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**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)**

**(1) REVISION OF EXISTING ANNUAL CAPS FOR EXISTING  
CONTINUING CONNECTED TRANSACTIONS  
(2) NEW CONTINUING CONNECTED TRANSACTION  
(3) CONNECTED TRANSACTION**

**Independent Financial Adviser to the Independent Board Committee and  
the Independent Shareholders**

**HONESTUM**

宏信國際有限公司  
HONESTUM INTERNATIONAL LIMITED

**(1) REVISION OF EXISTING ANNUAL CAPS FOR CONTINUING  
CONNECTED TRANSACTIONS**

Reference is made to the announcement of the Company dated 29 December 2022 in relation to (i) the Existing Purchase Framework Agreement; and (ii) the Existing Materials Procurement Framework Agreement.

As a result of the expansion of the Group's business operations and production capacity, and the continuous increase in demand of the Group's products, on 19 April 2023, the Company entered into (i) the Supplemental Purchase Framework Agreement with Luxshare Precision; and (ii) the Supplemental Materials Procurement Framework Agreement with GZ Luxvisions, respectively to revise the existing annual cap(s) and extend the term of the Existing Agreements.

**(2) NEW CONTINUING CONNECTED TRANSACTION**

On 19 April 2023 (after trading hours), Luxsense entered into the ST Supply Framework Agreement with Suteng, pursuant to which Luxsense shall supply the LS Products to Suteng in accordance with the terms and conditions thereunder.

### **(3) CONNECTED TRANSACTION**

On 19 April 2023 (after trading hours), the Company entered into the Machinery Purchase Agreement with Luxshare Precision, pursuant to which the Company shall purchase, and Luxshare Precision shall supply, the Machinery at a consideration of not more than RMB95,000,000 (subject to adjustment).

#### **IMPLICATIONS UNDER THE LISTING RULES**

As GZ Luxvisions is a controlling Shareholder indirectly interested in approximately 73.04% of the entire issued share capital of the Company through LITL as at the date of this announcement, it is a connected person of the Company. As such, the transactions contemplated under the Supplemental Materials Procurement Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Ms. Wang Laichun and Mr. Wang Laisheng, who are the controlling Shareholders and indirectly interested in approximately 73.04% of the issued share capital of the Company, together are also indirectly interested in approximately 38.31% of the equity interests, and Mr. Wang Laisheng is also directly interested in approximately 0.17% equity interests, of Luxshare Precision. Hence, Luxshare Precision is an associate (as defined under Chapter 14A of the Listing Rules) of Ms. Wang Laichun and Mr. Wang Laisheng and a connected person of the Group. As such, the transactions contemplated under the Supplemental Purchase Framework Agreement and the Machinery Purchase Agreement constitute continuing connected transactions and connected transaction of the Company under Chapter 14A of the Listing Rules, respectively.

Luxsense is a subsidiary of the Group which is jointly owned by the Group and Suteng as to 51% and 49% respectively. Therefore, Suteng is a substantial shareholder of Luxsense and a connected person at the subsidiary level of the Group. As such, the transactions contemplated under the ST Supply Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company intends to revise annual caps for existing continuing connected transactions, the Company will be required to re-comply with relevant provisions of Chapter 14A of the Listing Rules in respect of the relevant continuing connected transactions.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions shall be treated as if they were one transaction if they were all entered into or completed within a 12-month period or are otherwise related. Given that (i) the Supplemental Purchase Framework Agreement and the Supplemental Materials Procurement Framework Agreement were entered into at the same time (within a 12-month period) and the transactions contemplated thereunder are of similar nature in relation to the purchases by the Group of similar materials for its production; and (ii) Luxshare Precision, is ultimately controlled by Ms. Wang Laichun and Mr. Wang Laisheng, who are controlling Shareholders indirectly interested in approximately 73.04% of the issued share capital of the Company and have indirect control interest in GZ Luxvisions, both GZ Luxvisions and Luxshare Precision are associates of Ms. Wang Laichun and Mr. Wang Laisheng and the transactions contemplated under the Supplemental Purchase Framework Agreement and the Supplemental Materials Procurement Framework Agreement shall be aggregated as if they were one transaction.

As the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the highest proposed annual cap of each of the CCT Agreements are more than 5%, the transactions contemplated thereunder constitute non-exempt continuing connected transactions of the Company and are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirement as set out under Chapter 14A of the Listing Rules.

As the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Machinery Purchase Agreement are more than 0.1% but less than 5%, the transactions under the Machinery Purchase Agreement are subject to the reporting and announcement requirements but are exempt from the Independent Shareholders' approval requirement as set out under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all the independent non-executive Directors has been established to advise the Independent Shareholders on the terms of the CCT Agreements and the transactions contemplated thereunder. Honestum International Limited has been appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this regard. The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve by way of poll, among other matters, the CCT Agreements and transactions contemplated thereunder and the revised annual caps. As Ms. Wang Laichun and Mr. Wang Laisheng, who are controlling Shareholders indirectly interested in approximately 73.04% of the issued share capital of the Company and have indirect control interest in GZ Luxvisions which in turn is interested in approximately 73.04% of the entire issued share capital of the Company through LITL as at the date of this announcement, LITL has a material interests in the Supplemental Agreements, and is required to abstain from voting at the EGM on the resolutions approving the Supplemental Agreements.

