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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Cowell e Holdings Inc., you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

REVISION OF 2023 ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent financial adviser to the Independent Board Committee and
the Independent Shareholders**



A notice convening the extraordinary general meeting (the “EGM”) of Cowell e Holdings Inc. to be held by way of virtual meeting on 20 December, 2023 at 10 a.m. is set out on pages 66 to 67 of this circular. If you are not able to attend and/or vote at the EGM, you are strongly urged to complete and return the form of proxy, a copy of which is enclosed, in accordance with the instructions printed thereon as soon as possible and in any event not later than 18 December, 2023 at 10 a.m. (Hong Kong Time).

The Shareholders and/or their proxies will NOT be able to attend the extraordinary general meeting in person, and can only attend the extraordinary general meeting via visiting the website at <http://meetings.computershare.com/Cowelle2023SecondEGM> which enables audio live streaming of the extraordinary general meeting.

Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

5 December, 2023

CONTENTS

	<i>Page</i>
GUIDANCE FOR THE EGM	1
DEFINITIONS	3
LETTER FROM THE BOARD	10
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	28
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	30
APPENDIX — GENERAL INFORMATION	60
NOTICE OF THE EXTRAORDINARY GENERAL MEETING	66

GUIDANCE FOR THE EGM

ATTENDING THE EGM BY MEANS OF ELECTRONIC FACILITIES

No Shareholder, proxy or corporate representative should attend the EGM in person. The Company strongly encourages Shareholders to attend, participate and vote at the EGM through online access by visiting the website — <http://meetings.computershare.com/Cowelle2023SecondEGM> (the “**Online Platform**”). Shareholders participating in the EGM using the Online Platform will also be counted towards the quorum and they will be able to cast their vote and submit questions through the Online Platform.

The Online Platform permits a “split vote” on a resolution, in other words, a Shareholder casting his/her/its votes through the Online Platform does not have to vote all of his/her/its shares in the same way (“**For**” or “**Against**”). In the case of a proxy, he/she can vote such number of shares in respect of which he/she has been appointed as a proxy. Votes cast through the Online Platform are irrevocable once the voting session at the EGM ends.

The Online Platform will be open for registered Shareholders and non-registered Shareholders (see below for login details and arrangements) to log in approximately 30 minutes prior to the commencement of the EGM and can be accessed from any location with internet connection by a smart phone, tablet device or computer. Shareholders should allow ample time to check into the Online Platform to complete the related procedures. Please refer to the Online User Guide for the EGM sent together with this circular for assistance. Any missed contents as a result of connection issues arisen from the Shareholders will not be repeated.

Login details for registered Shareholders

Details regarding the EGM arrangements including login details to access the Online Platform are included in the Company’s notification letter to registered Shareholders sent together with this circular.

Login details for non-registered Shareholders

Non-registered Shareholders who wish to attend, participate and vote at the EGM using the Online Platform should:

- (1) contact and instruct their banks, brokers, custodians, nominees or HKSCC Nominees Limited through which their shares are held (together, the “**Intermediary**”) to appoint themselves as proxy or corporate representative to attend the EGM; and
- (2) provide their email address to their Intermediary before the time limit required by the relevant Intermediary.

GUIDANCE FOR THE EGM

Details regarding the EGM arrangements including login details to access the Online Platform will be sent by the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, to the email address of the non-registered Shareholders provided by the Intermediary. Any non-registered Shareholder who has provided an email address through the relevant Intermediary for this purpose but has not received the login details by email by 12:00 noon on Tuesday, 19 December 2023 should reach out to the Hong Kong branch share registrar of the Company for assistance. Without the login details, non-registered Shareholders will not be able to participate and vote using the Online Platform. Non-registered Shareholders should therefore give clear and specific instructions to their Intermediary in respect of both (1) and (2) above.

Login details for proxies

Details regarding the EGM arrangements including login details to access the Online Platform will be sent by the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, to the email address of the proxies provided to it in the relevant proxy forms.

Registered and non-registered Shareholders should note that only one device is allowed in respect of each set of login details. Please also keep the login details in safe custody for use at the EGM and do not disclose them to anyone else. Neither the Company nor its agents assume any obligation or liability whatsoever in connection with the transmission of the login details or any use of the login details for voting or otherwise. For enquiries regarding the login details to access the Online EGM, please call Computershare Hong Kong Investor Services Limited on (852) 2862 8555 for assistance.

If any Shareholder has any question relating to the EGM, please contact the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong

Website: www.computershare.com/hk/contact
Tel: (852) 2862 8555
Fax: (852) 2865 0990

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2023 Annual Cap(s)”	the existing annual caps for the year ending 31 December 2023 under the Existing Agreements as detailed in the announcements of the Company dated 29 December 2022 and 19 April 2023 and the circular of the Company dated 8 June 2023
“Articles”	the memorandum and article of association of the Company, as amended from time to time
“Board”	the board of Directors
“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)”	director(s) of the Company
“EGM”	the extraordinary general meeting to be held by way of virtual meeting on 20 December, 2023 at 10 a.m. to consider, and if thought fit, approve, among others, the Supplemental Agreements, the transactions contemplated there under and the respective Proposed Annual Caps
“Existing Agreements”	the ST Supply Framework Agreement and the Materials Procurement Framework Agreement
“Group”	the Company and its subsidiaries
“GZ Luxvisions Group”	GZ Luxvisions and its subsidiaries (for the purpose of this circular excluding, except where the context indicates otherwise, the Group)

DEFINITIONS

“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
“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” or “Honestum International Limited”	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 Supplemental 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
“Latest Practicable Date”	30 November, 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“LIL”	Luxvisions Innovation Limited (立景創新有限公司), a company incorporated in Hong Kong with limited liability. As at the Latest Practicable Date, LIL is owned 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

DEFINITIONS

“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 (LiDAR) 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 Latest Practicable Date
“Luxshare Limited”	Luxshare Limited (立訊有限公司), a company incorporated in Hong Kong with limited liability
“Luxshare Precision Group”	Luxshare Precision and its subsidiaries

DEFINITIONS

“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 Latest Practicable Date, approximately 38.21% 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
“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 and the Second Materials Procurement Framework Agreement. For details of the Materials Procurement Framework Agreement and the Supplemental Materials Procurement Framework Agreement, please refer to the announcements of the Company dated 29 December 2022 and 19 April 2023 and the circular of the Company dated 8 June 2023
“Materials”	the materials to be supplied by the GZ Luxvisions Group to the Group under the 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 (LiDAR PCBA)) and related raw materials, stores, consumables and other materials in relation to the production of the Group

DEFINITIONS

“PRC”	the People’s Republic of China, for the purpose of this circular, 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 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
“Proposed Annual Cap(s)”	the respective proposed 2023 annual cap(s) for the year ending 31 December 2023 under the Existing Agreements as revised by the Supplemental Agreements, subject to the approval by the Independent Shareholders at the EGM
“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 Purchase Framework Agreement and the Supplemental Purchase Framework Agreement, please refer to the announcements of the Company dated 29 December 2022 and 19 April 2023 and the circular of the Company dated 8 June 2023
“RMB”	Renminbi, the lawful currency of the PRC
“Second Supplemental Materials Procurement Framework Agreement”	the second supplemental materials procurement framework agreement dated 10 November 2023 entered into between the Company and GZ Luxvisions to revise the annual cap for the year ending 31 December 2023 under the Supplemental Materials Procurement Framework Agreement

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share Option Scheme”	the share option scheme adopted by the Company pursuant to a resolution passed by the shareholders of the Company on 5 May, 2021
“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, as amended and supplemented by the Supplemental ST Supply Framework Agreement
“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 ST Supply Framework Agreement and the Second 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 to revise the Materials Procurement Framework Agreement. For further details of the Supplemental Materials Procurement Framework Agreement, please refer to the announcement of the Company dated 19 April 2023 and the circular of the Company dated 8 June 2023

DEFINITIONS

“Supplemental Purchase Framework Agreement”	the supplemental product purchase framework agreement dated 19 April 2023 entered between the Company and Luxshare Precision to revise the Purchase Framework Agreement. For further details of the Supplemental Purchase Framework Agreement, please refer to the announcement of the Company dated 19 April 2023 and the circular of the Company dated 8 June 2023
“Supplemental ST Supply Framework Agreement”	the supplemental supply framework agreement dated 10 November 2023 entered into between Luxsense and Suteng to revise the ST Supply Framework Agreement
“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 71.31% of the issued share capital of the Company through LITL as at the Latest Practicable Date); and (ii) a single largest shareholder being Mr. Qiu Chunxin, an independent third party of the Company and its connected person, who are interested in approximately 2.35% and 11.58% of the total issued share capital of the ultimate holding company of Suteng as at the Latest Practicable Date, respectively
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs published by the Securities and Futures Commission of Hong Kong, as amended or supplemented from time to time
“US\$”	U.S. dollars, the lawful currency of the United States of America
“%”	per cent.

LETTER FROM THE BOARD

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)

Executive Directors

Mr. Meng Yan (*Chairman*)

Mr. Wu Ying-Cheng

Non-executive Directors

Mr. Chen Han-Yang

Mr. Yang Li

Independent non-executive Directors

Ms. Su Yen-Hsueh

Mr. Tsai Chen-Lung

Ms. Liu Xia

Registered Office

PO Box 309

Ugland House

Grand Cayman KY1-1104

Cayman Islands

***Headquarter and Principal Place
of Business in the PRC***

No. 1 Songbai Road

Huanan Industrial Zone

Liaobu Town

Dongguan City

Guangdong Province, PRC

***Principal Place of Business
in Hong Kong***

Suite 1620

16/F, Ocean Centre

5 Canton Road

Tsimshatsui

Kowloon

Hong Kong

5 December, 2023

To the Shareholders

Dear Sir or Madam,

**REVISION OF 2023 ANNUAL CAPS FOR
CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

References are made to (i) the announcement of the Company dated 19 April 2023 and the circular of the Company dated 8 June 2023 in relation to, among others, the ST Supply Framework Agreement; and (ii) the announcements of the Company dated 29 December 2022 and 19 April 2023 and the circular of the Company dated 8 June 2023 in relation to, among others, the Materials Procurement Framework Agreement and the Supplemental Materials Procurement Framework Agreement.

