

---

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

---

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in COSMOS MACHINERY ENTERPRISES LIMITED, you should at once hand this circular together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



大同機械企業有限公司

**COSMOS MACHINERY ENTERPRISES LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 118)**

### PROPOSALS FOR GENERAL MANDATES TO ISSUE AND BUY BACK SHARES, RE-ELECTION OF RETIRING DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

---

A notice of annual general meeting of Cosmos Machinery Enterprises Limited to be held at Conference Room, 31/F., Billion Plaza, No. 8 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong on Friday, 24 June 2022 at 10:00 a.m. is set out on pages 17 to 22 of this circular. Whether or not you are able to attend the meeting, you are requested to duly complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (i.e. at or before 10:00 a.m. on Wednesday, 22 June 2022). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

#### PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please refer to pages 1 to 2 of this circular in relation to the measures to be taken to safeguard the health and safety of Shareholders and prevent and control the spread of COVID-19 at the Annual General Meeting, including but not limited to:

- compulsory body temperature checks and health declarations
- mandatory wearing of surgical face masks
- no provision of refreshments or beverages

Any attendee who refuses to comply with the precautionary measures will be denied entry into or be required to leave to the venue at the Company's discretion. **It is possible that Shareholders and/or proxies may not be able to attend the Annual General Meeting in person depending on prevailing government regulations. Shareholders are strongly encouraged to appoint the chairman of the Annual General Meeting as their proxy and to return their forms of proxy by the time specified above, instead of attending the Annual General Meeting in person.**

---

## CONTENTS

---

	<i>Page</i>
<b>Precautionary Measures for the Annual General Meeting</b> .....	1-2
<b>Definitions</b> .....	3-4
<b>Letter from the Board</b> .....	5-9
<b>Appendix I – Explanatory Statement</b> .....	10-12
<b>Appendix II – Details of retiring Directors proposed to be re-elected at the Annual General Meeting</b> .....	13-16
<b>Notice of Annual General Meeting</b> .....	17-22

---

## **PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING**

---

To safeguard the health and safety of Shareholders and to prevent the spread of COVID-19, the Company may, in view of the latest situation of the COVID-19 pandemic (including relevant restrictions as imposed by the Hong Kong Government), implement the following precautionary measures for the Annual General Meeting.

### **VOTING BY PROXY IN ADVANCE OF THE ANNUAL GENERAL MEETING**

The Company does not in any way wish to diminish the opportunity available to the Shareholders to exercise their rights and to vote, but is conscious of the pressing need to protect the Shareholders from possible exposure to COVID-19. **It is possible that Shareholders and/or proxies may not be able to attend the Annual General Meeting in person depending on prevailing government regulations. Shareholders are strongly encouraged to appoint the chairman of the Annual General Meeting as their proxy and to return their forms of proxy by the time specified in this circular, instead of attending the Annual General Meeting in person.** The completion and return of a form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof, should you so wish. In the event that you attend and vote at the Annual General meeting or any adjournment thereof after having lodged your form(s) of proxy, the returned form(s) of proxy will be deemed to have been revoked.

A form of proxy is enclosed herewith and can also be downloaded from the Company's website at <http://www.cosmel.com> and the website of the Stock Exchange at <https://www.hkexnews.hk>. If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or Hong Kong Securities Clearing Company Limited), you should consult directly with your banks, brokers or custodians (as the case may be) to assist you in the appointment of proxy.

### **PREVENTIVE MEASURES AT THE ANNUAL GENERAL MEETING**

To protect the Shareholders, proxies and other attendees from the risk of infection of COVID-19, the Company will implement the following preventive measures at the Annual General Meeting:

- (i) compulsory body temperature checks will be conducted on every attendee at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius or is exhibiting flu-like symptoms will not be admitted to the venue;