It is expected that a circular containing, among other things, further details of the CCT Agreements, the transactions contemplated thereunder and the relevant annual caps, together with the recommendations of the Independent Board Committee, the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders will be despatched to the Shareholders on or before 11 May 2023, as additional time will be required to finalise certain information to be included in the circular.

## **(1) REVISION OF EXISTING ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcement of the Company dated 29 December 2022 in relation to (i) the Existing Purchase Framework Agreement and (ii) the Existing Materials Procurement Framework Agreement.

As a result of the expansion of the Group's business operations and production capacity, and the continuous increase in demand of the Group's products, on 19 April 2023, the Company entered into (i) the Supplemental Purchase Framework Agreement with Luxshare Precision; and (ii) the Supplemental Materials Procurement Framework Agreement with GZ Luxvisions, respectively to revise the existing annual cap(s) and extend the term of the Existing Agreements.

### **SUPPLEMENTAL PURCHASE FRAMEWORK AGREEMENT**

Details of the Supplemental Purchase Framework Agreement are set out below:

#### **Parties**

- (a) Company; and
- (b) Luxshare Precision

#### **Date**

19 April 2023 (after trading hours)

#### **Duration**

From 20 April 2023 to 31 December 2025, unless terminated earlier in accordance with the terms of the Existing Purchase Framework Agreement (as supplemented and amended by the Supplemental Purchase Framework Agreement).

## Subject matter

Pursuant to the Supplemental Purchase Framework Agreement,

- (i) the existing annual cap for the transactions contemplated under the Existing Purchase Framework Agreement for the year ending 31 December 2023 is revised from US\$20,000,000 to US\$45,000,000; and
- (ii) the term of the agreement is extended to include the two years ending 31 December 2025, with a proposed annual cap of US\$61,776,000 for the year ending 31 December 2024 and US\$80,352,000 for the year ending 31 December 2025, respectively.

Save for the aforesaid changes, all other terms and conditions under the Existing Purchase Framework Agreement remain the same.

For details of the terms and price determination under the Existing Purchase Framework Agreement, please refer to the announcements of the Company dated 20 May 2022 and 29 December 2022.

### Existing annual cap and historical transaction amount

The existing annual cap for the transactions contemplated under the Existing Purchase Framework Agreement for the year ending 31 December 2023 and the actual transaction amount incurred for the year ended 31 December 2022 and during the two months ended 28 February 2023 under the Existing Purchase Framework Agreement are set out below:

	<b>For the year ending 31 December 2023</b>	
	<b>For the year ended 31 December 2022</b>	<b>For the two months ended 28 February 2023</b>
Existing annual cap		US\$20,000,000
Actual transaction amount incurred	US\$17,710,716	US\$4,054,682

## Proposed annual caps

Pursuant to the Supplemental Purchase Framework Agreement, the proposed annual caps are as follows:

	<b>For the year ending 31 December 2023 (US\$)</b>	<b>For the year ending 31 December 2024 (US\$)</b>	<b>For the year ending 31 December 2025 (US\$)</b>
Proposed annual caps	45,000,000	61,776,000	80,352,000

The proposed annual caps are determined based on arm's length negotiations between the Company and Luxshare Precision having considered, among others, the following factors and assumptions:

- (i) the historical transaction amounts incurred under the Existing Purchase Framework Agreement;
- (ii) the expected demand of the Products with reference to, among others, the current discussion with the major customers of the Group and the business and production plan of the Group during the term of the Supplemental Purchase Framework Agreement;
- (iii) the expected market share of the products to be sold by the Group;
- (iv) the estimated costs of production of the required Products; and
- (v) the estimate market price of the required Products.

Such projection is assumed solely for determining the proposed annual caps and shall not be regarded as any indication directly or indirectly as to the respective revenue, profitability or trading prospects of the Company or the Group.

If the total transaction amounts under the Supplemental Purchase Framework Agreement are expected to exceed the proposed annual caps, the Company will re-comply with the relevant requirements in accordance with the Listing Rules such as by publishing a further announcement and to seek approval from Independent Shareholders, if applicable.

As the transactions contemplated under the Supplemental Purchase Framework Agreement constitute non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules, and the proposed annual caps are subject to the approval of the Independent Shareholders, the Supplemental Purchase Framework Agreement is conditional upon the relevant resolution(s) being passed at the EGM.

