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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)

MAJOR TRANSACTION
DISPOSAL OF THE ENTIRE SHARE CAPITAL OF GB HK AND
THE ENTIRE EQUITY INTEREST IN GB SHENZHEN
UPDATE ON PRICE ADJUSTMENT AND
EXTENSION OF TIME FOR SETTLEMENT

Reference is made to the announcements of Cosmos Machinery Enterprises Limited (the “**Company**”) dated 16 October 2023 and 1 November 2023 and the circular of the Company dated 24 November 2023 (the “**Circular**”) in relation to the Disposals. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

PRICE ADJUSTMENT

On 29 April 2024, the Vendor, GB Shenzhen and Purchaser II entered into a confirmation letter (the “**Confirmation**”), pursuant to which parties to the Sale and Purchase Agreement II have confirmed that the final consideration for the GB Shenzhen Equity Interest following the Price Adjustment is RMB131,841,620 (i.e. a Price Adjustment of negative RMB5,158,380). The Price Adjustment was determined with reference to the Completion Audit, and had primarily resulted from losses and liabilities recorded in the Completion Audit Period including write-off of inventory held by GB Shenzhen.

In view of the above, as of the date of this announcement, the balance of the consideration payable by Purchaser II for the GB Shenzhen Equity Interest is RMB41,841,620 (the “**Final Instalment**”). Accordingly, the classification of the Disposals as a major transaction under Chapter 14 of the Listing Rules remains unchanged.

EXTENSION OF TIME FOR SETTLEMENT

In view of the additional time required by Purchaser II to arrange remittance of the Final Instalment, under the Confirmation, parties to the Sale and Purchase Agreement II have agreed to extend Purchaser II's deadline to settle the Final Instalment from 30 April 2024 to 31 May 2024, and the settlement of intercompany receivables between the Remaining Group and the GB Subsidiaries would also be deferred to a date on or before the Final Instalment is paid.

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

Hong Kong, 29 April 2024

As at the date of this announcement, the Board comprises six Directors, of which two are executive Directors, namely Mr. Tang To and Mr. Tang Yu, Freeman, one is non-executive Director, namely Mr. Kan Wai Wah, and three are independent non-executive Directors, namely Ms. Yeung Shuk Fan, Mr. Lam Kwok Ming and Mr. Lee Wai Yip, Alvin.