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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)

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2019

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

- The date of the first extraordinary general meeting of 2019 (the “EGM”) will be 14 March 2019
- The adopted online voting system of the EGM: the holders' meeting online voting system by China Securities Depository and Clearing Co., Ltd. (the “CSDC”) (www.inv.chinaclear.cn) or concerned official WeChat public number of CSDC (“Business Hall of CSDC”).

I. CONVENING INFORMATION OF THE EGM

- 1.Shareholders’ meeting assembly session times: the first extraordinary general meeting of 2019;
- 2.Convener: the board of directors of the Company;
- 3.Legality and compliance of the EGM

The convening of the EGM and consideration procedures of the motions comply with relevant laws, administrative regulations, departmental regulations, regulatory documents and the Articles of Association of the Company. The voting results of the EGM will be true and legally valid.

- 4.Date and time of the EGM

Date and time of the EGM: 14 March 2019 at 9:30 a.m.;
The EGM is expected to last for half day.

5. Convening modalities of the EGM

Combination of on-site meeting and internet voting will be adopted for convening of the EGM

Online voting system: the holders' meeting online voting system by China Securities Depository and Clearing Co., Ltd. (the "CSDC") or concerned official WeChat public number of CSDC ("Business Hall of CSDC")

Commencing and ending date of online voting: from 12 March 2019
to 14 March 2019

Voting time for adopted the holders' meeting online voting system by CSDC or concerned official WeChat public number of CSDC ("Business Hall of CSDC"): from 15:00, 12 March 2019 to 15:00, 14 March 2019.

6. Qualified attendance

(1) Shareholders who hold the Company's shares on the record date

The record date of the EGM will be 14 February 2019. Holders of shares of the Company whose names appear on the register of members of CSDC, Beijing branch at the close of business on 14 February 2019 are entitled to attend the EGM (investors who buy securities on the share record date enjoy this right, and investors who sell securities on the share record date do not enjoy this right); shareholders may appoint proxy(ies) in writing to attend the EGM and vote, their appointed proxy(ies) need not be a shareholder of the Company.

Holders of H Shares of the Company whose names appear on the register of members of the Company at the close of business on 14 February 2019 (Thursday) are entitled to attend the EGM; or their appointed proxy(ies) who need not be a shareholder of the Company are entitled to attend the EGM.

Class of shares	Stock code	Short name	Record date
Domestic Shares	400806	Kunji 3	2019/02/14
H Shares	0300	Kunming Machine	2019/02/14

- (2) Directors, supervisors, the senior management officers of the Company and the person in charge of information disclosure;
- (3) The lawyers appointed by the Company and relevant intermediary organizations

7. Venue of the EGM:

Conference Room of the Office Building of the Company, 23 Ciba Road, Kunming City, Yunnan Province, the PRC

II. RESOLUTIONS FOR CONSIDERATION AND APPROVAL AT THE EGM

The resolution for consideration of re-appointing Da Hua Certified Public Accountants (Special General Partnership) as the auditor of the Company for the year 2018.

No.:	Resolutions	Type of voting shareholders
		Shareholders of the Company
Ordinary resolution		
1	To consider and approve to re-appoint Da Hua Certified Public Accountants (Special General Partnership) as the auditor of the Company for the year 2018.	√

(1) Disclosure time and media of resolutions

The resolution for considering at the EGM has been published on the following websites; www.neeq.com.cn, <http://www.hkex.com.hk> and <http://www.kmtcl.com.cn> on 25 January 2019.

(2) Special resolution for considering at the EGM: none

(3) Resolutions to small and medium investors for separate counting: all resolutions

(4) Resolutions involved connected shareholders avoiding voting: none

(5) Resolutions involved holders of preferred shares voting: none

III. REGISTRATION METHOD

1.Registration method

- 1.Holders of H Shares of the Company whose names appear on the register of members of the Company at the close of business on 14 February 2019 (Thursday) are entitled to attend the EGM by presenting their identity cards or passports. Holders of H Shares intend to attend the EGM are required to fax or mail their copies of identity cards or relevant page of their passport bearing their names, power of attorney (if applicable) and copies of identity cards of proxies together with reply slip for attending the EGM to the office of the board of directors of the Company by 21 February 2019 (Thursday). The register of members of H Shares of the Company will be closed on 15 February 2019 (Friday) to 14 March 2019 (Thursday) (both days inclusive), during which time no transfer of H Shares will be registered. People who buy H Shares of the Company during the book closure period are not entitled to attend the EGM.
- 2.Each shareholder who is entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on his or her behalf at the EGM (A proxy need not be a member of the Company).
- 3.The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorised in writing, or in the case of a legal person, must either be executed under its seal or under the hand of a legal representative or other attorney duly authorised to sign the same. If that instrument is signed by an attorney of the appointer, the power of attorney authorising that attorney to sign, or other document of authorisation, must be notarially certified. To be valid, for holders of A Shares, the

notarially certified power of attorney, or other document of authorisation, and the form of proxy must be delivered to the registered address of the Company no later than 24 hours before the time appointed for the holding of the EGM. In order to be valid, for holders of H shares, the above documents must be delivered to Hong Kong Registrars Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong within the same period of time.

4. Proxies of Shareholders shall attend the EGM by presenting shareholder's cards, proxy forms (if applicable) and identity cards of proxies. Proxies of H Shares shall attend the EGM by presenting instrument (if applicable) and their identity cards or passports.

2. Registration time: 14 February 2019

3. Registration venue: 23 Ciba Road, Kunming City, Yunnan Province

IV. OTHER MATTERS

1. Contact information

Facsimile: +86 871 66166623 or +86 871 66166288

Telephone: +86 871 66119759 or +86 871 66166623

Contact person: Mr. He Xi and Ms. Wang Bihui

2. According to the replies received before 20 days convening the EGM, the number of shares represented by the shareholders intending to attend the EGM carrying voting right will be calculated. If the calculated number is more than half of total number of shares of the Company carrying voting rights, the EGM will be held. Otherwise, the Company should announce another notice of EGM including the resolutions, the date and address of EGM within five days. Then the EGM will be convened as scheduled.

3. The EGM is expected to last for half day. Shareholders (or their proxies) attending the EGM are responsible for their own transportation and accommodation expenses.

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.