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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 18th 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
- The resolutions have been passed at the Meeting

I. CONVENING OF THE MEETING

1. The eighteenth 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 21 January 2019.
3. The Meeting was held on 25 January 2019 and the vote is by way of written.
4. All 12 eligible directors attended the Meeting.

II. CONSIDERATION AND VOTING RESULTS OF THE MEETING

1. Consented to re-appoint Da Hua Certified Public Accountants (Special General Partnership) as the auditor of the Company for the year 2018, and as the Company’s A Shares have been delisted, authorizing the management team of the Company to re-negotiate the audit fee with Da Hua Certified Public Accountants;

12 Affirmative votes, 0 dissenting vote and 0 abstaining vote. The resolution was passed at the Meeting.

2. Proposed to convene a Company's extraordinary general meeting to consider and approve the above resolution and authorizing the secretary to the Board to publish the notice of extraordinary general meeting of the Company.

12 Affirmative votes, 0 dissenting vote and 0 abstaining vote. The resolution was passed at the Meeting.

The above number 1 resolution will be submitted to the coming first extraordinary general meeting of 2019 for consideration and approval. Details of the resolution will be published in the following websites: www.neeq.com.cn or www.neeq.cc, www.hkex.com.hk, and www.kmtcl.com.cn.

Board of Directors
Shenji Group Kunming Machine Tool Company Limited

Kunming, the PRC, 25 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.