---

## PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

---

- (ii) every attendee will be required to fill in a health declaration form to confirm that
  - (i) he/she has no flu-like symptoms within 7 days immediately before the Annual General Meeting; and
  - (ii) within 14 days immediately before the Annual General Meeting:
    - (a) he/she has not travelled outside of Hong Kong;
    - (b) he/she is/was not under compulsory quarantine or medical surveillance order by the Department of Health of Hong Kong;
    - (c) he/she has not had/has close contact with confirmed case(s) and/or probable case(s) of COVID-19 patient(s); and
    - (d) he/she does/did not live with any person under home quarantine. Any person who fails to provide the required confirmation may be requested to leave or denied entry into the venue;
- (iii) every attendee will be required to wear a surgical face mask throughout the Annual General Meeting. Please note that attendees should bring and wear their own masks and no masks will be provided;
- (iv) a safe distance between seats will be maintained so as to allow for appropriate social distancing;
- (v) no refreshments or beverages will be provided; and
- (vi) any additional precautionary measures in accordance with the prevailing requirements or guidelines at the Hong Kong Government and/or regulatory authorities, or as considered appropriate in light of the latest development of the COVID-19 pandemic.

**It is possible that Shareholders and/or proxies may not be able to attend the Annual General Meeting in person depending on prevailing government regulations. Shareholders are strongly encouraged to appoint the chairman of the Annual General Meeting as their proxy to vote on the resolutions, instead of attending the Annual General Meeting in person.**

If any Shareholder chooses not to attend the Annual General Meeting in person but has any question about any resolution or about the Company, or has any matter for putting forward to the Board, he/she is welcome to send in writing to the Company's registered office or to the Company's email at [ir@cosmel.com](mailto:ir@cosmel.com).

Subject to the latest development of COVID-19 pandemic and the requirements or guidelines of the Hong Kong Government and/or regulatory authorities, the Company may be required to change the Annual General Meeting arrangements at short notice. Shareholders are advised to check the Company's website at <http://www.cosmel.com> and the website of the Stock Exchange at <https://www.hkexnews.hk> for further announcements and updates on the Annual General Meeting arrangements that may be issued.

---

## DEFINITIONS

---

*In this circular, the following expressions shall have the following meanings unless the context otherwise stated:*

“Annual General Meeting”	the annual general meeting of the Company to be held at Conference Room, 31/F., Billion Plaza, No. 8 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong on Friday, 24 June 2022 at 10:00 a.m. or any adjournment thereof, the notice of which is set out on pages 17 to 22 of this circular
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associates”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“CG Code”	the Corporate Governance Code under Appendix 14 to the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
“Company”	Cosmos Machinery Enterprises Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“core connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong

---

## DEFINITIONS

---

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	21 April 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Nomination Committee”	nomination committee of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

References to times and dates in this circular are to Hong Kong times and dates.

---

## LETTER FROM THE BOARD

---



大同機械企業有限公司  
**COSMOS MACHINERY ENTERPRISES LIMITED**  
*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 118)**

*Executive Directors:*

Tang To (*Chairman*)

Tang Yu, Freeman (*Chief Executive Officer*)

*Non-executive Directors:*

Kan Wai Wah

Qu Jinping

*Independent Non-executive Directors:*

Yeung Shuk Fan

Cheng Tak Yin

Huang Zhi Wei

*Registered Office:*

10/F., Billion Plaza 2

No. 10 Cheung Yue Street

Cheung Sha Wan

Kowloon

Hong Kong

28 April 2022

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting relating to granting of general mandates to the Directors for the issuance of Shares and Shares buy-backs, and re-election of retiring Directors and to give you the notice of the Annual General Meeting.

---

## LETTER FROM THE BOARD

---

### 2. GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

At the Annual General Meeting, separate ordinary resolutions will be proposed to renew the general mandates given to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding in aggregate 20% of the total number of Shares in issue at the date of passing of such resolution; (ii) to buy back Shares not exceeding 10% of the total number of Shares in issue at the date of passing of such resolution; and (iii) to add the aggregate number of the Shares bought back by the Company to the general mandate to the Directors to allot new Shares of up to 20% of the total number of Shares in issue.

The general mandates to issue and buy back Shares granted at the annual general meeting of the Company held on 24 June 2021 will lapse at the conclusion of the Annual General Meeting. Resolutions 4 and 5 set out in the notice of Annual General Meeting will be proposed at the Annual General Meeting to renew these general mandates. With reference to these resolutions, the Directors wish to state that they have no present intention to buy back any Shares or to issue any new Shares pursuant to the relevant mandates.

