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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 Receiving the Notification of Investigation of CSRC

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.

On 22 March 2017, the Company received the investigation notification from China Securities Regulatory Commission (“CSRC”) (Yun Zheng Diaocha Zi no. 2017004). Since the information disclosure of the Company breach of securities laws and regulations, according to the Securities Law of the People's Republic of China, CSRC decided to initiate an investigation to the Company.

If according to the CSRC investigation results, the Company touch on the regulation of significant illegal delisting standards under the Shanghai Stock Exchange Listing Rules, the Company’s stock would be terminated listing. Investors are advised to pay attention to the investment risk.

Board of Directors

Shenji Group Kunming Machine Tool Company Limited

Kunming, PRC, 22 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.