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INSIDE INFORMATION

PROFIT WARNING

This announcement is made by Cosmos Machinery Enterprises Limited (the “**Company**”, 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 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 2022 and the information currently available to the Board, it is expected that there would be a deterioration in the operating results of the Group and is expected to record an unaudited consolidated profit of not more than HK\$20,000,000 for the year ended 31 December 2022, as compared to a consolidated profit of approximately HK\$84,205,000 for the year ended 31 December 2021. The expected deterioration was primarily attributable to the following reasons:

During 2022, various lockdowns in Shanghai and nearby cities and later mass infections throughout China have caused disruptions to the supply chain and suspension of manufacturing and marketing activities, affecting the Group and customers. Furthermore, some unfavorable conditions, including reduction of orders intake and increase of production costs due to a rise in prices of key raw materials, continued to exist in the year, which led to negative impact on the Group's businesses, especially machinery manufacturing business and printed circuit boards processing business. Both businesses are expected to record operating losses for the year ended 31 December 2022.

The Company is still in the process of finalizing the final results of the Group for the year ended 31 December 2022. 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 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 2022, which is expected to be published in March 2023 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, 3 March 2023

As at the date of this announcement, the Board is comprised of eight Directors, of which two are executive Directors, namely Mr. Tang To and Mr. Tang Yu, Freeman, two are non-executive Directors, namely Mr. Kan Wai Wah and Mr. Qu Jinping, and four are independent non-executive Directors, namely Ms. Yeung Shuk Fan, Mr. Huang Zhi Wei, Mr. Lam Kwok Ming and Mr. Lee Wai Yip, Alvin.