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PROFIT ALERT

This announcement is made by Cosmos Machinery Enterprises Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the inside information provisions (the “**Inside Information Provisions**”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review on the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 and the information currently available to the Board, the Group is expected to record a significant increase in unaudited consolidated profit for the year ended 31 December 2018 as compared to that of the year ended 31 December 2017. This increase was mainly attributable to the following reasons:

- (1) improvement in operating results of the plastic products and processing business, especially the Group’s manufacturing operation located in Zhuhai, the People’s Republic of China, reported a turnaround with operating profit for the year ended 31 December 2018 compared to the same period last year;
- (2) improvement in operating profit of the printed circuit board processing and trading business resulted from the enhancement of gross profit margin for the year ended 31 December 2018 compared to that of last year; and

- (3) a non-recurring gain on the disposal of entire issued share capital of MS Plasticorp, an indirect wholly-owned subsidiary of the Company prior to the completion of the disposal and incorporated in Cook Islands with limited liability, of approximately HK\$44,500,000, after deducting related statutory cost and expenses. Details of the disposal are set out in the Company's announcements dated 1 September 2017, 11 October 2017, 22 December 2017 and 20 March 2018, and the Company's circular dated 20 September 2017.

The Company is still in the process of finalizing the Group's final results for the year ended 31 December 2018. The information contained in this announcement is only a preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 which have not been audited or reviewed by the external auditors of the Company. Shareholders and potential investors are advised to read carefully the final results announcement of the Company for the year ended 31 December 2018 which will be published in March 2019.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 15 February 2019

As at the date of hereof, the Board is comprised of ten directors, of which four are executive directors, namely Mr. Tang To, Mr. Wong Yiu Ming, Mr. Tang Yu, Freeman and Mr. Mei Zheqi and 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.