# **SUPPLEMENTAL MATERIALS PROCUREMENT FRAMEWORK AGREEMENT**

Details of the Supplemental Materials Procurement Framework Agreement are set out below:

## **Parties**

- (a) Company; and
- (b) GZ Luxvisions

## **Date**

19 April 2023 (after trading hours)

## **Duration**

From 20 April 2023 to 31 December 2025, unless terminated earlier in accordance with the terms of the Existing Materials Procurement Framework Agreement (as amended and supplemented by the Supplemental Materials Procurement Framework Agreement).

## **Subject matter**

Pursuant to the Supplemental Materials Procurement Framework Agreement,

- (i) the existing annual cap for the transactions contemplated under the Existing Materials Procurement Framework Agreement for the year ending 31 December 2023 is revised from RMB70,000,000 to RMB73,000,000; and
- (ii) the term of the agreement is extended to include the two years ending 31 December 2025, with a proposed annual cap of RMB133,000,000 for the year ending 31 December 2024 and RMB199,000,000 for the year ending 31 December 2025, respectively.

Save for the aforesaid changes, all other terms and conditions under the Existing Materials Procurement Framework Agreement remain the same.

For details of the terms and price determination under the Existing Materials Procurement Framework Agreement, please refer to the announcements of the Company dated 2 September 2022 and 29 December 2022.

## Existing annual cap and historical transaction amount

The existing annual cap for the year ending 31 December 2023 and the actual transaction amount incurred during the two months ended 28 February 2023 under the Existing Materials Procurement Framework Agreement are set out below:

	<b>For the year ending 31 December 2023</b>	
	<b>For the year ended 31 December 2022</b>	<b>For the two months ended 28 February 2023</b>
Existing annual cap		RMB70,000,000
Actual transaction amount incurred	RMB21,974,083	RMB3,634,588

## Proposed annual caps

Pursuant to the Supplemental Materials Procurement Framework Agreement, the proposed annual caps are as follows:

	<b>For the year ending 31 December 2023 (RMB)</b>	<b>For the year ending 31 December 2024 (RMB)</b>	<b>For the year ending 31 December 2025 (RMB)</b>
Proposed annual caps	73,000,000	133,000,000	199,000,000

The proposed annual caps are determined based on arm's length negotiations between the Company and GZ Luxvisions having considered, among others, the following factors and assumptions:

- (i) the historical transaction amounts incurred under the Existing Materials Procurement Framework Agreement;
- (ii) the expected demand of the Materials with reference to, among others, the current discussion with the major customers of the Group and the business and production plan of the Group during the term of the Supplemental Materials Framework Agreement;
- (iii) the expected market share of the relevant products to be sold by the Group;
- (iv) the estimated costs of production of the required Materials; and

(v) the estimate market price of the required Materials.

Such projection is assumed solely for determining the proposed annual caps and shall not be regarded as any indication directly or indirectly as to the respective revenue, profitability or trading prospects of the Company or the Group.

If the total transaction amounts under the Supplemental Materials Procurement Framework Agreement are expected to exceed the proposed annual caps, the Company will re-comply with the relevant requirements in accordance with the Listing Rules such as by publishing a further announcement and to seek approval from Independent Shareholders, if applicable.

As the transactions contemplated under the Supplemental Materials Procurement Framework Agreement constitute non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules, and the proposed annual caps are subject to the approval of the Independent Shareholders, the Supplemental Materials Procurement Framework Agreement is conditional upon the relevant resolution(s) being passed at the EGM.

## **(2) NEW CONTINUING CONNECTED TRANSACTION**

On 19 April 2023 (after trading hours), Luxsense entered the ST Supply Framework Agreement with Suteng, pursuant to which Luxsense shall supply the LS Products to Suteng in accordance with the terms and conditions thereunder.

### **Parties**

(a) Luxsense; and

(b) Suteng

### **Date**

19 April 2023 (after trading hours)

### **Duration**

From 20 April 2023 to 31 December 2025, unless terminated earlier in accordance with the terms of the ST Supply Framework Agreement.

### **Subject Matter**

Pursuant to the ST Supply Framework Agreement, Luxsense shall supply to Suteng certain LS Products according to the specifications as requested by Suteng from time to time in relation to its production from 20 April 2023 to 31 December 2025, unless terminated earlier in accordance with the terms of the ST Supply Framework Agreement.

## **Principal terms and price determination**

The parties shall execute separate orders in accordance with the terms of the ST Supply Framework Agreement setting out, among others, the specifications and quantity of the LS Products required and delivery schedules, and must comply with the terms of the Listing Rules and applicable laws.

Luxsense will determine the selling prices of the LS Products with reference to, and generally shall not be lower than, prices charged by Luxsense to other independent third party customers of the LS Products of same or similar specifications, which represents the then prevailing market prices.

