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**Luxvisions Innovation
Technology Limited
立景創新科技有限公司**
(Incorporated in Hong Kong with limited liability)

COWELL
Cowell e Holdings Inc.
高偉電子控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1415)

JOINT ANNOUNCEMENT

- (1) SALE AND PURCHASE AGREEMENT;
(2) POSSIBLE MANDATORY CONDITIONAL CASH OFFERS BY
CHINA INTERNATIONAL CAPITAL CORPORATION
HONG KONG SECURITIES LIMITED FOR AND ON BEHALF OF
LUXVISIONS INNOVATION TECHNOLOGY LIMITED
TO ACQUIRE ALL THE ISSUED SHARES AND TO
CANCEL ALL THE OUTSTANDING OPTIONS OF
COWELL E HOLDINGS INC.
(OTHER THAN THOSE ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED BY
LUXVISIONS INNOVATION TECHNOLOGY LIMITED AND/OR
PARTIES ACTING IN CONCERT WITH IT);
AND
(3) SUSPENSION AND RESUMPTION OF TRADING
IN THE SHARES OF COWELL E HOLDINGS INC.**

Financial Adviser to the Offeror



SALE AND PURCHASE AGREEMENT

Reference is made to the Rule 3.7 Announcement.

The Company was notified by the Offeror and the Seller after trading hours of the Stock Exchange on 10 December 2020 that the Seller and the Offeror entered into the SPA, pursuant to which the Seller has agreed to sell and the Offeror has agreed to purchase 374,159,400 Shares (being all the Shares held by the Seller), representing approximately 44.87% of the issued Shares as at the date of this joint announcement, for a total cash consideration of HK\$2,196,315,678 (being HK\$5.87 per Share).

The SPA is subject to certain conditions precedent described in the section headed “Conditions precedent” in this joint announcement.

The Acquisition will be completed when the transfer of the Sale Shares through the CCASS system has been completed, which is currently expected to happen on the seventh day after the date of the SPA. The total cash consideration in respect of the Acquisition will be paid in full by the Offeror to the Seller upon Completion.

POSSIBLE MANDATORY CONDITIONAL CASH OFFERS

As at the date of this joint announcement, each of the Offeror and parties acting in concert with it does not have any interests in the Shares. Immediately upon Completion, the Offeror will be interested in 374,159,400 Shares, representing approximately 44.87% of issued Shares as at the date of this joint announcement.

Given the Offeror will acquire more than 30% of the voting rights of the Company as a result of the Acquisition, pursuant to Rule 26.1 of the Takeovers Code, the Offeror will be required to make a mandatory conditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it). Pursuant to Rule 13 of the Takeovers Code, the Offeror will make an appropriate cash offer to the Offer Optionholders to cancel all Offer Options.

Subject to the Completion, CICC will, for and on behalf of the Offeror, make the Offers in compliance with the Takeovers Code on the following basis:

The Share Offer

For each Offer Share HK\$5.87 in cash

The Option Offer

For each of 2,150,000 Offer Options with an exercise price of HK\$3.76. HK\$2.11 in cash

For each of 2,000,000 Offer Options with an exercise price of HK\$1.814. HK\$4.056 in cash

The Share Offer Price of HK\$5.87 for each Offer Share under the Share Offer is the same as the price to be paid per Sale Share by the Offeror pursuant to the SPA. Pursuant to Rule 13 and Practice Note 6 of the Takeovers Code, the Option Offer Price would normally represent the difference between the exercise prices of the Options and the Share Offer Price. Under the Option Offer, since the exercise prices of the Offer Options, being HK\$3.76 and HK\$1.814, are below the Share Offer Price of HK\$5.87, the Offer Options are in-the-money and the Option Offer Prices are set at the see-through prices of HK\$2.11 and HK\$4.056 respectively.

The Share Offer, if and when made, will be conditional upon the Offeror having received valid acceptances in respect of Offer Shares which, together with the Shares owned, acquired or agreed to be acquired by the Offeror and parties acting in concert with it before or during the Share Offer, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company. The Option Offer will be conditional on the Share Offer becoming or being declared unconditional in all respects. As at the date of this joint announcement, the Company has 833,918,800 Shares in issue and 4,150,000 outstanding Options and has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

Principal terms of the Offers are set out in the section headed “Possible Mandatory Conditional Cash Offers” below. Based on the Share Offer Price of HK\$5.87 per Offer Share and 459,759,400 Offer Shares and 4,150,000 Offer Options:

- (a) Assuming no Offer Options are exercised and the Share Offer is accepted in full:
 - (i) the value of the Share Offer will be approximately HK\$2,698,787,678; and
 - (ii) the total amount to satisfy the cancellation of all Offer Options will be approximately HK\$12,648,500.

