Stock Code: 000553(200553) Stock Abbreviation: Sanonda A(B)
Announcement No. 2018-11

Hubei Sanonda Co., Ltd.

The Announcement of Resolutions of the 1st Interim Shareholders Meeting of 2018

The Company and all members of its board of directors hereby guarantee that the contents of information disclosure are true, accurate, complete and without any false record, misleading statements or major omissions.

I. Important Notice

No proposal was added, vetoed or changed at the meeting.

II. Holding of the Meeting

1. Time of the On-site Meeting: 14:30 on March 19, 2018

2. Venue: 3rd Floor, Block D1, Liangmaqiao Diplomatic Office Building, No. 19 Dongfang East Road, Chaoyang District, Beijing

3. Meeting Manner: The combined method of on-site voting and online voting

4. Convener: The Board of Directors of the Company

5. Host: Director An Liru

6. Time/Date of Online Voting:

The online voting via trading system of Shenzhen Stock Exchange will be from 9:30 a.m. to 11:30 a.m. and from 1:00 p.m. to 3:00 p.m. on March 19, 2018; the online voting via online voting system of Shenzhen Stock Exchange will be any time from 3:00 p.m. on March 18, 2018 to 3:00 p.m. on March 19, 2018.

7. The convening and holding procedures comply with the Company Law, Rules of Listing of Shenzhen Stock Exchange and other laws, regulations, and the Articles of Association.

III. Attendance of the Meeting

1. Attendance of Shareholders

12 shareholders presented at the on-site meeting or via online voting system, representing 1,811,976,940 shares and accounting for 74.0624% of the Company's total shares. Among them, 0 shareholders presented at the on-site meeting, representing 0 shares and accounting for 0.0000% of the Company's total shares. 12 shareholders presented via online voting system, representing 1,811,976,940 shares and accounting for 74.0624% of the Company's total shares.

2. Attendance of B-share Shareholders

2 B-share shareholders presented at the on-site meeting or via online voting system, representing 261,701 shares and accounting for 0.1567% of the Company's total B shares. Among them, 0 shareholders presented at the on-site meeting, representing 0 shares and accounting for 0.0000% of the Company's total B shares. 2 shareholders presented via online voting system, representing 261,701 shares and accounting for 0.1567% of the Company's total B shares.

3. Attendance of Mid-small Shareholders

11 Mid-small shareholders presented at the on-site meeting or via online voting system, representing 1,093,901 shares and accounting for 0.0447% of the Company's total shares. Among them, 0 shareholders presented at the on-site meeting, representing 0 shares and accounting for 0.0000% of the Company's total shares. 11 shareholders presented via online voting system, representing 1,093,901 shares and accounting for0.0447% of the Company's total shares.

Part of the directors, supervisors, senior executives of the Company, as well as the lawyers engaged by the Company for witnessing attended the meeting.

IV. Deliberation and Voting on the Proposals

The following proposals were voted at the meeting by means of online and on-site voting:

1. The Proposal on Amending the Articles of Association and Its Appendixes;

1 Voting Situation:

1,811,539,539 shares for it, accounting for 99.9759% of all the shares held by shareholders present; 437,401 shares against it, accounting for 0.0241% of all the shares held by shareholders present; 0 shares waived (among them, 0 shares are considered as waived due to non-voting), accounting for 0.0000% of all the shares held by shareholders present. Among them:

(1) Voting Situation of B-share Shareholders:

900 shares for it, accounting for 0.3439% of all the shares held by B-share shareholders present; 260,801 shares against it, accounting for 99.6561% of all the shares held by B-share shareholders present; 0 shares waived (among them, 0 shares are considered as waived due to non-voting), accounting for 0.0000% of all the shares held by B-share shareholders present.

(2) Voting Situation of Mid-small Shareholders:

656,500 shares for it, accounting for 60.0146% of all the shares held by Mid-small shareholders present; 437,401 shares against it, accounting for 39.9854% of all the shares held by Mid-small shareholders present;0 shares waived (among them, 0 shares considered as waived due to non-voting), accounting for 0.0000% of all the shares held by Mid-small shareholders present.

2. Voting Result: As a special resolution, this proposal has been approved with more than 2/3 of the total number of shares held by shareholders present.

2. The Proposal on Changing the Registered Capital of the Company

1. Voting Situation:

1,811,539,539 shares for it, accounting for 99.9759% of all the shares held by shareholders present; 437,401 shares against it, accounting for 0.0241% of all the shares held by shareholders present; 0 shares waived (among them, 0 shares are considered as waived due to non-voting), accounting for 0.0000% of all the shares held by shareholders present. Among them:

(1) Voting Situation of B-share Shareholders:

900 shares for it, accounting for 0.3439% of all the shares held by B-share shareholders present; 260,801 shares against it, accounting for 99.6561% of all the shares held by B-share shareholders present; 0 shares waived (among them, 0 shares are considered as waived due to non-voting), accounting for 0.0000% of all the shares held by B-share shareholders present.