The purpose of this circular is to provide you with further information in relation to the Supplemental Agreements, the transactions contemplated thereunder and the Proposed Annual Caps, together with the recommendations of the Independent Board Committee and the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

2. REVISION OF 2023 ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

References are made to (i) the announcement of the Company dated 19 April 2023 and the circular of the Company dated 8 June 2023 in relation to, among others, the ST Supply Framework Agreement entered into between Luxsense and Suteng, pursuant to which Luxsense shall supply the LS Products to Suteng; and (ii) the announcements of the Company dated 29 December 2022 and 19 April 2023 and the circular of the Company dated 8 June 2023 in relation to, among others, the Materials Procurement Framework Agreement and the Supplemental Materials Procurement Framework Agreement entered into between the Company and GZ Luxvisions, pursuant to which the Group shall purchase the Materials from the GZ Luxvisions Group in accordance with the terms and conditions thereunder.

As a result of the unexpected increase in demand for the Group's products, on 10 November 2023 (after trading hours), the Group entered into the Supplemental Agreements with Suteng and GZ Luxvisions, respectively, to revise the 2023 Annual Caps. Save for the revision of the 2023 Annual Caps, all other terms and conditions under the Existing Agreements remain the same.

Details of the Supplemental Agreements are as follows:

A. The Supplemental ST Supply Framework Agreement

Date: 10 November 2023

LETTER FROM THE BOARD

the transactions are fair and reasonable which is no less favourable than the terms offered by the Group to its independent third party customers, and to the benefit of the Company and the Shareholders as a whole. As the management of the Group shall 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 shall be stipulated in the relevant order forms, which is normally payable within 90 days after delivery of the LS Products.

Basis for determination of the proposed 2023 Annual Cap under the Supplemental ST Supply Framework Agreement

The proposed annual cap for the year ending 31 December 2023 under the Supplemental ST Supply Framework Agreement was determined primarily based on arm's length negotiations between Luxsense and Suteng with reference to, among others

- (i) the actual transaction amount incurred under the ST Supply Framework Agreement. In particular, for the nine months ended 30 September 2023, the actual transaction amount incurred under the ST Supply Framework Agreement was approximately RMB156.89 million, representing approximately 74.4% of the existing annual cap for the year ending 31 December 2023 under the ST Supply Framework Agreement. As explained in the circular of the Company dated 8 June 2023, the LS Products supplied by the Group to Suteng will be further processed for the production of the Light Detection And Ranging (LiDAR) sensors by Suteng. As the market of LiDAR sensors products is emerging and experiencing exponential growth, the Group was given to understand that the production scale of Suteng and demand of the LS Products had also increased magnificently at a faster pace than anticipated in which the amount of sales order from Suteng in October 2023 had nearly doubled of the forecasted and expected amount for the same period when the 2023 annual cap was set. As a result of the sudden and unexpected demand of the LS Products from Suteng, the actual transaction amount increased substantially during October 2023 and reached approximately RMB205.38 million for the ten months ended 31 October 2023, representing approximately 97.3% of the existing annual cap for the year ending 31 December 2023 under the ST Supply Framework Agreement;

LETTER FROM THE BOARD

- (ii) the expected demand and market shares of the LS Products to be sold by Suteng from November to December 2023. As communicated with Suteng since late October 2023, it was expected that the amount of orders from Suteng will further increase substantially from November to December 2023 and represent at least approximately eight times of the average monthly transaction amount incurred from May to September 2023 under the ST Supply Framework Agreement. In particular, the expected sales of a specific type of radar model required by Suteng (“**Radar A**”) for its production of the LiDAR sensors represented over 70% of the existing 2023 annual cap under the ST Supply Framework Agreement. Based on the latest communication with Suteng, the volume of Radar A required by Suteng will increase by approximately 345% in each of November and December 2023 (as compared with the anticipated sale volume of Radar A when the existing annual caps were formulated);
- (iii) the corresponding increase in the production plan of Luxsense from November to December 2023; and
- (iv) the estimated market price of the required LS Products, which the Group had assumed that the estimated costs of production of the required LS Products will not experience material price fluctuation with reference to the historical trend and market research.

The above projection is assumed solely based on the information currently available to the Group for determining the proposed 2023 annual cap 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 annual cap(s), the Company shall 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 ST Supply Framework Agreement constitute non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules, the Supplemental ST Supply Framework Agreement and the proposed 2023 annual cap are subject to the approval of the Independent Shareholders at the EGM.

B. The Second Supplemental Materials Procurement Framework Agreement

Date: 10 November 2023

LETTER FROM THE BOARD

- Parties:
1. The Company (as purchaser)
 2. GZ Luxvisions (as supplier)
- Duration: From 11 November 2023 to 31 December 2025, unless terminated earlier in accordance with the terms of the Materials Procurement Framework Agreement as amended and supplemented by the Supplemental Materials Procurement Framework Agreement and the Second Supplemental Materials Procurement Framework Agreement
- Subject: Pursuant to the Second Supplemental Materials Procurement Framework Agreement, the 2023 Annual Cap under the Materials Procurement Framework Agreement is revised from RMB73,000,000 to RMB123,000,000.

Save for the revision of the 2023 Annual Cap to, all other terms and conditions under the Materials Procurement Framework Agreement remain the same.

Principal terms and price determination

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

Selling prices of the Materials shall be determined with reference to, and generally shall not be lower than, the prices charged by the GZ Luxvisions Group to other independent third party customers of the Materials of same or similar specifications, which represents the then prevailing market prices.

In accordance with the Company's internal policies, the transactions under the Materials Procurement Framework Agreement shall be properly recorded, including but not limited to prices determined and transaction amounts. Depending on the specifications of the Materials required, the Group shall also conduct review and evaluation process by making reference with other independent third party/parties with similar procurement qualifications and capabilities for provision of similar Materials (if available) to compare and determine if the prices and terms offered by the GZ Luxvisions Group are better, and are fair and reasonable and comparable to those terms offered by independent third parties. The review and evaluation process shall be conducted from both technical and commercial perspectives. If there are situations where the

LETTER FROM THE BOARD

Company could not obtain quotation and/or could only obtain one quotation due to the limitations on, among others, the technical specifications of the Materials required and/or qualification of the suppliers expected by the Group, the Company shall evaluate the price and terms offered by the GZ Luxvisions Group by making reference to, if available, the recent purchase price of such Materials and the market fluctuation of the costs of the materials. If the Company is able to secure the provision of any of the Materials contemplated under the Materials Procurement Framework Agreement from independent third parties on more favourable terms, the Group shall be entitled to terminate the transactions contemplated thereunder by giving the GZ Luxvisions Group not less than 30 days' prior written notice.

As the management of the Group shall review the aforesaid pricing policy on a regular basis in every quarter, the Directors (including the independent non-executive Directors) are of the view that the aforesaid method and procedures can ensure that the transactions contemplated under the Materials Procurement 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 shall be stipulated in the relevant order forms, which is normally payable within 90 days after month end.

Basis for the determination of the proposed 2023 Annual Cap under the Second Supplemental Materials Procurement Framework Agreement

The proposed annual cap for the year ending 31 December 2023 under the Second Supplemental Materials Procurement Framework Agreement was determined primarily based on arm's length negotiations between the Company and GZ Luxvisions with reference to, among others:

- (i) the actual transaction amount incurred under the Materials Procurement Framework Agreement. In particular, from 1 January 2023 to 30 September 2023, the actual transaction amount incurred under the Materials Procurement Framework Agreement was approximately RMB53.68 million, representing approximately 73.5% of the existing annual cap for the year ending 31 December 2023 under the Materials Procurement Framework Agreement. As explained in the circular of the Company dated 8 June 2023, the annual caps under the Materials Procurement Framework Agreement were primarily formulated based on the expected demand of the Materials for production of the LS Products which will in turn be supplied by the Group to Suteng for the production of the Light Detection And Ranging (LiDAR) sensors by Suteng. As the market of LiDAR sensors products is emerging and experiencing exponential growth, the Group was given

LETTER FROM THE BOARD

to understand that the production scale of Suteng and demand of the LS Products had also increased magnificently at a faster pace than anticipated in which the amount of sales order from Suteng in October 2023 had nearly doubled of the forecasted and expected amount for the same period when the 2023 annual cap was set under the ST Supply Framework Agreement. As a result of the unexpected and sudden increase of sales orders from Suteng since October 2023, correspondingly, the Group had placed more purchases orders and the actual transaction amount under the Materials Procurement Framework Agreement had increased rapidly in October 2023 and reached approximately RMB67.30 million for the ten months ended 31 October 2023, representing approximately 92.2% of the existing annual cap for the year ending 31 December 2023 under the Materials Procurement Framework Agreement;

- (ii) the revised expected demand of the Materials from November to December 2023 with reference to, among others, the latest discussion with the major customers of the Group and the business and production plan of the Group from November to December 2023. As far as quantitative analysis is concerned, over 90% of each of the annual cap(s) under the Materials Procurement Framework Agreement is represented by the expected purchase amount of Printed Circuit Board Assembly materials (“**LiDAR PCBA**”), which are the primary raw materials for production of different radar modules of the LS Products, as well as one of the major constituents of the Materials, to be purchased by the Group. As a result of the unexpected increase in demand of the LS Products, the volume of LiDAR PCBA required by the Group will increase by approximately 175% and 209% in each of November and December 2023, respectively (as compared with the anticipated purchase volume of LiDAR PCBA when the existing 2023 annual cap was formulated). In this connection, the amount of the proposed increase in the 2023 annual cap primarily represents a corresponding increase, and is in line with the increase, in the supply of the LS Products of the Group under the ST Supply Framework Agreement;
- (iii) the estimated costs of production of the required Materials which the Group expected would not experience material price fluctuation with reference to the historical trend and market research; and
- (iv) the estimated market price of the required Materials which the Group expected would not experience material price fluctuation with reference to the historical trend and market research.