Based on 861,930,692 Shares in issue as at the Latest Practicable Date and assuming that there is no change to the number of issued Shares prior to the Annual General Meeting, subject to the passing of the relevant ordinary resolutions to approve the mandate to issue Shares at the Annual General Meeting, the Directors will be authorised to allot and issue up to a limit of 172,386,138 Shares under the general mandate to issue Shares. If approved by the Shareholders at the Annual General Meeting, the general mandate to issue Shares will continue in force until the earlier of (i) the conclusion of the next annual general meeting of the Company following the passing of the resolution referred to herein; or (ii) the revocation or variation of the general mandate to issue Shares by an ordinary resolution of the Shareholders at general meeting.

The explanatory statement, required by rule 10.06(1)(b) of the Listing Rules to be sent to the Shareholders in connection with the proposed general mandate to buy back the Shares (the “**Share Buy-back Mandate**”) is set out in the Appendix I to this circular which contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions.

---

## LETTER FROM THE BOARD

---

### 3. RE-ELECTION OF RETIRING DIRECTORS

In accordance with article 102 of the Articles of Association and the CG Code, the Directors are subject to retirement from office by rotation and re-election at the Annual General Meeting. Messrs. Tang Yu, Freeman (executive Director), Qu Jinping (non-executive Director) and Huang Zhi Wei (independent non-executive Director) will retire from office by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting. Details of the above Directors who are required to be disclosed under the Listing Rules are set out in Appendix II of this circular.

The Nomination Committee, having reviewed the Board's composition, nominated Messrs. Tang Yu, Freeman, Qu Jinping and Huang Zhi Wei to the Board for it to recommend to the Shareholders for re-election at the Annual General Meeting. Messrs. Tang Yu, Freeman and Huang Zhi Wei, both Nomination Committee members, abstained from voting at the Nomination Committee meeting when their own nomination were being considered.

The nominations were made in accordance with the nomination policy and the Board diversity policy of the Company, after having considered a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Nomination Committee and the Board have also taken into account their respective contributions to the Board and their commitment to their roles.

The Nomination Committee is of the view that Mr. Huang Zhi Wei has extensive experience to provide a diversified perspective of view towards major corporate decision, his re-election as an independent non-executive Director will supplement the professional background of the Board. As such, the Nomination Committee nominated Mr. Huang Zhi Wei to the Board for it to recommend to the Shareholders for re-election at the Annual General Meeting.

The Company has received confirmation from Mr. Huang Zhi Wei of his independence pursuant to rule 3.13 of the Listing Rules. Although Mr. Huang has served the Board for more than nine years, the Board considers that his long service has enabled him to get an in-depth understanding of the Group's business and may place him in a better position to contribute independent views to the Company. Taking into consideration of his independent scope of works in the past years, there is no evidence that his length of tenure is having an adverse impact on his independence. The Board therefore considers that Mr. Huang Zhi Wei, an independent non-executive Director, remains independent for re-election and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

---

## LETTER FROM THE BOARD

---

Accordingly, with the recommendation of the Nomination Committee, the Board has proposed that all the retiring Directors, namely Messrs. Tang Yu, Freeman, Qu Jinping and Huang Zhi Wei, stand for re-election at the Annual General Meeting.

At the Annual General Meeting, resolutions 2(a), 2(b) and 2(c) will be proposed to re-elect the retiring Directors, and details of them who are required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

Under resolutions 2(a), 2(b) and 2(c), the re-election of the above Directors will be individually voted by Shareholders.

#### 4. TENURE DISCLOSURE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to code provision B.2.4 of the CG Code, which took effect for financial years commencing on or after 1 January 2022, the length of tenure of the independent non-executive Directors serving more than nine years is as follows:

Name of Directors	Date of Appointment	Length of the Tenure
Ms. Yeung Shuk Fan	18 June 2004	More than 17 years
Mr. Cheng Tak Yin	30 January 2007	More than 15 years
Mr. Huang Zhi Wei	2 November 2012	More than 9 years

#### 5. ANNUAL GENERAL MEETING

A notice of the Annual General Meeting is set out on pages 17 to 22 of this circular. At the Annual General Meeting, in addition to the ordinary businesses of the meeting, resolutions will be proposed to approve the general mandates for the issuance of Shares and buy-back by the Company of its own Shares.