- (b) Assuming all Offer Options are exercised and the Share Offer is accepted in full:
- (i) the value of the Share Offer will be approximately HK\$2,723,148,178; and
 - (ii) no amount will be payable by the Offeror under the Option Offer.

The Offeror intends to finance the total consideration of the Acquisition and Offers (i.e. HK\$2,723,148,178, being the higher amount of scenarios (a) and (b) above) by internal resources and/or external debt-financing.

CICC, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration for the Acquisition and the full acceptance of the Offers.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offers.

DESPATCH OF COMPOSITE DOCUMENT

The Offeror and the Company intend to combine the offer document and the Company's board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, the Offeror and the Company are required to despatch the Composite Document containing, among other things, (i) details of the Offers and their respective terms and conditions (including the expected timetable); (ii) the letter from the Independent Board Committee containing its recommendation in respect of the Offers; (iii) the letter of advice from the independent financial adviser to the Independent Board Committee in respect of the Offers; and (iv) relevant forms of acceptance and transfer, to the Offer Shareholders and Offer Optionholders. It is expected that the Composite Document will be despatched on or before 31 December 2020.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee has been established by the Company to make a recommendation to the Offer Shareholders and Offer Optionholders in respect of the Offers pursuant to Rule 2.1 of the Takeovers Code.

An independent financial adviser will be appointed, with the approval of the Independent Board Committee, to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to the acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code. A further announcement will be made by the Company as soon as possible after the appointment of the independent financial adviser. The advice of the independent financial adviser and the recommendation of the Independent Board Committee will be included in the Composite Document to be despatched to the Offer Shareholders and Offer Optionholders.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 10 December 2020 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 11 December 2020.

WARNING

The Offers will only be made if the Completion takes place. The Completion is subject to satisfaction and/or waiver of the conditions precedent contained in the SPA. Accordingly, the Completion may or may not take place and the Offers may or may not be made.

Shareholders, Optionholders and potential investors should note that the Independent Board Committee has yet to consider and evaluate the Offers. The Directors make no recommendation as to the fairness or reasonableness of the Offers or as to the acceptance of the Offers in this joint announcement. Shareholders should read the Composite Document, including the recommendations of the Independent Board Committee in respect of the Offers and a letter of advice from the independent financial adviser, before forming a view on the Offers.

Shareholders, Optionholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If Shareholders, Optionholders and potential investors are in any doubt about their position, they should consult their professional advisers.

SALE AND PURCHASE AGREEMENT

Reference is made to the Rule 3.7 Announcement.

The Company was notified by the Offeror and the Seller after trading hours of the Stock Exchange on 10 December 2020 that, the Seller and the Offeror entered into the SPA, pursuant to which the Seller has agreed to sell and the Offeror has agreed to purchase 374,159,400 Shares (being all the Shares held by the Seller), representing approximately 44.87% of the issued Shares as at the date of this joint announcement, for a total cash consideration of HK\$2,196,315,678 (being HK\$5.87 per Share).

Set out below are the principal terms of the SPA.

Date

10 December 2020

Parties

Buyer: the Offeror

Seller: Mr. Kwak Joung Hwan

The Sale Shares

The Sale Shares comprise a total of 374,159,400 Shares, representing approximately 44.87% of the issued Shares as at the date of this joint announcement.

Consideration

The cash consideration for the Sale Shares pursuant to the SPA was HK\$2,196,315,678 (equivalent to HK\$5.87 per Sale Share). The cash consideration for the Sale Shares was agreed between the Offeror and the Seller after arm's length negotiations, taking into account, among other things, (i) the financial position of the Company; and (ii) the recent market prices of the Shares as further described in the section headed "The Share Offer" below. Ten percent of the cash consideration for the Sale Shares (i.e. HK\$219,631,568) shall be payable on the date of the SPA as deposit (which has been paid accordingly), and the remainder of the cash consideration for the Sale Shares (i.e. HK\$1,976,684,110) shall be payable upon Completion.