The above projection is assumed solely based on the information currently available to the Group for determining the proposed 2023 annual cap 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.

LETTER FROM THE BOARD

If the total transaction amounts under the Materials Procurement Framework Agreement are expected to exceed the annual cap(s), 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 Second Supplemental Materials Procurement Framework Agreement constitute non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules, the Second Supplemental Materials Procurement Framework Agreement and the proposed 2023 annual cap are subject to the approval of the Independent Shareholders at the EGM.

3. REASONS FOR AND THE BENEFITS OF ENTERING INTO THE CCT AGREEMENTS

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

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. Leveraging on our exceptional commitment on research and development, production and quality, our LS Products are highly customized and sophisticated goods produced based on the specifications required by Suteng. With our friendly business relationship and cooperation maintained with Suteng, the parties are familiar with the production standards, business practice and transaction terms of each other which can in turn save significant negotiation time and costs and reduce the rework rates. Aside from the increase in demand of Suteng's products, the Company believes all the aforementioned reasons are attributable to the increase of our sale of the LS Products such that our Group does not have to aggressively compete on price for the LS Products. 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. On the other hand, 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 Materials from GZ Luxvisions under the Materials Procurement Framework Agreement which can enable the Group to have a reliable source of supply of the Materials for production.

The Existing Agreements and the Supplemental Agreements can provide a framework for the long-term supply of the LS Products to Suteng and procurement of the Materials from the GZ Luxvisions Group by the Group on a non-exclusive basis and will help reduce negotiation time and costs among the parties. As a result of the unexpected and rapid demand of the LS Products from Suteng since October 2023 which is expected to continue at least until 31 December 2023, in order

LETTER FROM THE BOARD

to capture the business opportunities, the Group believes it is prudent, if not necessary, to enter into the Supplemental Agreements to revise 2023 Annual Caps under the Existing Agreements to ensure compliance with the Listing Rules and actively facilitate the increase in the production need of the Group.

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.

4. INTERNAL CONTROL MEASURES

In order to safeguard the interests of the Company and the Shareholders as a whole, the Company has adopted certain measures to monitor the continuing connected transactions of the Company.

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 relevant framework agreements.

To ensure that transaction prices under the framework agreements will be fair and reasonable and on normal commercial terms before the transactions are entered into, our price control procedures which include the following major steps and features are complied with on an ongoing basis:

- when the Group receives a request for quotation from Suteng for the purchase of the LS Products and/or when the Group intends to procure the Materials with new specifications, the project manager (or his authorised personnel) or the R&D department will be responsible for considering and updating the specifications required, as well as other potential consideration factors including not limited to, the quantity of goods required, the estimate cost of engineering work (if any) which are caused by any necessary product customisation and the estimated cost and expenses relating to, among others, packaging, shipping, temporary storage and/or insurance required;

LETTER FROM THE BOARD

- the strategic procurement team is responsible for collecting market information, and conducting price inquiries, price comparisons, and price negotiations (if applicable) to estimate the reference price(s) of the Materials and the LS Products respectively, which will be subsequently referred to for the benchmarking and determination of the selling price(s) of the LS Products and/or the highest acceptable price for purchase of the Materials (as the case may be);
- specifically, for the purchases made under the Materials Procurement Framework Agreement, depending on the specifications of the Materials required, the Group will conduct review and evaluation process by making reference with other independent third party/parties with similar procurement qualifications and capabilities for provision of similar Materials (if available) to compare and determine if the prices and terms offered by the GZ Luxvisions Group are better, and are fair and reasonable and comparable to those terms offered by independent third parties. If there are situations where the Company could not obtain quotation and/or could only obtain one quotation due to the limitations on, among others, the technical specifications of the Materials required and/or qualification of the suppliers expected by the Group, the Company will evaluate the price and terms offered by the GZ Luxvisions Group by making reference to, if available, the recent purchase price of such Materials and the market fluctuation of the costs of the materials. The aforementioned review and evaluation process will be conducted from both technical and commercial perspectives.

For the transactions under the ST Supply Framework Agreement, considering the LS Products are highly customized goods, if in the event there are any subsequent raw material fluctuations and/or special customization requirements from Suteng such that the rates and/or the terms negotiated for the LS Products to be sold to Suteng may potentially become less favourable (from the Group's perspective) than the rates and the terms for equivalent or similar LS Products sold by the Group to other potential independent third parties, or in the event that there are no other independent third parties which the Group had supplied certain specific LS Products to, Luxsense and Suteng agree to use their best endeavour (such as by referring to the quotations obtained by Suteng for the required LS Products of comparable specifications from its suppliers as reference) to negotiate and ensure that the terms of the transactions are fair and reasonable which is no less favourable than the terms offered by the Group to its independent third party customers, and to the benefit of the Company and the Shareholders as a whole. In particular,

- the reference price(s) will then be reviewed and approved by the head of the strategic procurement team of the Group who is also responsible to ensure such prices are updated from time-to-time if necessary;

LETTER FROM THE BOARD

- the approved reference price(s) will then be updated to the enterprise resources planning (ERP) system of the Group;
- by referring to the approved reference prices, the material control team is responsible for ensuring (assuming in the circumstances with same or comparable specifications, volume, delivery schedules and terms): (i) the selling price of the LS Products to be supplied to the Suteng will not be lower than those charged to independent third parties; and (ii) the purchase price(s) of the Materials to be purchased by the Group will not be higher than those offered by other independent third parties suppliers.

To ensure the transactions contemplated under the framework 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 framework 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.

Considering the actual transaction amount incurred for the financial year ending 31 December 2023 under each of the ST Supply Framework Agreement and the Materials Procurement Framework Agreement had reached over 90% of the respective 2023 Annual Cap(s) as at the Latest Practicable Date, the Group had already adopted the aforementioned measures, and the transactions under the aforesaid framework agreements had been slowed down and subject to robust supervision. Before the Independent Shareholders' approval is obtained for revising the Proposed Annual Caps, all orders under the aforementioned framework agreements are subject to further statistic review of our account managers, and the Group will not proceed with, if not will terminate, the orders in accordance with the framework agreements if it is contemplated that the 2023 Annual Caps will be exceeded.

LETTER FROM THE BOARD

5. 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 modules and systems integration products that are used in smartphones, multimedia tablets, smart driving and other mobile devices of internationally-renowned brands. As at the Latest Practicable Date, approximately 71.31% of the Shares are 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 Latest Practicable Date, 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.

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 Latest Practicable Date. Luxsense is principally engaged in the production of modules and light detection and ranging machines

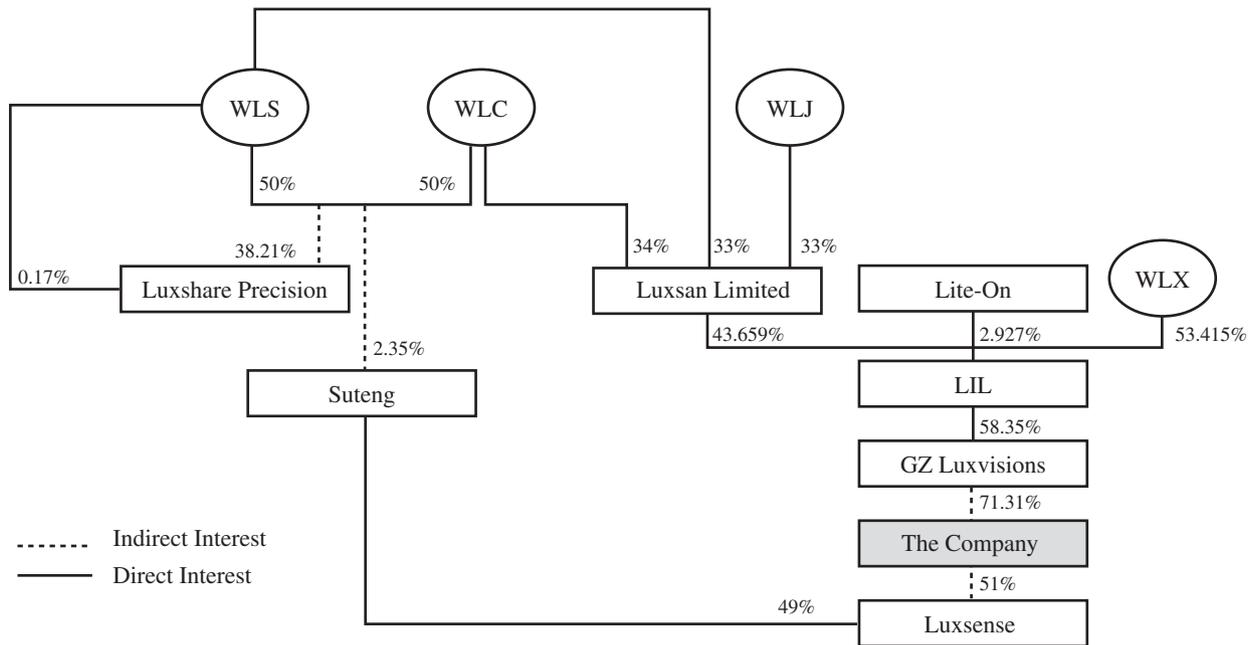
Suteng

Suteng is a limited liability company established under the law of the PRC and is principally engaged in the production of LiDAR and perception 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 Latest Practicable Date. 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 (i) Luxshare Limited (which in turn is owned by Ms.

