panda, which will have primary responsibility for fireworks exporting and international market exploration.

Vote result:

Agreed: 9 -- 100%

Disagreed : 0

Abstained: 0

2. Proposal for *Regulation on Information Security Management*

Vote result:

Agreed: 9 -- 100%

Disagreed : 0

Abstained: 0

Board of Directors of Panda Fireworks Group Co., Ltd.

22nd, July 2010