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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)

ANNOUNCEMENT

Update on A Share Issue by the Associate

Financial adviser



REXCAPITAL (Hong Kong) Limited

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules and further to the announcements of the Company dated 7th June, 2007 and 9th July, 2007.

The Board has received a notice from the Associate dated 9th October, 2007 which stated that they received a notice from the CSRC on 8th October, 2007 that the “Application for Administrative Permission of Initial Public Offering” (首次公開發行股票的行政許可申請) submitted by the Associate had been formally accepted by the CSRC.

Shareholders should note that the proposed A Share Issue may or may not proceed. In the event that the Company is updated of any important development of the Associate in respect of the proposed A Share Issue, the Company will comply with the relevant disclosure and Shareholders’ approval requirements of the Listing Rules, if any, as and when appropriate. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made 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”) and further to the announcements of the Company dated 7th June, 2007 and 9th July, 2007.

The board of directors of Cosmos Machinery Enterprises Limited (the “Company”) (the “Board”) has received a notice from its associate, Shenzhen Haoningda Meters Co., Ltd. (深圳浩寧達儀表股份有限公司) (the “Associate”) dated 9th October, 2007 which stated that they received a notice from the China Securities Regulatory Commission (the “CSRC”) on 8th October, 2007 that the “Application for Administrative Permission of Initial Public Offering” (首次公開發行股票的行政許可申請) submitted by the Associate had been formally accepted by the CSRC.

Shareholders of the Company (the “Shareholders”) should note that the proposed A Share Issue may or may not proceed. In the event that the Company is updated of any important development of the Associate in respect of the proposed A Share Issue, the Company will comply with the relevant disclosure and Shareholders’ approval requirements of the Listing Rules, if any, as and when appropriate. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 9th October, 2007

As at the date hereof, the Board 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.