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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 in Relation to the Matter of Cancellation of Listing of the Company's H Shares

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.

The announcement is made in accordance with the requirement of the Stock Exchange of Hong Kong Limited (the "Exchange"). The announcement is published on 21 August 2019 on the website of the Exchange (www.hkex.com.hk).

Under the rule 6.01A(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the Exchange may cancel the listing of an issuer whose securities have been suspended from trading for a continuous period of 18 months. Under rule 6.01A(2)(b)(ii), if trading in an issuer's securities has been continuously suspended for 12 months or more as at 1 August 2018, the 18 months period commences 6 months before 1 August 2018 (and hence ended on 31 July 2019).

Trading in the Company's securities has been suspended since 23 March 2017. On 6 August 2018, the Securities and Futures Commission (the SFC) exercised its power under section 8(1) of the Securities and Futures (Stock Market Listing) Rules to direct the Exchange to suspend dealings in the shares of the Company.

The Company failed to resume trading in its securities by 31 July 2019. Therefore, the Listing

Committee decided to cancel the listing of the Company's shares on the Exchange under rule 6.01A of the Listing Rules. According to the decision, the listing of the Company's shares will be cancelled with effect from **9:00 am on 26 August 2019** under rule 6.01A of the Listing Rules.

Shareholders of the Company who have any queries about the implication of the delisting are advised to obtain appropriate professional advice.

Board of Directors
Shenji Group Kunming Machine Tool Company Limited

Kunming, the PRC, 21 August 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.