In accordance with the Company's internal policies, the transactions (including but not limited to prices determined and transaction amounts) under the ST Supply Framework Agreement will be properly recorded. If the Company is of the view that the rates charged and/or terms for the LS Products sold to Suteng are less favourable from the Group's perspective than the rates charged and terms for equivalent or similar LS Products sold by the Group to independent third parties, Luxsense and Suteng agree to use their best endeavour to adjust the rates and/or terms to ensure that the terms of the transactions are fair and reasonable. As the management of the Group will review the aforesaid pricing policy on a regular basis in every quarter, the Directors are of the view that the aforesaid method and procedures can ensure that the transactions contemplated under the ST Supply Framework Agreement will be conducted on normal commercial terms and not prejudicial to the interest of the Company's minority Shareholders.

## **Payment terms**

Specific payment terms will be stipulated in the relevant order forms, which is normally payable within 90 days after delivery of the LS Products.

## **Historical transaction amount and proposed annual caps**

For the financial year ended 31 December 2022 and during the period from January 2023 to February 2023, Luxsense had provided the LS Products to Suteng, which was then an Independent Third Party and only became interested in 49% of Luxsense and thus a connected person at the subsidiary level of the Group since late February 2023, and the transaction amount incurred during the aforesaid periods was approximately RMB68,695,000, and RMB22,783,000, respectively.

Sets out below are the proposed annual caps agreed among Luxsense and Suteng for the transactions contemplated under the ST Supply Framework Agreement for each of the three financial years ending 31 December 2025:

	<b>For the year ending 31 December 2023 (RMB)</b>	<b>For the year ending 31 December 2024 (RMB)</b>	<b>For the year ending 31 December 2025 (RMB)</b>
Proposed annual caps	211,000,000	414,000,000	634,000,000

The proposed annual caps under the ST Supply Framework Agreement are determined based on arm's length negotiations between Luxsense and Suteng having considered, among others, the following factors and assumptions:

- (i) the historical transaction amounts incurred for the supply of the LS Products;
- (ii) the expected production plan of Luxsense in each of the three financial years ending 31 December 2025;
- (iii) the expected demand and market shares of the products to be sold by Suteng in each of the three financial years ending 31 December 2025; and
- (iv) the estimated market price of the required LS Products.

Such projection is assumed solely for determining the proposed annual caps and shall not be regarded as any indication directly or indirectly as to the respective revenue, profitability or trading prospects of the Company or the Group.

If the total transaction amounts under the ST Supply Framework Agreement are expected to exceed the proposed annual caps, the Company will re-comply with the relevant requirements in accordance with the Listing Rules such as by publishing a further announcement and to seek approval from Independent Shareholders, if applicable.

As the transactions contemplated under the ST Supply Framework Agreement constitute non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules, and the proposed annual caps are subject to the approval of the Independent Shareholders, the ST Supply Framework Agreement is conditional upon the relevant resolution(s) being passed at the EGM.

### (3) CONNECTED TRANSACTION

On 19 April 2023 (after trading hours), the Company entered into the Machinery Purchase Agreement with Luxshare Precision, pursuant to which the Company shall purchase, and Luxshare Precision shall supply, the Machinery at a consideration of not more than RMB95,000,000 (subject to adjustment).

Details of the Machinery Purchase Agreement are set out below:

#### **Date**

19 April 2023 (after trading hours)

#### **Parties**

- (a) The Company as purchaser
- (b) Luxshare Precision as seller

#### **Assets purchased**

The machinery and equipment (the “**Machinery**”) to be manufactured and sold by Luxshare Precision to the Company according to the specification as requested by the Company including but not limited to six-sided inspection and laminating machines, leather wire bending machines, reinforcing steel lamination lines, bezel side fill dispensing lines, reinforcing steel lamination lines and in-line dispensing automatic lines for the production use of the Group.

There is no minimum quantity requirement for each purchase order and the Company can confirm the details of the purchase order(s) according to its production needs and schedule.

#### **Consideration**

The consideration payable by the Company for the Machinery shall be not more than RMB95,000,000 (subject to adjustment based on, among others, the actual number and specification of the Machinery ordered and required by the Company and relevant costs of production and delivery).

The consideration for the sale and purchase of the Machinery was determined with reference to the prevailing market price of similar equipment sold by independent third party vendors or by the Luxshare Precision Group to other independent third parties.

The Directors consider that the consideration is fair and reasonable. The consideration will be satisfied by the internal resources of the Group.

## **Payment terms**

The Company shall settle the consideration in accordance with the payment terms in the relevant sub-contract(s) or order(s) to be entered into between the parties.

## **Delivery**

Delivery shall take place within 30 days (or otherwise agreed by the parties in writing) after the execution of the relevant sub-contracts or orders.

## **REASONS FOR AND THE BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENTS, THE ST SUPPLY FRAMEWORK AGREEMENT AND THE MACHINERY PURCHASE AGREEMENT**

### **Supplemental Agreements**

The Group is principally engaged in the design, development, manufacture and sale of a variety of optical modules and parts that are used in smartphones, multimedia tablets and other mobile devices of internationally-renowned brands.

The GZ Luxvisions Group is principally engaged in the business of production of mass-produced mobile phone camera modules, tablet camera modules, notebook camera modules, car camera module, and display module, etc and have a broad market presence and customer network.

