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## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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 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 transferee.

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**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 DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING**

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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 Wednesday, 21 June 2023 at 10:00 a.m. is set out on pages 16 to 20 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting (i.e. at or before 10:00 a.m. on Monday, 19 June 2023) or any adjournment thereof. 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.

As a courtesy to the attendees, any attendee, who feels unwell or has any symptoms of COVID-19, should avoid attending the AGM in person. No gifts, food or beverages will be provided at the AGM. Any additional precautionary measures where appropriate or in accordance with prevailing guidelines published by the Hong Kong Government and regulatory authorities may be taken.

27 April 2023



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## DEFINITIONS

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

“AGM”	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 Wednesday, 21 June 2023 at 10:00 a.m. or any adjournment thereof, the notice of which is set out on pages 16 to 20 of this circular
“Articles”	the articles of association of the Company
“Board”	the board of Directors of the Company
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“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 (Stock Code: 118)
“controlling shareholder(s)”	has the same meaning 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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	21 April 2023, 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

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## DEFINITIONS

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“Nomination Committee”	the nomination committee of the Company
“Remuneration Committee”	the remuneration committee of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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 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.

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## LETTER FROM THE BOARD

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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

Huang Zhi Wei

Lam Kwok Ming

Lee Wai Yip, Alvin

*Registered Office:*

10<sup>th</sup> Floor, Billion Plaza 2

No. 10 Cheung Yue Street

Cheung Sha Wan

Kowloon, Hong Kong

27 April 2023

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES,  
RE-ELECTION OF 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 AGM relating to granting of general mandates to the Directors for the issuance of Shares and Shares buy-backs and re-election of Directors, and to give you the notice of the AGM.

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## LETTER FROM THE BOARD

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

Give that the general mandates to issue and buy back Shares granted at the annual general meeting of the Company held on 24 June 2022 will lapse at the conclusion of the AGM, separate ordinary resolutions will be proposed at the AGM to renew the general mandates given to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding 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 (“**Share Buy-back Mandate**”); 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.

Details of these general mandates are respectively set out in Resolutions 4 and 5 in the notice of AGM. 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 AGM, subject to the passing of the relevant ordinary resolutions to approve the mandate to issue Shares at the AGM, 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 AGM, 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.

An explanatory statement, as required by the Listing Rules to be sent to the Shareholders in connection with the proposed Share Buy-back Mandate, is set out in the Appendix I to this circular, which contains the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions.

### 3. RE-ELECTION OF DIRECTORS

In accordance with Article 102 of the Articles, Mr. Tang To, Mr. Kan Wai Wah and Ms. Yeung Shuk Fan will retire from office by rotation at the AGM and, being eligible, offer themselves for re-election.

In accordance with Article 93 of the Articles, Mr. Lam Kwok Ming and Mr. Lee Wai Yip, Alvin, who were appointed with effect from 24 November 2022, shall hold office until the AGM and, being eligible, offer themselves for re-election.

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## LETTER FROM THE BOARD

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The Nomination Committee, having reviewed the Board's composition, nominated Mr. Tang To, Mr. Kan Wai Wah, Ms. Yeung Shuk Fan, Mr. Lam Kwok Ming and Mr. Lee Wai Yip, Alvin to the Board for it to recommend to the Shareholders for re-election at the AGM. 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.

Ms. Yeung Shuk Fan has served as an independent non-executive Director for more than nine years. The Nomination Committee is of the view that Ms. Yeung is the only female Director and a member of the American Institute of Certified Public Accountants (AICPA), and an associate member of each of The Chartered Governance Institute (CGI) and The Hong Kong Chartered Governance Institute (HKCGI). She has extensive experience in corporate governance and financial management, her re-election as an independent non-executive Director will supplement the professional background of the Board in the aspects including financial management. As such, the Nomination Committee nominated Ms. Yeung to the Board for it to recommend to the Shareholders for re-election at the AGM.

The Company has received confirmation from Ms. Yeung Shuk Fan of her independence pursuant to Rule 3.13 of the Listing Rules. Throughout her directorship with the Company, she has participated in the meetings of the Board and its committees to give impartial advice and exercise independent judgement, but has never engaged in any executive management. Taking into consideration of the independent nature of Ms. Yeung's roles and duties in the past years, the Board considers her to be independent under the Listing Rules despite her long service to the Company as an independent non-executive Director. The Board also believes that her continuous appointment will help to maintain the stability of the Board as Ms. Yeung has, over time, gained valuable insights into the business strategy and policies of the Group.