A form of proxy for the Annual General Meeting is enclosed herewith. Whether or not you are able to attend the Annual General Meeting, you are requested to duly complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof (i.e. at or before 10:00 a.m. on Wednesday, 22 June 2022). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjourned meeting should you so wish.

---

## LETTER FROM THE BOARD

---

Pursuant to rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, each of the resolutions set out in the notice of the Annual General Meeting will be taken by way of poll. The chairman of the Annual General Meeting would explain the detailed procedures for conducting a poll at the Annual General Meeting. The results of the poll will be published on the websites of the Stock Exchange and the Company respectively subject to the Listing Rules.

### 6. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 17 June 2022 to Friday, 24 June 2022, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Thursday, 16 June 2022 for registration.

### 7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### 8. RECOMMENDATION

The Board is of the opinion that the proposals referred to above are in the best interests of the Company and its Shareholders as a whole and therefore recommend you to vote in favour of all resolutions to be proposed at the Annual General Meeting.

Yours faithfully,  
For and on behalf of the Board  
**TANG To**  
*Chairman*

*This appendix serves as the explanatory statement required under rule 10.06(1)(b) of the Listing Rules to provide you with the information necessary for your consideration of the proposed Share Buy-back Mandate to be granted to the Directors. It also forms the memorandum of the terms of the proposed buy-back required under section 239(2) of the Companies Ordinance.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the total number of issued Shares comprised 861,930,692 shares. On the basis that no further Shares are bought back before the conclusion of the Annual General Meeting and that no further Shares are issued prior to the Annual General Meeting and subject to the passing of the ordinary resolution approving the Share Buy-back Mandate, the Company would be allowed to buy back up to a total of 86,193,069 Shares, representing 10% of the total number of Shares in issue.

## **2. REASONS FOR SHARE BUY-BACKS**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to have a general authority from Shareholders to enable the Directors to buy back Shares in the market. Such buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such buy-back will benefit the Company and the Shareholders.

## **3. SOURCE OF FUNDS**

In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association and the applicable laws of Hong Kong. The Companies Ordinance provides that the amount of capital repaid in connection with a Share buy-back may only be paid from the distributable profits of the Company and/or the proceeds of a fresh issue of Shares made for the purpose of the buy-back to such an extent allowable.

## **4. IMPACT ON THE WORKING CAPITAL OR GEARING POSITION**

The exercise in full of the Share Buy-back Mandate might have a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited financial statements contained in the Company's annual report for the year ended 31 December 2021. However, the Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or gearing position of the Company unless they consider that such buy-backs are in the best interests of the Company notwithstanding such material adverse effect.

**5. GENERAL**

- (i) The Directors have undertaken to the Stock Exchange that, so far as the same may be applied, they will exercise the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.
- (ii) None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates has any present intention to sell any Shares to the Company or its subsidiaries.
- (iii) No other core connected persons of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Share Buy-back Mandate is approved by the Shareholders.
- (iv) If on exercise of the power to buy back Shares pursuant to the Share Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for purposes of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Saniwell Holding Inc., Cosmos Machinery (Holdings) Limited and its indirect wholly-owned subsidiary, Tai Shing Agencies Limited, and Ginta Company Limited held 450,813,463 Shares, representing approximately 52.30% of the total number of Shares in issue. In the event that the Directors exercise in full the Share Buy-back Mandate which is to be approved by the Shareholders and no further Shares are issued during the proposed buy-back period, the aggregate shareholding in the Company of Saniwell Holding Inc., Cosmos Machinery (Holdings) Limited and its indirect wholly-owned subsidiary, Tai Shing Agencies Limited, and Ginta Company Limited will increase to approximately 58.11% of the total number of Shares in issue. The Directors are not aware of such an increase would give rise to an obligation to make a mandatory offer under the Takeovers Code if the Share Buy-back Mandate was to be exercised in full.

- (v) During the six months immediately preceding the Latest Practicable Date, neither the Company nor any of its subsidiaries otherwise purchased, sold or redeemed any of the listed Shares.

