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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)**

## **PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wish to inform the shareholders of the Company and potential investors that the unaudited consolidated financial results of the Group for the six months ended 30th June, 2009 may incur a loss as compared to a profit for the six months ended 30th June, 2008.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by Cosmos Machinery Enterprises Limited (the “Company”, and together with its subsidiaries, the “Group”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that the unaudited consolidated financial results of the Group for the six months ended 30th June, 2009 may incur a loss as compared to a profit for the six months ended 30th June, 2008. Base on the analysis of the information currently available, the majority of the expected loss was recorded in the first quarter of this year as a result of the business downturn immediately following the out-break of the global financial crisis at the end of last year whereas the loss in the second quarter had been narrowed.

The Board considers that the expected loss was mainly attributable to, among other things, decreases in the sales and the profit margin caused by reduction of orders from the customers of the machinery business, a leading business segment of the Group under the impact of the global financial crises. Whereas the other business segments of the Group remain stable and profitable.

The Board considers that the overall financial position and operations of the Group remain sound and healthy, and remains optimistic to the long term growth and development of the Group.

The information contained in this announcement is only a preliminary assessment made by the management of the Company based on the unaudited consolidated management accounts of the Group, and such information has not been audited or reviewed by the Company’s auditors. Further details of the Group’s performance will be disclosed in the interim results announcement for the six months ended 30th June, 2009, which is expected to be published in late September 2009.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 18th August, 2009

*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.*