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## **PROPOSED CHANGE OF AUDITOR**

This announcement is made by Cosmos Machinery Enterprises Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that Ting Ho Kwan & Chan (“**THKC**”) will retire as the auditor of the Company upon expiration of its current term of office at the conclusion of the forthcoming annual general meeting of the Company (the “**AGM**”) and will not seek for re-appointment. The Company has received a confirmation letter from THKC that there are no matters relating to its retirement that should be brought to the attention of the shareholders of the Company (the “**Shareholders**”).

The Board would like to take this opportunity to express its sincere gratitude to THKC for its professional services and support rendered to the Group in the past period.

The Board further announces that, with the recommendation of the audit committee of the Company (the “**Audit Committee**”), it has resolved to propose the appointment of HLB Hodgson Impey Cheng Limited (“**HLB**”) as the new auditor of the Company following the retirement of THKC at the conclusion of the AGM, and to hold office until the conclusion of the next annual general meeting of the Company, subject to the approval of the Shareholders at the AGM.

The Audit Committee has considered a number of factors in assessing the appointment of HLB as the new auditor of the Company, including but not limited to (i) its market reputation; (ii) its independence from the Group and objectivity; (iii) its audit proposal; (iv) its resources and capabilities; (v) its experience, industry knowledge and technical competence in providing audit work for companies listed on The Stock Exchange of Hong Kong Limited; (vi) the Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors issued by the Accounting and Financial Reporting Council (“**AFRC**”, formerly known as Financial Reporting Council) in December 2021; and (vii) the Guidance Notes on Change of Auditors published by the AFRC in September 2023.

Based on the above, the Audit Committee has assessed and considered HLB is eligible and suitable to act as the new auditor of the Company. The Board and the Audit Committee are of the view that the change of auditor would enhance the cost-effectiveness and efficiency of the Company's annual audit and is in the interests of the Company and the Shareholders as a whole. The Board and the Audit Committee have confirmed that there are no matters in respect of the proposed change of auditor that need to be brought to the attention of the Shareholders.

A circular containing, among other things, details of the proposed change of auditor and a notice of the AGM will be despatched to the Shareholders in due course.

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

Hong Kong, 25 April 2024

*As at the date of this announcement, the Board comprises six Directors, of which two are executive Directors, namely Mr. Tang To and Mr. Tang Yu, Freeman, one is non-executive Director, namely Mr. Kan Wai Wah, and three are independent non-executive Directors, namely Ms. Yeung Shuk Fan, Mr. Lam Kwok Ming and Mr. Lee Wai Yip, Alvin.*