LETTER FROM THE BOARD

Wang Laichun and Mr. Wang Laisheng who are the controlling Shareholders indirectly interested in approximately 71.31% of the issued share capital of the Company through LITL as at the Latest Practicable Date); and (ii) a single largest shareholder being Mr. Qiu Chunxin, an independent third party of the Company and its connected person, who are interested in approximately 2.35% and 11.58% of the total issued share capital of the ultimate holding company of Suteng as at the Latest Practicable Date, respectively.

Below is a simplified organisational chart disclosing the shareholding structure of the relevant connected persons of the Company as at the Latest Practical Date:



Note:

WLS, WLC, WLJ and WLX denotes Wang Laisheng, Wang Laichun, Wang Laijiao and Wang Laixi, who are siblings and the controlling shareholders of the Company, respectively.

6. IMPLICATIONS UNDER THE LISTING RULES

Luxsense is a subsidiary of the Group which is jointly owned by the Group and Suteng as to 51% and 49% respectively as at the Latest Practicable Date. 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 Supplemental ST Supply Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

As GZ Luxvisions is a controlling Shareholder indirectly interested in approximately 71.31% of the entire issued share capital of the Company through LITL as at the Latest Practicable Date, it is a connected person of the Company. As such, the transactions contemplated under the Second Supplemental Materials Procurement 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 the annual caps for 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.

As the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed 2023 annual cap under the Supplemental ST Supply Framework Agreement is 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.

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 Second Supplemental Materials Procurement Framework Agreement and the Supplemental Purchase Framework Agreement were entered into 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 (being a party to the Supplemental Purchase Framework Agreement), is ultimately controlled by Ms. Wang Laichun and Mr. Wang Laisheng, who are controlling Shareholders indirectly interested in approximately 71.31% 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 Second Supplemental Materials Procurement Framework Agreement shall be aggregated as if they were one transaction.

While one or more of the applicable percentage ratio(s) stipulated under Rule 14.07 of the Listing Rules in respect of the proposed 2023 annual cap under the Second Supplemental Materials Procurement Framework Agreement exceeds 0.1% but are less than 5%, more than one of the applicable percentage ratio(s) stipulated under Rule 14.07 of the Listing Rules in respect of proposed 2023 annual cap under the Second Supplemental Materials Procurement Framework Agreement and the highest annual cap under the Supplemental Purchase Framework Agreement, on an aggregated basis, is more than 5%. As such, the transactions contemplated under the Second

LETTER FROM THE BOARD

Supplemental Materials Procurement Framework Agreement are also subject to the reporting, announcement, annual review requirements and Independent Shareholders' approval requirement set out in 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 Supplemental Agreements, the transactions contemplated thereunder and the respective Proposed Annual Caps. 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 Supplemental Agreements, transactions contemplated thereunder and the respective Proposed Annual Caps. As Ms. Wang Laichun and Mr. Wang Laisheng, who are controlling Shareholders and have indirect control interest in GZ Luxvisions which in turn is interested in approximately 71.31% of the entire issued share capital of the Company through LITL as at the Latest Practicable Date, LITL (which is directly interested in 607,455,760 Shares, representing approximately 71.31% of the entire issued share capital of the Company as at the Latest Practicable Date) is considered to have a material interest in the Second Supplemental Materials Procurement Agreement, and is required to abstain from voting at the EGM on the resolution approving the Second Supplemental Materials Procurement Agreement. As Ms. Wang Laichun and Mr. Wang Laisheng are also indirectly interested in Suteng through their interest in Luxshare Limited, LITL will also voluntarily abstain from voting of the resolution in respect of the Supplemental ST Supply Framework Agreement at the EGM.

None of the Directors have any material interest in the transactions under each of the Supplemental Agreements 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.

7. THE EGM

A notice convening the EGM to be held by way of virtual meeting on 20 December, 2023 at 10 a.m. is set out in on pages 66 to 67 of this circular. At the EGM, ordinary resolutions will be proposed for Independent Shareholders to consider and, if thought fit, to approve, inter alia, (i) the Supplemental ST Supply Framework Agreement, the transactions contemplated thereunder and the revised annual cap thereunder; and (ii) the Second Supplemental Materials Procurement Framework, the transactions contemplated thereunder and the revised annual cap thereunder by way of poll. As Ms. Wang Laichun and Mr. Wang Laisheng, who are controlling Shareholders indirectly interested in approximately 71.31% of the issued share capital of the Company and have indirect control interest in GZ Luxvisions which in turn is interested in approximately 71.31% of the entire issued share capital of the Company through LITL as at the Latest Practicable Date,

LETTER FROM THE BOARD

LITL has a material interests in the Second Supplemental Materials Procurement Framework Agreement, and is required to abstain from voting at the EGM on the resolution approving the Second Supplemental Materials Procurement Framework Agreement. As Ms. Wang Laichun and Mr. Wang Laisheng are also indirectly interested in Suteng through their interest in Luxshare Limited, LITL will also voluntarily abstain from voting of the resolution in respect of the Supplemental ST Supply Framework Agreement at the EGM.

If you are not able to attend and/or vote at the EGM, you are strongly urged to complete and return the form of proxy, a copy of which is enclosed, in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 18 December, 2023 at 10:00 a.m. (Hong Kong Time).

Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

All the resolutions proposed to be approved at the EGM will be taken by poll and an announcement will be made by the Company on the poll results of the EGM as soon as possible after the conclusion of the EGM.

8. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 15 December 2023 to Wednesday, 20 December 2023, both dates inclusive, during which period no transfers of shares of the Company will be registered. In order to qualify for attending and voting at the EGM, Shareholders must complete and lodge all transfer documents accompanied by the relevant share certificates with the Share Registrar, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 14 December, 2023.

9. RECOMMENDATIONS

The Independent Board Committee, after taking into account the advice from the Independent Financial Adviser, considers that the terms of each of the Supplemental Agreements, the transactions contemplated thereunder and respective Proposed Annual Caps 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.

LETTER FROM THE BOARD

Accordingly, the Board (including the independent non-executive Directors) recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Supplemental Agreements, the transactions contemplated thereunder and respective Proposed Annual Caps.

The text of the letter from the Independent Board Committee is set out on pages 28 to 29 of this circular. The text of the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders and the principal factors and reasons which it has taken into account in arriving at its advice is set out on pages 30 to 59 of this circular. Independent Shareholders are strongly recommended to read carefully these two letters for details of the advice.

10. ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendix to this circular and the notice of the EGM

Yours faithfully,
By order of the Board
Cowell e Holdings Inc.
Meng Yan
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the full text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Supplemental Agreements, the transactions contemplated thereunder and the respective Proposed Annual Caps.

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)

5 December, 2023

To the Independent Shareholders

Dear Sir or Madam,

**REVISION OF 2023 ANNUAL CAPS FOR CONTINUING
CONNECTED TRANSACTIONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

We refer to the circular dated 5 December, 2023 issued by the Company (the “**Circular**”) of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed by the Board as the members of the Independent Board Committee to consider the Supplemental Agreements, the transactions contemplated thereunder and the respective Proposed Annual Caps and to advise the Independent Shareholders as to the fairness and reasonableness of the same. Honestum International Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

RECOMMENDATIONS

We wish to draw your attention to the letter from the Board, as set out on pages 10 to 27 of the Circular, and the letter from the Independent Financial Adviser which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreements, the transactions contemplated thereunder and the respective Proposal Annual Caps as set out on pages 30 to 59 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

After taking into consideration the advice from the Independent Financial Adviser, we concur with the views of the Independent Financial Adviser and consider that the terms of each of the Supplemental Agreements, the transactions contemplated thereunder and respective Proposed Annual Caps 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. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Supplemental Agreements, the transactions contemplated thereunder and respective Proposed Annual Caps.

Yours faithfully,
Independent Board Committee

Su Yen-Hsueh

*Independent non-executive
Director*

Tsai Chen-Lung

*Independent non-executive
Director*

Liu Xia

*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Honestum International Limited to the Independent Board Committee and the Independent Shareholders prepared for the purpose of inclusion in this circular.



5 December 2023

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

REVISION OF 2023 ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement to advise the Independent Board Committee and the Independent Shareholders in respect of the entering into of (i) the Supplemental ST Supply Framework Agreement with Suteng; and (ii) the Second Supplemental Materials Procurement Framework Agreement with GZ Luxvisions, respectively, for revision of existing annual caps under the Existing Agreements, the details of which are set out in the circular of the Company to the Shareholders dated 5 December 2023 (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Circular.

