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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)

**Informative Announcement on
Trading Halt and Resumption of Trading of A Shares of the Company**

This announcement is made pursuant to the Rule 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance for simultaneous release of information in Shanghai and Hong Kong.

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.

Due to during the process of 2016 annual audit finding inside information was not disclosed, in order to ensure the fair information disclosure, to protect the interests of the investors, to avoid causing unusual price movement of the shares of the Company, after applying by the Company, trading of shares of the Company was halted on 20 March 2017.

The Company has published an announcement on the above matter (please refer to the announcement (no. 2017-025) of the Company published on 21 March 2017 for details), and the Company applied for trading of A Shares of the Company to be resumed on 21 March 2017.

Board of Directors
Shenji Group Kunming Machine Tool Company Limited

Kunming, PRC, 20 March 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.