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## **TERMINATION OF THE MAJOR TRANSACTION IN RELATION TO THE PROPOSED DISPOSAL OF THE PROPERTY**

Reference is made to (i) the announcement of Cosmos Machinery Enterprises Limited (the “**Company**”) dated 4 July 2017 in relation to the proposed disposal of the Property (the “**Announcement**”); (ii) the circular of the Company dated 12 July 2017; and (iii) the announcement of the Company dated 18 July 2017 in relation to the postponement of EGM and postponement for book closure period (the “**Further Announcement**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise stated.

### **THE TERMINATION AGREEMENT**

The Board announces that on 28 July 2017, the Vendor and the Purchaser entered into the termination agreement (the “**Termination Agreement**”), pursuant to which the parties mutually agreed to terminate the Transfer Contract. The obligations and duties of the Vendor and the Purchaser under the Transfer Contract are released and the Vendor shall return the money paid by the Purchaser without interest.

### **REASONS FOR ENTERING INTO THE TERMINATION AGREEMENT**

The Transfer Contract is conditional upon the fulfilment of the Condition Precedent. As at the date of the Termination Agreement, the Condition Precedent has not been fulfilled and it is expected that such Condition Precedent will not be fulfilled within a short period of time as originally expected by the parties. After due and careful assessment of the market development and its own commercial considerations by the Purchaser, the Vendor and the Purchaser have agreed to terminate the Transfer Contract.

The Board is of the view that the termination of the Transfer Contract will not have any material adverse effect on the business operation and financial position of the Group.

As disclosed in the Further Announcement, the Company proposed to provide supplementary circular in which certain additional material information will be included for the Shareholders to make decisions in relation to the Disposal. Following the termination of the Transfer Contract, no supplementary circular will be issued and despatched to the Shareholders, nor will the EGM be convened and held in relation thereto.

By order of the Board  
**Cosmos Machinery Enterprises Limited**  
**TANG To**  
*Chairman*

Hong Kong, 28 July 2017

*As at the date hereof, the Board comprises of nine directors, of which three are executive directors, namely Mr. Tang To, Mr. Wong Yiu Ming and Mr. Tang Yu, Freeman, two are non-executive directors, namely Mr. Kan Wai Wah and Mr. Qu Jinping and four are independent non-executive directors, namely Ms. Yeung Shuk Fan, Mr. Cheng Tak Yin, Mr. Ho Wei Sem and Mr. Huang Zhi Wei.*