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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 OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Cosmos Machinery Enterprises Limited (the “Company”) will be held at Tang I, 3rd Floor, Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong on Wednesday, 23rd May, 2012 at 9:30 a.m. for the following purposes:

1. To receive and consider the financial statements and the directors’ and auditors’ reports of the Company for the year ended 31st December, 2011.
2. To declare a final dividend.
3. To re-elect the retiring directors, the details of whom are set out in the Company’s Circular dated 20th April, 2012, and to authorise the directors to fix directors’ fee.
4. To re-appoint auditors and to authorise the directors to fix their remuneration.

As special business, to consider and, if thought fit, to pass with or without amendments the following resolutions as ordinary resolutions of the Company:

### **ORDINARY RESOLUTIONS**

5. **“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of

Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest 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 law to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

6. **“THAT:**

- (a) subject to paragraph (c) of this resolution and pursuant to Section 57B of the Companies Ordinance, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make and grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require shares of the Company to be allotted be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the directors of the Company during the Relevant Period to make and grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require shares of the Company to be allotted after the end of the Relevant Period;

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company which carry rights to subscribe for or are convertible into shares of the Company; or (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 or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest 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 associations of the Company or law to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.

“Rights Issue” means an offer of shares of the Company or issue of options, warrants or other securities giving the right to subscribe for shares of the Company open for a period fixed by the directors of the Company to holders of shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate, such other securities) (subject in all cases to such exclusions 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 recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

7. “**THAT** subject to the passing of resolution nos. 5 and 6 set out in the notice convening this meeting, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and deal with additional shares in the Company pursuant to resolution no. 6 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to the resolution no. 5 set out in the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution.”

By order of the Board  
**TANG To**  
*Chairman*

Hong Kong, 20th April, 2012

*Registered Office:*

Units 1217–1223A  
12/F, Trade Square  
No. 681 Cheung Sha Wan Road  
Kowloon  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the registered office of the Company at Units 1217–1223A, 12/F, Trade Square, No. 681 Cheung Sha Wan Road, Kowloon, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting or poll (as the case may be).
3. In order to determine the shareholders who are entitled to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Friday, 18th May, 2012 to Wednesday, 23rd May, 2012 (both days inclusive), during which no transfer of shares will be registered. All transfer of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s share registrar, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong by not later than 4:00 p.m. on Thursday, 17th May, 2012.

In order to determine the shareholders who are qualified for the final dividend, the register of members of the Company will be closed from Wednesday, 30th May, 2012 to Thursday 31st May, 2012 (both dates inclusive), during which no transfer of shares will be registered. All transfer of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's share registrar, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by not later than 4:00 p.m. on Tuesday, 29th May, 2012.

4. With regard to the proposed ordinary resolutions no. 3, 5 to 7 set out in this notice, details of the proposed re-election of directors, the proposed general mandates to repurchase and issue shares are set out in Appendix I & II of this circular.
5. This notice will also be available for viewing on the website of each of The Stock Exchange of Hong Kong Limited at <http://www.hkexnews.hk> and of the Company at <http://www.cosmel.com>.
6. As at the date of this notice, the board of directors of the Company comprises Mr. Tang To (Chairman), Mr. Jiang Wei, Mr. Wong Yiu Ming (Chief Executive Officer) and Tang Yu, Freeman as executive directors, Mr. Wu Ding (Vice Chairman), Mr. Kan Wai Wah and Mr. Qu Jinping as non-executive directors, and Ms. Yeung Shuk Fan, Mr. Cheng Tak Yin and Mr. Ho Wei Sem as independent non-executive directors.