Conditions precedent

The sale and purchase of the Sale Shares under the SPA is conditional upon:

- (i) The current listing of the Shares not having been withdrawn, the Shares continuing to be traded on the Stock Exchange prior to the Completion Date (save for any temporary suspension for no longer than ten (10) consecutive trading days or such other period as the Offeror may reasonably agree or the temporary suspension in connection with the Acquisition) and neither Stock Exchange nor the SFC having indicated that either one of them will object to such continued listing for reasons related to or arising from the SPA;
- (ii) No decision, order or judgment having been issued or made by any Authority in Hong Kong or the PRC at any time prior to the Completion Date that has the effect of making unlawful or otherwise prohibiting or restricting the transfer of the Sale Shares to the Offeror.
- (iii) As at Completion, none of the Seller's warranties and representations are untrue or inaccurate to an extent that would amount to a material adverse effect to the financial condition or results of operation of the Group as a whole.
- (iv) As at Completion, none of the Offeror's warranties and representations are untrue or inaccurate to an extent that would amount to a material adverse change to the ability of the Offeror to consummate the Completion or the Acquisition.

The Offeror may waive the conditions listed in (i) and (iii) above. The Seller may waive the condition listed in (iv) above. The condition listed in (ii) may be waived by any of the parties.

Long Stop Date of the SPA

The SPA may be terminated prior to Completion if Completion has not occurred on or prior to 4 February 2021 (Hong Kong time), being the date falling 8 weeks after the date of the SPA (or, any such other date as the Offeror and the Seller may otherwise agree in writing), provided that the terminating party's failure to fulfil any obligation under the SPA has not been the cause of the failure of Completion to occur.

Warranties and undertakings of the SPA

The Seller has agreed to give certain warranties and undertakings in favour of the Offeror. The warranties and undertakings given by the Seller relate mostly to the condition and business of the Company.

Completion

The Acquisition will be completed when the transfer of the Sale Shares through the CCASS system has been completed, which is currently expected to happen on the seventh day after the date of the SPA. The total cash consideration in respect of the Acquisition will be paid in full by the Offeror to the Seller upon Completion.

The Company will publish a further announcement upon Completion.

POSSIBLE MANDATORY CONDITIONAL CASH OFFERS

As at the date of this joint announcement, each of the Offeror and parties acting in concert with it does not have any interests in the Shares. Immediately upon Completion, the Offeror will be interested in 374,159,400 Shares, representing approximately 44.87% of issued Shares as at the date of this joint announcement.

Given the Offeror will acquire more than 30% of the voting rights of the Company as a result of the Acquisition, pursuant to Rule 26.1 of the Takeovers Code, the Offeror will be required to make a mandatory conditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it). Pursuant to Rule 13 of the Takeovers Code, the Offeror will make an appropriate cash offer to the Offer Optionholders to cancel all Offer Options.

Subject to the Completion, CICC will, for and on behalf of the Offeror, make the Offers in compliance with the Takeovers Code on the following basis:

The Share Offer

For each Offer Share HK\$5.87 in cash

The Share Offer Price of HK\$5.87 for each Share under the Share Offer is the same as the price to be paid per Sale Share by the Offeror pursuant to the SPA.

The Share Offer Price of HK\$5.87 per Offer Share represents:

- (a) a premium of approximately 2.98% to the closing price of HK\$5.70 per Share as quoted on the Stock Exchange on 9 December 2020, being the Last Trading Day;
- (b) a premium of approximately 1.38% over the average closing price of HK\$5.79 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;

- (c) a premium of approximately 10.34% over the average closing price of HK\$5.32 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a premium of approximately 32.09% over the average closing price of HK\$4.44 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (e) a premium of approximately 52.20% over the average closing price of HK\$3.86 per Share as quoted on the Stock Exchange for the 90 consecutive trading days immediately prior to and including the Last Trading Day;
- (f) a premium of approximately 88.14% over the audited consolidated net assets per Share of approximately USD 0.40 as at 31 December 2019 (equivalent to approximately HK\$3.12), calculated based on the Group's audited consolidated net assets attributable to the Shareholders of approximately USD 335,968,000 as at 31 December 2019 and 833,918,800 Shares in issue as at the date of this joint announcement; and
- (g) a premium of approximately 103.40% over the unaudited consolidated net assets per Share of approximately USD 0.37 as at 30 June 2020 (equivalent to approximately HK\$2.886), calculated based on the Group's audited consolidated net assets attributable to the Shareholders of approximately USD 308,756,000 as at 30 June 2020 and 833,918,800 Shares in issue as at the date of this joint announcement.

The Option Offer

For each of the 2,150,000 Offer Options with

an exercise price of HK\$3.76. HK\$2.11 in cash

For each of the 2,000,000 Offer Options with

an exercise price of HK\$1.814. HK\$4.056 in cash

Pursuant to Rule 13 and Practice Note 6 of the Takeovers Code, the Option Offer Price would normally represent the difference between the exercise prices of the Options and the Share Offer Price. Under the Option Offer, since the exercise prices of the Offer Options, being HK\$3.76 and HK\$1.814, are below the Share Offer Price of HK\$5.87, the Offer Options are in-the-money and the Option Offer Prices are set at the see-through prices of HK\$2.11 and HK\$4.056 respectively.

