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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **COSMOS MACHINERY ENTERPRISES LIMITED** (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice of annual general meeting of Cosmos Machinery Enterprises Limited to be held at 9:30 a.m. on Thursday, 13 June 2019 at Conference Room, 31/F., Billion Plaza, 8 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong is set out on pages 14 to 18 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s share registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as practicable and in any event not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof (i.e. by no later than 9:30 a.m. on Tuesday, 11 June 2019 (Hong Kong Time)). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

16 April 2019

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context otherwise stated:

“Annual General Meeting”	the annual general meeting of the Company to be held at 9:30 a.m. on Thursday, 13 June 2019 at Conference Room, 31/F., Billion Plaza, 8 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong or any adjournment thereof
“Articles”	the articles of association of the Company, as from time to time amended in accordance with the Companies Ordinance
“associates”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
“Company”	Cosmos Machinery Enterprises Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 118)
“Core Connected Person(s)”	has the same meaning as ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules
“Directors”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Latest Practicable Date”	10 April 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the same meaning as ascribed to it under the Listing Rules
“Takeover Code”	the Hong Kong Codes on Takeovers and Mergers
“%”	per cent

LETTER FROM THE BOARD



大同機械企業有限公司
COSMOS MACHINERY ENTERPRISES LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 118)

Executive Directors:

Tang To (Chairman)
Wong Yiu Ming (Executive Vice Chairman)
Tang Yu, Freeman (Chief Executive Officer)
Mei Zheqi

Registered Office:

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

Non-Executive Directors:

Kan Wai Wah
Qu Jinping

Independent Non-Executive Directors:

Yeung Shuk Fan
Cheng Tak Yin
Ho Wei Sem
Huang Zhi Wei

16 April 2019

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with details regarding the proposals for (i) granting of general mandates to the Directors to issue and buy back Shares; (ii) re-election of retiring Directors; and (iii) to give the Shareholders notice of the Annual General Meeting. Such proposals will be dealt with at the Annual General Meeting.

LETTER FROM THE BOARD

2. GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

At the Annual General Meeting, separate ordinary resolutions will be proposed to renew the general mandates given to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding in aggregate 20% of the total number of Shares in issue at the date of passing of such resolution; (ii) to buy back Shares not exceeding 10% of the total number of Shares in issue at the date of passing of such resolution; and (iii) to add the aggregate number of the Shares bought back by the Company to the general mandate to the Directors to allot new Shares of up to 20% of the total number of Shares in issue.

The mandates to issue and buy back Shares granted at the annual general meeting held on 7 June 2018 will lapse at the conclusion of the Annual General Meeting. Resolutions Nos. 5 to 6 set out in the notice of Annual General Meeting will be proposed at the Annual General Meeting to renew these mandates. With reference to these resolutions, the Directors wish to state that they have no present intention to buy back any Shares or to issue any new Shares pursuant to the relevant mandates.

Based on 861,930,692 Shares in issue as at the Latest Practicable Date and assuming that there is no change to the number of issued Shares prior to the Annual General Meeting, subject to the passing of the relevant ordinary resolutions to approve the mandate to issue Shares at the Annual General Meeting, the Directors will be authorised to allot and issue up to a limit of 172,386,138 Shares under the general mandate to issue Shares. If approved by the Shareholders at the Annual General Meeting, the general mandate to issue Shares will continue in force until the earlier of (i) the conclusion of the next annual general meeting of the Company following the passing of the resolution referred to herein; or (ii) the revocation or variation of the general mandate to issue Shares by an ordinary resolution of the Shareholders at general meeting.

The explanatory statement, required by the rule 10.06(1)(b) of the Listing Rules to be sent to the Shareholders in connection with the proposed general mandate to buy back the Shares (the “**Share Buy-back Mandate**”) is set out in the Appendix I to this circular which contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions.

LETTER FROM THE BOARD

3. RE-ELECTION OF RETIRING DIRECTORS

In accordance with article 102 of the Articles, the Directors are subject to retirement by rotation and re-election at the Annual General Meeting. Messrs. Mei Zheqi (executive Director) Kan Wai Wah, (non-executive Director), Qu Jinping (non-executive Director) and Huang Zhi Wei (independent non-executive Director) will retire from office by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting.

The Company has received from Mr. Huang Zhi Wei confirmation of independence pursuant to rule 3.13 of the Listing Rules. He has not engaged in any executive management of the Group. His familiarity with the Company's business may place him in a better position to contribute independent views to the Company. The Board therefore considers that Mr. Huang Zhi Wei remains independent for re-election.

