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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

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.

Since the Company involving in the case of contractual dispute property preservation of Xuchang Zhongji Power Equipment Co., Ltd and the case of lease contract dispute of China Kangfu International Leasing Co., Ltd., the Company’s accounts in the Industrial and Commercial Bank of China (“ICBC”), China Guangfa Bank and Hengfeng Bank were frozen by the court. Investors are advised to pay attention to the risks of investment.

Board of Directors

Shenji Group Kunming Machine Tool Company Limited

Kunming, the PRC, 8 November 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.