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POLL RESULTS OF THE ADJOURNED EGM HELD ON 20 JUNE 2018

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**



The Board is pleased to announce that the resolution as set out in the EGM Notice was duly passed as ordinary resolution by the Independent Shareholders by way of poll at the Adjourned EGM held on Wednesday, 20 June 2018.

References are made to the circular (the “**Circular**”) of Cosmos Machinery Enterprises Limited (the “**Company**”) dated 19 May 2018, the notice of EGM of the Company (the “**EGM Notice**”) dated 19 May 2018, the announcement of the Company dated 1 June 2018, the supplemental circular of the Company (the “**Supplemental Circular**”) dated 2 June 2018 and the announcement of the Company dated 7 June 2018 in relation to, among other things, (i) connected transaction in relation to subscription of new Shares by connected persons; and (ii) application for Whitewash Waiver. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Circular.

POLL RESULTS OF THE ADJOURNED EGM

The Board is pleased to announce that the resolution as set out in the EGM Notice (the “**Resolution**”) was duly passed as ordinary resolution by the Independent Shareholders by way of poll at the adjourned EGM held on Wednesday, 20 June 2018 (the “**Adjourned EGM**”).

The Company’s share registrar, Tricor Secretaries Limited, was appointed as the scrutineer at the Adjourned EGM for the purpose of vote-taking.

As at the date of the Adjourned EGM:

- (i) the Company had 716,930,692 Shares in issue, which was the total number of Shares entitling the Shareholders to attend and vote on the Resolution.
- (ii) as disclosed in the Circular, by virtue of the Subscribers’ interest in the Subscription Agreement, each of the Subscribers and their respective associates and parties acting in concert with them, including Mr. Tang To, Mr. Wong Yiu Ming and Mr. Kan Wai Wah, were required to abstain from voting on the Resolution at the Adjourned EGM in relation to the Subscription Agreement, the transactions contemplated thereunder and the Whitewash Waiver. Save as the Subscribers and their respective associates and parties acting in concert with them, no other Shareholder has a material interest in or is involved in or interested in the Subscription Agreement and the transactions contemplated thereunder, or the Whitewash Waiver, and was required to abstain from voting on the Resolution at the Adjourned EGM.

The Subscribers and their respective associates and parties acting in concert with them, which were, in aggregate, interested in a total of 485,066,904 Shares (representing approximately 67.66% of the issued share capital of the Company), had abstained from voting on the Resolution at the Adjourned EGM. Accordingly, the total number of Shares entitling the Independent Shareholders to attend and vote for or against the Resolution at the Adjourned EGM were 231,863,788 Shares, representing approximately 32.34% of the issued share capital of the Company.

- (iii) save as disclosed above, there were no Shares entitling the Shareholders to attend and abstain from voting in favour of the Resolution at the Adjourned EGM as set out in Rule 13.40 of the Listing Rules.
- (iv) no Shareholders have stated their intention in the Circular or the Supplemental Circular to vote against or abstain from voting on the Resolution at the Adjourned EGM.

Due to miscommunications amongst Mr. Cheng Tak Yin, his broker and the share registrar of the Company on the procedures relating to attending in person as a Shareholder and voting at the Adjourned EGM, Mr. Cheng Tak Yin did not vote at the Adjourned EGM notwithstanding his intention to vote in favour of the Resolution should he be procedurally allowed to do so.

Since Mr. Tang To, the chairman of the Board, and Mr. Wong Yiu Ming, the executive vice chairman of the Board, are parties acting in concert with the Subscribers and are required to abstain from voting on the Resolution, they declined to take the chair of the Adjourned EGM. Ms. Yeung Shuk Fan, an independent non-executive Director, was nominated and elected (unanimously by 542,340 votes casted) to be the chairman of the Adjourned EGM in accordance with article 71 of the articles of association of the Company.

The poll results in respect of the Resolution are as follows:

Ordinary Resolution	Number of votes cast and approximate percentage of total number of votes cast		Total number of votes cast
	For	Against	
1. To approve the Subscription Agreement, the transactions contemplated thereunder and the Whitewash Waiver	1,628,500 (79.97%)	408,000 (20.03%)	2,036,500

Note: The full text of the Resolution was set out in the EGM Notice.

As more than 50% of the votes were cast in favour of the Resolution, the Resolution was duly passed as an ordinary resolution.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table depicts the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion, assuming that there is no change in the issued share capital of the Company other than the allotment and issue of the Subscription Shares since the date of this announcement and up to the date of Completion, for illustrative purposes only:

Shareholders	As at the date of this announcement		Immediately upon Completion	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
The First Subscriber, the Second Subscriber and parties acting in concert with them				
The First Subscriber	127,052,600	17.72	235,802,600	27.36
The Second Subscriber	–	–	36,250,000	4.21
Tai Shing Agencies Limited ^(note 1)	170,104,452	23.73	170,104,452	19.73
Mr. Tang To ^(note 2) and his associates ^(note 3) (other than the First Subscriber, Tai Shing Agencies Limited and the Second Subscriber)	8,656,406	1.21	8,656,406	1.00
Mr. Wong Yiu Ming ^(note 4)	9,468,000	1.32	9,468,000	1.10
Mr. Kan Wai Wah ^(note 5)	136,400	0.02	136,400	0.02
China Resources (Holdings) Company Limited ^(note 6)	169,649,046	23.66	169,649,046	19.68
Sub-total:	485,066,904	67.66	630,066,904	73.10
Director				
Mr. Cheng Tak Yin ^(note 7)	1,406,000	0.20	1,406,000	0.16
Public Shareholders	230,457,788	32.15	230,457,788	26.74
Total	716,930,692	100.00	861,930,692	100.00

Notes:

- (1) Tai Shing Agencies Limited is an indirect wholly-owned subsidiary of the First Subscriber. The directors of Tai Shing Agencies Limited are Mr. Tang Siu Fai, Mr. Chui Kwok Lau and Mr. Tang Chi Tung.
- (2) Mr. Tang To is an executive Director and a director of both the First Subscriber and the Second Subscriber.
- (3) Out of these 8,656,406 Shares, 4,970,000 Shares are personally held by Mr. Tang To, 2,000 Shares are held by his spouse, 224,000 Shares are jointly held by Mr. Tang To and his spouse while 3,460,406 Shares are held by Ginta Company Limited, which is wholly owned by a company which in turn is owned as to 50% by Mr. Tang To and 50% by his spouse.
- (4) Mr. Wong Yiu Ming is an executive Director and is presumed to be acting in concert with the Subscribers under class (6) presumption under the definition of “acting in concert” under the Takeovers Code until Completion. This class (6) presumption will cease to apply after Completion.
- (5) Mr. Kan Wai Wah is a non-executive Director and a director of the First Subscriber.
- (6) China Resources (Holdings) Company Limited is presumed to be a party acting in concert with the Subscribers under Note 1 to the definition of “acting in concert” under the Takeovers Code. This presumption will cease to apply after Completion since China Resources (Holdings) Company Limited will hold less than 20% of the voting rights of the Company upon Completion.
- (7) Mr. Cheng Tak Yin is an independent non-executive Director.

The Subscription Agreement and the transactions contemplated thereunder are subject to the fulfilment of 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. Therefore, 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, 20 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.