

**Panda Fireworks Group Co., Ltd.
Announcement of the Resolutions
Reached at the 10th Meeting of the 4th
Board and Notice of Holding the 2nd
Temporary Shareholders Meeting of
2010**

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

All directors was informed the announcement of the 10th meeting of the 4th Board of Directors of Panda Fireworks Group Co., Ltd. via e-mail, fax and personal delivery notification on 30th July 2010. The meeting commenced at the meeting room on the second floor of the office building at 9:30am, 4th August 2010. The meeting was presided over by Board President Zhao Weiping. Eight directors out of the total number of nine attended, while independent director Ms. Han Liwei entrusted independent director Mr. Shu

Qiangxing to attend and vote on her behalf. The holding of this meeting is in accordance with relevant regulations of the *Corporation Law* and the *Articles of Association*. The supervisors and top managers of the corporation sat in on the meeting. The meeting passed the following resolutions:

I. Passed the *Half-Yearly Reports and Its Abstracts of the First Half of 2010*;

Refer to the website of Shanghai Stock Exchange www.sse.com.cn for more information

Vote result:

Agreed: 9-- 100%

Disagreed : 0

Abstained: 0

II. Passed the *Motion about Acquiring the Equity of Liuyang Dongxin Fireworks Group Co., Ltd.*;

Refer to the Announcement of Acquiring the Equity of Dongxin Fireworks for more information

Vote result:

Agreed: 9-- 100%

Disagreed : 0

Abstained: 0

III. Passed the *Motion about Transferring the Equity of*

Wuye Hongjiang Industrial Co., Ltd. in Jiangxi Province;
**Refer to the Announcement of Transferring the Equity
of Wuye Hongjiang Industrial Co., Ltd. in Jiangxi
Province for more information**

Vote result:

Agreed: 9-- 100%

Disagreed : 0

Abstained: 0

**IV. Passed the *Correction Report on Problems Identified
in the Patrol Inspection of Hunan Securities Regulatory
Bureau;***

**Refer to the website of Shanghai Stock Exchange
www.sse.com.cn for more information**

Vote result:

Agreed: 9-- 100%

Disagreed : 0

Abstained: 0

**Motion II and III shall be examined by the 2nd
Temporary Shareholders Meeting of 2010**

**V. Passed the *Motion about Holding the 2nd Temporary
Shareholders Meeting of 2010;***

Vote result:

Agreed: 9-- 100%

Disagreed : 0

Abstained: 0

i. Time: 9:30am of 24th August 2010 (Tuesday)

ii. Place: the meeting room on the second floor of the office building

iii. Convening Person: the President

iv. Way of Vote: Registered vote at the site

v. Issues:

1. Examining the *Motion about Acquiring the Equity of Liuyang Dongxin Fireworks Group Co., Ltd.*;

2. Examining the *Motion about Transferring the Equity of Wuye Hongjiang Industrial Co., Ltd. in Jiangxi Province*;

vi. Attendees:

1. All shareholders of the corporation registered in the Shanghai Branch of China Securities Depository and Clearing Corporation Limited by the market closing time of 17th August 2010 can attend in person or entrust an agent in writing;

2. All directors, supervisors and other top managers of the corporation;

3. The lawyer of the corporation

vii. Registration Methods and Time

1. Holders of state shares and corporate shares shall register with legal representative's Power of Attorney, the shareholder's account card, a copy of business license (with seal) and the attendee's ID card;

2. Individual shareholders shall register with ID card and the shareholder's account card. Agents shall register with their and the principle's ID cards, the shareholder's account cards and the Power of Attorney. Shareholders beyond Liuyang region shall mail or fax required documents to register;

3. Registration Time: 8:30-12:00 and 14:30-17:30 of 19th August 2010;

4. Registration Place: Secretariat of the Board of Directors of Panda Fireworks. Address: No. 271, Liuyang Avenue, Liuyang City, Hunan Province.

viii. Other Proceedings

1. Attendee's qualification shall be confirmed according to the registration;

2. Term of the meeting: half a day; transportation and accommodation fees are to be borne by the attendees;

3. Tel.: 0731-83620963; Fax: 0731-83620966

**4. Address: No. 271, Liuyang Avenue, Liuyang City,
Hunan Province.**

5. Zip code: 410300; Contactor: Huang Yepu

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

4th, August 2010

Attachment:

Power of Attorney

I hereby entrust Sir (Madam) _____ to attend the 2nd
Temporary Shareholders Meeting of 2010 of Panda Fireworks
Group Co., Ltd. and vote on my behalf.

Principal's signature:

Trustee's signature:

ID number:

ID number:

Quantity of the Principal's Share:

Account Number of the Principal:

Entrust Date:

Entrust Limits:

Motion No.	Motion	Agreed	Disagreed	Abstained
Motion 1	<i>Motion about Acquiring the Equity of Liuyang Dongxin Fireworks Group Co., Ltd.</i>			
Motion 2	<i>Motion about Transferring the Equity of Wuye Hongjiang Industrial Co., Ltd. in Jiangxi Province</i>			