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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 Resolutions Passed
At the 43rd Meeting of the 8th Term of the Board of Directors

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 CONTENTS:

- All directors of the Company attended the 43rd meeting of the 8th Board of the Company (the “Meeting”);
- All resolutions have been passed at the Meeting.

I. CONVENING OF THE MEETING

1. The Meeting complied with the relevant laws, administrative regulations, departmental regulations, regulatory documents and the Articles of Association of the Company.
2. The information of the Meeting was sent to directors on 20 January 2017.
3. The Meeting was held on 23 January 2017 at Kunming City the voting is by way of communication.
4. All 10 eligible directors attended the Meeting.
5. The Meeting was presided at the acting chairman of the Board of the Company.

II. CONSIDERATION AND VOTING RESULTS OF THE MEETING

1. Explanation on the expected loss in the annual results of 2016;

There were 10 affirmative votes, 0 dissenting vote and 0 abstaining vote on this resolution and the resolution was passed at the Meeting.

2. To consider and approve Mr. Peng Liangfeng to be the general manager of the Company, and his tenure of directors is the same as the tenure of the eighth board of directors of the Company.

Resume of Peng Liangfeng, male, born in August 1981, holding a master degree in engineering, engineer. Mr. Peng is currently a vice general manager of the Company and is in charge of the marketing efforts. Mr. Peng graduated from Mechanical and Electrical Engineering College of Kunming University of Science and Technology in July 2006. From July 2006 to December 2012, he was a designer of Technology Center, designer of product parts, executive designer of products and director of gantry product designing office of the Company. From December 2012 to February 2014, he was a product manager of gantry product line of CNC machine tool division, director of technology department, vice chief engineer. From February 2014, he has been the general manager of gantry division of the Company. From 30 March 2015, he has been the vice general manager of the Company.

There were 10 affirmative votes, 0 dissenting vote and 0 abstaining vote on this resolution and the resolution was passed at the Meeting.

The above resolution no. 1 will be published in China Securities Daily, Shanghai Securities News and Securities Times on 24 January 2017 and the following websites: www.sse.com.cn, www.hex.com.hk, and www.kmtcl.com.cn.

Board of Directors
Shenji Group Kunming Machine Tool Company Limited

Kunming, PRC, 23 January 2017

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