(2) Voting Situation of Mid-small Shareholders:

656,500 shares for it, accounting for 60.0146% of all the shares held by Mid-small shareholders present; 437,401 shares against it, accounting for 39.9854% of all the shares held by Mid-small shareholders present;0 shares waived (among them, 0 shares considered as waived due to non-voting), accounting for 0.0000% of all the shares held by Mid-small shareholders present.

2. Voting Result: As a special resolution, this proposal has been approved with more than 2/3 of the total number of shares held by shareholders present.

3. The Proposal on Amending the Raised Funds Management Policy;

1. Voting Situation:

1,811,209,539 shares for it, accounting for 99.9576% of all the shares held by shareholders present; 767,401 shares against it, accounting for 0.0424% of all the shares held by shareholders present; 0 shares waived (among them, 0 shares are considered as waived due to non-voting), accounting for 0.0000% of all the shares held by shareholders present. Among them:

(1) Voting Situation of B-share Shareholders:

900 shares for it, accounting for 0.3439% of all the shares held by B-share shareholders present; 260,801 shares against it, accounting for 99.6561% of all the shares held by B-share shareholders present; 0 shares waived (among them, 0 shares are considered as waived due to non-voting), accounting for 0.0000% of all the shares held by B-share shareholders present.

(2) Voting Situation of Mid-small Shareholders:

326,500 shares for it, accounting for 29.8473% of all the shares held by Mid-small shareholders present; 767,401 shares against it, accounting for 70.1527% of all the shares held by Mid-small shareholders present; 0 shares waived (among them, 0 shares considered as waived due to non-voting), accounting for 0.0000% of all the shares held by Mid-small shareholders present.

2. Voting Result: As a general resolution, this proposal has been approved with more than 1/2 of the total number of shares held by shareholders present.

4. The Proposal on the Remunerations of the Independent Directors;

1. Voting Situation:

1,811,209,539 shares for it, accounting for 99.9576% of all the shares held by shareholders present; 767,401 shares against it, accounting for 0.0424% of all the shares held by shareholders present; 0 shares waived (among them, 0 shares are considered as waived due to non-voting), accounting for 0.0000% of all the shares held by shareholders present. Among them:

(1) Voting Situation of B-share Shareholders:

900 shares for it, accounting for 0.3439% of all the shares held by B-share shareholders present; 260,801 shares against it, accounting for 99.6561% of all the shares held by B-share shareholders present; 0 shares waived (among them, 0 shares are considered as waived due to non-voting), accounting for 0.0000% of all the shares held by B-share shareholders present.

(2) Voting Situation of Mid-small Shareholders:

326,500 shares for it, accounting for 29.8473% of all the shares held by Mid-small shareholders present; 767,401 shares against it, accounting for 70.1527% of all the shares held by Mid-small shareholders present;0 shares waived (among them, 0 shares considered as waived due to non-voting), accounting for 0.0000% of all the shares held by Mid-small shareholders present.

2. Voting Result: As a general resolution, this proposal has been approved with more than 1/2 of the total number of shares held by shareholders present.

5. The Proposal on the Nominations of Non-Independent Directors to Compose a New Session of the BOD

The proposal is voted by cumulative voting, in which each non-independent director is voted separately.

5.01 Elect Mr. Ren Jianxin as a director of the 8th session of Board of Directors

1. Voting Situation:

1,810,884,048 shares for it, accounting for 99.9397% of all the shares held by shareholders present. Among them:

(1) Voting Situation of B-share Shareholders:

900 shares for it, accounting for 0.3439 % of all the shares held by B-share shareholders present.

(2) Voting Situation of Mid-small Shareholders:

1,009 shares for it, accounting for 0.0922% of all the shares held by Mid-small shareholders present.

2. Voting Result: Mr. Ren Jianxin is elected as a director of the 8th session of Board of Directors.

5.02 Elect Mr. Yang Xingqiang as a director of the 8th session of Board of Directors

1. Voting Situation:

1,810,884,048 shares for it, accounting for 99.9397% of all the shares held by shareholders present. Among them:

(1) Voting Situation of B-share Shareholders:

900 shares for it, accounting for 0.3439% of all the shares held by B-share shareholders present.

(2) Voting Situation of Mid-small Shareholders:

1,009 shares for it, accounting for 0.0922% of all the shares held by Mid-small shareholders present.

2. Voting Result: Mr. Yang Xingqiang is elected as a director of the 8th session of Board of Directors.

5.03 Elect Mr. Chen Lichtenstein as a director of the 8th session of Board of Directors

1. Voting Situation:

1,810,884,048 shares for it, accounting for 99.9397% of all the shares held by shareholders present. Among them:

(1) Voting Situation of B-share Shareholders:

900 shares for it, accounting for 0.3439% of all the shares held by B-share shareholders present.

