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PROFIT WARNING

This announcement is made by Cosmos Machinery Enterprises Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the currently available information which includes, but without limitation to, the unaudited consolidated management accounts of the Group for the six months ended 30 June 2019, it is expected that the Group will record an unaudited consolidated profit not more than HK\$20,000,000 for the six months ended 30 June 2019 as compared to an unaudited consolidated profit of HK\$66,800,000 for the six months ended 30 June 2018. The expected discernible reduction in profit was mainly due to:

1. drop of sales turnover and gross profit in manufacturing of injection moulding machines business, trading of industrial consumables business and printed circuit board processing and trading businesses amidst global economic uncertainties and deteriorating market sentiments caused by the trade dispute between the United States and China; and

2. a non-recurring gain on the disposal of entire issued share capital of MS Plasticorp, an indirect wholly-owned subsidiary of the Company prior to the completion of the disposal and incorporated in Cook Islands with limited liability, of approximately HK\$44,500,000, after deducting related statutory cost and expenses, was recorded for the six months ended 30 June 2018. No such gain was recorded for the six months ended 30 June 2019.

The Company will finalise the unaudited consolidated interim results of the Group for the six months ended 30 June 2019. Hence, the information disclosed in this announcement only represents a preliminary assessment by the Board and the management of the Group based on the information currently available to them, which have not yet been reviewed by the audit committee of the Company. The unaudited consolidated interim results of the Group may be subject to adjustments following further review by the Board. The Directors expect that the announcement of the unaudited consolidated interim results of the Group for the six months ended 30 June 2019 will be published in August 2019 in compliance with the requirements under the Listing Rules.

Shareholders 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, 30 July 2019

As at the date of this announcement, the Board is comprised of ten directors, of which four are executive directors, namely Mr. Tang To, Mr. Wong Yiu Ming, Mr. Tang Yu, Freeman and Mr. Mei Zheqi and two are non-executive directors, namely 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.