At the Annual General Meeting, resolutions 2(a), 2(b), 2(c) and 2(d) will be proposed to re-elect the retiring Directors, and details of them who are required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

Under the resolutions 2(a), 2(b), 2(c) and 2(d), the re-election of the above Directors will be individually voted by Shareholders.

4. ANNUAL GENERAL MEETING

A notice of the Annual General Meeting is set out in this circular. At the Annual General Meeting, in addition to the ordinary businesses of the meeting, resolutions will be proposed to approve the general mandates for the issue Shares and buy back by the Company of its own Shares.

A form of proxy for the Annual General Meeting is enclosed herewith. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable and in any event not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof (i.e. by no later than 9:30 a.m. on Tuesday, 11 June 2019 (Hong Kong Time)). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

LETTER FROM THE BOARD

5. VOTING BY POLL AT THE ANNUAL GENERAL MEETING

Pursuant to rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, each of the resolutions set out in the notice of the Annual General Meeting will be taken by way of poll. The Chairman would explain the detailed procedures for conducting a poll at the Annual General Meeting. The results of the poll will be published on the websites of the Stock Exchange and the Company respectively subject to the Listing Rules.

6. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

7. RECOMMENDATION

The Directors consider that the proposals for (i) granting of general mandates to the Directors to issue and buy back Shares; and (ii) re-election of retiring Directors are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the Annual General Meeting in respect thereof.

Yours faithfully,
For and on behalf of the Board
TANG To
Chairman

This appendix serves as the explanatory statement required under rule 10.06(1)(b) of the Listing Rules to provide you with the information necessary for your consideration of the proposed Share Buy-back Mandate to be granted to the Directors. It also forms the memorandum of the terms of the proposed buy-back required under section 239(2) of the Companies Ordinance.

1. SHARE CAPITAL

As at the Latest Practicable Date, the total number of issued Shares of the Company comprised 861,930,692 Shares. On the basis that no further Shares are bought back before the conclusion of the Annual General Meeting and that no further Shares are issued prior to the Annual General Meeting, the Company would be allowed to buy back a total of 86,193,069 Shares, representing 10% of the total number of Shares in issue.

2. REASONS FOR SHARE BUY-BACKS

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from Shareholders to enable the Directors to buy back Shares in the market. Such buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such buy-back will benefit the Company and the Shareholders.

3. SOURCE OF FUNDS

In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles and the applicable laws of Hong Kong. The Companies Ordinance provides that the amount of capital repaid in connection with a Share buy-back may only be paid from the distributable profits of the Company and/or the proceeds of a fresh issue of Shares made for the purpose of the buy-back to such an extent allowable.

4. IMPACT ON THE WORKING CAPITAL OR GEARING POSITION

The exercise in full of the Share Buy-back Mandate might have a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited financial statements contained in the annual report for the year ended 31 December 2018. However, the Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or gearing position of the Company unless the Directors consider that such buy-backs are in the best interests of the Company notwithstanding such material adverse effect.

5. UNDERTAKING

- (i) The Directors have undertaken to the Stock Exchange that, so far as the same may be applied, they will exercise the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.
- (ii) None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates has any present intention to sell any Shares to the Company or its subsidiaries.
- (iii) If on exercise of the power to buy back Shares pursuant to the Share Buy-back Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for purposes of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Saniwell Holding Limited together with its associates directly or indirectly held 450,813,458 Shares representing approximately 52.30% of the total number of Shares in issue. In the event that the Directors exercise in full the Share Buy-back Mandate which is to be approved by the Shareholders and no further Shares are issued during the proposed buy-back period, the percentage shareholding of Saniwell Holding Limited together with its associates in the Company will increase to approximately 58.11%. The Directors are not aware such an increase will give rise to any obligation to make a mandatory offer under rule 26 of the Takeover Code if the Buy-back Mandate was to be exercised in full.

- (iv) During the six months immediately preceding the Latest Practicable Date, neither the Company nor any of its subsidiaries otherwise purchased, sold or redeemed any of the Company's listed Shares.
- (v) No other Core Connected Persons has notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Share Buy-back Mandate is approved by the Shareholders.

6. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous 12 months before the Latest Practicable Date were as follows:

	Share Prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2018	0.560	0.470
May 2018	0.860	0.530
June 2018	0.740	0.550
July 2018	0.580	0.520
August 2018	0.630	0.490
September 2018	0.520	0.450
October 2018	0.480	0.385
November 2018	0.420	0.395
December 2018	0.410	0.385
January 2019	0.465	0.385
February 2019	0.560	0.400
March 2019	0.520	0.480
April 2019 (up to the Latest Practicable Date)	0.540	0.500

The following are the particulars of the four Directors to be retired by rotation and proposed to be elected at the Annual General Meeting:

1. **Mr. Mei Zheqi** – Executive Director, aged 41, joined the Group in 2000 and was appointed as an executive Director on 28 August 2018. He is a member of the committee of executive Directors of the Company. Mr. Mei graduated from the School of Accounting of Zhongnan University of Economics and Law with a Master degree in Management. He is a non-practising member of The Chinese Institute of Certified Public Accountants and a member of The Association of Chartered Certified Accountants. He is currently a general manager of two subsidiaries of the Company, which are engaged in the leasing and factoring businesses respectively, and a supervisor of a subsidiary of the Company, which is engaged in the plastic products and processing business.

