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INSIDE INFORMATION

POSITIVE PROFIT ALERT

This announcement is made by Cosmos Machinery Enterprises Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review on the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 and the information currently available to the Board, the Group is expected to record an unaudited consolidated profit for the year ended 31 December 2021 of not less than HK\$83,000,000 as compared to the profit of approximately HK\$25,878,000 for the year ended 31 December 2020. This significant increase in profit was mainly attributable to:

The Mainland China manufacturing industries continued to rebound, especially during the first half of 2021, which led to increase in sales and order intake during the year of 2021. As a result, the Group’s various business segments recorded positive improvement in the operating results for the year ended 31 December 2021 compared to the previous year.

The Board expects that a number of challenges and uncertainties lie ahead and a pullback in growth momentum for the upcoming year causing reduction of orders intake and increase of production cost due to a rise in cost of key raw materials, such as cast iron, plastic resins and precious metals.

The Company is still in the process of finalizing the Group's final results for the year ended 31 December 2021. Hence, the information disclosed in this announcement only represents a preliminary assessment by the Board and the management of the Group based on the information currently available to them, which have not yet been reviewed by the external auditor and audit committee of the Company. The final results of the Group may differ from the information contained in this announcement which are subject to adjustments. Shareholders and potential investors of the Company are advised to read carefully the final results announcement of the Group for the year ended 31 December 2021, which is expected to be published in March 2022 in compliance with the requirements under the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 4 March 2022

As at the date of this announcement, the Board is comprised of seven Directors, of which two are executive Directors, namely Mr. Tang To and Mr. Tang Yu, Freeman, and two are non-executive Directors, namely Mr. Kan Wai Wah and Mr. Qu Jinping and three are independent non-executive Directors, namely Ms. Yeung Shuk Fan, Mr. Cheng Tak Yin and Mr. Huang Zhi Wei.