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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)

CLARIFICATION ANNOUNCEMENT

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:

- On 26 June 2018, the Company disclosed the Poll Results of the Annual General Meeting of 2017. Due to statistical errors, correction is made to the total number of H Shares attended the AGM and the poll results of H Shares of each resolution. Except for the correction of the above contents, other contents of the original announcement remain unchanged. The Company apologized for the inconvenience caused by the above corrections to investors.

Shenji Group Kunming Machine Tool Company Limited (the “Company”) convened the annual general meeting of 2017 on 25 June 2018 and published the Poll Results of the Annual General Meeting of 2017 on 26 June 2018. Due to statistical errors, correction is made as follows:

I. CONVENING AND ATTENDANCE OF THE AGM

3. Information of ordinary shareholders and preferred shareholders of recovery voting rights who attended the AGM and their shareholdings

1. Number of shareholders attended the AGM in person or authorized proxies	40
of which:	
Number of holders of A Shares	39
Number of holders of overseas listed shares (H Shares)	1
4. Shares with voting rights at the AGM held by Shareholders attended the AGM	171,167,633

of which: Number of shares held by holders of A Shares	168,479,633
Number of shares held by holders of overseas listed shares (H Shares)	2,688,000
3. The number of voting shares held by shareholders attended the AGM representing the total voting shares of the Company (%)	32.23
of which: Shares held by holders of A Shares representing the total issued shares of the Company (%)	31.72
Shares held by holders of overseas listed shares representing the total issued shares of the Company (%)	0.51

II. CONSIDERATION AND VOTING RESULTS OF THE RESOLUTIONS

1. Ordinary Resolutions for consideration at the AGM:

- (1) To consider and approve the report of the board of directors of the Company for the year 2017;

The resolution was passed at the AGM.

Voting information:

Type of shareholders	Affirmative votes		Dissenting votes		Abstaining votes	
	Number of votes	Proportion (%)	Number of votes	Proportion (%)	Number of votes	Proportion (%)
Holders of A Shares	167,876,218	99.6418	603,415	0.3582	0	0
Holders of H Shares	2,688,000	100	0	0	0	0
Total	170,564,218	99.6475	603,415	0.3525	0	0

- (2) To consider and approve the annual report of the Company for the year 2017 (“Annual Report”) and the summary of the Annual Report;

The resolution was passed at the AGM.

Voting information:

Type of shareholders	Affirmative votes		Dissenting votes		Abstaining votes	
	Number of votes	Proportion (%)	Number of votes	Proportion (%)	Number of votes	Proportion (%)
Holders of A Shares	167,876,218	99.6418	603,415	0.3582	0	0
Holders of H Shares	2,688,000	100	0	0	0	0
Total	170,564,218	99.6475	603,415	0.3525	0	0

- (3) To consider and approve the profit distribution of the Company for the year ended 31 December 2017.

The resolution was passed at the AGM.

Voting information:

Type of shareholders	Affirmative votes		Dissenting votes		Abstaining votes	
	Number of votes	Proportion (%)	Number of votes	Proportion (%)	Number of votes	Proportion (%)
 Holders of A Shares	167,876,218	99.6417	601,115	0.3568	2,300	0.0015
 Holders of H Shares	2,688,000	100	0	0	0	0
 Total	170,564,218	99.6475	601,115	0.3512	2,300	0.0013

Except for the correction of the above contents, other contents of the original announcement remain unchanged. The Company apologized for the inconvenience caused by the above corrections to investor

Board of Directors
Shenji Group Kunming Machine Tool Company Limited

Kunming, the PRC, 14 July 2018

As at the date of this announcement, the Company's executive directors are Mr. Wang He, Mr. Zhang Xiaoyi, Mr. Peng Liangfeng and Ms. Xu Juan; non-executive directors are Mr. Liu Chunshi, Mr. Xia Changtao, Mr. Kang Jun and Ms. Wu Yu; and the independent non-executive directors are Mr. Na Chaohong, Mr. Chi Yilin, Ms. Jin Mei and Ms. Tian Ruihua.