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If you are in any doubt as to any aspect about this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution 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**, you should at once hand this circular together with the enclosed form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
RE-APPOINTMENT OF AUDITORS,
ADOPTION OF NEW ARTICLES OF ASSOCIATION,
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice of annual general meeting of Cosmos Machinery Enterprises Limited to be held at Conference Room A, Unit 910, 9/F., Cheung Sha Wan Plaza Tower 1, No. 833 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong on Wednesday, 17 June 2026 at 10:00 a.m. is set out on pages 18 to 22 of this circular. Whether or not you are able to attend the meeting, you are requested to duly complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (i.e. at or before 10:00 a.m. on Monday, 15 June 2026). 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. No gifts, food or beverages will be provided at the AGM.

28 April 2026

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Conference Room A, Unit 910, 9/F., Cheung Sha Wan Plaza Tower 1, No. 833 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong on Wednesday, 17 June 2026 at 10:00 a.m. or any adjournment thereof, the notice of which is set out on pages 18 to 22 of this circular
“Articles”	the existing articles of association or the new articles of association of the Company (as the context requires)
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors of the Company
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“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)
“Director(s)”	the director(s) of the Company
“Existing Articles”	the existing Articles, and a reference to an “Existing Article” is a reference to a provision in the Existing Articles
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	22 April 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

DEFINITIONS

“New Articles”	the new set of Articles incorporating the Proposed Amendments to be considered and approved for adoption by the Shareholders at the AGM, and a reference to a “New Article” is a reference to a provision in the New Articles
“Nomination Committee”	the nomination committee of the Company
“Proposed Amendments”	the proposed amendments to the Existing Articles, a summary of the major areas of which is set out in Appendix III to this circular
“Remuneration Committee”	the remuneration committee of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“Treasury Shares”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

References to times and dates in this circular are to Hong Kong times and dates.

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:

Mr. Tang To (*Chairman*)

Mr. Tang Yu, Freeman (*Chief Executive Officer*)

Non-executive Director:

Mr. Kan Wai Wah

Independent Non-executive Directors:

Ms. Yeung Shuk Fan

Mr. Lam Kwok Ming

Mr. Lee Wai Yip, Alvin

Registered Office:

10th Floor, Billion Plaza 2

No. 10 Cheung Yue Street

Cheung Sha Wan

Kowloon, Hong Kong

28 April 2026

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
RE-APPOINTMENT OF AUDITORS,
ADOPTION OF NEW ARTICLES OF ASSOCIATION,
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM relating to granting of general mandates to the Directors for the issuance of Shares and Shares buy-backs, re-election of retiring Directors, re-appointment of auditors and adoption of the New Articles, and to give you the notice of AGM.

LETTER FROM THE BOARD

2. GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

Given that the general mandates to issue and buy back Shares granted to the Directors at the annual general meeting of the Company held on 18 June 2025 will lapse at the conclusion of the AGM, separate ordinary resolutions will be proposed at the AGM for the Shareholders to consider and, if thought fit, renew the general mandates granted to the Directors to (i) allot, issue and otherwise deal with additional Shares not exceeding 20% of the total number of issued Shares (excluding Treasury Shares, if any) at the date of passing of such resolution (“**Share Issue Mandate**”); (ii) buy back Shares not exceeding 10% of the total number of issued Shares (excluding Treasury Shares, if any) as at the date of passing of such resolution (“**Share Buy-back Mandate**”); and (iii) add the aggregate number of Shares bought back by the Company to the general mandate to the Directors to allot additional Shares of up to 20% of the total number of issued Shares (excluding Treasury Shares, if any).

Details of these general mandates are respectively set out in Resolutions 4 and 5 in the notice of AGM. 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 additional Shares pursuant to the aforementioned mandates.

