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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 Resolutions Passed
at the 14th Meeting of the 9th 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 truthfulness, accuracy and completeness of the content herein.

IMPORTANT INFORMATION:

- All Directors of the Company attended the Meeting
- All resolutions have been passed at the Meeting

I. CONVENING OF THE MEETING

1. The fourteenth meeting of the 9th board of directors of the Company (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 5 November 2018.
3. The Meeting was held on 9 November 2018 and the vote is by way of written.
4. All 11 eligible directors attended the Meeting.

II. CONSIDERATION AND VOTING RESULTS OF THE MEETING

1. Amendments to articles of association of the Company

11 affirmative votes, 0 dissenting vote and 0 abstaining vote. The resolution was passed at the Meeting.

2. Amendments to Rules of Procedures for the Shareholders’ General Meeting

11 affirmative votes, 0 dissenting vote and 0 abstaining vote. The resolution was passed at the Meeting.

3. The second largest shareholder of the Company, Yunnan Industrial Investment Holding Group Co., Ltd. (“Yunnan Industrial Investment”) holds 34,153,400 shares of the Company, representing 6.43% issued shares of the Company. According to relevant provisions of the Company Law of the People’s Republic of China, Yunnan Industrial Investment nominated Mr. Ding Side as a candidate for director of the 9th board of directors of the Company.

To consider and approve Mr. Ding Side as a director of the 9th board of directors of the Company, his tenure of appointment of director is the same as the tenure of the 9th board of directors of the Company.

Ding Side, male, born in 1984, master of Economics. From July 2007 to March 2009, Mr. Ding was an industry researcher in TX investment Consulting Co., Ltd.; from March 2009 to March 2010, he was an industry researcher in Beijing Zhi Ying Yi He Financial Consultant Co., Ltd.; from August 2010 to June 2015, he was a senior industry researcher and director of industry research in Lianxun Securities Co., Ltd.; from June 2015 to June 2018, he was a senior industry researcher in Huarong Securities Co., Ltd.; and from July 2018 up to now, he has been a vice general manager of Equity Operations Department of Yunnan Industrial Investment Holding Group Co., Ltd. .

11 affirmative votes, 0 dissenting vote and 0 abstaining vote. The resolution was passed at the Meeting.

The above three resolutions will be submitted to the second extraordinary general meeting of 2018 for consideration and approval. Details of the resolutions will be published on the following websites: www.neeq.com.cn, www.hex.com.hk, and www.kmtcl.com.cn.

Board of Directors
Shenji Group Kunming Machine Tool Company Limited

Kunming, the PRC, 12 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.