Reference is made to (i) the announcement of the Company dated 19 April 2023 and the circular of the Company dated 8 June 2023 in relation to, among others, the ST Supply Framework Agreement entered into between Luxsense and Suteng, pursuant to which the Group shall supply the products to Suteng; and (ii) the announcements of the Company dated 29 December 2022 and 19 April 2023 and the circular of the Company dated 8 June 2023 in relation to, among others, the Materials Procurement Framework Agreement and the Supplemental Materials Procurement Framework Agreement entered into between the Company and the GZ Luxvisions Group pursuant to which the Group shall purchase the materials from the GZ Luxvisions Group in accordance with the terms and conditions thereunder. As stated in the Letter from the Board, due to the unexpected increase in demand for the Group’s products and the expansion of the Group’s business operations, the Board anticipated that the existing annual cap(s) under the ST Supply Framework Agreement

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

and the Materials Procurement Framework Agreement for the year ending 31 December 2023 will be exceeded. As such, the Directors propose to revise the existing annual cap(s) of each of the Existing Agreements for the year ending 31 December 2023. On 10 November 2023 (after trading hours), the Group entered into (i) the Supplemental ST Supply Framework Agreement with Suteng; and (ii) the Second Supplemental Materials Procurement Framework Agreement with the GZ Luxvisions Group, respectively to revise the existing annual cap(s) of the Existing Agreements.

LISTING RULE IMPLICATION

Luxsense is a subsidiary of the Company, 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 Supplemental ST Supply Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Furthermore, as the GZ Luxvisions Group is a controlling Shareholder indirectly interested in approximately 71.31% of the entire issued share capital of the Company through LITL as at the date of this letter, it is a connected person of the Company. As such, the transactions contemplated under the Second Supplemental Materials Procurement 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 Second Supplemental Materials Procurement Framework Agreement and the Supplemental Purchase Framework Agreement were entered into 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) the Luxshare Precision Group, is ultimately controlled by Ms. Wang Laichun and Mr. Wang Laisheng, who are controlling Shareholders indirectly interested in approximately 71.31% of the issued share capital of the Company and have indirect control interest in the GZ Luxvisions Group, both the GZ Luxvisions Group and the Luxshare Precision Group are associates of Ms. Wang Laichun and Mr. Wang Laisheng and the transactions contemplated under the Supplemental Purchase Framework Agreement and the Second Supplemental Materials Procurement Framework Agreement shall be aggregated as if they were one transaction.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Proposed Annual Caps of each of the Supplemental Agreements are more than 5%, the transactions contemplated under the Supplemental Agreements and the relevant Proposed Annual Caps are subject to the reporting, announcement, annual review and independent Shareholders' approval requirement as set out under Chapter 14A of the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all the independent non-executive Directors, namely Ms. Su Yen-Hsueh, Mr. Tsai Chen-Lung and Ms. Liu Xia, has been established to advise the Independent Shareholders on the terms of the Supplemental Agreements, the transactions contemplated thereunder and the relevant Proposed Annual Caps. We, Honestum International Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

We did not act as financial adviser to the Group and its respective connected persons in the past two years immediately preceding the Latest Practicable Date.

In the past two years immediately preceding the Latest Practicable Date, we have acted as the independent financial adviser to the then independent board committee and the then independent shareholders of the Company for the continuing connected transactions (the “**Previous Engagement**”), details of which are set out in the circular of the Company dated 8 June 2023 (the “**Previous Circular**”). Under the Previous Engagement, we were required to express our opinion on and give recommendations to the independent board committee and independent shareholders of the Company in relation to the continuing connected transactions under the ST Supply Framework Agreement, the Supplemental Purchase Framework Agreement and the Supplemental Materials Procurement Framework Agreement. Apart from the independent financial adviser roles in connection with the Previous Engagement and the transactions disclosed in the Circular, we have not acted in any capacity of the Group in the past two years immediately preceding the Latest Practicable Date. We did not have any relationships or interests between us, the Group, Suteng and the GZ Luxvisions Group within the past two years from the Latest Practicable Date under the Listing Rules that could be reasonably regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreements. We consider ourselves independent to form our opinion in respect of the Supplemental Agreements. Apart from normal professional fees paid or payable to us in connection

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

with this appointment as the independent financial adviser, no arrangement exist whereby we had received or will receive any fees or benefits from the Company or any other party to the transactions disclosed in the Circular.

BASIS OF ADVICE

In putting forth our opinion and recommendation, we have relied on the accuracy of the information and representations included in the Circular and provided to us by the management of the Group. We have assumed that all such information and representations made or referred to in the Circular and provided to us by the management of the Group were true at the time they were made and continued to be true up to the Latest Practicable Date. We have also assumed that all statements of belief, opinion and intention made in the Circular were reasonably made after due enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the management of the Group and have been advised that no material facts have been withheld or omitted from the information provided and referred to in the Circular. We consider that we have reviewed sufficient information to reach an informed view and to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the management of the Group nor have we conducted any form of investigation into the business, affairs or future prospects of the Group, Suteng and the GZ Luxvisions Group.

The Directors jointly and severally accept full responsibility for the accuracy of the information disclosed and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts not contained in this letter, the omission of which would make any statement herein misleading.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection for their consideration in respect of the Supplemental Agreements, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion on the terms of the Supplemental Agreements, the transactions contemplated thereunder and the relevant Proposed Annual Caps, we have taken into account the following principal factors and reasons:

1. Background of the parties

(i) Background information on the Group

The Group is a major supplier of delicate optical modules and components for electronic mobile devices. It principally engages 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 letter, approximately 71.31% of the entire issued share capital of the Company is directly held by LITL which is a wholly-owned subsidiary of the GZ Luxvisions Group.

The following table sets out a summary of the recent financial performance of the Group.

	For the six months ended		For the year ended	
	30 June		31 December	
	2022	2023	2021	2022
	US\$'000	US\$'000	US\$'000	US\$'000
	(unaudited)	(unaudited)	(audited)	(audited)
Revenue	404,552	366,725	799,291	1,116,210
Gross profit	60,084	50,853	120,498	174,447
Profit for the year/period	31,155	17,532	49,805	83,816

For the year ended 31 December 2022, the Group recorded revenue of approximately US\$1,116.2 million, representing an increase of approximately 39.7% from approximately US\$799.3 million for the year ended 31 December 2021. Such increase was mainly attributable to the increased orders from customers as a result of the Group's effort to continuously enhance its core competitiveness, increase its investment in the research and development of new products and new technologies and fulfill the multidimensional demands of the customers. For the six months ended 30 June 2023, the Group recorded revenue of approximately US\$366.7 million, representing a decrease of approximately 9.35% from approximately US\$404.6 million for the six months ended 30 June 2022. Such decrease was mainly attributable to the decreased orders from customers due to unfavourable factors such as high inflation rates in Europe and the United States, trade conflicts between China and the United States, regional wars, and extreme weather conditions in the fiscal

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

year of 2023, as a result of which the global economic recovery did not meet the anticipated level and the growth remained sluggish. The Group will continue to increase resource investment in research and development, promote technological innovation in production and accelerate the introduction of automation, in order to further enhance added value for customers.

The Group recorded net profit of approximately US\$83.8 million for the year ended 31 December 2022, representing an increase of approximately 68.3% from the prior year. The increase was mainly due to (i) the increase in gross profit of approximately US\$53.9 million resulted from the rising demand of the Group's products from its customer; and (ii) the increase in exchange gain of approximately US\$14.0 million during the year. The Group recorded net profit of approximately US\$17.5 million for the six months ended 30 June 2023, representing a decrease of approximately 43.7% from the prior period. The decrease was mainly due to (i) the decrease in gross profit of approximately US\$9.2 million resulted from the declining demand of the Group's products from its customer; and (ii) the increase in finance costs of approximately US\$1.5 million during the period.

(ii) Background information on Luxsense

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

(iii) Background information on Suteng

Suteng is a limited liability company established under the law of the PRC and is principally engaged in the production of LiDAR and perception 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 letter. Save as disclosed above, to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the ultimate beneficial owner of Suteng has a diverse shareholder base, including (i) Luxshare Limited (which in turn is owned by Ms. Wang Laichun and Mr. Wang Laisheng who are the controlling Shareholders indirectly interested in approximately 71.31% of the issued share capital of the Company through LITL as at the date of this letter); and (ii) a single largest shareholder being Mr. Qiu Chunxin, an independent third party of the Company and its connected person, who are interested in approximately 2.35% and 11.58% of the total issued share capital of the ultimate holding company of Suteng as at the date of this letter, respectively.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(iv) Background information on the GZ Luxvisions Group

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 letter, 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.

2. Background and reasons for the Supplemental Agreements

As disclosed in the announcement of the Company dated 19 April 2023 and the circular of the Company dated 8 June 2023, the Group and Suteng entered into the ST Supply Framework Agreement, pursuant to which the Group shall supply the LS Products to Suteng according to the specifications as requested by Suteng, which are required for the production of Suteng. Leveraging on the Group's exceptional commitment on research and development, production and quality, the Group's LS Products are highly customized and sophisticated goods produced based on the specifications required by Suteng. With the friendly business relationship and cooperation maintained between the Group and Suteng, the parties are familiar with the production standards, business practice and transaction terms of each other which can in turn save significant negotiation time and costs and reduce the rework rates. Aside from the increase in demand of Suteng's products, the Company believes all the aforementioned reasons are attributable to the increase of the sale of the LS Products such that the Group does not have to aggressively compete on price for the LS Products. As a result, the Company believes that it is in the benefit of the Group to continue and increase the existing transactions of the supply of the LS Products to Suteng under the ST Supply Framework Agreement which can allow the Group 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 the Group.

As disclosed in the announcements of the Company dated 29 December 2022 and 19 April 2023 and the circular of the Company dated 8 June 2023, the Group and the GZ Luxvisions Group entered into the Materials Procurement Framework Agreement and the Supplemental Materials Procurement Framework Agreement, pursuant to which the Group shall purchase materials supplied by the GZ Luxvisions Group 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, which are required for the production of the Group. The Group actively enhances its research and development and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 materials from the GZ Luxvisions Group under the Materials Procurement Framework Agreement which can enable the Group to have a reliable source of supply of the materials for production.

