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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)

**DESPATCH OF CIRCULAR IN RELATION TO
(1) CONNECTED TRANSACTION IN RELATION TO
SUBSCRIPTION OF NEW SHARES
BY CONNECTED PERSONS;
(2) APPLICATION FOR WHITEWASH WAIVER; AND
(3) NOTICE OF EGM**

Financial Adviser to Cosmos Machinery Enterprises Limited



中國泛海企業融資有限公司
OCEANWIDE CAPITAL LIMITED

**Independent Financial Adviser to the Code Independent Board Committee,
the LR Independent Board Committee and the Independent Shareholders**



信溢投資策劃有限公司

CHALLENGE CAPITAL MANAGEMENT LIMITED

Reference is made to the announcement of Cosmos Machinery Enterprises Limited (the “**Company**”) dated 30 April 2018 (the “**Announcement**”) in relation to, among other things, the connected transaction in relation to subscription of new shares of the Company by connected persons of the Company and the application for whitewash waiver. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that the circular (the “**Circular**”) containing, among others, (i) further details of the Subscription Agreement and the Whitewash Waiver; (ii) the recommendation from the LR Independent Board Committee to the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder; (iii) the recommendation from the Code Independent Board Committee to the Independent Shareholders in relation to the Subscription Agreement, the transactions contemplated thereunder and the Whitewash Waiver; (iv) the letter of advice from the Independent Financial Adviser to the LR Independent Board Committee, the Code Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement, the transactions contemplated thereunder and the Whitewash Waiver; (v) the notice of the EGM; and (vi) other information as required under the Listing Rules and the Takeovers Code, has been despatched to the Shareholders on 19 May 2018.

The EGM 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, details of which are set out in the notice of the EGM contained in the Circular.

Shareholders are advised to review the Circular carefully and in particular the letter from the LR Independent Board Committee, the letter from the Code Independent Board Committee and the letter from the Independent Financial Adviser contained in the Circular before making any voting decision at the EGM.

Shareholders and potential investors should also be aware that Completion is subject to the fulfillment of all the Conditions which are set out in the paragraph headed "Conditions precedent to the Subscription Agreement" under the section headed "THE SUBSCRIPTION AGREEMENT" in the Circular. As such, the Subscription Agreement and the transactions contemplated thereunder may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

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

Hong Kong, 19 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.

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