(2) Voting Situation of Mid-small Shareholders:

1009 shares for it, accounting for 0.0922% of all the shares held by Mid-small shareholders present.

2. Voting Result: Mr. Chen Lichtenstein is elected as a director of the 8th session of Board of Directors.

5.04 Elect Mr. An Liru as a director of the 8th session of Board of Directors

1. Voting Situation:

1,811,134,048 shares for it, accounting for 99.9535% of all the shares held by shareholders present. Among them:

(1) Voting Situation of B-share Shareholders:

250,900 shares for it, accounting for 95.8728% of all the shares held by B-share shareholders present.

(2) Voting Situation of Mid-small Shareholders:

251,009 shares for it, accounting for 22.9462% of all the shares held by Mid-small shareholders present.

2. Voting Result: Mr. An Liru is elected as a director of the 8th session of Board of Directors.

6. The Proposal on the Nominations of Independent Directors to Compose a New Session of the BOD

The proposal is voted by cumulative voting, in which each independent director is voted separately. The qualifications and independency of the independent directors have been filed with and examined by the SZSE. The SZSE does not raise objection on this issue.

6.01 Elect Mr. Tang Yunwei as an independent director of the 8th session of Board of Directors

1. Voting Situation:

1,810,884,048 shares for it, accounting for 99.9397% of all the shares held by shareholders present. Among them:

(1) Voting Situation of B-share Shareholders:

900 shares for it, accounting for 0.3439% of all the shares held by B-share shareholders present.

(2) Voting Situation of Mid-small Shareholders:

1,009 shares for it, accounting for 0.0922% of all the shares held by Mid-small shareholders present.

2. Voting Result: Mr. Tang Yunwei is elected as an independent director of the 8th session of Board of Directors.

6.02 Elect Mr. Xi Zhen as an independent director of the 8th session of Board of Directors

1. Voting Situation:

1,810,884,048 shares for it, accounting for 99.9397% of all the shares held by shareholders present. Among them:

(1) Voting Situation of B-share Shareholders:

900 shares for it, accounting for 0.3439% of all the shares held by B-share shareholders present.

(2) Voting Situation of Mid-small Shareholders:

1009 shares for it, accounting for 0.0922% of all the shares held by Mid-small shareholders present.

2. Voting Result: Mr. Xi Zhen is elected as an independent director of the 8th session of Board of Directors.

7. The Proposal on the Nominations of Non-Employee Supervisors to Compose a New Session of the BOS

The proposal is voted by cumulative voting, in which each non-employee supervisor is voted separately.

7.01 Elect Mr. Li Dejun as a Non-Employee Supervisor of the 8th session of Board of Supervisors

1. Voting Situation:

1,810,884,048 shares for it, accounting for 99.9397% of all the shares held by shareholders present. Among them:

(1) Voting Situation of B-share Shareholders:

900 shares for it, accounting for 0.3439% of all the shares held by B-share shareholders present.

(2) Voting Situation of Mid-small Shareholders:

1009 shares for it, accounting for 0.0922% of all the shares held by Mid-small shareholders present.

2. Voting Result: Mr. Li Dejun is elected as a non-employee supervisor of the 8th Board of Supervisors.

7.01 Elect Mr. Guo Zhi as a Non-Employee Supervisor of the 8th session of Board of Supervisors

1. Voting Situation:

1,811,134,048 shares for it, accounting for 99.9535% of all the shares held by shareholders present. Among them:

(1) Voting Situation of B-share Shareholders:

250,900 shares for it, accounting for 95.8728% of all the shares held by B-share shareholders present.

(2) Voting Situation of Mid-small Shareholders:

251,009 shares for it, accounting for 22.9462% of all the shares held by Mid-small shareholders present.

2. Voting Result: Mr. Guo Zhi is elected as a non-employee supervisor of the 8th Board of Supervisors.

The specific contents of the proposals were disclosed on the website of Juchao Information (http://www.cninfo.com.cn) on March 2, 2018.

V. Legal Opinion

1. Name of the law firm: King & Wood Mallesons

2. Names of the lawyers: Zhou Ning Kang Yachen

3. Conclusive opinion:

In the lawyers' opinion, the convening and holding procedures comply with the laws, administrative regulations and the Articles of Association of the Company; the qualification of the convener and attendees are legitimate and valid; the voting procedures and voting results of the meeting are in accordance with applicable laws, regulations, relevant requirements of the CSRC and SZSE and the Articles of Association of the Company, and the resolutions adopted are legitimate and valid.

VI. Documents for Reference

1. Resolutions of the 1st Interim Shareholders Meeting of 2018;

2. Legal Opinion on the Witnessing of the Shareholders' Meeting.

This announcement is hereby made.

The Board of Directors of Hubei Sanonda Co., Ltd.

March 19, 2018