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大同機械(控股)有限公司
Cosmos Machinery (Holdings) Ltd.

(Incorporated in Hong Kong with limited liability)



大同機械企業有限公司
COSMOS MACHINERY ENTERPRISES LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 118)

JOINT ANNOUNCEMENT

(1) PROPOSED PRIVATISATION OF COSMOS MACHINERY ENTERPRISES LIMITED BY COSMOS MACHINERY (HOLDINGS) LIMITED BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 673 OF THE COMPANIES ORDINANCE

(2) PROPOSED WITHDRAWAL OF LISTING OF COSMOS MACHINERY ENTERPRISES LIMITED

(3) RESULTS OF THE COURT MEETING AND THE GENERAL MEETING

AND

(4) LAPSE OF THE PROPOSAL AND THE SCHEME

Financial Adviser to the Offeror



中國通海企業融資
CHINA TONGHAI CAPITAL

China Tonghai Capital Limited

Independent Financial Adviser to the Independent Board Committee



越秀融資
YUEXIU CAPITAL

Yue Xiu Capital Limited

RESULTS OF THE COURT MEETING AND THE GENERAL MEETING

On Friday, 18 June 2021, the resolution to approve the Scheme was not approved by the Scheme Shareholders at the Court Meeting in accordance with the requirements of the Companies Ordinance and the Takeovers Code. On the same date, the Special Resolution was not passed by the Shareholders at the General Meeting.

LAPSE OF THE PROPOSAL AND THE SCHEME

As the Scheme was not approved in accordance with the requirements of the Companies Ordinance and the Takeovers Code at the Court Meeting and the Special Resolution was not passed by the Shareholders at the General Meeting: (a) the Proposal and the Scheme will not be implemented and have therefore lapsed; (b) the offer period has ended; and (c) the listing of the Shares on the Stock Exchange will be maintained.

Pursuant to Rule 31.1 of the Takeovers Code, neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, except with the consent of the Executive, within 12 months from the date of this announcement, announce an offer or possible offer for the Company.

None of the events indicated in the expected timetable set out in the Scheme Document in relation to the Proposal and the Scheme will take place from the date of this announcement.

INTRODUCTION

Reference is made to the scheme document jointly issued by Cosmos Machinery Enterprises Limited (the “**Company**”) and Cosmos Machinery (Holdings) Limited (the “**Offeror**”) dated 21 May 2021 (the “**Scheme Document**”) in relation to, among other things, the proposed privatisation of the Company by the Offeror by way of a scheme of arrangement under section 673 of the Companies Ordinance and the proposed withdrawal of listing of the Company. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Scheme Document.

RESULTS OF THE COURT MEETING

The Court Meeting was held at 10:00 a.m. on Friday, 18 June 2021 at Ballroom A, 2/F, The Langham, Hong Kong, 8 Peking Road, Tsim Sha Tsui, Kowloon, Hong Kong.

In compliance with both the Companies Ordinance and Rule 2.10 of the Takeovers Code, the approval required to be obtained at the Court Meeting in respect of the Scheme would be regarded as obtained if the Scheme is approved (by way of a poll) by holders of the Scheme Shares representing at least 75% of the voting rights of such holders present and voting, in person or by proxy, at the Court Meeting, and the votes cast (by way of poll) against the Scheme at the Court Meeting not exceeding 10% of the total voting rights attached to all Disinterested Shares, provided that:

- (i) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to the Scheme Shares held by the Independent Shareholders that are cast either in person or by proxy at the Court Meeting; and
- (ii) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Scheme Shares held by the Independent Shareholders.