As at the date of this joint announcement, the Company has 833,918,800 Shares in issue and 4,150,000 outstanding Options and has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

Conditions to the Offers

The Share Offer is conditional only on valid acceptances being received in respect of such number of Offer Shares, which together with Shares owned, acquired or agreed to be acquired by the Offeror and parties acting in concert with it before or during the Share Offer, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights in the Company. The Option Offer will be conditional on the Share Offer becoming or being declared unconditional in all respects.

Further announcement(s) in relation to the revision, extension or lapse of the Offers or the fulfillment of the conditions of the Offers shall be made in accordance with the Takeovers Code and Listing Rules in due course.

Highest and lowest closing prices of the Shares

As disclosed in the Rule 3.7 Announcement, the offer period has commenced on 2 December 2020.

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the commencement of the offer period on 2 December 2020 and including the Last Trading Day (i.e. from 2 June 2020 to 9 December 2020) were HK\$6.05 per Share on 7 December 2020 and HK\$1.55 per Share on 15 June 2020, respectively.

Value of the Offers

Based on the Share Offer Price of HK\$5.87 per Share and 459,759,400 Offer Shares and 4,150,000 Offer Options:

- (a) Assuming no Offer Options are exercised and the Share Offer is accepted in full:
 - (i) the value of the Share Offer will be approximately HK\$2,698,787,678; and
 - (ii) the total amount to satisfy the cancellation of all Offer Options will be approximately HK\$12,648,500.

- (b) Assuming all Offer Options are exercised and the Share Offer is accepted in full:
 - (i) the value of the Share Offer will be approximately HK\$2,723,148,178; and
 - (ii) no amount will be payable by the Offeror under the Option Offer.

Confirmation of financial resources

The Offeror intends to finance the maximum consideration for the Acquisition and the Offers (i.e. HK\$2,723,148,178, being the higher amount of scenarios (a) and (b) above), by internal resources and external debt-financing.

CICC, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum consideration payable by the Offeror for the Acquisition and upon full acceptance of the Offers.

Effect of accepting the Offers

By validly accepting the Share Offer, the Offer Shareholders shall sell their Offer Shares free from all Third Party Rights and with all rights and benefits at any time accruing and attached to them, including the rights to receive all dividends and distributions declared, made or paid on or after the date of this joint announcement. In the event that the Company decides to declare, pay, make or agree to pay or make any dividends on or after the date of this joint announcement and up to closing of the Offers, the Offeror intends to reduce the Offer Price by the amount of such dividends.

The Company does not intend to declare, pay, make or agree to pay or make any dividends on or after the date of this joint announcement and up to closing of the Offers.

By validly accepting the Option Offer, the Offer Options tendered by the Offer Optionholders will be cancelled, together with all rights attached to them with effect from the date on which the Option Offer is made.

Acceptance of the Offers would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

Payment

Subject to the Offers having become, or have been declared, unconditional in all respects, payment in cash in respect of acceptances of the Offers will be made as soon as possible but in any event within seven (7) Business Days following the later of the date of receipt of a duly completed acceptance of the Offers, or the date on which the Offers become or are declared unconditional in all aspects.

Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the Offers complete and valid. The latest time on which the Offeror can declare the Offers unconditional as to acceptances is 7:00 p.m. on the 60th day after the despatch of the Composite Document (or such later date to which the Executive may consent). If the Offers are withdrawn or lapse, pursuant to Rule 20.2 of the Takeovers Code, the Offeror is required to, as soon as possible but in any event within 10 days thereof, post the Share certificates and Option certificates lodged with the forms of acceptance and transfer to, or make such Share certificates and Option certificates available for collection by, those Shareholders and Optionholders who have accepted the Offers.

No fractions of a cent will be payable and the amount of the consideration payable to an Offer Shareholder who accepts the Offer will be rounded up to the nearest cent.

Overseas Shareholders and Overseas Optionholders

The Offeror intends to make the Offers available to all Offer Shareholders and Offer Optionholders, including the Overseas Shareholders and Overseas Optionholders. However, the Offers to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident. The making of the offers to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. Overseas Shareholders and/or Overseas Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek independent legal advice. It is the responsibility of Overseas Shareholders and the Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Overseas Shareholders and Overseas Optionholders in respect of such jurisdictions).

Any acceptance of the Offers by any Overseas Shareholder and/or Overseas Optionholder will be deemed to constitute a representation and warranty from such Overseas Shareholder and/or Overseas Optionholder to the Offeror that the local laws and requirements have been complied with. Overseas Shareholders and Overseas Optionholders should consult their professional advisers if in doubt.

