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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 the Risk of Suspension of Listing of the A Shares of the Company**

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**

- According to the regulations of the Listing Rules of the Shanghai Stock Exchange, the Company’s A Shares may be suspended from listing by the Shanghai Stock Exchange. Investors are advised to pay attention to risks!

### **I. Reasons for the suspension of listing of the A Shares of the Company**

A delisting risk warning on the A Shares had been issued by the Shanghai Stock Exchange since 1 April 2016 pursuant to the Shanghai Listing Rules in view of the Company sustained an audited net loss for each of the two most recent consecutive financial years ended 31 December 2014 and 31 December 2015. Under the relevant regulations of Listing Rules of Shanghai Stock Exchange, if the Company's audited net profit in 2016 is still negative, the Company's A Shares will be suspended from the date of disclosure of the 2016 annual report. Shanghai Stock Exchange will make a decision on whether suspend the listing of the A Shares of the Company within 15 trading days after the date of suspension.

### **II. Other explanation**

After preliminary calculation by the financial department of the Company, it is estimated that the Company would have a loss in the annual results of 2016. The net profit attributable to equity holders of the Company for the year 2016 is expected to about negative RMB375 million. The

Company has published the Announcement on the Risk of Suspension of Listing of the A Shares of the Company on 5 January, 11 January, 18 January and 16 February 2017 respectively, and published the Announcement on Expected Loss in the Annual Results of 2016 on 23 January 2017.

Under the relevant regulations of Listing Rules of Shanghai Stock Exchange, if the Company's audited net profit in 2016 is still negative, the Company's A Shares may be suspended from listing after the disclosure of the annual report 2016 of the Company.

The Company's designated information disclosure media are China Securities Daily, Shanghai Securities News and Securities Times and the following websites: [www.sse.com.cn](http://www.sse.com.cn), [www.hex.com.hk](http://www.hex.com.hk), and [www.kmtcl.com.cn](http://www.kmtcl.com.cn). The Company has published announcements on risk warning for several times. Investors are advised to pay attention to risks!

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

Kunming, PRC, 17 February 2017

*As at the date of this announcement, the Company's executive directors are Mr. Wang He, Mr. Zhang Xiaoyi, Mr. Peng Liangfeng 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.*