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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)

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board is pleased to announce that Mr. Ho Wei Sem (何偉森) has been appointed as an independent non-executive director and a member of each of the audit committee and remuneration committee of the Company with effect from 21st December, 2010.

The Board of Directors (the “Board”) of Cosmos Machinery Enterprises Limited (the “Company”) is pleased to announce that Mr. Ho Wei Sem (何偉森) has been appointed as an independent non-executive director and a member of each of the audit committee and remuneration committee of the Company with effect from 21st December, 2010.

Mr. Ho Wei Sem, aged 63, has been working in various government institutions in Dongguan during the past 40 years and has extensive experience in management. Mr. Ho was the director-general of Dongguan City Municipal and Public Utilities Management Bureau (東莞市市政公用事業管理局) and Dongguan City Urban Integrated Management Bureau (東莞市城市綜合管理局) from 2000 to August, 2007 before his retirement. During the period from 1996 to 2000, he was the officer of Dongguan City Management Committee(東莞市城市管理委員會). From 1990 to 1996, he was the deputy chief of Dongguan City Urban and Rural Construction Planning Bureau (東莞市城鄉建設規劃局), and was the deputy supervisor of the Preparation Committee of Dongguan City Government (東莞市城區政府籌備組) during the period from 1988 to 1990.

Save as disclosed in this announcement, Mr. Ho does not hold any other positions with the Company or its subsidiaries and he did not hold any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Furthermore, he does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the date of this announcement, he does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Pursuant to an appointment contract signed by the Company and Mr. Ho, Mr. Ho's term of services with the Company is fixed at three years with effect from 21st December, 2010 unless early termination by either party serving not less than one month's prior written notice and subject to retirement by rotation and re-election in accordance with the Company's articles of association. Mr. Ho will be entitled to a fixed director's fee of HK\$40,000 per annum which has been determined by the Board with reference to his duties and responsibilities with the Company, the Company's performance and profitability, remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, the Board is not aware of any matters relating to the appointment of Mr. Ho that needs to be brought to the attention of the shareholders of the Company, and there is no other information that should be disclosed pursuant to paragraph 13.51(2)(h) to (v) of The Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Following the appointment of Mr. Ho as an independent non-executive director as well as a member of the audit committee of the Company, the Company has complied with the requirement of the minimum number of independent non-executive directors and audit committee members under Rules 3.10(1) and 3.21 of the Listing Rules.

The Board would like to take this opportunity to welcome Mr. Ho.

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

Hong Kong, 21st December, 2010

As at the date hereof, the board of directors of the Company is comprised 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 Ms. Yeung Shuk Fan, Mr. Cheng Tak Yin and Mr. Ho Wei Sem.