Other than disclosed above, Mr. Mei has not previously held any position with the Group, and is independent of and not connected with the directors, chief executives and substantial shareholders or controlling shareholders of the Company or the subsidiaries of the Company or an associate of any of them. He does not hold any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. At the Latest Practicable Date, he does not have any interest in securities of the Company within the meaning of Part XV of the SFO. A letter of appointment was entered into between Mr. Mei and the Company for a term of three years commencing from 28 August 2018. However, he is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. He will receive a director's fee as the Company may determine from time to time. At present, he receives emolument RMB600,000 per annum. The emoluments of Directors are determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, Mr. Mei confirmed there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

2. **Mr. Kan Wai Wah** – Non-executive Director, aged 61, was appointed as a non-executive Director on 22 May 1998. Mr. Kan holds a Higher Diploma in Accountancy. He has over 30 years of experience in corporate strategy and corporate management.

Mr. Kan is the son of Ms. Law Kit Fong (a substantial shareholder of the Company). As at the Latest Practicable Date, he is a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO.

Other than disclosed above, Mr. Kan has not previously held any position with the Group, and is independent of and has not other relationship with any Directors, chief executives and substantial shareholders or controlling shareholders of the Company or the subsidiaries of the Company or an associate of any of them. He does not hold any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

At the Latest Practicable Date, he beneficially owns 136,400 Shares within the meaning of Part XV of the SFO. A letter of appointment was entered into between Mr. Kan and the Company for a term of three years commencing from 1 January 2017. However, he is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. He will receive a director's fee as the Company may determine from time to time. At present, he receives a director's fee of HK\$60,000 per annum. The emoluments of Directors are determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, Mr. Kan confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

3. **Mr. Qu Jinping** – Non-executive Director, aged 61, was appointed as a non-executive Director on 8 September 2006. He is currently the professor and doctoral supervisor in the School of Mechanical and Automotive Engineering of The South China University of Technology. He holds a Bachelor degree and a Master degree in Engineering from South China University of Technology in 1982 and 1987 respectively, and a Doctorate degree in Engineering from Sichuan University in 1999. He has been engaged in scientific research and teaching in polymer dynamic plasticizing processing technology and equipment for over 30 years and achieved a number of world-first scientific and technology achievements.

Other than disclosed above, Mr. Qu has not previously held any position with the Group, and is independent of and not connected with the directors, chief executives and substantial shareholders or controlling shareholders of the Company or the subsidiaries of the Company or an associate of any of them. He does not hold any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. At the Latest Practicable Date, he does not have any interest in securities of the Company within the meaning of Part XV of the SFO. A letter of appointment was entered into between Mr. Qu and the Company for a term of three years commencing from 7 September 2018. However, he is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. He will receive a director's fee as the Company may determine from time to time. Mr. Qu declined to receive director's fee voluntarily. The emolument of Directors are determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, Mr. Qu confirmed there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

4. **Mr. Huang Zhi Wei** – Independent Non-executive Director, aged 80, he was appointed as the independent non-executive Director on 2 November 2012. Mr. Huang graduated from The Huazhong University of Science & Technology, majoring in electrical engineering. He is currently the executive vice president of Guangdong General Chamber of Commerce. Mr. Huang worked in the PRC government authorities for over 10 years. He served as the deputy director general of Guangdong Commission of Foreign Trade & Economic Cooperation and the director of General of Guangdong Board of Investment from 1993 to 2000. From 1984 to 1992, he served as the executive officer of Foshan Economic Committee. Mr. Huang worked as the engineer at power plant in Foshan for almost 10 years. From 1981 to 1984, he served as the chief engineer and deputy general manager of a household electrical appliances corporation in Foshan. Mr. Huang was an independent director of Keda Clean Energy Co. Ltd., a company listed on The Shanghai Stock Exchange from 21 August 2009 to 19 August 2015.

