

*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 57<sup>th</sup> Meeting of the 8<sup>th</sup> 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 INFORMATION:**

- All directors of the Company attended 57<sup>th</sup> meeting of the 8<sup>th</sup> 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 13 September 2017.
3. The Meeting was held on 14 September 2017 and the Meeting was convened by way of communication.
4. All 12 eligible directors attended the Meeting.
5. All 4 eligible supervisors presented at the Meeting.
6. The Meeting was presided at the chairman of the Company.

**II. CONSIDERATION AND VOTING RESULTS OF THE MEETING**

1. Proposed to convene the third extraordinary general meeting of the Company of 2017 on 31 October 2017;

There are 11 affirmative votes, 0 dissenting vote and 1 abstaining vote on this resolution and the resolution was passed at the Meeting.

2. To Appoint Da Hua Certified Public Accountants (Special General Partnership) to conduct a re-audit to the annual report of the Company for 2016;

There are 11 affirmative votes, 0 dissenting vote and 1 abstaining vote on this resolution and the resolution was passed at the Meeting.

3. To appoint Da Hua Certified Public Accountants (Special General Partnership) as the auditor of the Company for the year 2017 and authorizing the Board to decide the audit fee;

There are 11 affirmative votes, 0 dissenting vote and 1 abstaining vote on this resolution and the resolution was passed at the Meeting.

4. The remuneration standards for directors and supervisors of the 9th term of board of directors of the Company (The directors and supervisors who do not hold senior management position in the Company shall not receive remuneration.);

<b>Position</b>	<b>The standards (after taxed)</b>
Chairman	6000 dollars/month
Vice chairman	5000 dollars/month
Independent non-executive director	6000 dollars/month
Other directors	4000 dollars/month
Chairman of supervisory committee	4000 dollars/month
supervisor	3000 dollars/month

There are 11 affirmative votes, 0 dissenting vote and 1 abstaining vote on this resolution and the resolution was passed at the Meeting.

5. The current board of directors proposes Mr. Na Chaohong, Mr. Chi Yilin, Ms. Jin Mei and Ms. Tian Ruihua as independent non-executive directors of the Company (resume attached);

There are 11 affirmative votes, 0 dissenting vote and 1 abstaining vote on this resolution and the resolution was passed at the Meeting.

### **III. DIRECTORS' OPINIONS ON THE RESOLUTIONS**

Opinions of independent non-executive director Mr. Yang Xiongsheng: In view of the previous two appointments of accounting firms and the consequences, under the conditions that the two prerequisites, the enterprise does not meet the basic audit requirements and whether the Company's basic management is able to guarantee the provision of basic quality assurance accounting information, were not resolved, simply change of the accounting firm, and for Da Hua Certified Public Accountants accepted this audit business, I could not express my consent or objection. Moreover, I have resigned and the resolutions should be decided by new independent non-executive directors.

Other directors agreed.

The above number 2, 3, 4 and 5 resolutions will be submitted to the third extraordinary general meeting of the Company of 2017 for consideration and approval. Details of the resolutions will be published in China Securities Daily, Shanghai Securities News and Securities Times and the following websites: [www.sse.com.cn](http://www.sse.com.cn), [www.hex.com.hk](http://www.hex.com.hk), and [www.kmtcl.com.cn](http://www.kmtcl.com.cn).

