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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 21<sup>st</sup> Meeting of the 9<sup>th</sup> 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 resolution has been passed at the Meeting

**I. CONVENING OF THE MEETING**

1. The 21<sup>st</sup> meeting of the 9<sup>th</sup> 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 23 April 2019.
3. The Meeting was held at Kunming by way of written vote.
4. All 12 eligible directors attended the Meeting.

**II. CONSIDERATION AND VOTING RESULT OF THE MEETING**

1. Agreed to provide joint and several liability of RMB191.665 million corporate guarantee for extension the loan contract no. 2160099922017113565 with extension period of 7 months, which signed by Shenyang Machine Tool (Group) Co., Ltd. (“Shenyang Group”) and the Export-Import Bank of China, Yunnan Branch. Meanwhile, in the original manner, using the Company’s buildings and land as mortgage guarantee, which under the immovable property rights number 雲(2018)嵩明縣不動產權第0000215號(原土地證號嵩國用(2014)第927號、原土地證號嵩國用(2012)第1474號、原房產證號20141352

號) in Yang Lin Industrial Park. The specific guarantee content shall be subject to the guarantee contract signed by both sides. (It will be a connected transaction and the connected directors Mr. Wang He, Mr. Zhang Xiaoyi, Mr. Peng Liangfeng, Ms. Xu Juan, Mr. Xia Changtao and Mr. Liu Chunshi avoided voting).

6 affirmative votes, 0 dissenting vote, 0 abstaining vote and 6 avoiding votes. The resolution was passed at the Meeting.

The above resolution belongs to significant event and it will be submitted to the shareholders' general meeting for consideration and approval.

Board of Directors  
**Shenji Group Kunming Machine Tool Company Limited**

Kunming, the PRC, 30 April 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.*