



COSMOS MACHINERY ENTERPRISES LIMITED

大同機械企業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 118)

NOTICE OF ANNUAL GENERAL MEETING

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 Thursday, 3rd June, 2004 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, 2003.
2. To re-elect the retiring directors and to fix directors’ fee.
3. To re-appoint auditors and to authorise the directors to fix their remuneration. A Special Notice has been given pursuant to Sections 116C and 132 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (the “**Companies Ordinance**”) of the intention to propose the following resolution as an ordinary resolution:

“**THAT** Messrs. Ting Ho Kwan & Chan, the retiring auditors, who were appointed by the board of directors of the Company to fill the casual vacancy following the resignation of Messrs. Deloitte Touche Tohmatsu, be re-appointed auditors to hold office until the conclusion of the next annual general meeting at a remuneration to be agreed with the directors.”

4. To grant a general mandate to the directors to repurchase shares not exceeding 10 per cent. of the issued share capital of the Company.
5. To grant a general mandate to the directors to issue additional shares not exceeding 20 per cent. of the issued share capital of the Company.
6. To extend the general mandate referred to in item 5 above by increasing the number of shares permitted to be issued by the number of shares repurchased under the general mandate referred to in item 4 above.

7. To amend the existing Articles 2, 16, 36, 37, 38, 43, 74, 84, 91, 95, 102, 107, 109, 164, 168 to 171, 173, 174 and 179 of and to add new Articles 159, 160, 161, 179, 180 and 185 to the articles of association of the Company (the “**Articles**”) in view of the coming into effect of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”), to reflect the recent amendments to the Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and to bring the Articles up to date and in line with current practices in Hong Kong. A brief background to the proposed amendments to the Articles is set out as follows:
- (a) Article 2 To amend the definition of “Hong Kong” to reflect the hand-over of sovereignty over Hong Kong by the United Kingdom to the People’s Republic of China in July, 1997, to add the definition of “clearing house” in line with the SFO, to amend the definition of “associate” in line with the Listing Rules, and to provide additional definitions for certain terms in line with the amended Companies Ordinance.
 - (b) Articles 16 and 43 To stipulate the time limit for issuance of share certificates in accordance with the Listing Rules and the Companies Ordinance and to revise those provisions on the amount payable for new share certificates, replacement of share certificates and registration of instruments of transfer to the effect that such amount shall not exceed the maximum amount as may from time to time be prescribed by the Listing Rules.
 - (c) Article 36 To clarify any payment in advance of a call shall not entitle a member to receive any dividend or to exercise any other rights or privileges as a member in respect of the shares before it is called up.
 - (d) Article 37 To clarify that all transfer of shares may be effected by an instrument of transfer in the usual or common form or in such other form as prescribed by the Stock Exchange and to permit the Company to accept machine imprinted signatures on the instrument of transfer if the transferor or transferee is a clearing house or its nominee.
 - (e) Article 38 To permit the Company to accept machine imprinted signatures on the instrument of transfer.
 - (f) Article 74 To reflect the requirement of voting by poll under the Listing Rules.
 - (g) Article 84 To reflect the restriction on voting by shareholders whom the Company has knowledge is restricted from voting, as required by the amended Appendix 3 of the Listing Rules.
 - (h) Article 91 To delete the reference to a recognized clearing house and the repealed Securities and Futures (Clearing Houses) Ordinance of Hong Kong and to substitute therefor the reference to a clearing house as defined in Article 2.
 - (i) Article 95 To clarify the liability of alternate director and his relationship with his appointing director in the light of the amended Companies Ordinance.