As at the Latest Practicable Date, the total number of issued Shares was 861,930,692 shares. The Company does not have any Treasury Shares. Subject to the passing of the relevant resolutions approving the Share Issue Mandate and the Share Buy-back Mandate, and assuming that no further Shares are issued and/or bought back by the Company from the Latest Practicable Date up to the date of the AGM, the Directors would be allowed (i) under the Share Issue Mandate to allot and issue up to a maximum of 172,386,138 Shares, representing 20% of the total number of issued Shares (excluding Treasury Shares, if any) as at the Latest Practicable Date; and (ii) under the Share Buy-back Mandate to buy back up to a maximum of 86,193,069 Shares, representing 10% of the total number of issued Shares (excluding Treasury Shares, if any) as at the Latest Practicable Date. If approved by the Shareholders at the AGM, these general mandates will continue in force during the period from the passing of the resolution until the earlier of the dates as stated in Resolutions 4 and 5 in the notice of AGM.

An explanatory statement, as required by the Listing Rules to be sent to the Shareholders in connection with the proposed Share Buy-back Mandate, is set out in 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.

3. RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 102 of the Articles, Messrs. Lam Kwok Ming and Lee Wai Yip, Alvin will retire from office by rotation at the AGM and, being eligible, offer themselves for re-election as independent non-executive Directors.

LETTER FROM THE BOARD

The Nomination Committee, in accordance with a range of diversity perspectives set out in the nomination policy and the board diversity policy of the Company (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service), and after having reviewed the Board's composition, considered that, in addition to bringing a balance of views as well as knowledge, experience and expertise, Messrs. Lam Kwok Ming and Lee Wai Yip, Alvin have remained responsible in the performance of their functions and discharged their duties to the Company through active participation in the Board and Board committees. Accordingly, the Nomination Committee nominated Messrs. Lam Kwok Ming and Lee Wai Yip, Alvin to the Board for it to propose to the Shareholders for re-election at the AGM.

With the recommendation of the Nomination Committee, the Board proposed that all retiring Directors, namely Messrs. Lam Kwok Ming and Lee Wai Yip, Alvin, be re-elected at the AGM. Each of them abstained from voting on their own nomination at the relevant meetings of the Nomination Committee and the Board.

Re-election of these retiring Directors will be separately voted on by Shareholders at the AGM. Details of each of the retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

4. RE-APPOINTMENT OF AUDITORS

HLB Hodgson Impey Cheng Limited will retire from office, and being eligible, offer themselves for re-appointment as the auditors of the Company (the “**Auditors**”) at the AGM. The re-appointment of the Auditors has been reviewed by the Audit Committee, which has recommended to the Board that the re-appointment be proposed for Shareholders' approval at the AGM.

The Board, having considered the recommendation of the Audit Committee, has agreed with HLB Hodgson Impey Cheng Limited that the estimated audit fee for the audit services relating to the financial year ending 31 December 2026 shall be in the range of HK\$2,000,000 to HK\$2,500,000.

The estimated audit fee has been determined after due consideration and arm's length negotiations between the Company and HLB Hodgson Impey Cheng Limited, taking into account, among other things, the size, nature and complexity of the Group's business operations, the expected scope of the audit (covering the consolidated financial statements prepared in accordance with HKFRS Accounting Standards), the audit timetable, and the level and mix of professional staff to be deployed. The estimated audit fee also assumes that there will be no material change in the Group's operations, accounting policies or regulatory environment during such financial year, and that the Company will provide timely and adequate assistance and information as reasonably required for the purposes of the audit.

LETTER FROM THE BOARD

Unless there is a material change in the basis or assumptions set out above, the final audit fee should not deviate materially from the estimated amount initially disclosed. In the event of any material change, the Company will make further disclosure as appropriate.

The Board and the Audit Committee are satisfied that the estimated audit fee is appropriate and reflects the necessary resources required to perform a comprehensive audit. An ordinary resolution will be proposed at the AGM to re-appoint HLB Hodgson Impey Cheng Limited as the Auditors and to authorise the Board to fix the Auditors' remuneration.

5. ADOPTION OF THE NEW ARTICLES

The Board proposes to adopt the New Articles to incorporate the Proposed Amendments to the Existing Articles for the purposes of, among others things, (i) aligning it with (a) the amendments to the Companies Ordinance in relation to the implementation of the Treasury Share regime for Hong Kong incorporated listed issuers and the adoption of the implied consent mechanism for the dissemination of corporate communications by means of website; (b) the amendments to the Listing Rules in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications, and the further expansion of the paperless listing regime (including requiring the listed issuers' constitutional documents to provide flexibility to enable the holding of hybrid/virtual general meetings with the use of virtual meeting technology and voting via electronic means at general meetings); (c) other relevant requirements of the Listing Rules and the Companies Ordinance; and (ii) making certain consequential and housekeeping changes.

