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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 Resolution Passed  
at the 24<sup>th</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 24<sup>th</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 2 July 2019.
3. The Meeting was held on 5 July 2019 and the vote was by way of written.
4. All 12 eligible directors attended the Meeting.

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

1. The Company proposed to establish a wholly-owned subsidiary – KUNMING MACHINE TOOL SALES AND SERVICES COMPANY LIMITED (proposed name, the final name is subject to the approval by the Industrial and Commercial Registration). The subsidiary’s registered capital: RMB3 million; legal representative: Peng Liangfeng; and financial controller: Xu Juan

10 affirmative votes, 2 dissenting votes and 0 abstaining vote. The resolution was passed at the Meeting.

Reasons for dissenting: The Company can use existing entities to undertake related matters according to relevant laws and regulations. Therefore, the motion of this Meeting was voted against.

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

Kunming, the PRC, 8 July 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.*