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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)

Poll Results of the Fourth Extraordinary General Meeting of 2014

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 authenticity, accuracy and completeness of the content herein.

IMPORTANT INFORMATION:

- No new resolution was added, no resolution was amended and/or vetoed at the fourth extraordinary general meeting of 2014 of the Company (the “EGM”)
- No result of the last shareholders’ meeting was changed at the EGM

I. CONVENING AND ATTENDANCE OF THE EGM

1. The EGM was held at 9:30 a.m. on 19 December 2014 at the Conference Room, 2nd Floor, Office Building of the Company, 23 Ciba Road, Kunming City, Yunnan Province, the PRC.
2. As at the date of the EGM, the Company had 531,081,103 Shares in issue. Of which, 390,186,291 shares were A Shares, representing 73.47% of the total issued shares of the Company, and 140,894,812 shares were H Shares, representing 26.53% of the total issued shares of the Company. As at the date of the EGM, the total number of Shares entitling the Shareholders to attend and vote for or against the one resolution at the EGM was 531,081,103 shares. As at the date of the EGM, the total number of Shares entitling the Shareholders to attend and vote only against any resolution or all resolutions was zero.

The date of registration of shares for the EGM was 18 November 2014 for A Shares and H Shares. According to the replies on 28 November 2014, the shareholders are to be attending the EGM holding 303,528,422 shares with voting rights, representing 57.15% of the total number of issued shares of the Company.

The EGM adopted onsite vote by poll and vote by internet combined voting methods. The Company provided an internet voting platform to holders of A Shares of the Company through Shanghai Stock Exchange trading system. Holders of A Shares can vote by internet via the above system during the regulated time. The time for internet voting was 9:30 ~ 11:30 and 13:00 ~ 15:00 on 19 December 2014.

Five shareholders or authorized proxies actually attended the EGM, their holding shares with voting rights at the EGM were 173,051,739 shares, representing 32.58% of the total number of issued shares of the Company.

1. Number of shareholders attended the EGM in person or authorized proxies	3
of which:	2
Number of shareholders with domestic shares (applicable to companies with foreign shares)	
Number of shareholders with foreign shares (applicable to companies with foreign shares)	1
Holding shares with voting rights at the EGM	173,022,639
of which:	170,284,959
Number of shares holding by domestic shareholders (A Shares)	
Number of shares holding by foreign shareholders (H Shares)	2,737,680
Representing of the total number of issued shares of the Company (%)	32.58%
of which:	32.06%
Shares holding by domestic shareholders representing of the total number of issued shares of the Company (%) (A Shares)	
Shares holding by foreign shareholders representing of the total number of issued shares of the Company (%) (H Shares)	0.52%
2. Shareholders attended the EGM by vote through the internet	2
of which:	2
Number of shareholders with domestic shares (A Shares)	
Number of shareholders with foreign shares (H Shares)	0
Holding shares with voting rights at the EGM	29,100
of which:	29,100
Number of shares holding by domestic shareholders (A Shares)	
Number of shares holding by foreign shareholders (H Shares)	0
Representing of the total number of issued shares of the Company (%)	0.01%
of which:	0.01%
Shares holding by domestic shareholders representing of the total number of issued shares of the Company (%) (A Shares)	
Shares holding by foreign shareholders representing of the total number of issued shares of the Company (%) (H Shares)	0

Note: the above H Shares attending the EGM were HKSCC (Nominees) Limited appointed the chairman of the EGM to vote according to the instructions.

3. The convening of the EGM complied with the “Company Law of the People’s Republic of China”, “Listing Rules of Shanghai Stock Exchange”, “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” and the Articles of Association of the Company. The convening of the EGM was legally valid.

The EGM was convened by the Board and chaired by the vice chairman of the Board of the Company. The shareholders, authorized proxies, directors and supervisors, the secretary to the Board of the Company attended the EGM. The representative of Yunnan Qinye Attorneys and the representative of KPMG Huazhen (Special General Partnership) attended the meeting, both Qinye Attorneys and KPMG Huazhen (Special General Partnership) are the intermediaries of the Company relating to the considering resolution at the EGM.

4. Attendance of directors, supervisors and the secretary to the board at the EGM
Directors Mr. Zhang Xiaoyi and Mr. Zhang Zeshun attended the EGM, other directors of the Company could not attend the EGM due to official duties.
Supervisor Mr. Shao Li attended the EGM, other supervisors of the Company could not attend the EGM due to official duties.
Secretary to the Board Mr. Luo Tao attended the EGM, other senior management officers of the Company could not attend the EGM due to official duties.

5. Information of counting and scrutinizing votes
The representative of holders of A Shares, Mr. Zhang Zeshun and the representative of Yunnan Qinye Attorneys, Mr. Wang Changyou were appointed as the persons to count the votes. Company’s supervisor, Mr. Shao Li and the auditor of the Company, KPMG Huazhen (Special General Partnership), were appointed as the scrutineers for vote taking at the EGM.

Note: The poll results were subject to scrutiny by KPMG Huazhen (Special General Partnership), Certified Public Accountants, whose work was limited to certain procedures requested by the Company to agree the poll results summary prepared by the Company to poll forms collected and provided by the Company to KPMG Huazhen (Special General Partnership). The work performed by KPMG Huazhen (Special General Partnership) in this respect did not constitute an assurance engagement made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements nor did it include provision of any assurance or advice on matters of legal interpretation or entitlement to vote.

II. CONSIDERATION AND VOTING RESULTS OF THE RESOLUTIONS

1. To consider and approve the daily connected transactions of 2015 being entered into between the Company and Kunming TOS Machine Tool Manufacturing Company Limited (“Kunming TOS”).

	Affirmative votes	Proportion (%)	Dissenting votes	Proportion (%)	Abstaining votes	Proportion (%)
Shareholders	173,029,739	99.99	22,000	0.01	0	0
Holders of A Shares	170,292,059	99.99	22,000	0.01	0	0
Holders of H Shares	2,737,680	100	0	0	0	0

The resolution was passed at the EGM.

III. PRESENCE OF THE LAWYER

Yunnan Qinye Attorneys designated a lawyer attended the EGM, and Yunnan Qinye Attorneys provided the following legal opinions:

The convening and process of the fourth extraordinary general meeting of 2014 of Shenji Group Kunming Machine Tool Company Limited (the “EGM”), the eligibility of persons attending the EGM, and voting procedures of the EGM complied with relevant laws and regulations of the PRC and the Articles of Association of the Company, were legally valid.

IV. Appendix announced through internet

Legal Opinions

Board of Directors
Shenji Group Kunming Machine Tool Company Limited

Kunming, PRC, 19 December, 2014

As at the date of this announcement, the Company’s executive directors are Mr. Wang Xing, Mr. Chang Baoqiang, Mr. Zhang Xiaoyi and Mr. Zhang Zeshun; non-executive directors are Mr. Zhang Tao, Mr. Liu Yan, Ms. Liu Haijie and Mr. Gao Minghui; and the independent non-executive directors are Mr. Yang Xiongsheng, Mr. Tang Chunsheng, Mr. Chen Fusheng and Mr. Liu Qiang.