As advised by the Directors, the Group has been and will continue to actively enhance its research and development and manufacturing capability of various optical modules and parts for electronic devices. As the Group has been supplying the LS products to Suteng and purchasing the relevant materials from the GZ Luxvisions Group, respectively, and a friendly business relationship was established among the Group and each of Suteng and the GZ Luxvisions Group, the Company believes that it is in the benefit of the Group to continue and increase the existing transactions under the Existing Agreements which can provide a framework for the long-term supply of the LS Products to Suteng and procurement of the materials from the GZ Luxvisions Group, which will help reduce negotiation time and costs among the parties and enhance the operational efficiency of the Group.

As set out in the Letter from the Board, as a result of the unexpected and rapid increasing demand of the LS Products from Suteng since October 2023 which is expected to continue at least until 31 December 2023, the Board anticipated that the existing annual cap(s) under the Existing Agreements for the year ending 31 December 2023 will be exceeded. In order to capture the business opportunities, the Group believes it is prudent, if not necessary, to enter into the Supplemental Agreements to revise the existing annual cap(s) under the Existing Agreements to ensure compliance with the Listing Rules and actively facilitate the increase in the production need of the Group.

Having considered the above, we are of the view that the transactions contemplated under the Supplemental Agreements are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and its Shareholders as a whole.

3. Principal terms of the Supplemental Agreements

(i) The Supplemental ST Supply Framework Agreement

Principal terms of the Supplemental ST Supply Framework Agreement

Set out below are the principal terms of the Supplemental ST Supply Framework Agreement, details of which are set out in the section headed “2. Revision of 2023 annual caps for continuing connected transactions” of the Letter from the Board.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Parties

- (a) Luxsense (as supplier); and
- (b) Suteng (as purchaser)

Date

10 November 2023 (after trading hours)

Duration

From 11 November 2023 to 31 December 2025, unless terminated earlier in accordance with the terms of the ST Supply Framework Agreement.

Subject Matter

Pursuant to the Supplemental ST Supply Framework Agreement, the existing annual cap for the transactions contemplated under the ST Supply Framework Agreement for the year ending 31 December 2023 is revised from RMB211.0 million to RMB400.0 million.

Pursuant to the Letter from the Board, save for the aforesaid changes, all other terms and conditions of the ST Supply Framework Agreement will remain unchanged and in full force and effect.

Principal terms and price determination

Pursuant to the ST Supply Framework Agreement, 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.

Considering the LS Products are highly customized goods, Luxsense shall determine the selling prices of the LS Products with reference to the production cost of the Group, as well as a reasonable profit margin (which may vary depending on the specifications, production quantity and the popularity of the LS Products), 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. For our due diligence purpose, we have discussed with management to understand the Group's price determination mechanism. We have also obtained and reviewed 12 randomly selected sample documents in relation to the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

production cost and profit margin data of the Group's LS Products sold to Suteng during the 6-month period immediately before the date of this letter (the "Review Period"), and we noted that the above price determination mechanism are properly adopted.

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 shall be properly recorded. Considering the LS Products are highly customized goods, if in the event there are any subsequent raw material price fluctuations and/or special customization requirements from Suteng such that the rates and/or terms negotiated for the LS Products to be sold to Suteng may potentially become 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, or in the event that there are no other independent third parties which the Group had supplied certain specific LS Products to, Luxsense and Suteng agree to use their best endeavour (such as by referring to the quotations obtained by Suteng for the required LS Products of comparable specifications from its suppliers as reference) to negotiate and ensure that the terms of the transactions are fair and reasonable which is no less favourable than the terms offered by the Group to any independent third party customers, and to the benefit of the Company and the Shareholders as a whole. As the management of the Group has reviewed and will continue to review the aforesaid pricing policy on a regular basis in every quarter, we concur with the view of the Directors 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 shall be stipulated in the relevant order forms, which is normally payable within 90 days after delivery of the LS Products.

In order to assess the fairness and reasonableness of the terms of supply of the Group's products to Suteng, we have obtained and reviewed the sample documents (such as orders and invoices) of 12 randomly selected sales transactions between the Group and Suteng under the ST Supply Framework Agreement during the Review Period. The products supplied by the Group under the ST Supply Framework Agreement are made-to-order in accordance with specifications required by Suteng which is the only customer for the Group's LS Products. Further, as advised by the Directors, apart from the Group, Suteng had not purchased similar products from other independent third party suppliers. We have obtained and reviewed the sales list of the Group's LS Products and we noted that, apart from Suteng, the Company had not sold similar products to other independent third party customers during the Review Period. In this connection, we have compared the quotation obtained by Suteng for similar products from its independent third party suppliers which requested for, among others, price and payment terms. Based on the documents reviewed,

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

we noted that (i) the price of products offered to Suteng by its independent third party suppliers was less favourable (from the Group's perspective) than that offered by the Group for similar products; and (ii) the payment terms offered to Suteng by its independent third party suppliers were payable within 90 days after delivery of the LS Products which were the same as the payment terms offered by the Group. Besides, we also noted that the business department of the Group has considered the price and payment terms offered to Suteng by its independent third party suppliers for similar products to determine the price and payment terms offered to Suteng by the Group. In view of the above, we are of the view that the Group had compared the terms offered to Suteng by its independent third party suppliers, and sold the relevant products under the ST Supply Framework Agreement at the terms no less favourable than terms available for Suteng offered by its independent third party suppliers.

For payment terms, sales from the Group to Suteng were payable within 90 days after delivery of the LS Products. We have reviewed the latest interim report of the Company for the six months ended 30 June 2023, where we noted that the trading terms of the Group with its customers are mainly on credit and the credit period is generally within 30 to 90 days. As a result, we are of the view that the payment terms offered by the Group to Suteng are generally in line with that offered to its independent third party customers and do not deviate significantly from the Group's normal settlement pattern. Therefore, we consider that the payment terms offered by the Group to Suteng are generally in line with that offered to its independent third party customers.

Based on the above, we consider the transactions under the ST Supply Framework Agreement have been conducted on terms that are fair and reasonable, which shall in turn safeguard the interests of the Company and the Shareholders as a whole. In view of the facts that (i) all sample documents were selected on a random basis and spread across the period; and (ii) the Supplemental ST Supply Framework Agreement is solely for the revision of existing cap and does not amend the pricing and payment terms of the ST Supply Framework Agreement, we are of the view that the samples we selected are fair and reasonable for assessment of the recent pricing and payment terms of the transactions.

In conclusion, based on our review as stated above, we are of the view that the sales prices and payment terms with Suteng for these transactions were no less favourable than those with independent third parties and such transactions have been adhered to the internal control measures of the Group in respect of reviews of the terms with independent third parties. Taking into account the above and the fact that (i) save for the revision of existing cap, all other terms of the ST Supply Framework Agreement will remain unchanged and in full force and effect; and (ii) the Group will continue to implement the same policy to review and ensure the terms offered by the Group to Suteng be no less favourable than those by independent third parties, we are of the view that the terms of the Supplemental ST Supply Framework Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Proposed Annual Caps

The following table sets forth the comparison between the historical transaction amount of the transactions contemplated under the ST Supply Framework Agreement and the existing annual cap for the year ending 31 December 2023 (“FY2023”):

	Historical amount for the ten months ended 31 October 2023 RMB'000	Existing Annual Cap for FY2023 RMB'000	Utilisation rate %
Supply of products to Suteng under the ST Supply Framework Agreement	205,385	211,000	97.3

The following table sets forth the comparison between the existing annual caps and the proposed annual caps for three years ending 31 December 2025:

	For the year ending 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
<i>Maximum aggregate amount of sales to Suteng</i>			
Existing annual caps (“Existing Annual Cap(s) A”)	211,000	414,000	634,000
Proposed annual caps (“Proposed Annual Cap(s) A”)	400,000	414,000	634,000
% change	89.6%	unchanged	unchanged

In respect of the fairness and reasonableness of the Proposed Annual Caps A, we have performed the following work and analysis.

- we have reviewed the historical actual and the expected upcoming transaction amounts in relation to the Supplemental ST Supply Framework Agreement as mentioned in the Letter from the Board. We noted that (i) the historical actual transaction amount of approximately RMB205.4 million for the ten months ended 31 October 2023 represented

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

97.3% of the Existing Annual Cap A for the year ending 31 December 2023; (ii) the historical actual transaction amount was approximately RMB129.3 million for the four months ended 31 October 2023, representing an average monthly transaction amount of approximately RMB32.3 million and an increase of approximately 154.3% as compared with the average monthly transaction amount of approximately RMB12.7 million for the six months ended 30 June 2023. Accordingly, we noted that the transaction amounts have recently demonstrated a growth trend; (iii) the Proposed Annual Cap A for the year ending 31 December 2023 represents an increase of approximately 89.6% as compared to the Existing Annual Cap A for the same period; and (iv) the Proposed Annual Cap A for each of the years ending 31 December 2024 and 2025 remain unchanged;

