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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 the Rulings of the Court  
Regarding the Controlling Shareholder Being Applied for Restructuring**

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.

Reference is made to the announcement of the Company dated 15 July 2019, which indicated Shenyang Jin Lijian Lubrication Technology Co. Ltd., the creditor (the “Creditor”) of the controlling shareholder of the Company (the “Controlling Shareholder”) – Shenyang Machine Tool (Group) Company Limited (“Shenyang Group”), had applied for Shenyang Group restructuring to the Intermediate People's Court of Shenyang (the “Court”) (for details, please refer to the announcement of the Company 2019-034)

**I. Information of the rulings of the Court regarding the Controlling Shareholder being applied for restructuring**

The Company received the Notification from Shenyang Group on 19 July 2019 (the “Notification”). According to the Notification, Shenyang Group had received the Rulings for Liao 01 Po Shen no. 15 2019 (the “Rulings”) and Written Decisions for Liao 01 Po no. 8-1 2019 (the Written Decisions”). The contents are as follows:

1. The Court determined to accept the application for Shenyang Group restructuring by the Shenyang Jin Lijian Lubrication Technology Co. Ltd.;
2. The Court designated the liquidation group of Shenyang Group acting as the administrator of Shenyang Group.

## **II. Risk warning**

As at the date of the announcement, Shenyang Group holds 133,222,774 shares of the Company, representing 25.08% of total issued shares of the Company. Shenyang Group entering the restructuring procedure will have an impact on the Company's shareholding structure. Investors are advised to pay attention to the investment risk.

As at the date of the announcement, certain bank loans of the Company are secured loans provided by Shenyang Group, the substantial shareholder of the Company. After Shenyang Group entering the restructuring procedure, such bank loans of the Company will be affected. Investors are advised to pay attention to the investment risk.

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

Kunming, the PRC, 19 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.*