Luxshare Precision is principally engaged in the research, development, manufacturing and sales of products in the fields of consumer electronics, communication, auto electronics and medical solutions.

The Group actively enhances its research and development and manufacturing capability of various optical modules and parts for electronic devices. The Company believes that it is in the benefit of the Group to continue and increase the existing transactions of purchasing the relevant Products and Materials from Luxshare Precision and GZ Luxvisions, respectively under the Existing Purchase Framework Agreement and the Existing Materials Procurement Framework Agreement which can enable the Group to have a reliable source of supply of the Products and Materials for production.

Given the friendly business relationship already established among the Group and each of GZ Luxvisions and Luxshare Precision, by conducting the existing continuing connected transactions, time and costs can be saved in sourcing and negotiating with multiple purchasers or suppliers, which will significantly enhance the operational efficiency of the Group, as well as that of GZ Luxvisions and Luxshare Precision.

The Company believes that the entering of the Supplemental Purchase Framework Agreement and the Supplemental Materials Procurement Framework Agreement can increase the existing annual cap for the year ending 31 December 2023 and extend the term of the existing framework for the long-term supply of the Products and Materials by Luxshare Precision and GZ Luxvisions, respectively to the Group on a non-exclusive basis and will help reduce negotiation time and costs among the parties.

The Directors (excluding the independent non-executive Directors who will form their view after considering the advice of the Independent Financial Adviser) consider that each of the Supplemental Agreements and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group and on normal commercial terms after arm's length negotiations between the parties, and the terms thereof (including the proposed annual caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **ST Supply Framework Agreement**

Suteng is principally engaged in the production of LiDAR solutions which are supplied to various cities in the PRC, North America, Europe and Asia-Pacific.

The supply of the LS Products to Suteng can allow Luxsense to raise the profile of the LS Products, enhance the LS Products' penetration into new markets, expand the source of revenue and improve the profitability for Luxsense.

The Company believes that the ST Supply Framework Agreement can provide a framework for the strategic cooperation between the parties and long-term supply of LS Products to Suteng which will help reduce negotiation time and costs among the parties.

The Directors (excluding the independent non-executive Directors who will form their view after considering the advice of the Independent Financial Adviser) consider that the ST Supply Framework Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group and on normal commercial terms after arm's length negotiations between the parties, and the terms thereof (including the proposed annual caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Machinery Purchase Agreement**

Having considered the potential orders under negotiation, the Group expects its existing production facilities will not be sufficient and more machinery and equipment are required in order to meet the demands of its customers. Having considered (i) the pricing of the Machinery manufactured by the Luxshare Precision Group are generally more favourable as compared with that of independent third party vendors; (ii) the exceptional technology capability of the Luxshare Precision Group to develop and manufacture the Machinery with special specification as requested by the Group from time to time to cope with its production needs; and (iii) the delivery time and relevant costs can be reduced in view of the close geographical location of the respective operations of the Luxshare Precision Group and the Group, the Directors consider that the Machinery Purchase Agreement can allow the Group to raise its production capacity to meet the production demands.

The Directors consider that the Machinery Purchase Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group and on normal commercial terms after arm's length negotiations between the parties, and the terms thereof (including the consideration) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INTERNAL CONTROL MEASURES**

In order to safeguard the interests of the Company and the Shareholders as a whole, the Company has adopted certain measures in monitoring the transactions under the CCT Agreements.

In addition to our compliance with the requirements on annual review by external auditors and independent non-executive Directors under the Listing Rules in respect of continuing connected transactions, the internal compliance review department of the Company is responsible for the review of individual orders on a regular basis to ensure that the terms thereunder are made in accordance with the terms and conditions of the CCT Agreements.

To ensure that transaction prices under the CCT Agreements will be fair and reasonable and on normal commercial terms, the business department of the Group will regularly (i) review its prices charged to independent third parties customers for the supply of LS Products with same or similar specifications under the ST Supply Framework Agreement; and (ii) review and compare the purchase prices incurred and/or to be incurred under the Supplemental Purchase Framework Agreement and the Supplemental Materials Procurement Framework Agreement with those under the same type of transactions of the Company entered into with third parties who may or may not be connected to the Company for the purchase of the Products or the Materials with the same or similar specifications.

To ensure the transactions contemplated under the CCT Agreements do not exceed the respective proposed annual caps, the business department of the Group shall fill in and submit statistical charts for the continuing connected transactions at least quarterly. In the event that the amount of the transactions incurred and/or to be incurred under the CCT Agreements for a financial year is expected to reach the relevant annual cap(s), the business department will follow up forthwith by reporting and proposing a response to the management of the Company, and in case that an amendment to the annual cap(s) is required, report particulars to the Board and hold a Board meeting for considering the matters thereabout to ensure compliance of the requirements under the Listing Rules.