At the Court Meeting:

- (i) Scheme Shareholders holding 37,677,240 Scheme Shares (representing approximately 18.14% of the voting rights of the holders of the Scheme Shares present and voting, in person or by proxy at the Court Meeting) voted in favour of the resolution to approve the Scheme, and Scheme Shareholders holding 170,026,131 Scheme Shares (representing approximately 41.36% of the total voting rights attached to all Disinterested Shares) voted against the resolution to approve the Scheme; and
- (ii) Independent Shareholders holding 37,677,240 Scheme Shares (representing approximately 18.14% of the votes attaching to the Scheme Shares held by the Independent Shareholders which were cast either in person or by proxy at the Court Meeting) voted in favour of the resolution to approve the Scheme and Independent Shareholders holding 170,026,131 Scheme Shares (representing approximately 42.41% of the votes attaching to all the Scheme Shares held by the Independent Shareholders) voted against the resolution to approve the Scheme.

Accordingly, as the Scheme was not approved (by way of a poll) by holders of the Scheme Shares representing at least 75% of the voting rights of such holders present and voting, in person or by proxy, at the Court Meeting and was not approved (by way of poll) by at least 75% of the votes attaching to the Scheme Shares held by the Independent Shareholders that were cast either in person or by proxy at the Court Meeting in accordance with the requirements of both the Companies Ordinance and Rule 2.10 of the Takeovers Code, the Scheme cannot be put into effect and has therefore lapsed.

As at the date of the Court Meeting:

- (i) the total number of Shares in issue was 861,930,692 Shares;
- (ii) the total number of Scheme Shares was 411,117,229 Shares, representing approximately 47.70% of the total number of issued Shares;
- (iii) the Offeror directly held 235,802,600 Shares, representing approximately 27.36% of the total number of issued Shares. These Shares did not form part of the Scheme Shares and, as such, were not voted at the Court Meeting; and
- (iv) the Offeror Concert Parties beneficially owned, controlled or had direction over an aggregate of 225,236,378 Shares (representing approximately 26.13% of the total number of issued Shares). Among these 225,236,378 Shares, a total of 10,225,515 Shares (representing approximately 1.19% of the total number of issued Shares) were beneficially owned, controlled or directed by Ms. Hui Tang Yee, Mr. Wong Yiu Ming, Mr. Tang Chi Tung and Mr. Kan Wai Wah, each of them an Offeror Concert Party, formed part of the Scheme Shares. The 10,225,515 Shares beneficially owned, controlled or directed by Ms. Hui Tang Yee, Mr. Wong Yiu Ming, Mr. Tang Chi Tung and Mr. Kan Wai Wah (each of them an Offeror Concert Party) fall within the definition of Disinterested Shares under section 674(3) of the Companies Ordinance, but as Ms. Hui Tang Yee, Mr. Wong Yiu Ming, Mr. Tang Chi Tung and Mr. Kan Wai Wah are Offeror Concert Parties, they are not Independent Shareholders and accordingly their votes at the Court Meeting (if any) would not be counted for the purposes of satisfying the requirements under Rule 2.10 of the Takeovers Code. For the avoidance of doubt, a total of 215,010,863 Shares that the other Offeror Concert Parties beneficially owned, controlled or had direction over did not form part of the Scheme Shares and, as such, were not voted at the Court Meeting.

As set out in the Scheme Document, the Offeror had received the Irrevocable Undertakings from Ms. Hui Tang Yee, Mr. Tang Chi Tung and Mr. Kan Wai Wah, all being the Offeror Concert Parties and the Scheme Shareholders, that each of them irrevocably and unconditionally undertook not to vote at the Court Meeting. As Mr. Wong Yiu Ming is an Offeror Concert Party and therefore is not an Independent Shareholder, his votes at the Court Meeting (if any) would not be counted for the purposes of satisfying the requirements under Rule 2.10 of the Takeovers Code. Accordingly, the Shares held by the Independent Shareholders, being a total of 400,891,714 Shares, representing approximately 46.51% of the total number of issued Shares, were entitled to vote at the Court Meeting.

Save as disclosed above, no Shareholder was required under the Companies Ordinance, Takeovers Code and/or the Listing Rules to abstain from voting in respect of the Scheme at the Court Meeting nor did any person state any intention in the Scheme Document to vote against or to abstain from voting in respect of the Scheme at the Court Meeting.

