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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)

VOLUNTARY ANNOUNCEMENT COMPLETION OF THE A SHARE ISSUE OF THE ASSOCIATE

The Company received notice from the Associate on 8th February, 2010 that the A Shares of the Associate will be listed and will commence trading on the Shenzhen Stock Exchange on 9th February, 2010.

This announcement is made by Cosmos Machinery Enterprises Limited (the “Company”) on a voluntary basis and with reference to the announcements of the Company dated 7th June, 2007, 9th July, 2007, 9th October, 2007, 3rd September, 2009, 19th January, 2010 and 26th January, 2010.

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 8th February, 2010 that the A Shares of the Associate will be listed and will commence trading on the Shenzhen Stock Exchange on 9th February, 2010. Some key information in respect of the A Share Issue is as follows:

Place of listing:	Shenzhen Stock Exchange
Date of listing:	9th February, 2010
Stock Name:	浩寧達
Stock Code:	002356
Issued price per share:	RMB36.5
Number of A Shares issued:	20,000,000 Shares

Total number of issued 80,000,000 Shares
Shares after completion
of the A Share Issue

The net proceeds of the A Share Issue is approximately RMB687,000,000. After completion of the A Share Issue, the Company's shareholding in the Associate is reduced from approximately 41.99% to approximately 31.50%. Due to dilution of shareholding, 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. After the listing of the Associate, the Company still holds 51,000,000 shares in the Associate through its associate company, Hon Kiu Machine Factory Limited which is 49.40% owned by the Company.

According to the prospectus of the Associate, the net proceeds will be used in the following four projects:

1. Approximately RMB200,000,000 will be used to increase the share capital in Nanjing Haoningda Electronic Meters Manufacturing Co., Ltd. (a wholly owned subsidiary of the Associate), to implement projects of electronic watt-meters and automatic electricity management terminal system
2. Approximately RMB56,000,000 will be used in the improvement projects on watt-meters and automatic electricity management terminal technology
3. Approximately RMB30,000,000 will be used to establish a corporate technology research centre
4. Approximately RMB19,000,000 will be used in establishing the sales network

As the net proceeds from the A Share Issue of the Associate is more than the total amount required for the above projects, the surplus amount will be used to strengthen the Associate's working capital base.

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

Hong Kong, 8th February, 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.