In view of the number of Proposed Amendments, the Board proposes to adopt the New Articles in substitution for, and to the exclusion of, the Existing Articles. An explanatory statement, which contains a summary of the major areas of the Proposed Amendments to be incorporated into the New Articles, is set out in Appendix III to this circular. A special resolution will be proposed at the AGM for the Shareholders to consider and, if thought fit, approve the adoption of the New Articles. The full text of the New Articles, in English and Chinese, showing the Proposed Amendments to the Existing Articles, is available on "Circulars and Proxy Forms" under the "Investor Relations" section of the website of the Company at <http://www.cosmel.com>. The Chinese translation of the New Articles is for reference only. In case of any inconsistency, the English version shall prevail. A copy of the New Articles will also be available for inspection at the Company's registered office at 10th Floor, Billion Plaza 2, No. 10 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong during normal business hours on any business day (excluding Saturday) from the date of this circular up to and including 17 June 2026.

The legal advisers to the Company have confirmed that the Proposed Amendments comply with the requirements of the Listing Rules and are not inconsistent with the applicable laws of Hong Kong. The Company also confirms that there is nothing unusual about the Proposed Amendments for a company listed in Hong Kong.

LETTER FROM THE BOARD

6. AGM

A notice of AGM is set out on pages 18 to 22 of this circular.

A form of proxy for the AGM is enclosed herewith and is also published on the websites of the Company and the Stock Exchange. Whether or not you are able to attend the AGM, you are requested to duly complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof (i.e. at or before 10:00 a.m. on Monday, 15 June 2026). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

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 proposed resolutions set out in the notice of AGM will be taken by way of poll. The chairman of the AGM would explain the detailed procedures for conducting a poll at the AGM. The results of the poll will be published on the websites of the Company and the Stock Exchange pursuant to the Listing Rules.

7. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 10 June 2026 to Wednesday, 17 June 2026, both days inclusive, during which period no transfer of Shares will be registered. The record date for determining the entitlement of the Shareholders to attend and vote at the AGM will be Wednesday, 17 June 2026. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Tuesday, 9 June 2026 for registration.

8. 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.

LETTER FROM THE BOARD

9. RECOMMENDATION

The Directors are of the view that the proposals referred to above are in the best interests of the Company and the Shareholders as a whole and therefore would recommend you to vote in favour of all the resolutions to be proposed at the AGM.

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

This appendix serves as an explanatory statement as required under the Listing Rules, to provide you with the information in connection with the proposed Share Buy-back Mandate, and also constitutes the memorandum required by Section 239(2) of the Companies Ordinance.

1. SHARE CAPITAL

As at the Latest Practicable Date, the total number of issued Shares was 861,930,692 shares. The Company does not have any Treasury Shares. Subject to the passing of the relevant ordinary resolution approving the granting of the Share Buy-back Mandate at the AGM and on the basis that no further Shares are issued or bought back prior to the AGM, the Company would be allowed to buy back up to a maximum of 86,193,069 Shares, representing 10% of the total number of issued Shares (excluding Treasury Shares, if any) as at the Latest Practicable Date.

2. REASONS FOR SHARE BUY-BACKS

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

3. SOURCE OF FUNDS

In buying back Shares, the Company may only apply funds legally available for such purposes in accordance with the Articles and the applicable laws of Hong Kong. The Companies Ordinance provides that payment in respect of a Share buy-back may be made out of the Company's distributable profits or out of the proceeds of a fresh issue of Shares made for the purpose of the buy-back.