- (j) Article 102 To be consistent with the provisions of the amended Appendix 3 of the Listing Rules so that subject to certain exceptions, at the board meeting on any contract, arrangement or proposal in which a Director or any of his associates has a material interest he shall abstain from voting and he shall not be counted towards the quorum of the relevant board meeting.
- (k) Article 107 To be consistent with the amended Appendix 3 of the Listing Rules which stipulates the minimum seven-day period for lodgment by a member of the notice to nominate a director and the nomination shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days before the date of such meeting.
- (l) Article 109 To reflect the change of the method on removal of directors by means of a special resolution and to substitute therefor an ordinary resolution in the light of the amended Companies Ordinance.
- (m) New Article 159 To add a provision for record dates.
- (n) New Articles 160 and 161 To add a provision for untraceable members.
- (o) Article 164 To permit the Company to deliver the relevant financial documents and summary financial report to entitled persons in accordance with the Companies Ordinance and other applicable laws, rules and regulations.
- (p) Articles 168, 169, 170, 171, 173 and 174 To permit the Company to serve notice or document, in the English language only, in the Chinese language only or in both, to entitled persons personally, through the post or by means of advertisement in newspapers, electronic communication or publication on the Company's computer network and to add a provision for deemed service of such notice or document.
- (q) New Articles 179 and 180 To add provisions for authentication of documents and destruction of documents.
- (r) Article 179 To amend the provision for indemnity on the liability of the directors or other officer or auditors in the light of the amended Companies Ordinance.
- (s) New Article 185 To permit the Company to purchase liability insurance for directors or other officer or auditors in the light of the amended Companies Ordinance.

The above summary of the purposes of the Annual General Meeting is set out only for information of the shareholders of the Company, and is subject to the notice of the Annual General Meeting contained in the Annual Report 2003 of the Company which will be despatched today to the shareholders of the Company and to which the shareholders of the Company should refer. With regard to items 4 to 7 set out above, a circular giving details of the general mandates to issue and repurchase shares and amendments to the Articles will be despatched to shareholders together with Annual Report 2003 of the Company. The notice of the Annual General Meeting of the Company will be set out in the Annual Report 2003 of the Company and is also available for viewing on the website of each of The Stock Exchange of Hong Kong Limited at <http://www.hkex.com.hk> and of the Company at <http://www.cosmel.com> from 30th April, 2004.

By order of the Board
TANG To
Chairman

Hong Kong, 30th April, 2004

As at the date hereof, the board of directors of the Company is comprised of ten Directors, of which five are Executive Directors, namely Mr. Tang To, Mr. Zhao Zhuoying, Mr. Wong Yiu Ming, Mr. Yan Wing Fai Richard and Mr. Li Tin Loi, and three are Non-Executive Directors, namely Mr. Tang Kwan, Mr. He Zhiqi and Mr. Kan Wai Wah and two are Independent Non-Executive Directors, namely Mr. Liang Shangli and Mr. Yip Jeffery.

“Please also refer to the published version of this announcement in The Standard”



COSMOS MACHINERY ENTERPRISES LIMITED

大同機械企業有限公司

(於香港註冊成立之有限公司)

(股份代號：118)

股東週年大會通告

大同機械企業有限公司(「本公司」)謹定於二零零四年六月三日(星期四)上午九時三十分假座香港九龍彌敦道20號香港喜來登酒店3樓唐廳I召開股東週年大會，以便處理下列事宜：

1. 省覽本公司截至二零零三年十二月三十一日止年度之財務報告、董事會報告及核數師報告。
2. 重選退任董事及釐定董事袍金。
3. 續聘核數師及授權董事釐定其酬金。本公司已根據香港法例第32章公司條例(「公司條例」)第116C條及第132條發出特別通告，表明有意提呈下列決議案為普通決議案：

「**動議**續聘於德勤•關黃陳方會計師行辭任後獲本公司董事會委任以填補臨時空缺之退任核數師丁何關陳會計師行為本公司核數師，任期至下屆股東週年大會結束時為止，其酬金則由董事議定。」

4. 授予董事一般授權，藉以購回本公司已發行股本中不超過10%之股份。
5. 授予董事一般授權，藉以額外發行本公司已發行股本中不超過20%之股份。
6. 將根據上文第4項所述一般授權購回之股份數目，加入可予發行之股份數目內，藉此擴大上文第5項所述之一般授權。

7. 鑑於香港法例第571章證券及期貨條例(「證券及期貨條例」)正式生效，修訂本公司組織章程細則(「公司章程」)第2、16、36、37、38、43、74、84、91、95、102、107、109、164、168至171、173、174及179條現行條文，並新增第159、160、161、179、180及185條條文，藉以反映公司條例及香港聯合交易所有限公司證券上市規則(「上市規則」)最近之改動，並更新公司章程以配合香港之現行慣例。建議修訂公司章程之背景資料簡述如下：