***Appendix: Independent Non-Executive Directors' Resumes:***

1. **Na Chaohong**, born in May 1977, national accounting academic leader (reserve) personnel, doctor of financial management, professor of school accountancy of Yunnan University of Finance and Economics, director of the institute of corporate finance, deputy director of Yunnan enterprise development and research center, master tutor, member of PhD tutor group. Mr. Na was a former deputy director of MBA center, assistant to the Faculty of Business, part-time researcher of China Europe International Business School (CEIBS), visiting scholar of Aarhus University, Denmark, Chinese University of Hong Kong, Fudan University and Shanghai Jiao Tong University. He worked as a securities brokerage and investment analyst, assistant to general manager of a foreign trade company, general manager of a consulting firm, member of investment decision committee of a fund company, independent non-executive director of a listed company (300142). He presided many management projects and financial related research under Ministry of Education of the PRC, Provincial Science and Technology Planning, and he participated over 30 national level, provincial level and ministerial level research projects and enterprise commissioned projects, such as Kunming Zhong Tie, Huangneng Lancang Jiang, Yunnan Power Grid etc.. His major research were group governance and corporate finance, senior management incentives and salary, M & A, corporate social responsibility. The research results were published in "Journal of Economic Behavior and Organization", "Management and Organization Review", "Harvard Business Review" and "Accounting Research" etc. domestic and international first-class publications. He provided corporate financial management, financial statements analysis, corporate mergers and acquisitions, group financial control, corporate valuation, PE / VC operations etc. curriculums for many groups, listed companies, banks and tax bureaus etc.
2. **Chi Yilin**, male, born in April 1953, professor of Kunming University of Science and Technology, PhD Tutor. Mr. Chi graduated in 1982 at Kunming Engineering Institute with major of Machinery manufacturing, holding bachelor degree in engineering. In June 1986, Mr. Chi graduated at Wuhan University of Science and Technology with major of mechanical design and obtained the master of engineering. From July to December 1995, he conducted cooperative research at Universität Karlsruhe (TH), Germany. He was the dean of School of Mechanical and Electrical Engineering of Kunming University of Science and Technology, doctoral and master tutor in the major of mechanical design and theory, head of Mechanical and Electrical Product Development and Technology

Innovation Institute... Professor Chi has long been engaged in mechanical engineering and automation professional teaching, teaching reform, disciplines construction, team building and scientific research. His granted courses included “Advanced Manufacturing Technology”, “Elastic Mechanics and Finite Element” and “Introduction to Machinery” etc. He presided and completed “The training mode for large machinery talents in the new century - teaching reform and practice of multi - characteristic module under large platform” which won the 2005 national teaching achievement second prize and Yunnan Province teaching achievement first prize... He edited three textbooks, including Foundation of Computer Aided Design Technology which was rated as excellent teaching materials for ordinary colleges and universities. He obtained one national invention patent and three utility model patents, published over 30 papers in domestic and foreign publications, of which, 4 were included in the EI. Mr. Chi presided, completed or participated in over 20 projects which under National Natural Science Foundation, or cooperated with provincial government or enterprise commissioned. The accumulated project funds were more than RMB10 million. His presided over the development of nickel, cobalt, copper non-ferrous metal automated production lines have been put into use, running in good condition which played a promoting role for the introduction of foreign advanced technology to achieve localization and integration development of non-ferrous metal smelting equipment.

3. **Jin Mei**, female, born in November 1977, holding a bachelor degree, has professional qualifications for Certified Tax Agent, Certified Public Valuer, Chinese Certified Public Accountant, Secondary Registered Tax Accountant, National Senior Accountant and Mergers and Acquisitions. From January 1998 to November 2002, Ms. Jin engaged in asset assessment, financial audit at Yunnan Jingwei Certified Public Accountants, and served as the person in charge of the assessment projects. From December 2002 to December 2004, she engaged in asset evaluation and served as project manager at Yunnan Hua Kun Certified Public Accountants. From 2005 up to now, she organized and set up Kunming Qingying Tax Affairs Co., Ltd. and served as general manager of the company. She served as the general manager of Yunnan Zhong He Hong Rui Certified Public Accountants Co., Ltd. In 2016.
4. **Tian Ruihua**, female, born in April 1963, associate professor of School of Law, Yunnan University. From September 1981 to July 1985, she studied law at Faculty of Law, Yunnan University and has a bachelor degree in law. From February 2000 to July 2000, she was a visiting scholar of Tsinghua University; from February 2004 to May 2004, she was a visiting scholar of Hong Kong University. From July 1985 up to now, she was a lecturer and has been an associate professor at Faculty of Law, Yunnan University, mainly teaching civil and commercial law, contract law, civil law, tort liability law, property law etc. From September 2009 up to now, she served as director of teaching affairs office at School of Law. She passed the lawyer qualification exam in 1992 and now she is a part-time lawyer of Hiways Law Firm (Kunming).

Board of Directors  
**Shenji Group Kunming Machine Tool Company Limited**

Kunming, PRC, 14 September 2017

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