**6. SHARE PRICES**

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous 12 months were as follows:

<b>Month</b>	<b>Share Prices</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
April 2021	0.530	0.510
May 2021	0.540	0.510
June 2021	0.530	0.400
July 2021	0.410	0.335
August 2021	0.455	0.360
September 2021	0.520	0.380
October 2021	0.490	0.430
November 2021	0.455	0.410
December 2021	0.430	0.410
January 2022	0.430	0.405
February 2022	0.415	0.380
March 2022	0.405	0.355
April 2022 (up to the Latest Practicable Date)	0.380	0.340

*The following are the particulars of the three retiring Directors proposed to be re-elected at the Annual General Meeting:*

1. **Mr. Tang Yu, Freeman**, Executive Director, aged 44, joined the Group in 2006 and was appointed as an executive Director and the chief executive officer of the Company on 18 March 2011 and 1 July 2013, respectively. He is a member of each of Nomination Committee and committee of executive Directors of the Company. He also acts as a director of certain subsidiaries of the Company. Prior to joining the Group, Mr. Tang had worked in various commercial banks. Mr. Tang graduated from The University of Western Ontario in Canada and holds a Bachelor of Arts degree in Economics and a Diploma in Financial Planning.

Mr. Tang is the son of Mr. Tang To. As at the Latest Practicable Date, Mr. Tang is a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO.

Other than disclosed above, Mr. Tang has not held any position with the Group, and is independent of and not connected with the directors, chief executives and substantial shareholders or controlling shareholders of the Company or its subsidiaries or an associate of any of them. He does not hold any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the Latest Practicable Date, Mr. Tang was deemed to be interested in 442,157,052 Shares within the meaning of Part XV of the SFO, comprising (i) 405,907,052 Shares held by Codo Development Limited through its wholly-owned subsidiaries, Tai Shing Agencies Limited, Hung Cheong Realty Limited and Cosmos Machinery (Holdings) Limited; and (ii) 36,250,000 Shares held by Saniwell Holding Inc. (as the trustee of The Saniwell Trust, the beneficiaries of which include Mr. Tang To and certain of his family members) which in turn is owned as to approximately 42.86% by Mr. Tang Yu, Freeman. Save as disclosed above, Mr. Tang does not have any other interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

A letter of appointment was entered into between the Company and Mr. Tang in respect of his appointment as an executive Director. Mr. Tang was not appointed for any specific length or proposed length of service with the Company but is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association. The letter of appointment may be terminated by either party by giving to other party not less than three months' notice without payment of any compensation (other than statutory compensation). At present, he is entitled to receive the monthly salary of HK\$160,000 under the letter of appointment with the Company. Mr. Tang voluntarily reduced his monthly salary to HK\$144,000 for the period from 1 April 2020 to 31 March 2021 due to cost reduction measures voluntarily adopted by executive Directors in the COVID-19 pandemic scenario and approved by the remuneration committee of the Company. The emoluments of Directors are determined by reference to individual performance, the Company's performance and profitability, as well as remuneration benchmark in the industry and prevailing market conditions.

Save as disclosed above, Mr. Tang confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

2. **Mr. Qu Jinping**, Non-executive Director, aged 65, was appointed as a non-executive Director on 8 September 2006. Mr. Qu is currently the professor and doctoral supervisor in the School of Mechanical and Automotive Engineering of The South China University of Technology. He acted as vice president of The South China University of Technology and elected as an academician of The Chinese Academy of Engineering in 2011. He obtained a Bachelor degree and a Master degree in Engineering from The South China University of Technology in 1982 and 1987, respectively, and a Doctorate degree in Engineering from The Sichuan University in 1999. He has been engaged in scientific research and teaching in polymer dynamic plasticizing processing technology and equipment for over 30 years and achieved a number of world-first scientific and technology achievements.

Other than disclosed above, Mr. Qu has not held any position with the Group, and is independent of and not connected with the directors, chief executives and substantial shareholders or controlling shareholders of the Company or its subsidiaries or an associate of any of them. He does not hold any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. As at the Latest Practicable Date, he does not have any interest in the Shares within the meaning of Part XV of the SFO.

A letter of appointment was entered into between Mr. Qu and the Company for a term of three years commencing from 8 September 2021. However, he is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association. Pursuant to the letter of appointment, he agreed to waive his director's fee.

