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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 company established in the People's Republic of China with limited liability)
(Stock Code: 0300)

**Supplemental Announcement on 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.

Reference is made to the announcement of the Company dated 21 August 2019 (the “**Announcement**”). Terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated. The Board would like to provide further information in relation to the cancellation of the listing of Company's H shares, as follows:

CONSEQUENCES TO THE SHAREHOLDERS

All shareholders and investors should note that after the last listing date, being 26 August 2019 (the “**Last Listing Date**”), whilst the share certificates of the Company's H shares will remain valid, such shares will not be listed on, and will not be tradeable on the Exchange. Accordingly, there will be no public market for the trading of the Company's H shares, and the Company will no longer be subject to the Listing Rules.

MAINTAINING THE HONG KONG SHARE REGISTER

After the Last Listing Day, all shares currently registered with HKSCC Nominees Limited would be removed and registered in the names of the beneficial owners or other nominees. The register of members of the Company (“**Hong Kong Register**”) in Hong Kong maintained by Hong Kong Registrars Limited shall be maintained until further notice.

Any shareholder who wish to transfer their shares (by way of a sale or otherwise or re-register the shares into the name(s) of the ultimate beneficial owner(s) or a new nominee on the Hong Kong Register) must submit an original instrument of transfer duly signed by the transferor and transferee and the original share certificate(s) in respect of the relevant share(s) to Hong Kong Registrars Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

Shareholders who have any queries about the implications of the cancellation of the Company's listing are advised to obtain appropriate professional advice.

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

Kunming, the PRC, 23 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.