The Company also arranges compliance trainings for the Directors, senior management and staff from the relevant departments of the Company and its subsidiaries, primarily focusing on the rules relating to connected transactions under Chapter 14A of the Listing Rules.

## **INFORMATION ABOUT THE PARTIES**

### **The Company and the Group**

The Company is incorporated in the Cayman Islands with limited liability whose Shares are listed on the Stock Exchange. The Group is principally engaged in the design, development, manufacture and sale of a variety of optical modules and parts that are used in smartphones, multimedia tablets and other mobile devices of internationally-renowned brands. As at the date of this announcement, approximately 73.04% of the equity interests of the Company is directly held by LITL which is a subsidiary of LIL.

### **GZ Luxvisions**

GZ Luxvisions, a company established under the laws of the PRC with limited liability, is a subsidiary of LIL. As at the date of this announcement, LIL is owed as to (i) approximately 53.415% by Mr. Wang Laixi (a controlling Shareholder); (ii) approximately 43.659% by Luxsan Limited (景汕有限公司), which is a company incorporated in Hong Kong with limited liability and owned as to by Ms. Wang Laichun (an elder sister of Mr. Wang Laixi), Mr. Wang Laisheng (an elder brother of Mr. Wang Laixi) and Ms. Wang Laijiao (an elder sister of Mr. Wang Laixi) as to 34%, 33% and 33%, respectively; and (iii) approximately 2.927% by Lite-On. The GZ Luxvisions Group is principally engaged in the business of production of mass-produced mobile phone camera modules, tablet camera modules, notebook camera modules, car camera module, and display module, etc.

## **Luxshare Precision**

Luxshare Precision a company incorporated in the PRC with limited liability and listed on the Shenzhen Stock Exchange (stock code: 002475). As at the date of this announcement, approximately 38.31% of the equity interest of Luxshare Precision is directly held by Luxshare Limited which in turn is owned by Ms. Wang Laichun and Mr. Wang Laisheng, who are siblings of Mr. Wang Laixi, one of the controlling Shareholders. The Luxshare Precision Group is principally engaged in the research, development, manufacturing and sales of products in the fields of consumer electronics, communication, auto electronics and healthcare.

## **Luxsense**

Luxsense is a limited liability company established under the law of the PRC and is a non-wholly owned subsidiary which is owned as to 51% by the Group and 49% by Suteng as at the date of this announcement. Luxsense is principally engaged in the production of modules and light detection and ranging machines.

## **Suteng**

Suteng is a limited liability company established under the law of the PRC and is principally engaged in the production of LiDAR solutions which are sold to various geographical locations such as North America, Europe and Asia-Pacific. Suteng is interested in 49% of the equity interest of Luxsense since February 2023 and is therefore a connected person at the subsidiary level of the Group. It is wholly-owned by RoboSense HongKong Limited as at the date of this announcement. Save as disclosed above, to the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the ultimate beneficial owner of Suteng has a diverse shareholder base, including Luxshare Limited (which in turn is owned by Ms. Wang Laichun and Mr. Wang Laisheng who are the controlling Shareholders indirectly interested in approximately 73.04% of the used share capital of the Company through LITL as at the date of this announcement) interested in approximately 2.2356%, and a single largest shareholder being Mr. Qiu Bo, an independent third party of the Company and its connected person, interested in approximately 12%, of its total issued share capital as at the date of this announcement.

## **IMPLICATIONS UNDER THE LISTING RULES**

As GZ Luxvisions is a controlling Shareholder indirectly interested in approximately 73.04% of the entire issued share capital of the Company through LITL as at the date of this announcement, it is a connected person of the Company. As such, the transactions contemplated under the Supplemental Materials Procurement Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Ms. Wang Laichun and Mr. Wang Laisheng, who are the controlling Shareholders and indirectly interested in approximately 73.04% of the issued share capital of the Company, together are also indirectly interested in approximately 38.31% of the equity interests, and Mr. Wang Laisheng is also directly interested in approximately 0.17% equity interests, of Luxshare Precision. Hence, Luxshare Precision is an associate (as defined under Chapter 14A of the Listing Rules) of Ms. Wang Laichun and Mr. Wang Laisheng and a connected person of the Group. As such, the transactions contemplated under the Supplemental Purchase Framework Agreement and the Machinery Purchase Agreement constitute continuing connected transactions and connected transaction of the Company under Chapter 14A of the Listing Rules, respectively.

