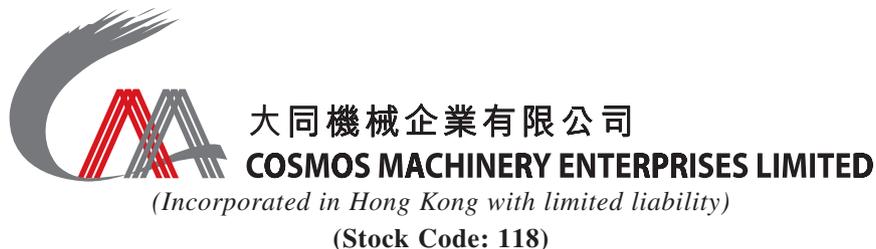


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NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Cosmos Machinery Enterprises Limited (the “**Company**”) will be held at Ballroom A, 2/F, The Langham, Hong Kong, 8 Peking Road, Tsim Sha Tsui, Kowloon, Hong Kong on Thursday, 7 June 2018 at 10:15 a.m. or immediately after conclusion of the Company’s annual general meeting to be held on the same day, whichever is later, for the purpose of considering and if thought fit, passing with or without modifications, the following resolution which will be proposed as ordinary resolution:

ORDINARY RESOLUTION

1. “**THAT:**

- (a) the subscription agreement dated 30 April 2018 (the “**Subscription Agreement**”), a copy of which has been produced to the EGM and marked “A” and initialed by the chairman of the EGM for the purpose of identification, and entered into between the Company as issuer and Cosmos Machinery (Holdings) Limited (the “**First Subscriber**”) and Saniwell Holding Inc. (the “**Second Subscriber**”) as subscribers pursuant to which the Company has conditionally agreed to allot and issue and the First Subscriber and Second Subscriber has conditionally agreed to subscribe for 108,750,000 and 36,250,000 new ordinary shares of the Company respectively (each a “**Subscription Share**”) at the subscription price of HK\$0.55 per Subscription Share and all the transactions contemplated thereunder be and are hereby confirmed, approved and ratified;
- (b) the board (the “**Board**”) of directors (the “**Directors**”) of the Company be and is hereby granted with a specific mandate to allot and issue the Subscription Shares in accordance with the terms and conditions of the Subscription Agreement;

- (c) any Director be and is hereby authorized to do such acts and things, to sign and execute all such further documents (in case of execution of documents under seal, to do so by any two Directors or any Director together with the secretary of the Company) and to take such steps as he/she may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Subscription Agreement or any transactions contemplated thereunder and all other matters incidental thereto or in connection therewith, and to agree to and make such variations, amendments or waivers of any of the matters relating thereto or in connection therewith; and
- (d) subject to the granting of the Whitewash Waiver (as defined below) by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any of his delegate(s) and any conditions that may be imposed thereon, the waiver (the “**Whitewash Waiver**”) of the obligation on the part of the Subscribers and parties acting in concert with them to make a mandatory general offer to the shareholders of the Company (the “**Shareholder(s)**”) for all the issued ordinary shares of the Company (other than those already owned or agreed to be acquired by the Subscribers and parties acting in concert with them) which might otherwise arise as a result of the Subscribers subscribing for the Subscription Shares under the Subscription Agreement pursuant to Note 1 on Dispensations from Rule 26 of The Code on Takeovers and Mergers, the Whitewash Waiver be and is hereby approved, and that any one or more of the Directors be and is/ are hereby authorized to do all such acts and things and execute all such documents under seal where applicable as he/she considers necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to any of the matters relating to, or incidental to, the Whitewash Waiver.

Yours faithfully,
For and on behalf of the Board
Cosmos Machinery Enterprises Limited
TANG To
Chairman

Hong Kong, 19 May 2018

Registered Office:
10/F, Billion Plaza 2
No. 10 Cheung Yue Street
Cheung Sha Wan
Kowloon
Hong Kong

Notes:

- (i) Unless otherwise defined in this notice or the context requires otherwise, terms defined in the Circular shall have the same meanings when used in this notice.
- (ii) A Shareholder entitled to attend and vote at the above meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her; a proxy need not be a Shareholder.
- (iii) In order to be valid, a form of proxy must be deposited at the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude Shareholders from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
- (iv) Each of the Subscribers, their associates and parties acting in concert with them, who are interested in 485,066,904 shares of the Company (representing approximately 67.66% of the existing issued share capital of the Company as at the date hereof) will abstain from voting on the relevant ordinary resolution to be proposed at the EGM to approve the Subscription Agreement, the transactions contemplated thereunder (including the Specific Mandate) and the Whitewash Waiver.
- (v) As required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the above resolution will be decided by the Shareholders by way of poll.
- (vi) The form of proxy for use at the EGM is enclosed herewith.
- (vii) As announced by the Company on 4 May 2018, the register of members of the Company will be closed from Friday, 1 June 2018 to Thursday, 7 June 2018 (both days inclusive), during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the EGM, all transfer of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's share registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by not later than 4:00 p.m. (Hong Kong time) on Thursday, 31 May 2018.

As at the date hereof, the board of directors of the Company is comprised of nine directors, of which three are executive directors, namely Mr. Tang To, Mr. Wong Yiu Ming and Mr. Tang Yu, Freeman, and two are non-executive directors, namely Mr. Kan Wai Wah and Mr. Qu Jinping and four are independent non-executive directors, namely Ms. Yeung Shuk Fan, Mr. Cheng Tak Yin, Mr. Ho Wei Sem and Mr. Huang Zhi Wei.