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*(Incorporated in Hong Kong with limited liability)*



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(Stock Code: 118)

## **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**

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

**AND**

### **(3) DESPATCH OF 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 (i) the announcement jointly issued by Cosmos Machinery Enterprises Limited (the “**Company**”) and Cosmos Machinery (Holdings) Limited (the “**Offeror**”) dated 10 December 2020 in relation to, amongst others, the proposed privatisation of the Company by the Offeror by way of a scheme of arrangement under section 673 of the Companies Ordinance; (ii) the announcement of the Company dated 15 December 2020 in relation to the appointment of Yue Xiu Capital Limited as the independent financial adviser to the Independent Board Committee; (iii) the announcement jointly issued by the Company and the Offeror dated 24 December 2020 in relation to the revised Scheme Consideration; (iv) the announcement jointly issued by the Company and the Offeror dated 31 December 2020 in relation to the delay in despatch of Scheme Document; (v) the announcement jointly issued by the Company and the Offeror dated 29 January 2021 in relation to a monthly update on the status and progress in connection with the Proposal and the Scheme; (vi) the announcement jointly issued by the Company and the Offeror dated 11 February 2021 in relation to the further delay in despatch of the Scheme Document; (vii) the announcements jointly issued by the Company and the Offeror dated 11 March 2021, 9 April 2021 and 10 May 2021 respectively in relation to the monthly update on the status and progress in connection with the Proposal and the Scheme; and (viii) the scheme document jointly issued by the Offeror and the Company dated 21 May 2021 in relation to the Proposal and the Scheme (the “**Scheme Document**”). Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Scheme Document.

## **DESPATCH OF THE SCHEME DOCUMENT**

The Scheme Document together with the notices of the Court Meeting and the General Meeting (each to be held on Friday, 18 June 2021) and the related forms of proxy have been despatched to the Shareholders on Friday, 21 May 2021.

The Scheme Document contains, among other things, further details of the Proposal and the Scheme, the expected timetable, the explanatory statement of the Scheme as required under the Companies Ordinance, financial information of the Group, general information regarding the Group and the Offeror, the letters from the Board, the Independent Board Committee and the Independent Financial Adviser and notices of the Court Meeting and the General Meeting.

## **RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising Mr. Qu Jinping, being the non-executive Director, and Ms. Yeung Shuk Fan, Mr. Cheng Tak Yin, Mr. Ho Wei Sem and Mr. Huang Zhi Wei, being all the independent non-executive Directors, has been established by the Board to make a recommendation to the Independent Shareholders as to whether the Proposal is, or is not, fair and reasonable and as to voting at the Court Meeting and the General Meeting in respect of the Proposal and the Scheme. Since Mr. Kan Wai Wah, a non-executive Director, is a director of the Offeror, Mr. Kan Wai Wah has not been included in the Independent Board Committee. Mr. Cheng Tak Yin, an independent non-executive Director, beneficially owned 1,406,000 Shares, representing approximately 0.16% of the total number of issued Shares as at 18 May 2021, being the Latest Practicable Date. His interest as a Shareholder is no different from any other Independent Shareholders and he is therefore not precluded from being a member of the Independent Board Committee.

The Company has, with the approval of the Independent Board Committee, appointed Yue Xiu Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal.

The Independent Financial Adviser has advised the Independent Board Committee that it considers the terms of the Proposal are fair and reasonable so far as the Independent Shareholders are concerned, and advises the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the General Meeting to approve and implement the Proposal and the Scheme.

The Independent Board Committee, having considered the terms of the Proposal, and having taken into account the advice of the Independent Financial Adviser, considers that the terms of the Proposal are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the General Meeting to approve and implement the Proposal and the Scheme.

Shareholders are urged to read carefully the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser in relation to the Proposal and the Scheme as set out in the letters from the Independent Board Committee and the Independent Financial Adviser as contained in the Scheme Document.

