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**CLARIFICATION ANNOUNCEMENT  
RELATING TO  
(1) CONNECTED TRANSACTION IN RELATION TO  
SUBSCRIPTION OF NEW SHARES BY CONNECTED PERSONS; AND  
(2) APPLICATION FOR WHITEWASH WAIVER  
AND  
BOOK CLOSURE DATE**

**Financial Adviser to Cosmos Machinery Enterprises Limited**



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



Reference is made to the circular of Cosmos Machinery Enterprises Limited (the “**Company**”) dated 19 May 2018 (the “**Circular**”) in relation to, among other things, (i) connected transaction in relation to subscription of new shares by connected persons; (ii) application for whitewash waiver; and (iii) notice of EGM. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circular.

The Board would like to clarify and inform the Shareholders the following with respect to the Circular:

- (1) The Executive has indicated that it will grant the Whitewash Waiver subject to, among other things, the approval of the Independent Shareholders by way of poll at the EGM.
- (2) As the voting rights held by the Subscribers resulting from the Subscription will exceed 50% of the voting rights of the Company upon Completion, the Subscribers may increase their holding without incurring any further obligation under Rule 26 of the Takeovers Code to make a general offer.
- (3) As at the date of this announcement, Mr. Cheng Tak Yin, an independent non-executive Director holding 1,406,000 Shares, representing approximately 0.20% of the total issued share capital of the Company, intends to vote for the resolution proposed at the EGM.

A supplemental circular to the Circular (the “**Supplemental Circular**”) to provide with the Shareholders additional information will be despatched to the Shareholders on 2 June 2018.

To allow for sufficient time for the Shareholders to read the Supplemental Circular, the chairman of the EGM will propose to adjourn the EGM originally scheduled on Thursday, 7 June 2018 to Wednesday, 20 June 2018 at 9:30 a.m. at Ballroom A, 2/F, The Langham, Hong Kong, 8 Peking Road, Tsim Sha Tsui, Kowloon, Hong Kong, subject to the approval by the Shareholders at the EGM. According to the articles of association of the Company, it shall be unnecessary to give notice of the adjournment as the EGM is adjourned for less than 14 days. The proxy form which was enclosed with the Circular is still valid to be used by the Shareholders for the adjourned EGM. **If you have duly completed and submitted any form(s) of proxy for the EGM and you wish the submitted proxy form(s) to remain in place for the adjourned EGM, there is no need for you to take any further action.**

If the proposed adjournment of the EGM is approved by the Shareholders at the EGM, the book closure date for the purpose of determining the identities of Shareholders entitled to attend and vote at the adjourned EGM will be Thursday, 14 June 2018 to Wednesday, 20 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 adjourned 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 Wednesday, 13 June 2018.

The Company would like to extend its sincere apology to the Shareholders.

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

Hong Kong, 1 June 2018

*As at the date of 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 (other than those relating to the Subscribers and the parties acting in concert with it) contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed (other than those expressed by the Subscribers) 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.*

*The directors of the First Subscriber, namely Mr. Tang To, Mr. Tang Siu Fai, Mr. Tang Yu, Freeman, Mr. Tang Chi Tung, Mr. Chui Kwok Lau and Mr. Kan Wai Wah, jointly and severally accept full responsibility for the accuracy of the information relating to the First Subscriber and the parties acting in concert with it contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed by the First Subscriber 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.*

*The directors of the Second Subscriber, namely Mr. Tang To and Mr. Tang Yu, Freeman, jointly and severally accept full responsibility for the accuracy of the information relating to the Second Subscriber and the parties acting in concert with it contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed by the Second Subscriber 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.*