Stock Code: 000553(200553) Stock Abbreviation: Sanonda A(B)
Announcement No. 2018-25

Hubei Sanonda Co., Ltd.

The Announcement of Resolutions of the 4th Meeting of the 8th Session of the Board of Supervisors

The Company and all members of its Board of Supervisors confirm that all the information disclosed herein is true, accurate and complete with no false or misleading statement or material omission.

The 4th Meeting of the 8th Session of the Board of Supervisors of Hubei Sanonda Co., Ltd. (hereinafter referred to as "Company") was held via on-site and video meeting on June 7, 2018 following notifications to all the Directors by email. Three supervisors were entitled to attend the meeting, and three supervisors attended.

The meeting complied with all relevant laws, regulations and the Articles of Association. The following resolutions were deliberated:

1. Proposal on Revising the Business Scope, Adding Production Address and Revising the Articles of Association Accordingly

This proposal was passed with 3 affirmative votes, 0 votes negative vote, and 0 abstention.

This proposal needs to be submitted to the shareholders meeting for approval.

2. Proposal on the Remuneration of Supervisors

Following the 1st Interim Shareholders Meeting selection of relevant people to organize the 8th session of the Board of Supervisors, the Board of Supervisors resolved to set the remuneration of the supervisors as follows:

(1) Internal supervisors, who are full-time employees of the Company (or any of its subsidiaries), will be entitled to receive the remuneration set for their posts and will not be entitled to any additional remuneration for serving as supervisors.

(2) External supervisors, who are not employees of the Company (or any of its subsidiaries), will be entitled to receive a remuneration of RMB 60,000 per annum (before tax) starting the day following the shareholders meeting on which they were elected.

Item (1) of this proposal was passed with 1 affirmative vote, 0 negative vote and 0 abstention, while Jiang Chenggang and Guo Zhi refrained from voting.

Item (2) of this proposal was passed with 2 affirmative votes, 0 negative vote, and 0 abstension. Li Dejun refrained from voting.

This proposal needs to be submitted to the shareholders meeting for approval.

It is hereby noticed.

Board of Supervisors of Hubei Sanonda Co., Ltd.

June 7, 2018