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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 CIVIL JUDGEMENT

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 Contents:

- The status of the Company in the litigation: co-defendant (as the first defendant)
- Amount involved: RMB630,891.14 in total (not including litigation costs)
- The Company is a co-defendant in the cases. Currently, the Company is unable to predict the impact of the cases on the profits and losses of the Company

Reference is made to the Company’s announcement on 6 April 2017. The Company as a co-defendant (as the first defendant) was sued by the plaintiffs by their own name respectively by false statements on securities (for details, please refer to the Company’s announcement no. 2017-034).

Recently, the Company received the first instance civil judgement from Kunming Intermediate People’s Court of Yunnan province. The relevant judgement is announced as follows:

The defendants, Shenji Group Kunming Machine Tool Co., Ltd., Shenyang Machine Tool (Group) Co., Ltd., Zhong De Securities and Tibet Unis-zhuoyuan Equity Investment Co., Ltd. should jointly and severally compensate the plaintiffs’ losses of RMB647,395.14 in total within 10 days from the effective date of this judgement (the specific amount of compensation is showed in the table below).

Unit: RMB

Name	The amount of compensation	Judgement Number	Name	The amount of compensation	Judgement Number
Jiang Rufeng	57107.99	(2017) Yun 01 Min Chu No. 473	Ma Danping	5111.81	(2017) Yun 01 Min Chu No. 497
Wang Bin	125936.37	(2017) Yun 01 Min Chu No. 477	Cui Longlong	151.51	(2017) Yun 01 Min Chu No. 498
Shi Guijuan	10889.24	(2017) Yun 01 Min Chu No. 479	Lan Yanwei	12291.33	(2017) Yun 01 Min Chu No. 499
Luo Guiqin	8544.45	(2017) Yun 01 Min Chu No. 481	Ma Danhong	87304.66	(2017) Yun 01 Min Chu No. 500
Cao Yuqiu	43062.22	(2017) Yun 01 Min Chu No. 483	Zhang Jianyun	10896.26	(2017) Yun 01 Min Chu No. 501
Wang Xiaodan	5201.59	(2017) Yun 01 Min Chu No. 486	Yang Jingze	29383.15	(2017) Yun 01 Min Chu No. 502
Xu Xiaoyi	118761.05	(2017) Yun 01 Min Chu No. 488	Wang Xianying	8466.67	(2017) Yun 01 Min Chu No. 503
Chen Hongzhong	4166.32	(2017) Yun 01 Min Chu No. 490	Zhang Chuanbin	14503.65	(2017) Yun 01 Min Chu No. 506
Lin Rongfeng	65651.04	(2017) Yun 01 Min Chu No. 491	Meng Jun	23461.83	(2017) Yun 01 Min Chu No. 519

If the defendants do not fulfill the obligations of payment in accordance with the period specified in this judgement, according to the article 253 of Civil Procedure Law of People's Republic of China, the defendants should pay the debt interest in double during the delayed performance period.

The court costs should be borne by the plaintiffs and defendants, details are as follows:

Unit: RMB

Name	Court costs		Name	Court costs	
	Plaintiff	Defendant		Plaintiff	Defendant
Jiang Rufeng	573	1338	Ma Danping	152	353
Wang Bin	1390	3244	Cui Longlong	15	35
Shi Guijuan	119	278	Lan Yanwei	72	167
Luo Guiqin	32	73	Ma Danhong	968	2258
Cao Yuqiu	401	935	Zhang Jianyun	58	135

Wang Xiaodan	15	35	Yang Jingze	534	1246
Xu Xiaoyi	1107	2583	Wang Xianying	62	143
Chen Hongzhong	143	333	Zhang Chuanbin	190	444
Lin Rongfeng	869	2028	Meng Jun	375	876

If the party(ies) disagree with this judgement, the party(ies) may file an appeal to the Kunming Intermediate People's Court of Yunnan province within 15 days of the date of delivery of the judgement and submit copies according to the number of the other parties or representatives, appeal the case in the higher People's Court of Yunnan Province.

After the legal effect of this judgment, if the party who bears obligations does not automatically fulfill this judgement, the party who enjoys the rights may apply to the people's court of the original trial for enforcement within the time limit prescribed by law after the expiration of the fulfillment period specified in this judgement. The period of application for enforcement is two years.

The Company is a co-defendant in the cases and this judgement is not a final judgement. Currently, the Company is unable to predict the impact of the above judgement on the profits and losses of the Company. Investors are advised to pay attention to the investment risks.

Board of Directors
Shenji Group Kunming Machine Tool Company Limited

Kunming, the PRC, 14 January 2019

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, Ms. Wu Yu and Mr. Ding Side; and the independent non-executive directors are Mr. Na Chaohong, Mr. Chi Yilin, Ms. Jin Mei and Ms. Tian Ruihua.