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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)

## **DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTIES**

### **THE ACQUISITION**

The Board is pleased to announce that on 3 May 2024, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Seller entered into the Contracts, pursuant to which the Purchaser agreed to purchase and the Seller agreed to sell the Properties for the Consideration of RMB18,516,634.

### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition is more than 5% but all of which are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

### **INTRODUCTION**

The Board is pleased to announce that on 3 May 2024, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Seller entered into the Contracts, pursuant to which the Purchaser agreed to purchase and the Seller agreed to sell the Properties for the Consideration of RMB18,516,634.

### **THE CONTRACTS**

#### **Date**

3 May 2024

#### **Parties**

The Purchaser and the Seller

## **Properties acquired**

Property I and Property II, which are under construction and expected to be delivered before 31 December 2024.

## **Consideration**

RMB18,516,634, which shall be fully paid by the Purchaser to the Seller upon the execution of the Contracts. The Consideration was funded by the internal resources of the Purchaser and settled by the Purchaser.

The Properties were sold through public sale and the Consideration was determined by the Seller. In assessing the fairness and reasonableness of the Consideration, the Board has made reference to the prevailing market prices of similar properties in the vicinity.

## **REASONS AND BENEFITS OF THE ACQUISITION**

By virtue of the Acquisition, the Purchaser will have its own place of business and run its business operations at the Properties. Taking into account the (i) prevailing market prices of similar properties in the vicinity; and (ii) business development of the Purchaser, the Board considers that the Acquisition represents a good investment opportunity and would save the cost of renting office premises in the long term as well as improving the working environment of the Purchaser's employees.

In light of the above, the Directors are of the view that the terms of the Contracts and the transactions contemplated are fair and reasonable and in normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE PARTIES**

The Company is principally engaged in investment holding business.

The Purchaser is principally engaged in machinery leasing business.

The Seller is principally engaged in real estate development and operation and property management business. Its ultimate beneficial owner is Chen Hua\* (陳華).

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiry, the Seller and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

## **LISTING RULES IMPLICATIONS**

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## **RATIFICATION AND REMEDIAL ACTIONS TO BE TAKEN BY THE COMPANY**

Pursuant to Chapter 14 of the Listing Rules, the Company should issue an announcement as soon as possible in respect of the Acquisition. The Company deeply regrets its delay in compliance with the relevant requirements but the Company would like to stress that the non-compliance of the Listing Rules was inadvertent and unintentional. To prevent the re-occurrence of similar incidents in the future, the Company has implemented the following remedial actions:

1. the Company will enhance the training provided to the Directors, the senior management and employees of the Group, including giving seminars on the compliance requirements and practical knowledge of notifiable transactions to its employees on a regular basis;
2. the Company will remind its management and the respective person-in-charge of the Group's business units to report all transactions which may constitute potential notifiable transactions to the Board for approval and assessment of the disclosure obligations prior to the entering into of those transactions; and
3. the Company will closely monitor the applicable percentage ratio(s) in relation to all potential notifiable transactions to ensure that the Company is in compliance with the applicable requirements under the Listing Rules at the time when the transactions are finalized.

The Group will continue to enhance its internal control management and strictly control the audit regarding compliance and risk control matters of its businesses, thereby avoiding the re-occurrence of similar incidents.

## **DEFINITIONS**

In this announcement, the following expressions have the following meanings, unless the context otherwise requires:

“Acquisition”	the acquisition of the Properties by the Purchaser pursuant to the Contracts;
“Board”	the board of Directors of the Company;
“Company”	Cosmos Machinery Enterprises Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 118);
“Consideration”	RMB18,516,634, which comprises RMB13,356,692 for the Property I and RMB5,159,942 for the Property II;
“Contracts”	The pre-sale contracts dated 3 May 2024 entered into between the Purchaser and the Seller in respect of the sale and purchase of the Properties;
“Director(s)”	Director(s) of the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, the Macao Special Administrative Region and Taiwan;
“Properties”	Property I and Property II;
“Property I”	4008, 40th Floor, Kingkey Dongbin Times Building, 194 Dongbin Road, Nanshan District, Shenzhen, Guangdong, the PRC* (中國廣東省深圳市南山區東濱路194號京基東濱時代大廈／塔樓辦公40層4008) with a gross floor area of approximately 228.93 square metres;
“Property II”	4009, 40th Floor, Kingkey Dongbin Times Building, 194 Dongbin Road, Nanshan District, Shenzhen, Guangdong, the PRC* (中國廣東省深圳市南山區東濱路194號京基東濱時代大廈／塔樓辦公40層4009) with a gross floor area of approximately 94.41 square metres;
“Purchaser”	Huixin Leasing (Shenzhen) Co., Ltd.* (匯信融資租賃(深圳)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company;
“RMB”	Renminbi, the lawful currency of the PRC;
“Seller”	深圳市榮基德投資有限公司, a company established in the PRC with limited liability;
“Share(s)”	ordinary share(s) of the Company;
“Shareholder(s)”	the holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	percent.

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

Hong Kong, 12 July 2024

*As at the date of this announcement, the Board comprises six Directors, of which two are executive Directors, namely Mr. Tang To and Mr. Tang Yu, Freeman, one is non-executive Director, namely Mr. Kan Wai Wah, and three are independent non-executive Directors, namely Ms. Yeung Shuk Fan, Mr. Lam Kwok Ming and Mr. Lee Wai Yip, Alvin.*

\* For identification purposes only