Tricor Secretaries Limited, the Share Registrar, was appointed as the scrutineer for the vote-taking at the Court Meeting.

RESULTS OF THE GENERAL MEETING

The General Meeting was held immediately after conclusion of the Court Meeting, on Friday, 18 June 2021 at Ballroom A, 2/F, The Langham, Hong Kong, 8 Peking Road, Tsim Sha Tsui, Kowloon, Hong Kong.

At the General Meeting, in respect of the special resolution to give effect to the Scheme, including the reduction of the share capital of the Company (the “**Special Resolution**”), a total of 659,234,021 Shares (representing approximately 76.48% of the total number of issued Shares) were voted, in person or by proxy, on a poll, of which:

- (a) 489,207,970 Shares (representing approximately 74.21% of the Shares voted in respect of the Special Resolution) were voted in favour of the Special Resolution; and
- (b) 170,026,051 Shares (representing approximately 25.79% of the Shares voted in respect of the Special Resolution) were voted against the Special Resolution.

Accordingly, the Special Resolution was not passed (by way of poll) by a majority of at least 75% of the votes cast by the Shareholders present and voting in person or by proxy at the General Meeting.

At the date of the General Meeting, the total number of Shares in issue was 861,930,692 and all Shareholders were entitled to vote for or against the Special Resolution at the General Meeting.

No Shareholder was required under the Companies Ordinance, Takeovers Code and/or the Listing Rules to abstain from voting on the Special Resolution at the General Meeting nor did any person state any intention in the Scheme Document to vote against or to abstain from voting on the Special Resolution at the General Meeting.

Tricor Secretaries Limited, the Share Registrar, was appointed as the scrutineer for the vote-taking at the General Meeting.

LAPSE OF THE PROPOSAL AND THE SCHEME

As the Scheme was not approved in accordance with the requirements of the Companies Ordinance and the Takeovers Code at the Court Meeting and the Special Resolution was not passed by the Shareholders at the General Meeting: (a) the Proposal and the Scheme will not be implemented and have therefore lapsed; (b) the offer period has ended; and (c) the listing of the Shares on the Stock Exchange will be maintained.

Pursuant to Rule 31.1 of the Takeovers Code, neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, except with the consent of the Executive, within 12 months from the date of this announcement, announce an offer or possible offer for the Company.

None of the events indicated in the expected timetable set out in the Scheme Document in relation to the Proposal and the Scheme will take place from the date of this announcement.

GENERAL

Immediately before 10 December 2020 (the commencement of the offer period (as defined in the Takeovers Code)) and as at the date of this announcement, the Offeror and the Offeror Concert Parties beneficially owned, controlled or had direction over in aggregate 461,038,978 Shares (representing approximately 53.49% of the total number of issued Shares as at 10 December 2020 and as at the date of this announcement, respectively). None of the Offeror or the Offeror Concert Parties had acquired or agreed to acquire any Shares or rights over Shares or any convertible securities, warrants, options or derivatives in respect of the Shares since 10 December 2020 up to the date of this announcement. As at the date of this announcement, none of the Offeror or the Offeror Concert Parties had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

By order of the board of directors of
Cosmos Machinery (Holdings) Limited
CHUI Kwok Lau
Director

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

Hong Kong, 18 June 2021

As at the date of this announcement, the directors of the Offeror are Mr. Tang To, Mr. Tang Siu Fai, Mr. Tang Yu, Freeman, Mr. Tang Chi Tung, Mr. Chui Kwok Lau and Mr. Kan Wai Wah.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than any information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Directors) 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.

As at the date of this announcement, the Board comprises eight Directors, of which two are executive Directors, namely Mr. Tang To and Mr. Tang Yu, Freeman, 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 the information contained in this announcement (other than that relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the directors of the Offeror) 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.