Save as disclosed above, Mr. Qu confirmed there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

3. **Mr. Huang Zhi Wei**, Independent Non-executive Director, aged 83, was appointed as an independent non-executive Director on 2 November 2012. He is a member of each of audit committee, nomination committee and remuneration committee of the Company. Mr. Huang graduated from The Huazhong University of Science & Technology, majoring in electrical engineering. Mr. Huang worked in the PRC government authorities for over 10 years. He served as the deputy director general of Guangdong Commission of Foreign Trade & Economic Cooperation and the director of General of Guangdong Board of Investment from 1993 to 2000. From 1984 to 1992, he served as the executive officer of Foshan Economic Committee. He worked as the engineer at power plant in Foshan for almost 10 years. From 1981 to 1984, he served as the chief engineer and deputy general manager of a household electrical appliances corporation in Foshan.

Other than disclosed above, Mr. Huang has not held any position with the Group, and is independent of and not connected with the directors, chief executives and substantial shareholders or controlling shareholders of the Company or its subsidiaries or an associate of any of them. He does not hold any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. As at the Latest Practicable Date, he does not have any interest in the Shares within the meaning of Part XV of the SFO.

A letter of appointment was entered into between Mr. Huang and the Company for a term of three years commencing from 2 November 2021. However, he is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association. Pursuant to the letter of appointment, he agreed to waive his director's fee.

Save as disclosed above, Mr. Huang confirmed there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

---

## NOTICE OF ANNUAL GENERAL MEETING

---



大同機械企業有限公司  
**COSMOS MACHINERY ENTERPRISES LIMITED**  
(Incorporated in Hong Kong with limited liability)  
(Stock Code: 118)

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Annual General Meeting**”) of Cosmos Machinery Enterprises Limited (the “**Company**”) will be held at Conference Room, 31/F., Billion Plaza, No. 8 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong on Friday, 24 June 2022 at 10:00 a.m. for the following purposes:

### AS ORDINARY BUSINESS

1. To receive and adopt the audited financial statements, the report of the directors and the independent auditor’s report for the year ended 31 December 2021.
2. To re-elect the retiring directors of the Company (*note 3*) and to authorise the board of directors of the Company (the “**Board**”) to fix the remuneration of directors of the Company (the “**Directors**”).
3. To re-appoint Ting Ho Kwan & Chan as the auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorize the Board to fix their remuneration.

### AS SPECIAL BUSINESS

4. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

**“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and it is hereby generally and unconditionally approved;

---

## NOTICE OF ANNUAL GENERAL MEETING

---

- (b) the approval in paragraph (a) above shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate number of issued shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company; (iii) the share award scheme or share option scheme of the Company approved by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”); or (iv) any scrip dividend on shares of the Company in accordance with the articles of association of the Company (the “**Articles of Association**”), shall not exceed the aggregate of 20% of the number of shares in issue of the Company as at the date of passing this resolution; and
- (d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws or rules to be held; and
- (iii) the revocation or variation of this resolution by any ordinary resolution of the shareholders of the Company (the “**Shareholders**”) in general meeting.

---

## NOTICE OF ANNUAL GENERAL MEETING

---

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or any class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

5. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

A. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period of all the powers of the Company to buy back number of shares in issue of the Company on the Stock Exchange, and that the exercise by the Directors of all the powers of the Company to buy back such shares subject to and in accordance with all applicable laws or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and it is hereby generally and unconditionally approved;
- (b) in addition, the approval in paragraph (a) above shall authorize the Directors on behalf of the Company during the Relevant Period to procure the Company to buy back shares at a price determined by the Directors;
- (c) the aggregate number of issued shares bought back or agreed conditionally or unconditionally to be bought back by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate number of shares in issue of the Company as at the date of passing this resolution, and the authority pursuant to paragraph (a) shall be limited accordingly; and

---

## NOTICE OF ANNUAL GENERAL MEETING

---

(d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws or rules to be held; and
- (iii) the revocation or variation of this resolution by any ordinary resolution of the Shareholders in general meeting.”

B. “**THAT** conditional upon the passing of the ordinary resolution 5A above, the aggregate number of issued shares in the Company which are bought back by the Company pursuant to and in accordance with the said ordinary resolution 5A shall be added to the aggregate number of issued shares in the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the ordinary resolution 4 above.”

