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COSMOS MACHINERY ENTERPRISES LIMITED

大同機械企業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 118)

ANNOUNCEMENT ADOPTION OF THE SHARE OPTION SCHEME

The resolution to approve, amongst other things, the adoption of the Share Option Scheme of the Company, was duly passed at the Company's annual general meeting held on 30th May, 2005.

Reference is made to the Company's circular dated 29th April, 2005 (the "Circular") regarding, amongst other things, the adoption of the Share Option Scheme. Unless otherwise defined, terms used herein shall have the meaning as in the Circular.

The Directors are pleased to announce that at the AGM held on 30th May, 2005, the resolution for approving the adoption of the Share Option Scheme was duly passed by the Shareholders.

The Share Option Scheme will come into effect upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, 70,622,885 Shares, being 10% of the total issued share capital of the Company as at the date of the AGM, which may be issued and allotted pursuant to the exercise of the Options granted under the Share Option Scheme.

By order of the Board

TANG To

Chairman

Hong Kong, 30th May, 2005

As at the date of this announcement, the board of directors of the Company comprises Mr. Tang To (Chairman), Mr. Zhao Zhuoying, Mr. Wong Yiu Ming, Mr. Yan Wing Fai Richard and Mr. Li Tin Loi as executive directors, Mr. Tang Kwan (Honorary Chairman), Mr. He Zhiqi (Vice Chairman) and Mr. Kan Wai Wah as non-executive directors, and Mr. Liang Shangli, Mr. Yip Jeffery and Miss Yeung Shuk Fan as independent non-executive directors.

"Please also refer to the published version of this announcement in The Standard."

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大同機械企業有限公司

(於香港註冊成立之有限公司)

(股份代號：118)

公告
採納購股權計劃

於二零零五年五月三十日舉行之本公司股東週年大會上，已正式通過該議案，包括但不限於採納本公司之購股權計劃。

茲提述本公司之通函（日期為二零零五年四月二十九日）（「該通函」），其中包括但不限於採納購股權計劃。除特別指明外，本公告所用詞彙與該通函所用的具有相同涵義。董事會欣然宣佈於二零零五年五月三十日舉行之股東週年大會上，股東已正式通過批准採納購股權計劃之議案。

購股權計劃將於聯交所上市委員會就70,622,885股股份（佔本公司於股東週年大會日期之已發行股本總數之10%）給予上市及買賣批准後，方告生效，並可依據行使購股權計劃項下授出之購股權發行及分配該等股份。

承董事會命
主席
鄧燾
謹啟

二零零五年五月三十日

於本公告發表日期，本公司董事會由執行董事鄧燾先生（主席）、趙卓英先生、黃耀明先生、甄榮輝先生及李天來先生；非執行董事鄧焜先生（榮譽主席）、何志奇先生（副主席）及簡衛華先生；及獨立非執行董事梁尚立先生、葉慶輝先生及楊淑芬小姐組成。

「請同時參閱本公布於經濟日報刊登的內容。」