



大同機械企業有限公司
COSMOS MACHINERY ENTERPRISES LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 118)

UNUSUAL PRICE MOVEMENT

The statement is made at the request of The Stock Exchange of Hong Kong Limited.

The board of directors (the “Board”) of Cosmos Machinery Enterprises Limited (the “Company”) has noted the increase in price of the shares of the Company today and wish to state that, apart from (i) the proposal by an associate of the Company to proceed with A share issue on the Shenzhen Stock Exchange (as mentioned in the announcement of the Company dated 7th June, 2007), and (ii) the recent market speculation appearing in press articles and electronic news on the internet that the China Resources group intends to inject assets into the Group and to obtain controlling stake of the Company (the “Speculated Transaction”), the Board is not aware of any reasons for such increase. The Board also confirms that it is not aware of the Speculated Transaction or the source of the speculation. China Resources (Holdings) Company Limited has also informed the Company today that they do not have a plan to inject assets into the Group as speculated.

The Board also confirms that, save for the above, there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”), neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Shareholders and other investors should exercise caution when dealing in the shares of the Company.

Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

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

Hong Kong, 29th June, 2007

As at the date hereof, the Board of the Company comprises of twelve directors, of which five are executive directors, namely Mr. Tang To, Mr. Jiang Wei, Mr. Wong Yiu Ming, Mr. Yan Wing Fai Richard and Mr. Li Tin Loi, and 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, Miss Yeung Shuk Fan and Mr. Cheng Tak Yin.

This announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk under "Latest Listed Companies Information" and on the website of the Company at www.cosmel.com.

“Please also refer to the published version of this announcement in The Standard”