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JOINT ANNOUNCEMENT

(1) PROPOSED PRIVATISATION OF COSMOS MACHINERY ENTERPRISES LIMITED BY COSMOS MACHINERY (HOLDINGS) LIMITED BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 673 OF THE COMPANIES ORDINANCE

AND

(2) PROPOSED WITHDRAWAL OF LISTING OF COSMOS MACHINERY ENTERPRISES LIMITED

FURTHER DELAY IN DESPATCH OF THE SCHEME DOCUMENT

Financial Adviser to the Offeror



China Tonghai Capital Limited

Independent Financial Adviser to the Independent Board Committee



Yue Xiu Capital Limited

INTRODUCTION

References are made to the joint announcement dated 10 December 2020 (the “**Joint Announcement**”) issued jointly by Cosmos Machinery Enterprises Limited (the “**Company**”) and Cosmos Machinery (Holdings) Limited (the “**Offeror**”) in relation to, among other things, the proposed privatisation of the Company by the Offeror by way of a scheme of arrangement, and the joint announcement dated 31 December 2020 issued jointly by the Company and the Offeror in relation to the delay in despatch of the Scheme Document (the “**Delay in Despatch Announcement**”). Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Joint Announcement.

EXTENSION OF TIME FOR DESPATCH OF SCHEME DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, unless the Executive’s consent is obtained, the Scheme Document is required to be despatched by the Offeror and the Company to the Shareholders within 21 days of the date of the Joint Announcement, being on or before 31 December 2020.

As stated in the Delay in Despatch Announcement, an application was made to the Executive to extend the date of despatch of the Scheme Document. On 7 January 2021, the Executive has granted its consent to extend the latest time for the despatch of the Scheme Document to 16 February 2021.

As stated in the Joint Announcement, the Proposal is, and the Scheme will only become effective, subject to the fulfilment or waiver of, amongst other Conditions, the Scheme being approved at the Court Meeting. A court hearing is required for the High Court to issue its directions for convening the Court Meeting to approve the Scheme. In determining its directions, the High Court will also consider an advanced draft of the Scheme Document (including the letter from the Independent Financial Adviser advising the Independent Board Committee in respect of the Proposal).

The application for leave to convene the Court Meeting is listed for hearing at the High Court on 11 May 2021. To accommodate the timetable of the High Court and taking into account the additional time required to finalise and bulk-print the Scheme Document after the court hearing, an application was made to the Executive, and the Executive has granted its consent to further extend the latest time for the despatch of the Scheme Document to 21 May 2021.

A detailed timetable for the Proposal will be set out in the Scheme Document and in an announcement to be jointly issued by the Offeror and the Company upon the despatch of the Scheme Document.

Shareholders and/or potential investors should be aware that the implementation of the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. This announcement is made in compliance with the Takeovers Code. Shareholders and/or potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, licensed securities dealer, registered institution in securities, bank manager, solicitor or other professional advisers.

By order of the board of directors of
Cosmos Machinery (Holdings) Limited
CHUI Kwok Lau
Director

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

Hong Kong, 11 February 2021

As at the date of this announcement, the directors of the Offeror are Mr. Tang To, Mr. Tang Siu Fai, Mr. Tang Yu, Freeman, Mr. Tang Chi Tung, Mr. Chui Kwok Lau and Mr. Kan Wai Wah.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than any information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the Board comprises 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. Cheng Tak Yin, Mr. Ho Wei Sem and Mr. Huang Zhi Wei.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.