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COMPLETION OF ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

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 all the conditions precedent to the Subscription have been fulfilled and Completion took place on 27 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 dated 19 May 2018, the supplemental circular of the Company dated 2 June 2018, and the announcements of the Company dated 1 June 2018, 7 June 2018 and 20 June 2018 in relation to, among other things, (i) connected transaction in relation to subscription of new Shares by connected persons; (ii) application for and grant of Whitewash Waiver and (iii) the approval by Independent Shareholders of the Subscription, the transactions contemplated thereunder and the Whitewash Waiver by way of poll. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Circular.

COMPLETION OF ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

The Board is pleased to announce that all the conditions precedent to the Subscription have been fulfilled and Completion took place on 27 June 2018.

Immediately before Completion, the Company had 716,930,692 Shares in issue. Upon Completion, an aggregate of 145,000,000 new Shares, representing approximately 16.82% of the issued share capital of the Company as at the date of this announcement (as enlarged by the allotment and issue of the Subscription Shares), have been duly allotted and issued as fully paid to the Subscribers at the Subscription Price of HK\$0.55 per Subscription Share. Accordingly, immediately after Completion, there are 861,930,692 Shares in issue.

The gross proceeds and the net proceeds from the Subscription are approximately HK\$79,750,000 and HK\$76,800,000 respectively. The net price of each Subscription Share is approximately HK\$0.53.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately upon Completion:

Shareholders	Immediately prior to Completion		Immediately upon Completion	
	Number of Shares	Approx. %	Number of Shares	Approx. %
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 <i>(Note 1)</i>	170,104,452	23.73	170,104,452	19.73
Mr. Tang To <i>(note 2)</i> and his associates <i>(note 3)</i> (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 <i>(note 4)</i>	9,468,000	1.32	9,468,000	1.10
Mr. Kan Wai Wah <i>(note 5)</i>	136,400	0.02	136,400	0.02
China Resources (Holdings) Company Limited <i>(note 6)</i>	169,649,046	23.66	169,649,046	19.68
Sub-total: <i>(note 7)</i>	485,066,904	67.66	630,066,904	73.10
Director				
Mr. Cheng Tak Yin <i>(note 8)</i>	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) These sub-total figures include the shareholding of parties presumed to be acting in concert with the Subscribers under class (6) presumption under the definition of “acting in concert” and under Note 1 to the definition of “acting in concert” under the Takeovers Code. Immediately prior to Completion, the Subscribers and parties acting in concert or presumed to be acting in concert with them (including Mr. Wong Yiu Ming and China Resources (Holdings) Company Limited) are, in aggregate, interested in 485,066,904 Shares, representing approximately 67.66% of the issued share capital of the Company. Upon Completion, Mr. Wong Yiu Ming will no longer be presumed to be acting in concert with the Subscribers under class (6) presumption under the definition of “acting in concert” under the Takeovers Code, and China Resources (Holdings) Company Limited will no longer be presumed to be acting in concert with the Subscribers under Note 1 to the definition of “acting in concert” under the Takeovers Code. Accordingly, immediately upon Completion, the Subscribers and parties acting in concert with them will, in aggregate, be interested in 450,949,858 Shares, representing approximately 52.32% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.
- (8) Mr. Cheng Tak Yin is an independent non-executive Director.

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

Hong Kong, 27 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.