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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 20th 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:

- Directors Ding Side could not attend the Meeting of the Company due to official duties.
- The resolutions have been passed at the Meeting

I. CONVENING OF THE MEETING

1. The twentieth 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 19 March 2019.
3. The Meeting was held on 29 March 2019 at Kunming city and adopted on-site voting.
4. Eleven of 12 eligible directors attended the Meeting.
Directors Ding Side could not attend the Meeting of the Company due to official duties.
5. Three supervisors of the Company presented at the Meeting.
Supervisors Ms. Su Jiao and Mr. Cai Zhemin could not attend the Meeting and they appointed supervisor Mr. Zhou Guoxing to vote on behalf of them at the Meeting.
6. The Meeting was presided at the chairman of the Company.

II. CONSIDERATION AND VOTING RESULTS OF THE MEETING

1. The work report of the president of the Company for the year 2018;
There are 12 affirmative votes, 0 dissenting vote and 0 abstaining vote on this resolution and the resolution was passed at the Meeting.

2. The report of the board of directors of the Company;
There are 12 affirmative votes, 0 dissenting vote and 0 abstaining vote on this resolution and the resolution was passed at the Meeting.
3. The annual report of the Company for the year 2018 (“Annual Report”) and the summary of the Annual Report;
There are 12 affirmative votes, 0 dissenting vote and 0 abstaining vote on this resolution and the resolution was passed at the Meeting.
4. The profit distribution of the Company for the year ended 31 December 2018;
For the year ended 31 December 2018, the Company will not distribute cash dividend or bonus share, or conduct conversion of capital reserves into share capital.
There are 12 affirmative votes, 0 dissenting vote and 0 abstaining vote on this resolution and the resolution was passed at the Meeting.
5. Remuneration and assessment proposal for senior management officers for the year 2018;
There are 12 affirmative votes, 0 dissenting vote and 0 abstaining vote on this resolution and the resolution was passed at the Meeting.
6. The report on the Company’s performance on social liabilities for the year 2018;
There are 12 affirmative votes, 0 dissenting vote and 0 abstaining vote on this resolution and the resolution was passed at the Meeting.
7. Audit committee’s work report for the year 2018;
There are 12 affirmative votes, 0 dissenting vote and 0 abstaining vote on this resolution and the resolution was passed at the Meeting.
8. The independent non-executive directors’ work report for the year 2018;
There are 12 affirmative votes, 0 dissenting vote and 0 abstaining vote on this resolution and the resolution was passed at the Meeting.

The above number 2, 3, 4 and 8 resolutions will be submitted to the coming annual general meeting for consideration and approval. Details of the resolutions will be published on the following websites: <http://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, 29 March 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.