Hong Kong Stamp duty

Offer Shareholders' Hong Kong ad valorem stamp duty arising in connection with acceptance of the Share Offer at a rate of 0.1% of the consideration payable in respect of the relevant acceptances, or (if higher) the value of the Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong),

will be deducted from the amount payable to the Offer Shareholders who accept the Share Offer. The Offeror will then arrange for payment of the stamp duty on behalf of those Offer Shareholders who accepted the Share Offer. The Offeror will bear Offeror's ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the Offer Shares.

No stamp duty is payable in connection with the acceptance of the Option Offer.

Tax Advice

Offer Shareholders and Offer Optionholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offers. It is emphasised that none of the Company, the Offeror or parties acting in concert with it or any of their respective directors, officers or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

OFFEROR'S INTERESTS IN SECURITIES OF THE COMPANY

The Offeror confirms that, save as disclosed herein, as at the date of this joint announcement:

- (a) neither the Offeror nor any person acting in concert with it owned or had control or direction over any voting rights or rights over the Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities;
- (b) neither the Offeror nor any person acting in concert with it had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the six months prior to and including the date of this joint announcement;
- (c) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offers;
- (d) other than the SPA, there is no agreement or arrangement to which the Offeror or any person acting in concert with it, is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offers;
- (e) neither the Offeror nor any person acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

- (f) neither the Offeror nor any person acting in concert with it has received any irrevocable commitment to accept the Offers;
- (g) there is no outstanding derivative in respect of the securities in the Company entered into by the Offeror or any person acting in concert with it;
- (h) there is no special deal (as defined under Rule 25 of the Takeovers Code) between the Seller and parties acting in concert with him on one hand, and the Offeror and parties acting concert with it on the other hand;
- (i) there is no special deal (as defined under Rule 25 of the Takeovers Code) between (a) any Shareholders; and (b)(i) the Offeror and any parties acting in concert with it, or (b) (ii) the Company, its subsidiaries or associated companies; and
- (j) other than the consideration payable under the SPA, none of the Seller and parties acting in concert with him has received or will receive any other consideration, compensation or benefit, in whatever form from the Offeror and parties acting in concert with it, and none of the Offeror and parties acting in concert with it has given or will give any other consideration, compensation or benefit, in whatever form to the Seller and parties acting in concert with him.

Notwithstanding that connected exempt principal traders within the CICC group are not parties acting in concert with the Offeror, Shares owned by connected exempt principal traders within the CICC group must not be assented to the Share Offer until the Share Offer becomes or is declared unconditional as to acceptances in accordance with the requirements of Rule 35.3 of the Takeovers Code, unless (i) the relevant connected exempt principal trader holds the Shares as a simple custodian for and on behalf of non-discretionary clients, and (ii) there are contractual arrangements in place between the relevant connected exempt principal trader and its clients that strictly prohibit the relevant connected exempt principal trader from exercising any voting discretion over the relevant Shares. For this purpose, a written confirmation of the matters set out in points (i) and (ii) above and whether the relevant underlying clients are entitled to assent to the Share Offer will be submitted to the Executive prior to the publication of the Composite Document.

INFORMATION OF THE GROUP

The Company was incorporated in the Cayman Islands as an exempted company with limited liability, shares of which have been listed on Stock Exchange since March 2015. The Group is principally engaged in the manufacturing, distribution and sale of camera modules.

SHAREHOLDING STRUCTURE OF THE COMPANY

Pursuant to the information on shareholding available to the Offeror and Company as at the date of this joint announcement, the shareholding structure of the Company (i) immediately prior to Completion and as at the date of this joint announcement; (ii) immediately following Completion but before commencement of the Offers are as follows:

Name of shareholder	Immediately prior to Completion and as at the date of this joint announcement		Immediately following Completion but before commencement of the Offers	
	<i>Number of Shares</i>	<i>% of shareholding (approximate) (Note 2)</i>	<i>Number of Shares</i>	<i>% of shareholding (approximate) (Note 2)</i>
The Offeror and parties acting in concert with it	nil	nil	374,159,400	44.87%
The Seller (<i>Note 1</i>)	374,159,400	44.87%	nil	nil
Public Shareholders	<u>459,759,400</u>	<u>55.13%</u>	<u>459,759,400</u>	<u>55.13%</u>
Total	<u><u>833,918,800</u></u>	<u><u>100.00%</u></u>	<u><u>833,918,800</u></u>	<u><u>100.00%</u></u>

Notes:

- (1) The Seller is the father of Mr. Kwak Jung Young, the chairman and one of the executive directors of the Company. The Seller was the chairman, an executive director and chief executive officer of the Company. He resigned from all his positions on 29 February 2016;
- (2) Due to rounding off of numbers, the shareholding percentage for each of the member of the shareholders in the above table may not add up to the aggregate shareholding percentage of the Company.