## **COURT MEETING AND GENERAL MEETING**

The Court Meeting and the General Meeting are scheduled to be held at 10:00 a.m. and 10:15 a.m. (or immediately after the conclusion or adjournment of the Court Meeting), respectively, on Friday, 18 June 2021 at Ballroom A, 2/F, The Langham, Hong Kong, 8 Peking Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The High Court has directed that the Court Meeting be convened for the purpose of considering and, if thought fit, approving the Scheme (with or without modification).

Immediately following the conclusion of the Court Meeting, the General Meeting will be held for the purpose of considering and, if thought fit, passing the special resolution to approve and give effect to the Scheme, including the approval of the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares and the issue to the Offeror of such number of new Shares as is equal to the number of the Scheme Shares cancelled.

Notices of the Court Meeting and the General Meeting are contained in the Scheme Document.

An announcement will be made by the Offeror and the Company in relation to the results of the Court Meeting and the General Meeting on Friday, 18 June 2021.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the entitlements of the holders of the Scheme Shares to attend and vote at the Court Meeting and the entitlements of the Shareholders to attend and vote at the General Meeting, the register of members of the Company will be closed from Friday, 11 June 2021 to Friday, 18 June 2021 (both days inclusive) and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the General Meeting, all transfers accompanied by the relevant share certificates must be lodged with Tricor Secretaries Limited (the “**Share Registrar**”) at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong before 4:30 p.m. on Thursday, 10 June 2021.

## **CONDITIONS OF THE PROPOSAL**

Shareholders and potential investors should be aware that the Proposal is and the Scheme will become effective and binding on the Company and all Shareholders, subject to the fulfilment or waiver (as applicable) of the Conditions described in the section headed “5. Conditions of the Proposal” in the Explanatory Statement of the Scheme Document. Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions has not been fulfilled or waived (as applicable) on or before the Long Stop Date. If the Scheme is not approved or does not become effective, or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn. The Company and the Offeror have applied for, and the SFC has granted, a waiver from compliance with Rule 15.7 of the Takeovers Codes in relation to the Proposal.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company except with the consent of the Executive.

If approved, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

An announcement will be made by the Offeror and the Company in relation to the results of the Court Meeting and the General Meeting and, if all the resolutions are passed at those meetings, further announcements will be made in relation to, among other things, the results of the hearing of the petition for the sanction of the Scheme by the High Court, the Effective Date and the date of withdrawal of listing of the Shares from the Stock Exchange in accordance with the requirements of the Takeovers Code and the Listing Rules.

## EXPECTED TIMETABLE

The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company. Unless otherwise specified, all times and dates refer to Hong Kong local times and dates.

### Hong Kong time

Latest time for lodging transfers of the Shares  
in order to qualify for entitlement to attend and  
vote at the Court Meeting and the General Meeting . . . . . 4:30 p.m.  
on Thursday, 10 June 2021

Register of members of the Company closed for  
determining entitlement to attend and vote at  
the Court Meeting and the General Meeting (*Note 1*) . . . . . Friday, 11 June 2021  
to Friday, 18 June 2021  
(both days inclusive)

Latest time for lodging forms of proxy in respect of:

- Court Meeting (*Note 2*) . . . . . 10:00 a.m. on  
Wednesday, 16 June 2021
- General Meeting (*Note 2*) . . . . . 10:15 a.m. on  
Wednesday, 16 June 2021

Meeting Record Date . . . . . Friday, 18 June 2021

Court Meeting (*Note 2*) . . . . . 10:00 a.m. on  
Friday, 18 June 2021

General Meeting (*Note 2*) . . . . . 10:15 a.m. on  
Friday, 18 June 2021  
(or immediately after the conclusion  
or adjournment of the Court Meeting)

**Hong Kong time**

Announcement of the results of the Court Meeting  
and the General Meeting posted on the  
website of the Stock Exchange . . . . . no later than 7:00 p.m. on  
Friday, 18 June 2021