Accordingly, with the recommendation of the Nomination Committee, the Board recommended all the retiring Directors, namely Mr. Tang To, Mr. Kan Wai Wah, Ms. Yeung Shuk Fan, Mr. Lam Kwok Ming and Mr. Lee Wai Yip, Alvin, to stand for re-election at the AGM. Each of them had abstained from voting at the relevant meetings of the Nomination Committee (if applicable) and the Board regarding their own nomination.

The re-election of these retiring Directors will be individually voted on by Shareholders at the AGM. Details of each of the retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

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## **LETTER FROM THE BOARD**

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### **4. AGM**

A notice of the AGM is set out on pages 16 to 20 of this circular. At the AGM, 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 AGM is enclosed herewith. Whether or not you are able to attend the AGM, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM (i.e. at or before 10:00 a.m. on Monday, 19 June 2023) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish.

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 AGM will be taken by way of poll. The chairman of the AGM would explain the detailed procedures for conducting a poll at the AGM. The results of the poll will be published on the websites of the Company and the Stock Exchange pursuant to the Listing Rules.

### **5. CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Wednesday, 14 June 2023 to Wednesday, 21 June 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Tuesday, 13 June 2023 for registration.

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## LETTER FROM THE BOARD

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### 6. 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.

### 7. RECOMMENDATION

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

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

*This appendix serves as an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Share Buy-back Mandate and also constitutes the memorandum required under Section 239(2) of the Companies Ordinance.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the total number of issued Shares was 861,930,692 shares. Subject to the passing of the ordinary resolution approving the Share Buy-back Mandate and on the basis that no further Shares are issued or bought back prior to the AGM, 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 Company 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 as a whole.

## **3. SOURCE OF FUNDS**

In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles and the applicable laws of Hong Kong. The Companies Ordinance provides that payment in respect of a Share buyback may be made out of the distributable profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose of the buy-back.

## **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 2022. 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 of the Company or its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**5. GENERAL**

- (i) The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Buy-back Mandate pursuant to the proposed resolution 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 (as defined in the Listing Rules) presently intends to sell any Shares to the Company or its subsidiaries, in the event that the Share Buy-back Mandate is approved by the Shareholders.
- (iii) No core connected persons (as defined in the Listing Rules) 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 as a result of a buy back of 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 the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase in the Shareholders' interest, 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, Mr. Tang To and his associates (as defined in the Takeovers Code), including but not limited to 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, the Company had not bought back any Shares (whether on the Stock Exchange or otherwise).

**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:

Month	Share Prices (per share)	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2022</b>		
April	0.380	0.340
May	0.385	0.320
June	0.355	0.320
July	0.340	0.330
August	0.390	0.330
September	0.375	0.325
October	0.350	0.305
November	0.310	0.275
December	0.315	0.270
<b>2023</b>		
January	0.370	0.270
February	0.380	0.310
March	0.370	0.310
April (up to the Latest Practicable Date)	0.325	0.260

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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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*The following are the particulars of each of the retiring Directors proposed to be re-elected at the AGM:*

### **Executive Director**

1. **Mr. Tang To**, aged 74, was appointed as an executive Director and the chairman of the Board on 14 July 1988 and 18 September 1997, respectively. He is the chairman of each of the Nomination Committee and committee of executive Directors of the Company, and a member of the Remuneration Committee. He also acts as a director of certain subsidiaries of the Company. On 28 May 2010, he was appointed as the director of Suzhou Sanguang Science & Technology Co., Ltd., a company listed on the National Equities Exchange and Quotations and an associated company of the Company. Mr. Tang has around 50 years of experience in manufacturing and trading businesses.

Mr. Tang is the father of Mr. Tang Yu, Freeman. As at the Latest Practicable Date, Mr. Tang is a director of certain substantial Shareholders 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 interested in the 450,813,463 Shares within the meaning of Part XV of the SFO, including (i) beneficial interest of 4,970,005 Shares; (ii) 226,000 Shares held by him and his spouse jointly; and (iii) 445,617,458 Shares in which he was deemed to be interested under the SFO, comprising (a) 3,460,406 Shares held by Ginta Company Limited which is approximately 99.999% owned by Fullwin Limited, which in turn is owned as to 50% by Mr. Tang and 50% by his spouse respectively; (b) 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 (c) 36,250,000 Shares held by Saniwell Holding Inc. (as the trustee of The Saniwell Trust, the beneficiaries of which include Mr. Tang and certain of his family members) which in turn is owned as to approximately 57.14% by Mr. Tang. Apart from this, he does not have any interests in securities of the Company within the meaning of Part XV of the SFO.

