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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)

ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors (the “Board”) of Cosmos Machinery Enterprises Limited (the “Company”) announces that the Company is undergoing preliminary discussions with independent third parties relating to a proposed disposal (the “Proposed Disposal”) of certain shareholding interests in an associate company of the Company, Hon Kiu Machine Factory Limited (which the Company owns 49.4%) (“Hon Kiu”). As at the date of this announcement, Hon Kiu holds 51,000,000 shares (representing 63.75%) in Shenzhen Haoningda Meters Co., Ltd, which is a joint stock limited company in the PRC and whose shares are listed on the Shenzhen Stock Exchange. If materialised, the Proposed Disposal will constitute a notifiable transaction of the Company.

However, as at the date of this announcement, no definitive agreement has been signed and therefore the Proposed Disposal may or may not materialise. Shareholders of the Company and the potential investors are urged to exercise caution when dealing in the securities of the Company.

The Company will make further announcements to update the progress of the Proposed Disposal as and when required in accordance with the Rules Governing the relevant Listing of Securities on the Stock Exchange.

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

Hong Kong, 3rd January, 2013

As at the date hereof, the Board comprises of eleven directors, of which four are executive directors, namely Mr. Tang To, Mr. Jiang Wei, Mr. Wong Yiu Ming and Mr. Tang Yu, Freeman, three are non-executive directors, namely Mr. Wu Ding, 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.