- we have reviewed the breakdown of the calculation of the Proposed Annual Caps A and we have discussed with and are advised by the management of the Group that the amounts of the Proposed Annual Caps A are principally determined based on the revised estimated procurement amount (including the forecast sales volume) of each major category of products which Suteng liaised with the Group in view of the upcoming production plans of Suteng. We have discussed with the management and noted that the estimated transaction amounts for each major category of products for the year ending 31 December 2023 are estimated by the responsible business representative of Suteng mainly with reference to the actual historical transaction amount for the ten months ended 31 October 2023 and the anticipated demand for the relevant products for the remaining two months of 2023 principally after taking into account the nature of products, the market development trend as well as the expected business growth of Suteng. We have reviewed the breakdown of the calculation of the Proposed Annual Caps A and noticed that the Proposed Annual Caps A are primarily contributed by the sales of transceiver module and Light Detection And Ranging (LiDAR) products. In respect of the estimated transaction amounts for such products, the management also makes reference to the upcoming production and sales plans of Suteng and the recent actual unit prices of transceiver module and LiDAR products sold by the Group to Suteng. We have obtained and reviewed the relevant production and sales plans prepared by Suteng and consider that such proposed plans are reasonable based on the factors as discussed below;
- we have obtained and reviewed the Proposed Annual Caps A estimation schedule prepared by the management of the Group and noted that (i) the higher amounts of the Proposed Annual Cap A for the year ending 31 December 2023 as compared with the Existing Annual Cap A are attributable to the expected increase in number of the LS Products to be sold to Suteng. LS Products play an irreplaceable role as an intermediate and were primarily used for the production of Suteng's LiDAR sensors which are sold by Suteng to its customers and have been widely applied in various field, including

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

autonomous driving passenger cars, commercial vehicles, automated logistics vehicles, robots etc. We have discussed with and are advised by the management of the Group that as the market of LiDAR sensors products is emerging and experiencing exponential growth, the Group was given to understand that the production scale of Suteng and demand of the LS Products had also increased magnificently at a faster pace than anticipated. We have reviewed the monthly results of operation of the Group and the historical actual transaction amount in relation to the ST Supply Framework Agreement for the ten months ended 31 October 2023 and noted that the amount of sales order from Suteng in October 2023 was nearly doubled than the forecasted and expected amount for the same period as communicated between the parties when the Existing Annual Cap A was set. Furthermore, we have discussed with and are advised by the management of the Group that the amount of orders from Suteng will further increase substantially from November to December 2023. In particular, based on the Proposed Annual Caps A estimation schedule prepared by the management of the Group, we noted that the expected sale volume of a specific type of radar model required by Suteng (“**Radar A**”) for its production of the LiDAR sensors (which represented over 70% of each of the annual cap(s) under the ST Supply Framework Agreement) will increase substantially by approximately 345% in each of November and December 2023 (as compared with the anticipated sale volume of Radar A when the Existing Annual Cap A were formulated); and (ii) the transaction amount under the Supplemental ST Supply Framework Agreement is estimated by the Group with reference to the estimated number of LiDAR sensors to be sold by Suteng in the coming years and the recent actual unit prices of the LS Products sold to Suteng. The fairness and reasonableness of the Proposed Annual Caps A can be made reference to the expected unit prices and the forecast sales volume demand of the LS Products, where we have reviewed, including but not limited to documents on the recent actual unit prices of the LS Products, the actual number of the LS Products sold by the Group and the upcoming sales plan of LiDAR sensors of Suteng, and considered them to be acceptable for the purpose of determining the Proposed Annual Caps A taking into account:

- (a) in assessing the reasonableness of the prices in determining the Proposed Annual Caps A with regard to the sales of the LS Products to Suteng, we have (i) reviewed the average unit prices of the LS Products sold to Suteng for the ten months ended 31 October 2023 and noted that the unit prices remained relatively stable during the period; (ii) discussed with the management of the Group and understood that the Group expected there would not be material fluctuation in such unit prices based on the historical trend; and (iii) reviewed 12 sales invoices in respect of the LS Products sold by the Group to Suteng and compared them against the unit prices of the forecasted sales of the LS Products to Suteng and noted that such expected unit prices are at a similar level with the recent actual unit prices. Given

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

that there is no material difference in the unit prices for all the samples selected and that such unit prices are also at a similar level with the historical average unit price of the LS Products sold to Suteng during the Review Period, we consider that the samples selected are fair and representative of the prices of the LS Products;

- (b) we noted that the historical actual transaction amount was approximately RMB205.4 million for the ten months ended 31 October 2023, representing an average monthly transaction amount of approximately RMB20.5 million. For illustrative purpose only, based on such average monthly transaction amount, the annualised transaction amount under the ST Supply Framework Agreement for the year ending 31 December 2023 would be approximately RMB246.0 million. Furthermore, we have discussed with and are advised by the management of the Group that the first half of the year is usually an inactive season for the Group's business operation as a result of the Chinese New Year holidays, which in turn, reduces the business activities and demand in the market. Furthermore, the autonomous vehicle markets are characterized by seasonal increases in production and sales volume in the latter part of the year, which is primarily driven by increased consumer spending during the year-end holiday season. Correspondingly, the Group's production and sales levels of the LS Products tend to be the lowest in the first and second quarters of the year and the highest in the fourth quarter of the year. As a result of the inherent seasonality of the business, the annualised analysis of the actual transaction amount for the ten months ended 31 October 2023 may not be a meaningful and reliable indicator of the overall trends in the Group's business. We have reviewed the monthly results of operation of the Group and the historical actual transaction amount in relation to the ST Supply Framework Agreement for the ten months ended 31 October 2023 and noted that the Group has experienced a growth trend in the sales amount in the second half of the year in light of increased seasonal demand. The historical actual transaction amount was approximately RMB129.3 million for the four months ended 31 October 2023, representing an average monthly transaction amount of approximately RMB32.3 million and an increase of approximately 154.3% as compared with the average monthly transaction amount of approximately RMB12.7 million for the six months ended 30 June 2023. Based on the above, in particular that (i) a substantial portion (i.e. 97.3%) of the approved Existing Annual Cap A for the year ending 31 December 2023 have been utilised up to 31 October 2023; and (ii) the increasing trend of transaction amounts of the sales of LS Products, we are of the view that the Existing Annual Cap A for the year ending 31 December 2023 may be insufficient;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (c) we noted from the recent news in relation to Suteng and also advised by the management of the Group that, Suteng recently announced that it delivered over 20,000 units of automotive LiDAR in August 2023, with monthly sales surpassing half of the total sales for the entire previous year and being double as compared with the sales in June 2023. It is noted that Suteng remains committed to supporting the gradual mass production and delivery phases of several vehicle models. Furthermore, in 2023, Suteng had also reached partnership with Toyota and the BYD Group, the world-leading carmakers in new energy vehicles, on various models by equipping with their LiDAR sensors systems. Accordingly, it is expected that the LiDAR sensors produced by Suteng will continue to maintain rapid growth in the future. As a result, in view of the expansion of Suteng's business, the expected demand of the Group's LS Products required for the production of Suteng's products will increase substantially since October 2023 which is expected to continue at least until 31 December 2023; and
- (d) with the development of technology and the improvement of relevant laws and regulations and the accelerated progress of the new energy and autonomous vehicle industry, the intelligent driving applications market is expected to grow greatly, among which the market scale of LiDAR has been expanding as well, and it is expected to become a standard equipment in the industry in the future. According to a report of the market research firm MarketsandMarkets, the market scale of advanced driver-assistance systems (ADAS) will increase from US\$30.9 billion in 2022 to US\$65.1 billion in 2030 at a compound annual growth rate (CAGR) of 9.7%; meanwhile, the market scale of LiDAR will increase from US\$1.4 billion in 2023 to US\$3.7 billion in 2028 at a CAGR of approximately 19.4%. The Group will meet the needs of customers and continue to invest resources in order to grasp the market opportunity. With the expansion of the global new energy and autonomous vehicle market, the continuous enrichment of the LiDAR sensors product matrix and the continuous improvement of the brand image of the Group and Suteng, the demand of LiDAR sensors of Suteng and the LS Products of the Group will continue to increase in the future. Accordingly, we understand the percentage growth rates represented by the Proposed Annual Cap A for the year ending 31 December 2023 mentioned previously are primarily driven by the estimated procurement amounts by Suteng to satisfy its increasing needs of LiDAR sensors for production, where such transactions are revenue in nature and on fair and reasonable terms to the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As discussed above, to project the estimated number of the LS Products to be sold by the Group, the management of the Group have taken into account, among other things, (i) the actual number of the LS Product sold by the Group for the ten months ended 31 October 2023; (ii) the upcoming sales plan of the LS Product of the Group having taking into account the recent business development of Suteng and the new cooperation between Suteng and its customers; and (iii) the overall LiDAR industry for the coming years. Based on our review of information and documents in relation to the aforementioned factors, in particular, (i) a substantial portion (i.e. 97.3%) of the approved Existing Annual Cap A for the year ending 31 December 2023 have been utilised up to 31 October 2023; (ii) the increasing trend of transaction amounts of the sales of LS Products to Suteng for the ten months ended 31 October 2023; (iii) the Proposed Annual Caps A for the years ending 31 December 2023, 2024 and 2025 are projected mainly based on the estimated number of the transceiver module to be sold by the Group in the coming years multiplied by the recent actual unit price of the transceiver module sold by the Group; (iv) to cope with the expected increase in demand of the Group's LS Products from Suteng for its production of LiDAR sensors, the Group's sales volume of transceiver module is expected to increase for each of the three financial years ending 31 December 2025 according to the Group's upcoming sales plan, which is in line with the fluctuation in the Proposed Annual Caps A during the period; and (v) it is expected that the unit price of the transceiver module would not have material fluctuation with reference to the historical trend, we are of the view that the Proposed Annual Caps A for the years ending 31 December 2023, 2024 and 2025 are fair and reasonable.

(ii) The Second Supplemental Materials Procurement Framework Agreement

Principal terms of the Second Supplemental Materials Procurement Framework Agreement

Set out below are the principal terms of the Second Supplemental Materials Procurement Framework Agreement, details of which are set out in the section headed "2. Revision of 2023 annual caps for continuing connected transactions" of the Letter from the Board.