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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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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. The letter of appointment may be terminated by either party by giving to other party not less than six months' notice without payment of any compensation (other than statutory compensation). At present, he is entitled to receive the monthly salary of HK\$120,000, which was determined by the Board based on the recommendation of the Remuneration Committee, with reference to individual performance, qualification and experience, his duties and responsibilities in the Company, the Group's performance and profitability, as well as remuneration benchmark in the industry and prevailing market condition.

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 Rules 13.51(2)(h) to (v) of the Listing Rules.

### **Non-executive Director**

2. **Mr. Kan Wai Wah**, aged 65, was appointed as a non-executive Director on 22 May 1998. He is a member of the audit committee of the Company. Mr. Kan holds a High Diploma in Accountancy. He has over 40 years of experience in corporate strategy and corporate management.

Mr. Kan is the son of Ms. Law Kit Fong, a substantial Shareholder (as defined under the SFO). As at the Latest Practicable Date, Mr. Kan is a director of certain substantial Shareholders within the meaning of Part XV of the SFO.

Other than disclosed above, Mr. Kan 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. Kan beneficially owns 136,400 Shares within the meaning of Part XV of the SFO. Apart from this, he does not have any interests in securities of the Company within the meaning of Part XV of the SFO.

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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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A letter of appointment was entered into between Mr. Kan and the Company for a term of three years commencing from 1 January 2023. However, he is subject to retirement by rotation and re-election at the annual general meetings of the Company. Mr. Kan is entitled to a director's fee of HK\$100,000 per annum, which was determined by the Board based on the recommendation of the Remuneration Committee, with reference to individual performance, qualification and experience, his duties and responsibilities in the Company, the Group's performance and profitability, remuneration benchmark in the industry and prevailing market condition.

Save as disclosed above, Mr. Kan 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 Rules 13.51(2)(h) to (v) of the Listing Rules.

### **Independent Non-executive Directors**

3. **Ms. Yeung Shuk Fan**, aged 57, was appointed as an independent non-executive Director on 18 June 2004. She is a chairman of each of the audit committee of the Company and the Remuneration Committee, and a member of the Nomination Committee. Ms. Yeung holds a Master degree in Business Administration. She is a member of the American Institute of Certified Public Accountants (AICPA), and an associate member of each of The Chartered Governance Institute (CGI) and The Hong Kong Chartered Governance Institute (HKCGI). Ms. Yeung held senior financial positions in several companies. She has over 30 years of experience in the finance sector.

Other than disclosed above, Ms. Yeung 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. She 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, she does not have any interests in securities of the Company within the meaning of Part XV of the SFO.

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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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A letter of appointment was entered into between Ms. Yeung and the Company for a term of three years commencing from 1 January 2023. However, she is subject to retirement by rotation and re-election at the annual general meetings of the Company. Ms. Yeung is entitled to a director's fee of HK\$168,000 per annum, which was determined by the Board based on the recommendation of the Remuneration Committee, with reference to individual performance, qualification and experience, her duties and responsibilities in the Company, the Group's performance and profitability, remuneration benchmark in the industry and prevailing market condition.

Save as disclosed above, Ms. Yeung confirmed that there are no other matters relating to her 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 Rules 13.51(2)(h) to (v) of the Listing Rules.

4. **Mr. Lam Kwok Ming**, aged 59, was appointed as an independent non-executive Director on 24 November 2022. He is a member of the Nomination Committee. Mr. Lam holds a Master of Science in E-commerce for Executives from the Hong Kong Polytechnic University. He is a member of the Hong Kong Institute of Certified Public Accountants (HKICPA) and a fellow of the Institute of Chartered Accountants in England and Wales (ICAEW). He has over 30 years of experience in finance, business and management in different sectors. He is currently the managing director of a plastics and chemicals trading and own branded personal care products company, Jacobson van den Berg (Hong Kong) Limited, which is a subsidiary of Chinney Alliance Group Limited, a company whose shares are listed in the Main Board of the Stock Exchange with stock code 385.

Other than disclosed above, Mr. Lam 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 interests in securities of the Company within the meaning of Part XV of the SFO.

A letter of appointment was entered into between Mr. Lam and the Company for a term of three years commencing from 24 November 2022. However, he is subject to retirement by rotation and re-election at the annual general meetings of the Company. Mr. Lam is entitled to a director's fee of HK\$100,000 per annum, which was determined by the Board based on the recommendation of the Remuneration Committee, with reference to his qualification and experience, his duties and responsibilities in the Company, the Group's performance and profitability, remuneration benchmark in the industry and prevailing market condition.

