INTERIM RESULTS

The board of directors (the "Board") of Cosmos Machinery Enterprises Limited (the "Company") announces that the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th June, 2004 with comparative figures for the corresponding period in 2003 are as follows:

		Six months ended 30th June,	
		2004	2003
		(Unaudited)	(Unaudited)
	Notes	**HK$'000**	HK$'000
Turnover	2	**796,029**	626,074
Cost of sales		**(626,921)**	(488,363)
Gross profit		**169,108**	137,711
Other revenue		**8,769**	11,593
Distribution costs		**(53,857)**	(43,318)
Administrative expenses		**(88,348)**	(82,068)
Other operating expenses		**(806)**	(1,527)
Allowance for bad and doubtful debts		**(3,000)**	–
Profit from operations	3	**31,866**	22,391
Finance costs		**(9,243)**	(9,154)
Investment income		**340**	524
Gain on disposal of subsidiaries		**3,303**	1,184
Release of negative goodwill of an associate		**–**	1,103
Share of results of associates		**12,469**	6,122
Profit before taxation		**38,735**	22,170
Taxation	4	**7,529**	4,619
Profit before minority interests		**31,206**	17,551
Minority interests		**9,656**	10,125
Net profit for the period		**21,550**	7,426
Earnings per share – basic	5	**3.36 cents**	1.16 cents