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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 Unusual Price Movement of 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

- On 19 June, 20 June and 21 June 2018, the closing price deviation value of decrease of A Shares (the “Shares”) of the Company accumulated more than 20% in three consecutive trading days. According to the relevant regulations of Shanghai Stock Exchange, this situation was subject to the unusual trading movement. After checking and verification by the Company, there are no matters that should be disclosed but not disclosed.
- After the Company self-inspection, and enquiry to and confirmed by the controlling shareholder, beneficial shareholder of the Company in writing, as at the date of this announcement, the Company, the controlling shareholder and the beneficial shareholder of the Company confirmed that they did not have matters that should be disclosed but not disclosed.
- The Shares of the Company will be traded for 30 trading days in the delisting and finishing period. As at the date of this announcement (including the day of the announcement), Shares have been traded for 17 trading days, and there will be 13 trading days left. The Shares will be terminated listing after the expiration of the delisting and finishing period. Investors are advised to pay attention to the investment risks.
- During the delisting and finishing period, the Company will not plan or implement major

assets restructuring.

I. Information of the Unusual Trading Movement of A Shares of the Company

As at 21 June 2018, the closing price deviation value of decrease of A Shares of the Company accumulated more than 20% in three consecutive trading days (19 June, 20 June and 21 June 2018). According to the relevant regulations of Shanghai Stock Exchange, this situation was subject to the unusual trading movement.

II. The Concerned and Verified Information by the Company

On 22 May 2018, the Company received the Decision on Termination of Listing of the Shares of Shenji Group Kunming Machine Tool Company Limited issued by Shanghai Stock Exchange. The Shanghai Stock Exchange decided to terminate the listing of the Shares of the Company. Except for the above, currently, the Company did not have matters that should be disclosed but not disclosed.

III. The Verified Other Related Information by the Company

1. After the Company self-inspection, currently, the Company's production and business activities are normal, there are no major adjustments in market environment and industry policies, production costs and sales do not fluctuate significantly, and the Company's internal production and business order is normal.
2. After the Company self-inspection, and enquiry to and confirmed by the controlling shareholder, beneficial shareholder of the Company in writing, as at the date of this announcement, the Company, the controlling shareholder and the beneficial shareholder of the Company did not have other significant matters that affected the unusual trading movement of the Company's Shares and did not have other significant matters that should be disclosed but not disclosed either.
3. After verifying, the Company's directors, supervisors, senior management officers, controlling shareholder and persons acting in concert did not trade the Shares of the Company.

IV. Declaration of the board of directors on not existing significant information should be disclosed but not disclosed

The board of directors of the Company confirmed that the Company did not have any major issues or any planning, negotiation, intention and agreement related to such issues which should be disclosed but not disclosed pursuant to the Shanghai Stock Exchange Listing Rules, and the Board has not been informed of any information which should be disclosed but not disclosed, and may have significant effects on the trading price of the Company's Shares according to the Shanghai Stock Exchange Listing Rules.

- V. According to relevant regulations under Detailed Rules for the Implementation of Business in the Delisting and Finishing Period Issued by Shanghai Stock Exchange, during the delisting and finishing period, the Company will not plan or implement major assets restructuring.

VI. Risk warnings

The Company's designated information disclosure media are China Securities Journal, Shanghai Securities News and Securities Times and the following websites: www.sse.com.cn, www.hex.com.hk, and www.kmtcl.com.cn. Related information published by the above designated media shall prevail.

From January 2017 up to now, the Company has published the announcements of risk warning on delisting for many times. Investors are advised to pay attention to the investment risk.

Board of Directors
Shenji Group Kunming Machine Tool Company Limited

Kunming, the PRC, 22 June 2018

As at the date of this announcement, the Company's executive directors are Mr. Wang He, Mr. Zhang Xiaoyi, Mr. Peng Liangfeng and Ms. Xu Juan; non-executive directors are Mr. Liu Chunshi, Mr. Xia Changtao, Mr. Kang Jun and Ms. Wu Yu; and the independent non-executive directors are Mr. Na Chaohong, Mr. Chi Yilin, Ms. Jin Mei and Ms. Tian Ruihua.