Luxsense is a subsidiary of the Group which is jointly owned by the Group and Suteng as to 51% and 49% respectively. Therefore, Suteng is a substantial shareholder of Luxsense and a connected person at the subsidiary level of the Group. As such, the transactions contemplated under the ST Supply Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company intends to revise annual caps for existing continuing connected transactions, the Company will be required to re-comply with relevant provisions of Chapter 14A of the Listing Rules in respect of the relevant continuing connected transactions.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions shall be treated as if they were one transaction if they were all entered into or completed within a 12-month period or are otherwise related. Given that (i) the Supplemental Purchase Framework Agreement and the Supplemental Materials Procurement Framework Agreement were entered into at the same time (within a 12-month period) and the transactions contemplated thereunder are of similar nature in relation to the purchases by the Group of similar materials for its production; and (ii) Luxshare Precision, is ultimately controlled by Ms. Wang Laichun and Mr. Wang Laisheng, who are controlling Shareholders indirectly interested in approximately 73.04% of the issued share capital of the Company and have indirect control interest in GZ Luxvisions, both GZ Luxvisions and Luxshare Precision are associates of Ms. Wang Laichun and Mr. Wang Laisheng and the transactions contemplated under the Supplemental Purchase Framework Agreement and the Supplemental Materials Procurement Framework Agreement shall be aggregated as if they were one transaction.

As the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the highest proposed annual cap(s) of each of the CCT Agreements are more than 5%, the transactions contemplated thereunder constitute non-exempt continuing connected transactions of the Company and are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirement as set out under Chapter 14A of the Listing Rules.

As the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Machinery Purchase Agreement are more than 0.1% but less than 5%, the transactions under the Machinery Purchase Agreement are subject to the reporting and announcement requirements but are exempt from the Independent Shareholders' approval requirement as set out under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all the independent non-executive Directors has been established to advise the Independent Shareholders on the terms of the CCT Agreements and the transactions contemplated thereunder. Honestum International Limited has been appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve by way of poll, among other matters, the CCT Agreements and transactions contemplated thereunder and the revised annual caps. As Ms. Wang Laichun and Mr. Wang Laisheng, who are controlling Shareholders indirectly interested in approximately 73.04% of the issued share capital of the Company and have indirect control interest in GZ Luxvisions which in turn is interested in approximately 73.04% of the entire issued share capital of the Company through LITL as at the date of this announcement, LITL has a material interests in the Supplemental Agreements, and is required to abstain from voting at the EGM on the resolutions approving the Supplemental Agreements.

It is expected that a circular containing, among other things, further details of the CCT Agreements, the transactions contemplated thereunder and the relevant annual caps, together with the recommendations of the Independent Board Committee, the advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders will be despatched to the Shareholders on or before 11 May 2023, as additional time will be required to finalise certain information to be included in the circular.

None of the Directors have any material interest in the transactions under each of the CCT Agreements and the Machinery Purchase Agreement and none of them were required to abstain from voting on the resolution(s) of the Board in relation to the transactions pursuant to the Articles.

## DEFINITIONS

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

“Articles”	the memorandum and article of association of the Company, as amended from time to time
“Board”	the board of Directors
“CCT Agreements”	the Supplemental Agreements and the ST Supply Framework Agreement
“Company”	Cowell e Holdings Inc. (高偉電子控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider, and if thought fit, approve, among others, the CCT Agreements and the respective proposed annual caps
“Existing Agreements”	the Existing Purchase Framework Agreement and the Existing Materials Procurement Framework Agreement
“Existing Materials Procurement Framework Agreement”	the materials procurement framework agreement dated 29 December 2022 entered into between the Company and GZ Luxvisions in relation to the purchase of the Materials by the Group from the GZ Luxvisions Group, as amended and supplemented by the Supplemental Materials Procurement Framework Agreement. For details of the Existing Materials Procurement Framework Agreement, please refer to the announcement of the Company dated 29 December 2022

“Existing Purchase Framework Agreement”	the product purchase framework agreement entered into between the Company and Luxshare Precision on 29 December 2022 in relation to the purchase of the Products by the Group from the Luxshare Precision Group, as amended and supplemented by the Supplemental Purchase Framework Agreement. For details of the Existing Purchase Framework Agreement, please refer to the announcement of the Company dated 29 December 2022
“Group”	the Company and its subsidiaries
“GZ Luxvisions”	Guangzhou Luxvisions Innovation Technology Limited (廣州立景創新科技有限公司), a company established under the laws of the PRC and a subsidiary of LIL
“GZ Luxvisions Group”	GZ Luxvisions and its subsidiaries (for the purpose of this announcement excluding, except where the context indicates otherwise, the Group)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	a committee of the Board comprising Ms. Su Yen-Hsueh, Mr. Tsai Chen-Lung and Ms. Liu Xia, being the independent non-executive Directors
“Independent Financial Adviser”	Honestum International Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, being independent financial adviser to the Independent Board Committee and Independent Shareholders in relation to the CCT Agreements, the transactions contemplated thereunder and the respective proposal annual cap(s)
“Independent Shareholders”	the Shareholders who are not required to abstain from voting at the EGM

