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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)**

**Announcement on Receiving Notification of Change in Shareholdings of Shenyang Group**

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 truthfulness, accuracy and completeness of the content herein.

Recently, the Company received the Notification of Change in Shareholdings of Shenyang Group from the substantial shareholder of the Company, Shenyang Machine Tool (Group) Co., Ltd. (“Shenyang Group”):

The controlling shareholder of Shenyang Group, Shenyang State-owned Assets Supervision and Administration Commission (the “Commission”) has transferred its held 425,852,928 shares corresponding to 26.757% shareholdings of Shenyang Group to Shenyang Industrial Investment Development (Group) Co., Ltd. for RMB316,300,000. After transfer, the proportion of shares of Shenyang Group held by the Committee was changed from 92.070% to 65.313%.

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

Kunming, the PRC, 8 October 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.*