FINANCIAL INFORMATION OF THE GROUP

The following table is a summary of certain audited consolidated financial information of the Group for the financial years ended 31 December 2018 and 31 December 2019, and certain unaudited consolidated financial information of the Group for the six months ended 30 June 2020, as extracted from the annual reports of the Company for the years ended 31 December 2018 and 31 December 2019, and the interim report of the Company for the six months ended 30 June 2020, respectively:

	Year ended 31 December		Six months
	2018	2019	ended 30 June
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
	<i>USD in thousand</i>	<i>USD in thousand</i>	<i>USD in thousand</i>
Revenue	535,862	542,614	307,521
Gross Profit	52,295	77,097	48,838
Profit/(loss) before income tax	14,131	30,556	34,526
Profit/(loss) for the year			
attributable to Shareholders	13,906	29,280	28,164
Consolidated net asset value			
attributable to Shareholders	326,314	335,968	308,756

INFORMATION OF THE OFFEROR

The Offeror is an imaging product manufacturing company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of GLITL. GLITL is a wholly-owned subsidiary of LIL. LIL is a company incorporated in Hong Kong with limited liability and is owned as to 90% by Mr. Wang Laixi and as to 10% by Lite-On. Lite-On is a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of Lite-On Technology Corporation 光寶科技股份有限公司 (a company incorporated in Taiwan with limited liability and listed on the Taiwan Stock Exchange with stock code 2301). Mr. Wang Laixi is also currently the sole director of the Offeror.

Mr. Wang Laixi is the chairman of Luxvisions Innovation Group, which comprises LIL, GLITL, the Offeror and other subsidiaries located in the PRC. Luxvisions Innovation Group is a manufacturer of mass-produced mobile phone camera modules, tablet camera modules, and notebook camera modules. So far, it has designed and mass produced hundreds of customized camera modules. Mr. Wang founded and funded Luxvisions Innovation Group in 2002 using his personal savings from employment and returns from investments. For the financial year ended 31 December 2019, the audited consolidated group revenue of Luxvisions Innovation Group was approximately RMB12.0 billion. For the nine months ended 30 September 2020, the unaudited consolidated group revenue of Luxvisions Innovation Group was approximately RMB8.43 billion.

Intentions of the Offeror regarding the Group

It is the intention of the Offeror that the Group's existing principal activities will be maintained after the close of the Offers. Following the close of the Offers, the Offeror intends to continue to pursue and promote strategies to enhance future development of the Group and to create greater value for its shareholders.

Save as in connection with the intention of the Offeror regarding the Group as set out above, the Offeror currently has no intention to (i) discontinue the employment of the existing management and employees of the Group; or (ii) redeploy the fixed assets of the Company other than those in its ordinary and usual course of business.

Proposed change of the Board composition

The Board is currently made up of five Directors, comprising of two executive Directors, being Mr. Kwak Jung Young and Mr. Cho Young Hoon; and three independent non-executive Directors, being Mr. Kim Chan Su, Dr. Song Si Young and Mr. Jung Jong Chae.

It is intended that all of the existing Directors will resign from the Board at the earliest time permitted under the Takeovers Code.

The Offeror intends to nominate new Directors to the Board with effect from the date immediately after the date on which the Composite Document is posted or such other date as permitted under the Takeovers Code. Details of the new Directors will be disclosed in the Composite Document.

Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made by the Company as and when appropriate.

Public float and listing status of the Company

The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offers.

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public at all times, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) that there are insufficient Shares in public hands to maintain an orderly market,

then it will consider exercising its discretion to suspend dealings in the Shares until the prescribed level of public float is restored.

The Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. The Offeror considers that the appropriate actions to be taken after the close of the Offers shall include placing down of sufficient number of accepted Shares by the Offeror and/or issue of additional Shares by the Company for this purpose. The Company and the Offeror will issue a separate announcement as and when necessary in this regard.