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 for the year ended 31 December 2025 contained in the Company's 2025 annual report. 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 requirements of the Company or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

5. GENERAL

- (i) The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, 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 respective close associates (as defined in the Listing Rules) have any present intention, in the event that the Share Buy-back Mandate is granted by the Shareholders, to sell any Shares to the Company.
- (iii) No core connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to sell any of the Shares held by them to the Company, in the event that the Share Buy-back Mandate is granted to the Company.
- (iv) If, as a result of a buy-back of 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 the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the interest of the Shareholder(s), could obtain or consolidate control of the Company and thereby become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, so far as was known to the Directors, Mr. Tang To and his associates (as defined in the Listing Rules), including but not limited to Saniwell Holding Inc., Cosmos Machinery (Holdings) Limited and its indirect wholly-owned subsidiary, Tai Shing Agencies Limited, and Ginta Company Limited, held 450,813,463 Shares, representing approximately 52.30% of the total number of issued Shares. In the event that the Directors exercise in full the power to buy back Shares under the Share Buy-back Mandate, the aggregate shareholding in the Company of such Shareholders would be increased to approximately 58.11% of the total number of issued Shares. The Directors are not aware of any consequences which may arise under the Takeovers Code. The Directors have no present intention to exercise the Share Buy-back Mandate to such an extent as would trigger a mandatory offer under the Takeovers Code.

- (v) During the six months immediately preceding the Latest Practicable Date, the Company had not bought back any Shares (whether on the Stock Exchange or otherwise).

6. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the past twelve months preceding the Latest Practicable Date were as follows:

	Share Prices (per share)	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2025		
April	0.207	0.184
May	0.206	0.193
June	0.194	0.156
July	0.249	0.181
August	0.280	0.222
September	0.245	0.222
October	0.238	0.238
November	0.270	0.220
December	0.260	0.233
2026		
January	0.250	0.183
February	0.200	0.181
March	0.220	0.175
April (up to the Latest Practicable Date)	0.210	0.187

The following are the particulars of each of the retiring Directors proposed to be re-elected at the AGM:

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lam Kwok Ming, aged 62, was appointed as an independent non-executive Director on 24 November 2022. He is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr. Lam holds a Master of Science in E-commerce for Executives from the Hong Kong Polytechnic University. He is a member of The Hong Kong Institute of Certified Public Accountants (HKICPA) and a fellow of the Institute of Chartered Accountants in England and Wales (ICAEW). He has over 30 years of experience in finance, business and management in different sectors. He is currently the managing director of a plastics and chemicals trading and own branded personal care products company, Jacobson van den Berg (Hong Kong) Limited, which is a subsidiary of Chinney Alliance Group Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 385).

Save as disclosed above, Mr. Lam has not 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 its subsidiaries 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.

As at the Latest Practicable Date, Mr. Lam does not have any interests in securities of the Company within the meaning of Part XV of the SFO.

A letter of appointment was entered into between Mr. Lam and the Company for a term of three years commencing from 24 November 2025. However, he is subject to retirement by rotation and re-election at the annual general meeting of the Company. Mr. Lam is entitled to a director's fee of HK\$100,000 per annum, which was determined by the Board based on the recommendation of the Remuneration Committee, with reference to individual performance, qualification and experience, his duties and responsibilities in the Company, the Group's performance and profitability, remuneration benchmark in the industry and prevailing market condition.

Save as disclosed above, Mr. Lam 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 Rules 13.51(2)(h) to (v) of the Listing Rules.

Mr. Lee Wai Yip, Alvin, aged 47, was appointed as an independent non-executive Director on 24 November 2022. He is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr. Lee obtained a Degree of Bachelor of Science in Business Administration (Management) from San Jose State University in the United States of America in 2001. He has over 20 years of experience in the information technology industry. He has served as the chief executive officer of Armitage Technologies Limited since 2011. He is currently an independent non-executive director of Texwinca Holdings Limited, whose shares are listed on the Main Board of the Stock Exchange (stock code: 321). He is currently the chairman of Hong Kong Electronics & Technologies Association, a member of the Information & Communications Technology Services Advisory Committee of the Hong Kong Trade Development Council, a member of the Departmental Advisory Committee of the Department of Electrical Engineering of City University of Hong Kong, and a member of the Electronics and Telecommunications Training Board of the Vocational Training Council.

Save as disclosed above, Mr. Lee has not 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 its subsidiaries 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.

As at the Latest Practicable Date, Mr. Lee does not have any interests in securities of the Company within the meaning of Part XV of the SFO.

