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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)

RESIGNATION OF DIRECTOR

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.

Mr. Kang Jun, director of the Company submitted a written resignation report to the board of directors of the Company on 16 September 2018. Due to personal reasons, Mr. Kang Jun applied for resignation of the positions of director of the Company.

After resignation, Mr. Kang will not hold any position in the Company. Mr. Kang has confirmed that he has no disagreement with the Board and the supervisory committee of the Company and there is no matter relating to his resignation of director that needs to be brought to the attention of the shareholders of the Company.

Mr. Kang held the position of director of the Company since 31 October 2017. Mr. Kang did not hold any directorship in other public listed companies in the past three years. As at the date of the announcement, Mr. Kang did not have any interest or short position in the shares of the Company or any of its associated companies within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong.

Save as disclosed above, as at the date of this announcement, there are no other matters that need to be brought to the attention of the Shareholders, and disclosed pursuant to any of requirements under paragraphs 13.51(2)(h)-(v) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

According to the relevant regulations of the Company Law of the PRC and the Articles of

Association of the Company, Mr. Kang Jun's resignation did not result in members of the Board lower than minimum quorum, and it will not affect the normal operation of the board of directors of the Company. The resignation took effect from the date of this announcement.

The Company will elect new director in accordance with the relevant regulations and procedures of the Company Law of the PRC and the Articles of Association of the Company.

The Board and supervisory committee of the Company would like to take this opportunity to express their gratitude to Mr. Kang Jun for his contributions to the Company during his tenure of office.

Board of Directors
Shenji Group Kunming Machine Tool Company Limited

Kunming, the PRC, 17 September 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 and Ms. Wu Yu; and the independent non-executive directors are Mr. Na Chaohong, Mr. Chi Yilin, Ms. Jin Mei and Ms. Tian Ruihua.