- (a) 章程細則第2條 反映香港之主權於一九九七年七月由英國移交至中華人民共和國，修訂「香港」之定義，為符合證券及期貨條例，加插「結算所」之定義，另修訂「聯繫人士」之定義以配合上市規則之規定，並新增若干詞彙之定義，藉以符合經修訂公司條例之規定。
- (b) 章程細則第16條及43條 根據上市規則及公司條例訂明股票發行之時限，並修改有關新股票、替換股票及登記轉讓文據所應付金額之規定，致使有關金額不會超逾上市規則不時訂明之金額上限。
- (c) 章程細則第36條 闡明於發出催繳通知前支付任何款項，並不會使股東有權於催繳股款前，以其股東身份就股份收取任何股息或行使任何其他權利或特權。
- (d) 章程細則第37條 闡明所有股份過戶可以一般或常用或由聯交所訂明之其他書面格式進行，或如轉讓人或受讓人屬結算所或其代理人，批准本公司接納以機印簽立之轉讓文書。
- (e) 章程細則第38條 批准本公司接納以機印簽立之轉讓文書。
- (f) 章程細則第74條 反映上市規則以表決方式投票之規定。
- (g) 章程細則第84條 反映上市規則附錄三(經修訂)之規定，限制就本公司所知遭禁止投票之股東投票。
- (h) 章程細則第91條 刪掉文中所指之認可結算所及已撤銷之香港證券及期貨(結算所)條例，並以第2條所界定之結算所替代。

- (i) 章程細則第95條 就經修訂公司條例闡明候補董事之責任，以及候補董事與其委任董事之關係。
- (j) 章程細則第102條 遵守上市規則附錄三(經修訂)之規定，除若干特殊情況外，董事須於彼或其任何聯繫人士擁有重大利益之任何合約、安排或建議所涉及之董事會上放棄投票，且不得計入有關董事會之法定人數內。
- (k) 章程細則第107條 遵守上市規則附錄三(經修訂)之規定，訂明股東遞交董事提名通知之最短期限最少為七日，而提名期限不得早於指定進行選舉之股東大會之通告寄發翌日開始，且不遲於該大會舉行日期前七日結束。
- (l) 章程細則第109條 根據經修訂之公司條例，以普通決議案替代特別決議案，藉此反映董事免任方式之變動。
- (m) 新訂章程細則第159條 加入有關記錄日期之條文。
- (n) 新訂章程細則第160及161條 加入有關失去聯絡之股東之條文。
- (o) 章程細則第164條 允許本公司根據公司條例及其他適用法例、規則及規例，向有權利之人士送交有關財務文件及財務摘要報告。
- (p) 章程細則第168、169、170、171、173及174條 允許本公司僅以英文或中文，或同時以中、英文向有權利的人送達通告或文件，送達方式可為親身或郵寄送交或以報章廣告或電子通訊方式或於本公司電腦網絡上刊登，另亦加入有關該等通告或文件被視為已送達之條文。
- (q) 新訂章程細則第179及180條 加入有關驗證文件及銷毀文件之條文。
- (r) 章程細則第179條 根據經修訂之公司條例，修改有關董事、其他高級人員或核數師責任彌償保證之條文。

- (s) 新訂章程細則第185條 根據經修訂之公司條例，允許本公司為董事、其他高級人員或核數師購買責任保險。

上文概述股東週年大會之目的僅作本公司股東之參考用途，並須受本公司二零零三年年報所載之股東週年大會通告所限制。本公司將於今日寄發二零零三年年報予本公司股東，敬請各股東細閱該份年報。本公司將就上文第4至7項所述事項，連同本公司之二零零三年年報寄發一份通函，當中載有發行及購回股份之一般性授權及修訂公司章程之詳情。本公司股東週年大會之通告將載於本公司二零零三年年報內，並將於二零零四年四月三十日起刊登於香港聯合交易所有限公司之網站(<http://www.hkex.com.hk>)及本公司之網站(<http://www.cosmel.com>)，以供瀏覽。

承董事會命
主席
鄧燾

香港，二零零四年四月三十日

於本公佈發表日期，本公司董事會由十位董事組成；其中，鄧燾先生、趙卓英先生、黃耀明先生、甄榮輝先生及李天來先生五位為執行董事；鄧焜先生、何志奇先生、簡衛華先生三位為非執行董事；而梁尚立先生及葉慶輝先生兩位則為獨立非執行董事。

「請同時參閱本公布於經濟日報刊登的內容。」