

Panda Fireworks Group Co., Ltd. Announcement of Resolutions Reached at the Annual Shareholders Meeting 2009

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.

Key Contents

- **There was neither rejection nor amendment of proposals at the meeting;**
- **There was no new proposals put to vote at the meeting;**

The announcement of the annual shareholders meeting 2009 of Panda Fireworks Group Co., Ltd. (hereinafter referred as “corporation”) was issued in *Shanghai Securities News* on 31st March 2010, and the meeting commenced at the meeting room on the third floor at 9:30am of 20th April 2010. The meeting was presided over by the vice president Li

Minxian. Three shareholders attended, representing 37,817,440 shares, or 30.01% of the corporation's total of 126,000,000. It was in accordance with the *Company Law* and the *Articles of Association*. By registered vote the meeting voted each proceeding sent to the meeting for discussion.

I. Discussion of Motions

1. Passed the *Annual Reports and Its Abstracts of 2009*;

Agreed shares: 37,817,440 -- 100%

Disagreed shares: 0

Abstained: 0

2. Passed the *Annual Report on the Work of the Board of Directors of 2009*;

Agreed shares: 37,817,440 -- 100%

Disagreed shares: 0

Abstained: 0

3. Passed the *Annual Report on the Work of the Board of Supervisors of 2009*;

Agreed shares: 37,817,440 -- 100%

Disagreed shares: 0

Abstained: 0

4. Passed the *Annual Report on the Work of the*

Independent Directors;

Agreed shares: 37,817,440 -- 100%

Disagreed shares: 0

Abstained: 0

5. Passed the *Annual Audit Report on Final Accounts;*

Agreed shares: 37,817,440 -- 100%

Disagreed shares: 0

Abstained: 0

6. Passed the *Annual Profit Distribution Plan of 2009;*

Agreed shares: 37,817,440 -- 100%

Disagreed shares: 0

Abstained: 0

7. Passed the *Annual Budget Plan of 2010;*

Agreed shares: 37,817,440 -- 100%

Disagreed shares: 0

Abstained: 0

8. Passed the *Motion about Amending the Articles of Association;*

The amended *Articles of Association of Panda Fireworks Group Co., Ltd.* is put on the website of Shanghai Stock Exchange: <http://www.sse.com.cn>

Agreed shares: 37,817,440 -- 100%

Disagreed shares: 0

Abstained: 0

9. Passed the *Motion about Engaging an Accounting Firm for 2010*;

Agreed shares: 37,817,440 -- 100%

Disagreed shares: 0

Abstained: 0

10. Passed the *Motion about the Rectification of Significant Accounting Errors*;

Agreed shares: 37,817,440 -- 100%

Disagreed shares: 0

Abstained: 0

II. Lawyers' Testimony

This shareholders meeting was testified by Yang Li and Shi Yuhua from Hunan Lianhe Chuangye Law Firm, which issued a law advice stating that the convening and holding procedures of this shareholders meeting were in conformity with relevant laws, regulations and the Articles of Association; the attendees' qualifications were legal and valid; the voting procedure and results were in conformity with relevant laws, regulations and the Articles of Association; the resolutions passed at this meeting were legal

and valid.

III. Documents for Check

1. The resolutions reached at the annual shareholders meeting 2009 signed by the attended shareholders of Panda Fireworks Group Co., Ltd.

2. The law advice about the annual shareholders meeting 2009 of Panda Fireworks Group Co., Ltd. issued by Hunan Lianhe Chuangye Law Firm

Notice is hereby.

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

20th, Apr. 2010