

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 Director of the Company Be Subject To Administrative Penalty

The announcement is in regard to the Company disclosed the related information pursuant to the requirements under paragraphs 13.51(2)(n)(iii) and (r) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited subsequent to the Company receiving the Prior Notification of Administrative Penalty of China Securities Regulatory Commission (“CSRC”).

On 23 September 2016, the Company published the Announcement on the Substantial Shareholder of the Company Receiving the Prior Notification of Administrative Penalty of China Securities Regulatory Commission (“CSRC”) on the website of Hong Kong Exchanges and Clearing Limited, <http://www.hkex.com.hk>; the website of Shanghai Stock Exchange, <http://www.sse.com.cn>; and the website of the Company, <http://www.kmtcl.com.cn> respectively. After investigation, CSRC issued the Prior Notification of Administrative Penalty to the Company which described the detail information of the matter, and according to the term 163 under the Securities Law of People's Republic of China (the “Securities Law”), for the Company’s behavior of materially omissions in the information disclosure which stated in 1 of 193 term under the Securities Law, CSRC intends to give a warning to related persons and impose a fine.

Pursuant to the requirements under paragraphs 13.51(2)(n)(iii) and (r) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Company disclosed the information of director’s violation of the Securities Law and the director will be subject to administrative penalty. The board of directors of the Company did not raise any objection to his post on the penalty of the director, Mr. Wang Xing.

Board of Directors
Shenji Group Kunming Machine Tool Company Limited

Kunming, PRC, 29 September 2016

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