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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)**

## **RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

The Board of Directors (the “Board”) of Cosmos Machinery Enterprises Limited (the “Company”) announces that Mr. Yip Jeffery (“Mr. Yip”) has resigned as an independent non-executive director, member of audit committee and chairman of remuneration committee of the Company with effect from 3rd December 2010 for health reason.

Mr. Yip has confirmed that he has no disagreement with the Board and there are no matters relating to his resignation that need to be brought to the attention of the shareholders of the Company or The Stock Exchange of Hong Kong Limited. The Board takes this opportunity to express its appreciation to Mr. Yip for his invaluable contributions to the Company during his tenure.

Following Mr. Yip’s resignation, the Company has only two independent non-executive directors which falls below the minimum number of three independent non-executive directors as required under Rule 3.10(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rule”). Furthermore, the number of non-executive directors within the audit committee of the Company has fallen below three as required under Rule 3.21 of the Listing Rule. The Company will find a suitable candidate to fill the above vacancy as soon as practicable and will announce the appointment of the new independent non-executive director and member of audit committee as soon as possible and in any event within the time period set forth in Rule 3.11 of the Listing Rule.

By order of the Board  
**COSMOS MACHINERY ENTERPRISES LIMITED**  
**TANG To**  
*Chairman*

Hong Kong, 3rd December, 2010

*As at the date hereof, the board of directors of the Company is comprised of nine directors, of which three are executive directors, namely Mr. Tang To, Mr. Jiang Wei and Mr. Wong Yiu Ming, and four are non-executive directors, namely Mr. Tang Kwan, Mr. Wu Ding, Mr. Kan Wai Wah and Mr. Qu Jinping and two are independent non-executive directors, namely Ms. Yeung Shuk Fan and Mr. Cheng Tak Yin.*