“LIL”	Luxvisions Innovation Limited (立景創新有限公司), a company incorporated in Hong Kong with limited liability. As at the date of this announcement, LIL is owed as to (i) approximately 53.415% by Mr. Wang Laixi (a controlling Shareholder); (ii) approximately 43.659% by Luxsan Limited (景汕有限公司), which is a company incorporated in Hong Kong with limited liability and owned as to by Ms. Wang Laichun (an elder sister of Mr. Wang Laixi), Mr. Wang Laisheng (an elder brother of Mr. Wang Laixi) and Ms. Wang Laijiao (an elder sister of Mr. Wang Laixi) as to 34%, 33% and 33%, respectively; and (iii) approximately 2.927% by Lite-On
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lite-On”	Lite-On Singapore Pte. Limited, 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) which is a company incorporated in Taiwan with limited liability and listed on the Taiwan Stock Exchange (stock code: 2301)
“LITL”	Luxvisions Innovation Technology Limited, a limited liability company incorporation in Hong Kong, is a wholly-owned subsidiary of GZ Luxvisions
“LS Products”	the equipment primarily comprising modules and light detection and ranging machines to be supplied by Luxsense to Suteng in accordance with the terms and conditions of the ST Supply Framework Agreement
“Luxsense”	東莞立騰創新電子有限公司(Dongguan Luxsense Innovation Electronics Limited)*, a limited liability company established under the law of the PRC and is a subsidiary of the Company owned as to 51% by the Company and 49% by Suteng as at the date of this announcement
“Luxshare Limited”	Luxshare Limited (立訊有限公司), a company incorporated in Hong Kong with limited liability

“Luxshare Precision”	Luxshare Precision Industry Co., Limited (立訊精密工業股份有限公司), a company incorporated in the PRC with limited liability and listed on the Shenzhen Stock Exchange (stock code: 002475). The Luxshare Precision Group is principally engaged in the research, development, manufacturing and sales of products in the fields of consumer electronics, communication, auto electronics and healthcare. As at the date of this announcement, approximately 38.31% of the equity interest of Luxshare Precision is directly held by Luxshare Limited (立訊有限公司) which in turn is owned by Ms. Wang Laichun and Mr. Wang Laisheng, who are siblings of Mr. Wang Laixi, one of the controlling Shareholders
“Luxshare Precision Group”	Luxshare Precision and its subsidiaries
“Machinery”	has the meaning ascribed to it under the sub-paragraph headed “(3) Connected Transaction — Assets purchased” in this announcement
“Machinery Purchase Agreement”	the machinery purchase agreement dated 19 April 2023 entered into between the Company and Luxshare Precision in relation to the purchase of Machinery by the Group from Luxshare Precision
“Materials”	the materials to be supplied by the GZ Luxvisions Group to the Group under the New Materials Procurement Framework Agreement according to the specifications as requested by the Group, including but not limited to circuit board assembly (including LIDAR printed circuit board assembly) and related raw materials, stores, consumables and other materials in relation to the production of the Group
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Products”	the products to be supplied by the Luxshare Precision Group to the Group under the Supplemental Purchase Framework Agreement according to the specifications as requested by the Group, including but not limited to front and rear facing cameras of smartphones and cameras of tablets for the production of the Group

“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of US\$0.004 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	holders of the Shares of the Company
“ST Supply Framework Agreement”	the supply framework agreement dated 19 April 2023 entered into between Luxsense and Suteng in relation to the supply of the LS Products by Luxsense to Suteng
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supplemental Agreements”	the Supplemental Purchase Framework Agreement and the Supplemental Materials Procurement Framework Agreement
“Supplemental Materials Procurement Framework Agreement”	the supplemental materials procurement framework agreement dated 19 April 2023 entered into between the Company and GZ Luxvisions in relation to the purchase of the Materials by the Group from the GZ Luxvisions Group
“Supplemental Purchase Framework Agreement”	the supplemental product purchase framework agreement dated 19 April 2023 entered between the Company and Luxshare Precision in relation to the supply of the Products by the Luxshare Precision Group to the Group

“Suteng”

深圳市速騰聚創科技有限公司 (Suteng Innovation Technology Company Limited), a limited liability company established under the law of the PRC. To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, the ultimate beneficial owner of Suteng has a diverse shareholder base, including Luxshare Limited (which in turn is owned by Ms. Wang Laichun and Mr. Wang Laisheng who are the controlling Shareholders indirectly interested in approximately 73.04% of the used share capital of the Company through LITL as at the date of this announcement) interested in approximately 2.2356%, and a single largest shareholder being Mr. Qiu Bo, an independent third party of the Company and its connected person, interested in approximately 12%, of its total issued share capital as at the date of this announcement

“US\$”

U.S. dollars, the lawful currency of the United States of America

“%”

per cent.

\* *for identification purpose only*

By order of the Board  
**Cowell e Holdings Inc.**  
**Meng Yan**  
*Chairman*

Hong Kong, 19 April 2023

*As at the date of this announcement, the Board comprises Mr. Meng Yan and Mr. Wu Ying-Cheng as executive Directors; Mr. Chen Han-Yang and Mr. Yang Li as non-executive Directors; and Ms. Su Yen-Hsueh, Mr. Tsai Chen-Lung and Ms. Liu Xia as independent non-executive Directors.*