A letter of appointment was entered into between Mr. Lee and the Company for a term of three years commencing from 24 November 2025. However, he is subject to retirement by rotation and re-election at the annual general meetings of the Company. Mr. Lee is entitled to a director's fee of HK\$100,000 per annum, which was determined by the Board based on the recommendation of the Remuneration Committee, with reference to individual performance, qualification and experience, his duties and responsibilities in the Company, the Group's performance and profitability, remuneration benchmark in the industry and prevailing market condition.

Save as disclosed above, Mr. Lee 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 Rules 13.51(2)(h) to (v) of the Listing Rules.

The Existing Articles will be replaced in their entirety by the New Articles. The following is the summary of the major areas of the Proposed Amendments to the Existing Articles, which will be incorporated into the New Articles immediately upon the passing of Resolution 6 set out in the notice of AGM at the AGM:

(A) Treasury Shares

The Companies Ordinance has been amended to enable Hong Kong incorporated listed issuers to make use of the Treasury Share regime under the Listing Rules to hold the shares bought back in treasury and sell or transfer Treasury Shares subject to certain restrictions. These changes have been reflected in the New Articles to provide greater flexibility for the Company to manage its capital by holding and disposing of Treasury Shares, subject to the requirements of the Companies Ordinance and the Listing Rules.

New Article 15 reflects the amendment to the Companies Ordinance by allowing the Company to make use of the Treasury Share regime under the Listing Rules to hold the shares bought back in treasury and sell or transfer Treasury Shares, subject to the Companies Ordinance and the Listing Rules. It also clarifies that the rights of holder(s) of any Treasury Shares under the New Articles shall be subject to any applicable requirements and restrictions under the Companies Ordinance and the Listing Rules.

New Article 143(B) allows allotment of bonus shares as fully paid Shares in respect of any Treasury Shares held by the Company and/or its nominee(s), which is in line with the amendments to the Companies Ordinance.

Other consequential changes have been made in the New Articles for the purpose of the Treasury Share regime.

(B) Electronic Dissemination of Corporate Communications

The Listing Rules permit listed issuers to send or otherwise make available the corporate communications to their shareholders using electronic means or to make the corporate communications available on their website and the Stock Exchange's website for the purpose of dissemination of corporate communications with effect from 31 December 2023.

The Companies Ordinance has been amended to allow Hong Kong incorporated companies to adopt an implied consent mechanism for disseminating corporate communications to shareholders by means of website with effect from 17 April 2025.

New Articles 168, 168A, 168B and 170 reflect these changes by allowing the Company to send or supply corporate communications by means of website without seeking prior consent from each Shareholder and allowing the Shareholders to request for corporate communications to be sent or supplied to them in hard copy form or electronic form, subject to the Companies Ordinance and the Listing Rules.

(C) Hybrid/Virtual General Meetings and Voting via Electronic Means

With effect from 28 April 2023, the Companies Ordinance has been amended to permit Hong Kong incorporated companies to hold general meetings as (i) a fully virtual meeting without the requirement for presence of members at any physical locations, and (ii) hybrid general meetings, i.e. a mixed mode of such virtual general meetings with some members attending at physical location(s), provided that the relevant articles of association permit them to do so and the virtual meeting technology used allows a person to listen, speak and vote at a meeting without being physically present at that meeting.

The New Articles have incorporated updated provisions by expressly allowing the Company to hold hybrid or fully virtual general meetings at more than one location in any part of the world using electronic facilities or virtual meeting technology to be specified in the notice of the relevant general meetings or as determined by the Board or the chairman of the general meetings. Shareholders or their proxies attending a general meeting at any meeting location(s), whether physically or virtually, other than the principal meeting location(s) where the chairman of the meeting presides, shall be entitled to vote and be counted in the quorum and exercise their rights to listen, speak and vote at the meeting. Persons seeking to attend general meetings using electronic facilities or virtual meeting technology shall be responsible for ensuring that they have necessary access to the facilities (including systems, equipment and connectivity) to enable them to do so. Attendance by any Director (including the chairman of the meeting) by using electronic facilities or virtual meeting technology shall be deemed to be present at that meeting.

The New Articles provide that every notice calling a general meeting shall include all the information required to be disclosed under the Companies Ordinance, the Listing Rules and other applicable regulations, which includes, among others, the date and time of the general meetings, the meeting location(s) and the electronic facilities or virtual meeting technology to be used (if any), as may be decided by the Board.