DESPATCH OF COMPOSITE DOCUMENT

The Offeror and the Company intend to combine the offer document and the Company's board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, the Offeror and the Company are required to despatch the Composite Document containing, among other things, (i) details of the Offers and their respective terms and conditions (including the expected timetable); (ii) the letter from the Independent Board Committee containing its recommendation in respect of the Offers; (iii) the letter of advice from the independent financial adviser to the Independent Board Committee in respect of the Offers; and (iv) relevant forms of acceptance and transfer, to the Offer Shareholders and Offer Optionholders in relation to the Offers. It is expected that the Composite Document will be despatched on or before 31 December 2020.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Kim Chan Su, Dr. Song Si Young and Mr. Jung Jong Chae, being all the independent non-executive Directors of the Company, has been established by the Company pursuant to Rule 2.1 of the Takeovers Code to make a recommendation to the Offer Shareholders and Offer Optionholders in respect of the Offers, as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers.

An independent financial adviser will be appointed, with the approval of the Independent Board Committee, to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to the acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code.

A further announcement will be made by the Company as soon as possible after the appointment of the independent financial adviser. The advice of the independent financial adviser and the recommendation of the Independent Board Committee will be included in the Composite Document to be despatched to the Offer Shareholders and Offer Optionholders.

DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company or the Offeror (including persons holding 5% or more of a class of relevant securities of the Company or the Offeror) are reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.”

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

SETTLEMENT OF THE OFFERS

Remittances in respect of the cash consideration (after deducting Offer Shareholders' ad valorem stamp duty) will be made as soon as possible, but in any event within seven Business Days following the later of (i) the date of receipt by the Registrar of all relevant documents which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code; and (ii) the date on which the Offer becomes or is declared unconditional in all respects.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 10 December 2020 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 11 December 2020.

WARNING

The Offers will only be made if the Completion takes place. The Completion is subject to satisfaction and/or waiver of the conditions precedent contained in the SPA. Accordingly, the Completion may or may not take place and the Offers may or may not be made.

Shareholders, Optionholders and potential investors should note that the Independent Board Committee has yet to consider and evaluate the Offers. The Directors make no recommendation as to the fairness or reasonableness of the Offers or as to the acceptance of the Offers in this joint announcement. Shareholders and Optionholders should read the Composite Document carefully, including the recommendations of the Independent Board Committee in respect of the Offers and a letter of advice from the independent financial adviser, before forming a view on the Offers.

Shareholders, Optionholders and potential investors are advised to monitor the announcements to be made by the Company or jointly by the Offeror and the Company in respect of the progress of the Offers and exercise caution when dealing in the securities of the Company. If Shareholders, Optionholders and potential investors are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Acquisition”	the purchase of the Sale Shares by the Offeror from the Seller pursuant to terms set out in the SPA
“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associates”	has the meaning ascribed thereto under the Takeovers Code
“Authority”	means any competent governmental, administrative, supervisory, regulatory, judicial, determinative, disciplinary, enforcement or Tax raising body, authority, agency, board, department, court or tribunal of any jurisdiction (including any relevant securities exchange) and whether supranational, national, regional or local
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by the Hong Kong Securities Clearing Company Limited
“CICC”	China International Capital Corporation Hong Kong Securities Limited, the financial adviser to the Offeror in relation to the Offer. CICC is a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities

“Company”	Cowell e Holdings Inc., a company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on the Stock Exchange (Stock Code: 1415)
“Completion”	completion of the Acquisition under the SPA
“Completion Date”	the date on which Completion takes place
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Offer Shareholders and Offer Optionholders in connection with the Offers in compliance with the Takeovers Code
“Director(s)”	director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“exempt fund manager”	has the meaning ascribed to it in the Takeovers Code
“exempt principal trader”	has the meaning ascribed to it in the Takeovers Code
“GLITL”	Guangzhou Luxvisions Innovation Technology Limited 廣州立景創新科技有限公司, a company incorporated in the PRC, and is wholly-owned by LIL
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the board of Directors, comprising Mr. Kim Chan Su, Dr. Song Si Young and Mr. Jung Jong Chae, being all the independent non-executive Directors of the Company, formed for the purpose of advising the Offer Shareholders and Offer Optionholders in respect of the Offers
“Last Trading Day”	9 December 2020, being the last full trading day of the Shares immediately prior to the date of this joint announcement

