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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTIES

Reference is made to the announcement of Cosmos Machinery Enterprises Limited (the “**Company**”) dated 12 July 2024 in relation to the Acquisition (the “**Announcement**”). Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Company would wish to provide the following supplemental information on the Acquisition.

BASIS OF CONSIDERATION

The Properties, being first-hand properties under construction, were available for pre-sale to the general public through the Shenzhen Real Estate Information Platform* (深圳市房地產信息平台) (the “**Platform**”). The Board is given to understand that, in accordance with the Supervision Measures for the Real Estate Market in Shenzhen Municipality* (《深圳市房地產市場監管辦法》), the Seller (as the property developer of the Properties) arranged for the prices for the Properties (the “**Original Prices**”) to be publicly displayed on the Platform.

In respect of the Acquisition, the Seller and Purchaser agreed on a 22% discount on the Original Prices for the Properties, resulting in the Consideration payable for the Properties in the amount of RMB18,516,634.

Having compared the Consideration (with a 22% discount on the Original Prices) against the selling price of nearby properties in Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone in the PRC, and having further considered the benefit of not having to incur additional and on-going rental expenses for office premises in the long term, the Board considered that the terms of the Acquisition (including the Consideration payable) to be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

BOOK VALUE OF THE PROPERTIES

As the Properties were purchased off-plan, as of the date of this announcement, their value has been recorded by the Group as a prepayment item in the amount of the Consideration. Upon the completion and delivery of the Properties to the Purchaser, it is expected that the book value of the Properties will be initially recorded at its cost in accordance with the accounting policies of the Company (i.e. in the amount of RMB18,516,634), subject to any subsequent revaluation.

This announcement is supplemental to and should be read in conjunction with the Announcement. Save as specified herein, the supplemental information above does not affect any information and contents set out in the Announcement.

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

Hong Kong, 23 July 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.

* *For identification purposes only*