The New Articles also provide that votes at a general meeting may be cast by electronic means as the Board or the chairman of the meeting may determine.

(D) Receipt of Instructions and Other Communications from Shareholders via Electronic Means

New Articles 86 and 87 contain updated provisions permitting an instrument appointing a proxy to be in any usual or common form or any other form (including electronic form) as the Board may approve or accept and the Company to specify an electronic address or an electronic platform for the receipt of such proxy-related instructions either generally or specifically for particular meetings or purposes.

New Article 169 incorporates new provisions to provide flexibility for the Company to designate electronic address(es) or electronic platform(s) to allow Shareholders to send or serve notices, documents or information required to be sent to or served upon the Company (for example, meeting instructions and non-meeting instructions) by electronic means and in the manner as authorised by the Directors for compliance with the amendments to the Listing Rules and other applicable laws.

(E) Electronic Payment of Corporate Action Proceeds

New Article 155 permits the Company to pay dividend or other corporate action proceeds to Shareholders by such method or combination of methods (including by cheque or funds transfer system or other electronic means) as determined by the Board for compliance with the amendments to the Listing Rules and other applicable laws.

(F) Conduct of General Meetings

New Articles 73A and 73B outline the power of the chairman of the general meetings to interrupt or adjourn the meeting without the consent of the meeting and the power of the Board and/or the chairman of the general meetings in making necessary arrangements for managing attendance, participation and/or voting at general meetings. These amendments allow the Company to conduct general meetings more flexibly and to ensure the security and orderly conduct of general meetings in line with current market practice.

New Article 73C empowers the Board or the chairman of the Board to postpone the meeting to another date and/or time and/or change the meeting location(s) (physical or virtual) without Shareholders' approval in circumstances where it is in its or his opinion impracticable, unreasonable or undesirable to hold such meeting, and the Board to specify in the notice of general meeting the circumstances under which a rearrangement of the general meeting may occur automatically (e.g. where a gale warning or black rainstorm warning is in force). These changes improve the efficiency and flexibility in the conduct of the business of the general meetings.

(G) Housekeeping and Other Minor Changes*Re-election of Directors Appointed to Fill a Casual Vacancy*

Existing Article 93 is amended to clarify that any Director appointed to fill a casual vacancy on the Board shall hold office only until the first annual general meeting of the Company after his appointment in alignment with the amended Core Shareholder Protection Standards set out under Appendix A1 to the Listing Rules.

Untraceable Members

New Article 158 contains updated provisions setting out the specific conditions under which the Company may exercise its power to sell the Shares of an untraceable member.

Unclaimed or Uncashed Dividends

Existing Article 156 is amended to outline the circumstances in which dividends or other moneys payable in respect of any Shares will be treated as unclaimed and the Company may cease to make payment of such dividends or moneys.

Other Minor Changes

The New Articles also incorporate other minor changes which are for clarity and consequential amendments in line with the Proposed Amendments.

The full text of the New Articles, in English and Chinese, showing the Proposed Amendments to the Existing Articles, is available on “Circulars and Proxy Forms” under the “Investor Relations” section of the Company’s website at <http://www.cosmel.com>. The Chinese translation of the New Articles is for reference only. In case of any inconsistency, the English version shall prevail. A copy of the New Articles will also be available for inspection at the Company’s registered office at 10th Floor, Billion Plaza 2, No. 10 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong during normal business hours on any business day (excluding Saturday) from the date of this circular up to and including 17 June 2026.

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 (the “**AGM**”) of Cosmos Machinery Enterprises Limited (the “**Company**”) will be held at Conference Room A, Unit 910, 9/F., Cheung Sha Wan Plaza Tower 1, No. 833 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong on Wednesday, 17 June 2026 at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive the audited financial statements, the report of the directors and the independent auditors’ report of the Company for the year ended 31 December 2025.
2. (a) To re-elect Mr. Lam Kwok Ming as an independent non-executive director of the Company.

(b) To re-elect Mr. Lee Wai Yip, Alvin as an independent non-executive director of the Company.

