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大同機械企業有限公司

**COSMOS MACHINERY ENTERPRISES LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 118)**

**DETERMINATION OF OFFER SIZE AND OFFER PRICE  
FOR THE A SHARE ISSUE OF THE ASSOCIATE**

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Company received notice from the Associate on 26th January, 2010 that following the completion of preliminary market consultation with price consultation parties conducted from 20th January, 2010 to 22nd January, 2010 in the PRC, the Company and the sponsor of the A Share Issue have determined the offer price at RMB36.5 per A Share and 20,000,000 A Shares with nominal value of RMB1.00 each will be issued.

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

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and further to the announcements of the Company dated 7th June, 2007, 9th July, 2007, 9th October, 2007, 3rd September, 2009 and 19th January, 2010.

Cosmos Machinery Enterprises Limited (the “Company”) received notice from its associate, Shenzhen Haoningda Meters Co., Ltd. (a company incorporated as a joint stock limited company in the People’s Republic of China) (the “Associate”) on 26th January, 2010 that following the completion of preliminary market consultation with price consultation parties conducted from 20th January, 2010 to 22nd January, 2010 in the PRC, the Company and the sponsor of the A Share Issue have determined the offer price at RMB36.5 per A Share and 20,000,000 A Shares with nominal value of RMB1.00 each will be issued.

The offer price was determined based on various considerations, including the results of the price consultation, the fundamentals of the Associate, situation of the industry, valuation of comparable companies and market conditions. Should the A Share Issue of the Associate complete with the said offer price and offer size, the Company's shareholding in the Associate will be reduced from approximately 41.99% to approximately 31.50%. Based on the assumption that the net proceeds from the A Share Issue is approximately RMB687 million, the estimated book gain on deemed disposal of the interests in the Associate expected to be recognized by the Company is approximately HK\$201 million.

The Company will update the progress of the A Share Issue of the Associate and make proper disclosure pursuant to the applicable listing rules if necessary. **Shareholders of the Company 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, 26th January, 2010

*As at the date hereof, the Board comprises of ten directors, of which three are executive directors, namely Mr. Tang To, Mr. Jiang Wei and Mr. Wong Yiu Ming, four are non-executive directors, namely Mr. Tang Kwan, Mr. Wu Ding, Mr. Kan Wai Wah and Mr. Qu Jinping and three are independent non-executive directors, namely Mr. Yip Jeffery, Ms. Yeung Shuk Fan and Mr. Cheng Tak Yin.*