Save as his directorship disclosed above, He has not previously held any position with the Group, and is independent of and not connected with the directors, chief executives and substantial shareholders or controlling shareholders of the Company or the subsidiaries of the Company or an associate of any of them. Mr. Huang does not hold any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. At the Latest Practicable Date, he does not have any interest in securities of the Company within the meaning of Part XV of the SFO. A letter of appointment was entered into between Mr. Huang and the Company for a term of three years commencing from 2 November 2018. However, he is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. He will receive a director's fee as the Company may determine from time to time. He declined to receive director's fee voluntarily. The emolument of Directors are determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, Mr. Huang confirmed there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



大同機械企業有限公司

COSMOS MACHINERY ENTERPRISES LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 118)

NOTICE IS HEREBY GIVEN that the annual general meeting of Cosmos Machinery Enterprises Limited (the “Company”) will be held at 9:30 a.m. on Thursday, 13 June 2019 at Conference Room, 31/F., Billion Plaza, 8 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the audited financial statements, the report of the directors and independent auditor’s report for the year ended 31 December 2018.
2. To declare a final dividend of HK\$0.02 per share for the year ended 31 December 2018.
3. To re-elect the retiring directors (*note 2*) and to authorise the Board to fix the remuneration of the Directors.
4. To re-appoint Ting Ho Kwan & Chan as auditor of the Company to hold office until the conclusion of the next annual general meeting and to authorize the board of directors to fix their remuneration.

AS SPECIAL BUSINESS

5. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and it is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) above shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate number of issued shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company; (iii) the share award scheme or the share option scheme of the Company approved by The Stock Exchange of Hong Kong Limited; or (iv) any scrip dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed the aggregate of 20% of the number of shares of the Company in issue as at the date of passing this resolution; and
- (d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws or rules to be held; and
- (iii) the revocation or variation of this resolution by any ordinary resolution of the shareholders of the Company in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

- (iv) “Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or any class thereof (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

6. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

A. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors during the Relevant Period of all the powers of the Company to buy back number of shares in issue of the Company on The Stock Exchange of Hong Kong Limited, and that the exercise by the directors of the Company of all the powers of the Company to buy back such shares subject to and in accordance with all applicable laws or the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and it is hereby generally and unconditionally approved;
- (b) in addition, the approval in paragraph (a) above shall authorize the directors on behalf of the Company during the Relevant Period to procure the Company to buy back shares at a price determined by the directors;
- (c) the aggregate number of issued shares of the Company bought back or agreed conditionally or unconditionally to be bought back by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate number of shares of the Company in issue as at the date of passing this resolution, and the authority pursuant to paragraph (a) shall be limited accordingly; and
- (d) for the purpose of this resolution:

NOTICE OF ANNUAL GENERAL MEETING

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws or rules to be held; and
- (iii) the revocation or variation of this resolution by any ordinary resolution of the shareholders of the Company in general meeting.”

- B. “**THAT** conditional upon the passing of the ordinary resolution 6A above, the aggregate number of issued shares in the Company which are bought back by the Company pursuant to and in accordance with the said ordinary resolution 6A shall be added to the aggregate number of issued shares in the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the ordinary resolution 5 above.”

By order of the Board
Yeung Yuk Lun **Man Wing Yan**
Joint Company Secretaries

Hong Kong, 16 April 2019

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company. Forms of Proxy must be lodged at the Company's share registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time for holding the meeting (i.e. by no later than 9:30 a.m. Tuesday, 11 June 2019 (Hong Kong Time)).
2. With respect to resolution 2, Messrs. Mei Zheqi, Kan Wai Wah, Qu Jinping and Huang Zhi Wei will retire from office by rotation pursuant to the articles of association of the Company and all being eligible, offer themselves for reelection at the meeting.
3. The register of members of the Company will be closed from Thursday, 6 June 2019 to Thursday, 13 June 2019, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 5 June 2019.
4. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect at the time of the meeting, the meeting will be held as scheduled unless further notice posted on the websites of the Company at <http://www.cosmel.com> and the Stock Exchange at <http://www.hkexnews.hk> to notify shareholders of the date, time and place of the rescheduled meeting. Shareholders should make their own decision as to whether they would attend the Meeting under bad weather conditions bearing in mind their own situation and if they should choose to do so, they are advised to exercise care and caution.
5. As at the date of this notice, the board of directors of the Company comprises Mr. Tang To (Chairman), Mr. Wong Yiu Ming (Executive Vice Chairman), Mr. Tang Yu, Freeman (Chief Executive Officer) and Mr. Mei Zheqi as executive Directors, Mr. Kan Wai Wah and Mr. Qu Jinping as non-executive Directors, and Ms. Yeung Shuk Fan, Mr. Cheng Tak Yin, Mr. Ho Wei Sem and Mr. Huang Zhi Wei as independent non-executive Directors.