

**Panda Fireworks Group Co., Ltd.  
Announcement of Resolutions Reached  
At the 7<sup>th</sup> Meeting of the 4<sup>th</sup> Board of  
Supervisors**

*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.*

The 7<sup>th</sup> meeting of the 4<sup>th</sup> Board of Supervisors of Panda Fireworks Group Co., Ltd. commenced at the meeting room on the second floor of the office building at 10:30am of 4<sup>th</sup> August 2010. The meeting was presided over by the supervisor Liu Zhixuan. Two supervisors out of the total number of three attended, while supervisor Ms. Yu Ling entrusted Mr. Liu Zhixuan 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 meeting passed the following resolutions:

**I. Passed the *Half-Yearly Reports and Its Abstracts for***

*the First Half of 2010;*

**Vote result:**

**Agreed: 3 -- 100%**

**Disagreed : 0**

**Abstained: 0**

**We carefully examined the *Half-Yearly Reports and Its Abstracts for the First Half of 2010* and proposed the following Written Examination Opinions:**

**1. The compiling and examining procedures of the *Half-Yearly Reports* are in accordance with relevant stipulations in laws, regulations, articles of association and regulation on internal management;**

**2. The contents and format of the *Half-Yearly Reports* are in accordance with relevant stipulations of China Securities Regulatory Commission and Shanghai Stock Exchange. The information in it truly reflects the operation and financial statement of the corporation in the said report term.**

**3. No infringement upon the confidentiality provisions of the persons involving in the compiling and examining of the *Half-Yearly Reports* was found before presentation of this Written Examination Opinions.**

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

**Vote result:**

**Agreed: 3 -- 100%**

**Disagreed : 0**

**Abstained: 0**

**According to the requirements of relevant laws and regulations, the Board of Supervisors supervised the correction activity of the corporation, requiring careful settlement of the problems found and implementation of the correction methods proposed in daily work. Through check, the Board of Supervisors considers that the corporation was active and attached great importance to the correction activity, the correction methods were practical. The Board of Supervisors will urge the functional departments to carefully study the source of problem within given time, earnestly implement the measures to correct the problems.**

**Board of Supervisors of Panda Fireworks Group Co., Ltd.**

**4<sup>th</sup>, August 2010**