By order of the Board  
**WONG Lai Tong**  
*Company Secretary*

Hong Kong, 28 April 2022

*Notes:*

1. Any Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote instead of him/her/its. A proxy need not be a Shareholder. In the case of joint holders of any shares of the Company, if more than one joint holders be present at the Annual General Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such shares shall alone be entitled to vote in respect thereof.
2. Forms of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be lodged at the Company’s share registrar, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not less than 48 hours before the time appointed for holding the meeting (i.e. at or before 10:00 a.m. on Wednesday, 22 June 2022).

---

## NOTICE OF ANNUAL GENERAL MEETING

---

3. With respect to resolution 2 above, Messrs. Tang Yu, Freeman (executive Director), Qu Jinping (non-executive Director) and Huang Zhi Wei (independent non-executive Director) will retire from office by rotation pursuant to the Articles of Association and all being eligible, offer themselves for re-election at the meeting.
4. The Register of Members of the Company will be closed from Friday, 17 June 2022 to Friday, 24 June 2022, both days inclusive, during which period no transfer of shares in the Company will be registered. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 16 June 2022.
5. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect at the time of the meeting, the meeting will be held as scheduled unless an announcement posted on the Company's website at <http://www.cosmel.com> and the website of the Stock Exchange at <https://www.hkexnews.hk> to notify Shareholders of the date, time and place of the rescheduled meeting. Shareholders should make their own decision as to whether they would attend the meeting under bad weather conditions bearing in mind their own situation and if they should choose to do so, they are advised to exercise care and caution.
6. The Company will implement the following preventive measures at the Annual General Meeting to safeguard the health and safety of attendees:
  - (i) compulsory body temperature checks will be conducted on every attendee at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius or is exhibiting flu-like symptoms will not be admitted to the venue;
  - (ii) every attendee will be required to fill in a health declaration form to confirm that (i) he/she has no flu-like symptoms within 7 days immediately before the Annual General Meeting; and (ii) within 14 days immediately before the Annual General Meeting: (a) he/she has not travelled outside of Hong Kong; (b) he/she is/was not under compulsory quarantine or medical surveillance order by the Department of Health of Hong Kong; (c) he/she has not had/has close contact with confirmed case(s) and/or probable case(s) of COVID-19 patient(s); and (d) he/she does/did not live with any person under home quarantine. Any person who fails to provide the required confirmation may be requested to leave or denied entry into the venue;
  - (iii) every attendee will be required to wear a surgical face mask throughout the Annual General Meeting. Please note that attendees should bring and wear their own masks and no masks will be provided at the venue;
  - (iv) a safe distance between seats will be maintained so as to allow for appropriate social distancing;
  - (v) no refreshments or beverages will be provided; and
  - (vi) any additional precautionary measures in accordance with the prevailing requirements or guidelines at the Hong Kong Government and/or regulatory authorities, or as considered appropriate in light of the latest development of the COVID-19 pandemic.

---

## NOTICE OF ANNUAL GENERAL MEETING

---

7. It is possible that Shareholders and/or proxies may not be able to attend the Annual General Meeting in person depending on prevailing government regulations. Shareholders are strongly encouraged to appoint the chairman of the Annual General Meeting as their proxy to vote on the resolutions, instead of attending the Annual General Meeting in person.
8. If any Shareholder chooses not to attend the Annual General Meeting in person but has any question about any resolution or about the Company, or has any matter for putting forward to the Board, he/she is welcome to send in writing to the Company's registered office or to the Company's email at [ir@cosmel.com](mailto:ir@cosmel.com).
9. Subject to the latest development of the COVID-19 pandemic and the requirements or guidelines of the Hong Kong Government and/or regulatory authorities, the Company may be required to change the Annual General Meeting arrangements at short notice. Shareholders are advised to check the Company's website at <http://www.cosmel.com> and the website of the Stock Exchange at <https://www.hkexnews.hk> for further announcements and updates on the Annual General Meeting arrangements that may be issued.

*As at the date of this notice, the Board is comprised of seven Directors, of which two are executive Directors, namely Mr. Tang To (Chairman) and Mr. Tang Yu, Freeman (Chief Executive Officer), 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.*