(c) To authorise the board (the “**Board**”) of directors (“**Directors**”) of the Company to fix the remuneration of Directors.
3. To re-appoint HLB Hodgson Impey Cheng Limited as the auditors of the Company and to authorise the Board to fix their remuneration.
4. To consider and, if thought fit, pass with or without modification the following resolutions as ordinary resolutions:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors 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 is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors 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;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate number of issued shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors 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 exercise of options granted under any option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares in the Company; or (iv) any scrip dividend on shares of the Company in accordance with the articles of association of the Company (the “**Articles**”), shall not exceed 20% of the total number of issued shares of the Company (excluding treasury shares, if any) 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 or any applicable laws or rules to be held; and
- (iii) the revocation or variation of the authority given to the Directors under this resolution by an ordinary resolution of the shareholders of the Company (the “**Shareholders**”) in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register of members on a fixed record date in proportion to their then holdings of such shares or any class thereof (subject to such exclusions or other arrangements as the Directors 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 recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

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5. To consider and, if thought fit, pass with or without modification 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 issued shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and that the exercise by the Directors 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 is hereby generally and unconditionally approved;
- (b) in addition, the approval in paragraph (a) above shall authorise 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 to be 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 issued shares of the Company (excluding treasury shares, if any) 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:

“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 or any applicable laws or rules to be held; and
- (iii) the revocation or variation of the authority given to the Directors under this resolution by an ordinary resolution of the Shareholders in general meeting.”

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- B. “**THAT** conditional upon the passing of ordinary resolution 5A 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 5A 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 pursuant to and in accordance with ordinary resolution 4 above.”

SPECIAL RESOLUTION

6. To consider and, if thought fit, pass with or without modification the following resolution as a special resolution:

“**THAT:**

- (a) the proposed amendments (the “**Proposed Amendments**”) to the existing Articles (the “**Existing Articles**”), a summary of the major areas of which is set out in Appendix III to the circular of the Company dated 28 April 2026, be and are hereby approved;
- (b) the new Articles (the “**New Articles**”), which contain all the Proposed Amendments and a copy of which has been produced to the AGM and marked “**A**” and initialed by the chairman of the AGM for the purpose of identification, be and are hereby approved and adopted in substitution for, and to the exclusion of, the Existing Articles with immediate effect; and
- (c) any Director or the company secretary of the Company be and is hereby authorised to do all such acts, deeds, matters and things and execute all such documents and make all such arrangements that he/she shall, in his/her absolute discretion, deem necessary or expedient to effect and record the adoption of the New Articles.”

By order of the Board
WONG Lai Tong
Company Secretary

Hong Kong, 28 April 2026

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any Shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote on his/her/its behalf. A proxy need not be a Shareholder. In the case of joint Shareholders, if more than one joint Shareholders be present at the AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
2. Forms of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be deposited at the Company's share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof (i.e. at or before 10:00 a.m. on Monday, 15 June 2026).
3. The Register of Members of the Company will be closed from Wednesday, 10 June 2026 to Wednesday, 17 June 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. The record date for determining the entitlement of the Shareholders to attend and vote at the AGM will be Wednesday, 17 June 2026. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 9 June 2026.
4. With reference to Resolution 6 above, a summary of the major areas of the Proposed Amendments to the Existing Articles brought about by the adoption of the New Articles is set out in Appendix III to the circular of the Company dated 28 April 2026. The full text of the New Articles, in English and Chinese, showing the Proposed Amendments to the Existing Articles, is available on "Circulars and Proxy Forms" under the "Investor Relations" section of the website of the Company at <http://www.cosmel.com>. A copy of the New Articles will also be available for inspection at the Company's registered office at 10th Floor, Billion Plaza 2, No. 10 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong during normal business hours on any business day (excluding Saturday) from the date of this circular up to and including 17 June 2026.
5. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning or the post-super typhoon "extreme conditions" announcement is in effect any time after 8:00 a.m. on the date of the AGM, the AGM will be postponed. The Company will post an announcement on the websites of the Company at <http://www.cosmel.com> and the Stock Exchange at <https://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 AGM 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.
6. No gifts, food or beverages will be provided at the AGM.

As at the date of this notice, the Board is comprised of six Directors, of which two are executive Directors, namely Mr. Tang To (Chairman) and Mr. Tang Yu, Freeman (Chief Executive Officer), 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.