Expected latest time for trading of the Shares  
on the Stock Exchange . . . . . 4:10 p.m. on  
Monday, 5 July 2021

Latest time for lodging transfers of the Shares  
in order to qualify for entitlements under the Scheme . . . . . 4:30 p.m. on  
Monday, 12 July 2021

Register of members of the Company closed for  
determining entitlement to qualify under  
the Scheme (*Note 3*) . . . . . from Tuesday, 13 July 2021  
onwards

High Court hearing of the petition for the  
sanction of the Scheme (*Note 4*) . . . . . 10:00 a.m. on  
Tuesday, 20 July 2021

Announcement of (1) the results of the High Court hearing  
for the petition for the sanction of the Scheme,  
(2) the expected Effective Date and (3) the expected date of  
withdrawal of listing of the Shares on the Stock Exchange  
posted on the website of the Stock Exchange . . . . . no later than 7:00 p.m.  
on Tuesday, 20 July 2021

Scheme Record Date . . . . . Tuesday, 20 July 2021

Effective Date (*Note 4*) . . . . . Tuesday, 27 July 2021

**Hong Kong time**

Announcement of (1) the Effective Date and  
(2) the withdrawal of listing of the Shares  
on the Stock Exchange posted on the  
website of the Stock Exchange . . . . . Tuesday, 27 July 2021

Withdrawal of listing of the Shares on the  
Stock Exchange becomes effective . . . . . 9:00 a.m. on  
Thursday, 29 July 2021

Cheques for the cash payment under the  
Proposal to be despatched (*Note 5*) . . . . . on or before  
Thursday, 5 August 2021

*Notes:*

1. The register of members of the Company will be closed during such period for the purpose of determining entitlements of holders of the Scheme Shares to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the General Meeting. For the avoidance of doubt, this period of closure is not for determining entitlements under the Scheme.
2. The **pink** form of proxy in respect of the Court Meeting and the **white** form of proxy in respect of the General Meeting should be completed and signed in accordance with the instructions respectively printed thereon and should be lodged with the Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by the times and dates stated above. The **pink** form of proxy for use at the Court Meeting and the **white** form of proxy for use at the General Meeting must be lodged no later than the time and date stated above in order for them to be valid. The completion and return of a form of proxy for the Court Meeting and/or the General Meeting will not preclude a member from attending and voting in person at the relevant meeting or any adjournment thereof if he/she/it so wishes. In the event that the member attends and votes at the relevant meeting or any adjournment thereof after having lodged his/her/its form of proxy, the returned form of proxy shall be deemed to have been revoked.
3. The register of members of the Company will be closed during such period for the purpose of determining the Scheme Shareholders, who are qualified for entitlements under the Scheme.

4. The High Court hearing will be held at the High Court at the High Court Building, 38 Queensway, Hong Kong. The Scheme shall become effective when an office copy of the order of the High Court sanctioning the Scheme (with or without modification) and confirming, under section 229 of the Companies Ordinance, the reduction of capital provided for by the Scheme, together with a minute and return relating to the reduction of capital of the Company containing the particulars required by section 230 of the Companies Ordinance, shall have been registered by the Registrar of Companies in Hong Kong.
5. Cheques for entitlements of the Scheme Shareholders will be despatched by ordinary post in postage pre-paid envelopes addressed to the Scheme Shareholders at their respective addresses as appearing in the register of members of the Company as at the Scheme Record Date or, in the case of joint holders, at the address appearing in the register of members of the Company as at the Scheme Record Date of the joint holder whose name then stands first in the register of members of the Company in respect of the relevant joint holding as soon as possible but in any event within seven (7) Business Days following the Effective Date. Cheques shall be posted at the risk of the addressees and none of the Offeror, the Company, Tonghai Capital, the Independent Financial Adviser and the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible for any loss or delay in transmission.

**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. 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, 21 May 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.*