

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



沈機集團昆明機床股份有限公司
SHENJI GROUP KUNMING MACHINE TOOL COMPANY LIMITED
(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 0300)

Announcement on Resolutions Passed
At the 30th Meeting of the 8th Term of the Board of Directors

The board of directors (the “Board”) of Shenji Group Kunming Machine Tool Company Limited (the “Company”) and all members of the Board warrant that there are no false representations, misleading statements and material omissions in this announcement, and are severally and jointly responsible for the authenticity, accuracy and completeness of the content herein.

IMPORTANT CONTENTS:

- All 12 eligible directors of the Company attended the 30th meeting of the 8th Board of the Company (the “Meeting”);
- All resolutions have been passed at the Meeting.

I. CONVENING OF THE MEETING

1. The Meeting complied with the relevant laws, administrative regulations, departmental regulations, regulatory documents and the Articles of Association of the Company.
2. The information of the Meeting was sent to directors on 19 August 2016.
3. The Meeting was held on 30 August 2016 at Kunming City and the vote is decided on show of hands.
4. All 12 eligible directors attended the Meeting. Two supervisors presented at the Meeting.
5. The Meeting was presided at the chairman of the Company.

II. CONSIDERATION AND VOTING RESULTS OF THE MEETING

1. The interim report and summary of the Company for the year 2016;

There were 12 affirmative votes, 0 dissenting vote and 0 abstaining vote on this resolution and the resolution was passed at the Meeting.

2. The adjusted financial budget for the year 2016;
The objective of operating income for 2016 will be RMB570 million and net profit attributable to the parent company for 2016 will be RMB6 million

There were 12 affirmative votes, 0 dissenting vote and 0 abstaining vote on this resolution and the resolution was passed at the Meeting.

3. Appointing Mr. Hung Sum as the company secretary
Hung Sum, male, born in 1973, Hong Kong resident, member of Hong Kong Institute of Certified Public Accountants, engaging in audit for Hong Kong Securities and Futures Companies which licensed and regulated by the Hong Kong SFC. Mr. Hung has more than 21 years working experience. He was a director of World Link CPA Limited who was in charge in audit for Hong Kong listed companies and he was the joint company secretary of the Company from 2011 to 2014.

There were 12 affirmative votes, 0 dissenting vote and 0 abstaining vote on this resolution and the resolution was passed at the Meeting.

4. Reaching the agreement of continuing cooperation and extending the operating period with the foreign shareholder of Kunming TOS.

There were 12 affirmative votes, 0 dissenting vote and 0 abstaining vote on this resolution and the resolution was passed at the Meeting.

5. Agreed to hand over the land to the government for purchasing and storage and authorized the management of the Company to carry out various work related to the land's hand over with the local government.

There were 12 affirmative votes, 0 dissenting vote and 0 abstaining vote on this resolution and the resolution was passed at the Meeting.

6. Proposed the convening of the 2nd EGM of 2016 of the Company

There were 12 affirmative votes, 0 dissenting vote and 0 abstaining vote on this resolution and the resolution was passed at the Meeting.

The above resolution no. 2 will be submitted to the coming shareholders' meeting for consideration and approval. Details of the above resolutions no. 1,2,5 and 6 will be published in China Securities Daily, Shanghai Securities News and Securities Times and the following websites: www.sse.com.cn, www.hex.com.hk, and www.kmtcl.com.cn on 31st August 2016.

Board of Directors
Shenji Group Kunming Machine Tool Company Limited

Kunming, PRC, 30 August 2016

As at the date of this announcement, the Company's executive directors are Mr. Wang Xing, Mr. Chang Baoqiang, Mr. Zhang Xiaoyi, Mr. Zhang Zeshun and Mr. Jin Xiaofeng; non-executive directors are Mr. Zhang Tao, Mr. Liu Yan and Ms. Liu Haijie; and the independent non-executive directors are Mr. Yang Xiongsheng, Mr. Tang Chunsheng, Mr. Chen Fusheng and Mr. Liu Qiang.