“Law”	means all civil and common law, statute, subordinate legislation, treaty, rule, regulation, directive, decision, by-law, ordinance, circular, code, order, notice, decree, injunction, resolution or judgment of any Authority (including the Listing Rules and the Takeovers Code):
	(a) as to any person, in each case applicable to or binding upon such person or any of its property or which such person or any of its property is subject; or
	(b) applicable to any or all of the transactions contemplated or referred to in the SPA
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LIL”	Luxvisions Innovation Limited 立景創新有限公司, a company incorporated in Hong Kong with limited liability and is owned as to 90% by Mr. Wang Laixi 王來喜 and as to 10% by Lite-On
“Lite-On”	Lite-On Singapore Pte. Limited 光寶科技新加坡私人有限公司, a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of Lite-On Technology Corporation 光寶科技股份有限公司 (a company incorporated in Taiwan with limited liability and listed on the Taiwan Stock Exchange with stock code 2301, which is a listed company with no substantial shareholder or controlling shareholder (as defined under the Listing Rules))
“Offers”	collectively, the Share Offer and the Option Offer
“Offer Shareholder(s)”	holder(s) of Share(s), other than the Offeror and parties acting in concert with it
“Offer Share(s)”	all and any of the Shares that are subject to the Share Offer
“Offer Optionholder(s)”	holder(s) of Option(s), other than the Offeror and parties acting in concert with it

“Offer Option(s)”	all and any of the Options that are subject to the Option Offer
“Offeror”	Luxvisions Innovation Technology Limited, a limited liability company incorporated in Hong Kong which is wholly-owned by GLITL
“Option Offer”	the possible mandatory conditional cash offer to be made by CICC for and on behalf of the Offeror to cancel all the Offer Options in accordance with the Takeovers Code
“Option Offer Price”	HK\$2.11 and HK\$4.056 respectively, being the prices at which the Option Offer will be made for the Offer Options with exercise prices of HK\$3.76 and HK\$1.814 respectively
“Optionholder(s)”	holder(s) of the Option(s)
“Option(s)”	outstanding share options granted by the Company pursuant to the Share Option Scheme
“Overseas Shareholder(s)”	Offer Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“Overseas Optionholder(s)”	Offer Optionholder(s) whose address(es), as shown on the register of Optionholders of the Company, is/are outside Hong Kong
“PRC”	the People’s Republic of China (excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this joint announcement)
“RMB”	Renminbi, the lawful currency of the PRC
“Rule 3.7 Announcement”	the announcement by the Company dated 2 December 2020 pursuant to, among other rules and regulations, Rule 3.7 of the Takeovers Code
“Sale Shares”	374,159,400 Shares, being such number of Shares to be acquired by the Offeror from the Seller pursuant to the SPA, representing approximately 44.87% of the issued Shares as at the date of this joint announcement

“Seller”	Mr. Kwak Joung Hwan
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Offer”	the possible mandatory conditional cash offer to be made by CICC, for and on behalf of the Offeror, to acquire all the issued Shares not already owned and/ or agreed to be acquired by the Offeror in accordance with the Takeovers Code
“Share Offer Price”	HK\$5.87 per Share, being the price at which the Share Offer will be made
“Share Option Scheme”	the share option scheme of the Company adopted on 4 February 2015
“SPA”	the sale and purchase agreement dated 10 December 2020 entered into between the Seller and the Offeror in relation to Sale Shares
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	ordinary share(s) of par value of USD0.004 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“Tax”	means all forms of taxation, duties, levies, imposts and other similar impositions of any jurisdiction whether statutory, governmental, central, state, provincial, regional, local or municipal, together with any interest and levies and all penalties, charges, costs and additions to tax in relation to any of the foregoing or resulting from failure to comply with the provisions of any legislation, enactment or other Law relating to the foregoing

“Third Party Rights”	any interest or equity of any person (including any right to acquire, option or right of pre-emption or conversion) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement, or any agreement to create any of the above or any other third party rights of any nature
“USD”	United States dollars, the lawful currency of the United States.
“%”	per cent.

By Order of the board of directors of
Luxvisions Innovation Technology Limited
Wang Laixi
Sole Director

By Order of the Board of
Cowell e Holdings Inc.
Kwak Jung Young
Chairman

Hong Kong, 10 December 2020

For the purposes of this joint announcement, the exchange rate of USD1.00 = HK\$7.80 has been used for currency translation, where applicable. Such an exchange rate is for illustrative purposes and does not constitute representations that any amount in HK\$ or USD has been, could have been or may be converted at such a rate.

As of the date of this joint announcement, the Board comprises 5 Directors, of which two are executive Directors, namely Mr. Kwak Jung Young and Mr. Cho Young Hoon; and three are independent non-executive Directors, namely Mr. Kim Chan Su, Mr. Song Si Young and Mr. Jung Jong Chae.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and any parties acting in concert with it), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As of the date of this joint announcement, Mr. Wang Laixi is the sole director of the Offeror.

The sole director of the Offeror accepts full responsibility for the accuracy of information contained in this joint announcement (other than the information relating to the Company, the Seller or any of their associates or any parties acting in concert with them) and confirm, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint 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 joint announcement, the omission of which would make any statement in this joint announcement misleading.