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## APPENDIX II            DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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To the best knowledge of Mr. Lam, he has been a director of certain companies which were dissolved or put into liquidation during his directorship or within 12 months of his cessation as a director. For details, please refer to the announcement of the Company dated 23 November 2022.

Save as disclosed above, Mr. Lam 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 Rules 13.51(2)(h) to (v) of the Listing Rules.

5. **Mr. Lee Wai Yip, Alvin**, aged 44, was appointed as an independent non-executive Director on 24 November 2022. He is a member of the Nomination Committee. Mr. Lee obtained a Degree of Bachelor of Science in Business Administration (Management) from San Jose State University in the United States of America in 2001. He has over 20 years of experience in the information technology industry. He serves as the chief executive officer of Armitage Technologies Limited since 2011. He is currently the chairman of the Information and Software Industry Association and the vice chairman of Hong Kong Electronic & Technologies Association.

Other than disclosed above, Mr. Lee 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 interests in securities of the Company within the meaning of Part XV of the SFO.

A letter of appointment was entered into between Mr. Lee and the Company for a term of three years commencing from 24 November 2022. However, he is subject to retirement by rotation and re-election at the annual general meetings of the Company. Mr. Lee is entitled to a director's fee of HK\$100,000 per annum, which was determined by the Board based on the recommendation of the Remuneration Committee, with reference to his qualification and experience, his duties and responsibilities in the Company, the Group's performance and profitability, remuneration benchmark in the industry and prevailing market condition.

Save as disclosed above, Mr. Lee 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 Rules 13.51(2)(h) to (v) of the Listing Rules.

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## NOTICE OF ANNUAL GENERAL MEETING

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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 “**AGM**”) 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 Wednesday, 21 June 2023 at 10:00 a.m. for the following purposes:

### **AS ORDINARY BUSINESS**

1. To consider and adopt the audited financial statements, the report of the directors and the independent auditor’s report of the Company for the year ended 31 December 2022.
2.
  - (a) To re-elect Mr. Tang To as an executive director of the Company.
  - (b) To re-elect Mr. Kan Wai Wah as a non-executive director of the Company.
  - (c) To re-elect Ms. Yeung Shuk Fan as an independent non-executive director of the Company.
  - (d) To re-elect Mr. Lam Kwok Ming as an independent non-executive director of the Company.
  - (e) To re-elect Mr. Lee Wai Yip, Alvin as an independent non-executive director of the Company.
  - (f) To authorise the board (the “**Board**”) of directors (the “**Directors**”) of the Company to fix the remuneration of Directors.
3. To re-appoint Ting Ho Kwan & Chan as the auditor of the Company and to authorize the Board to fix their remuneration.

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### AS SPECIAL BUSINESS

4. To consider and, if thought fit, pass with or without modification 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;
- (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 exercise of options granted under any option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares in the Company; or (iv) any scrip dividend on shares of the Company in accordance with the articles of association of the Company (the “**Articles**”), shall not exceed 20% of the total 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 or any applicable laws or rules to be held; and

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- (iii) the revocation or variation of the authority given to the Directors under this resolution by an ordinary resolution of the shareholders of the Company (the “**Shareholders**”) in 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 exclusions 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).”

- 5. To consider and, if thought fit, pass with or without modification 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 shares in issue of the Company on The Stock Exchange of Hong Kong Limited (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 to be 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

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(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 or any applicable laws or rules to be held; and
- (iii) the revocation or variation of the authority given to the Directors under this resolution by an 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, 27 April 2023

*Notes:*

1. Any Shareholder entitled to attend and vote at the AGM 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 AGM 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding the AGM (i.e. at or before 10:00 a.m. on Monday, 19 June 2023).

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3. The Register of Members of the Company will be closed from Wednesday, 14 June 2023 to Wednesday, 21 June 2023, 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 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 13 June 2023.
4. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning or the post-super typhoon "extreme conditions" announcement is in effect any time after 8:00 a.m. on the date of the AGM, the AGM will be postponed. The Company will post an announcement on the websites of the Company at <http://www.cosmel.com> and 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 AGM 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.
5. As a courtesy to the attendees, any attendee, who feels unwell or has any symptoms of COVID-19, should avoid attending the AGM in person. No gifts, food or beverages will be provided at the AGM. Any additional precautionary measures where appropriate or in accordance with prevailing guidelines published by the Hong Kong Government and regulatory authorities may be taken.

*As at the date of this notice, the Board is comprised of eight 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 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.*