Parties

- (a) Company (as purchaser); and
- (b) GZ Luxvisions (as supplier)

Date

10 November 2023 (after trading hours)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Duration

From 11 November 2023 to 31 December 2025, unless terminated earlier in accordance with the terms of the Materials Procurement Framework Agreement (as supplemented and amended by the Supplemental Materials Procurement Framework Agreement and the Second Supplemental Materials Procurement Framework Agreement).

Subject Matter

Pursuant to the Second Supplemental Materials Procurement Framework Agreement, the existing annual cap for the transactions contemplated under the Materials Procurement Framework Agreement for the year ending 31 December 2023 is revised from RMB73.0 million to RMB123.0 million.

Pursuant to the Letter from the Board, save for the aforesaid changes, all other terms and conditions of the Materials Procurement Framework Agreement will remain unchanged and in full force and effect.

Principal terms and price determination

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

Selling prices of the materials shall be determined with reference to, and generally shall not be lower than, the prices charged by the GZ Luxvisions Group to other independent third party customers of the materials of same or similar specifications, which represents the then prevailing market prices.

In accordance with the Company's internal policies, the transactions under the Materials Procurement Framework Agreement shall be properly recorded, including but not limited to prices determined and transaction amounts. Depending on the specifications of the materials required, the Group shall also conduct review and evaluation process by making reference with other independent third party/parties with similar procurement qualifications and capabilities for provision of similar materials (if available) to compare and determine if the prices and terms offered by the GZ Luxvisions Group are better, and are fair and reasonable and comparable to those terms offered by independent third parties. The review and evaluation process shall be conducted from both technical and commercial perspectives. If there are situations where the Company could not obtain quotation and/or could only obtain one quotation due to the limitations

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

on, among others, the technical specifications of the materials required and/or qualification of the suppliers expected by the Group, the Company shall evaluate the price and terms offered by the GZ Luxvisions Group by making reference to, if available, the recent purchase price of such materials and the market fluctuation of the costs of the materials. If the Company is able to secure the provision of any of the materials contemplated under the Materials Procurement Framework Agreement from independent third parties on more favourable terms, the Group shall be entitled to terminate the transactions contemplated thereunder by giving the GZ Luxvisions Group not less than 30 days' prior written notice. As the management of the Group has reviewed and will continue to review the aforesaid pricing policy on a regular basis in every quarter, we concur with the view of the Directors that the aforesaid method and procedures can ensure that the transactions contemplated under the Materials Procurement 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 shall be stipulated in the relevant order forms, which is normally payable within 90 days after month end.

In order to assess the fairness and reasonableness of the terms of purchase of products by the Group from the GZ Luxvisions Group, we have obtained and reviewed the sample documents (such as orders and invoices) of 12 randomly selected purchase transactions between the Group and the GZ Luxvisions Group under the Materials Procurement Framework Agreement during the 6-month period immediately before the date of this letter (the "**Review Period**"). The products supplied by the GZ Luxvisions Group (mainly the LiDAR PCBA Products, the details of which are set out below) under the Materials Procurement Framework Agreement are made-to-order in accordance with specifications required by the Group which is the only customer for the GZ Luxvisions Group's LiDAR PCBA Products. Further, as advised by the Directors, apart from the GZ Luxvisions Group, the Company had not purchased similar products from other independent third party suppliers. We have obtained and reviewed the purchase list of the Group's LiDAR PCBA Products and we noted that, apart from the GZ Luxvisions Group, the Company had not purchased similar products from other independent third party suppliers during the Review Period. In this connection, we have compared the quotation obtained by the Group for similar products from its independent third party suppliers which requested for, among others, price and payment terms. Based on the documents reviewed, we noted that (i) the price of products offered to the Group by its independent third party suppliers was less favourable (from the Group's perspective) than that offered by the GZ Luxvisions Group for similar products; and (ii) the payment terms offered to the Group by its independent third party suppliers were payable within 90 days after month end which were the same as the payment terms offered by the GZ Luxvisions Group. Besides, we also noted that the business department of the Group has considered the price and payment terms offered to the Group by its independent third party suppliers for similar products to

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

determine the price and payment terms offered by the GZ Luxvisions Group. In view of the above, we are of the view that the Group had compared the terms offered by its independent third party suppliers, and purchased the relevant products under the Materials Procurement Framework Agreement at the terms no less favourable than terms available for the Group for similar products supplied by its independent third party suppliers.

For payment terms, purchases from the GZ Luxvisions Group were payable within 90 days after month end. We have discussed with and are advised by the management of the Group that the trade payables of the Group are normally settled within terms of 30 to 90 days. Therefore, we consider that the payment terms offered by the GZ Luxvisions Group to the Group are generally in line with that offered by its independent third party suppliers.

Based on the above, we consider the transactions under the Materials Procurement Framework Agreement have been conducted on terms that are fair and reasonable, which shall in turn safeguard the interests of the Company and the Shareholders as a whole. In view of the facts that (i) all sample documents were selected on a random basis and spread across the period; and (ii) the Second Supplemental Materials Procurement Framework Agreement is solely for the revision of existing cap and does not amend the pricing and payment terms of the Materials Procurement Framework Agreement, we are of the view that the samples we selected are fair and reasonable for assessment of the recent pricing and payment terms of the transactions.

In conclusion, based on our review as stated above, we are of the view that the purchase prices and payment terms with the GZ Luxvisions Group for these transactions were no less favourable than those offered by independent third parties and such transactions have been adhered to the internal control measures of the Group in respect of reviews of the terms offered by independent third parties. Taking into account the above and the fact that (i) save for the revision of existing cap, all other terms of the Materials Procurement Framework Agreement will remain unchanged and in full force and effect; and (ii) the Group will continue to implement the same policy to review and ensure the terms offered by the GZ Luxvisions Group to the Group be no less favourable than those by independent third parties, we are of the view that the terms of the Second Supplemental Materials Procurement Framework Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Proposed Annual Caps

The following table sets forth the comparison between the historical transaction amount of the transaction contemplated under the Materials Procurement Framework Agreement and the existing annual cap for the year ended 31 December 2023 (“FY2023”):

	Historical amount for the ten months ended 31 October 2023 RMB'000	Existing Annual Cap for FY2023 RMB'000	Utilisation rate %
Purchase of products from the GZ Luxvisions Group under the Materials Procurement Framework Agreement	67,295	73,000	92.2

The following table sets forth the comparison between the existing annual caps and the proposed annual caps for three years ending 31 December 2025:

	For the year ending 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
<i>Maximum aggregate amount of purchase from the GZ Luxvisions Group</i>			
Existing annual caps (“Existing Annual Cap(s) B”)	73,000	133,000	199,000
Proposed annual caps (“Proposed Annual Cap(s) B”)	123,000	133,000	199,000
% change	68.5%	unchanged	unchanged

In respect of the fairness and reasonableness of the Proposed Annual Caps B, we have performed the following work and analysis.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- we have reviewed the historical actual and the expected upcoming transaction amounts in relation to the Second Supplemental Materials Procurement Framework Agreement as mentioned in the Letter from the Board. We noted that (i) the historical actual transaction amount of approximately RMB67.3 million for the ten months ended 31 October 2023 represented 92.2% of the Existing Annual Cap B for the year ending 31 December 2023; (ii) the historical actual transaction amount was approximately RMB46.0 million for the four months ended 31 October 2023, representing an average monthly transaction amount of approximately RMB11.5 million and an increase of approximately 228.6% as compared with the average monthly transaction amount of approximately RMB3.5 million for the six months ended 30 June 2023. Accordingly, we note that the transaction amounts have demonstrated a growth trend; (iii) the Proposed Annual Cap B for the year ending 31 December 2023 represents an increase of approximately 68.5% as compared to the Existing Annual Cap B for the same period; and (iv) the Proposed Annual Cap B for each of the years ending 31 December 2024 and 2025 remain unchanged;
- we have reviewed the breakdown of the calculation of the Proposed Annual Caps B and we have discussed with and are advised by the management of the Group that the amounts of the Proposed Annual Caps B are principally determined based on the revised estimated procurement amount (including the forecast sales volume) of LiDAR printed circuit board assembly (the “**LiDAR PCBA Products**”) and related raw materials and consumables which the Group liaised with the GZ Luxvisions Group in view of the upcoming production and sales plans of the Group. The estimated transaction amounts for the LiDAR PCBA Products are estimated by the responsible business representatives of the Group mainly with reference to the actual historical transaction amount for the ten months ended 31 October 2023 and the anticipated demand for the relevant products for the remaining two months of 2023 principally after taking into account the nature of products, the market development trend as well as the expected business growth of the Group. Further, the management has mainly made reference to the upcoming production and sales plans of the Group’s LS Products and the recent actual unit price of the LiDAR PCBA Products sold by the GZ Luxvisions Group to the Group. We have obtained and reviewed the relevant production and sales plans prepared by the Group and consider that such proposed plans are reasonable based on the factors as discussed below;
- we have obtained and reviewed the Proposed Annual Caps B estimation schedule prepared by the management of the Group and noted that (i) the higher amounts of the Proposed Annual Cap B for the year ending 31 December 2023 as compared with the Existing Annual Cap B are mainly attributable to the expected increase in the number of procurements of the LiDAR PCBA Products. LiDAR PCBA is a printed circuit board

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

containing a lidar sensor's components, which plays an irreplaceable role as an intermediate for the production of the Group's LS Products which has been provided by the Group to Suteng under the ST Supply Framework Agreement as mentioned in the sub-section headed "(i) the Supplemental ST Supply Framework Agreement" of this letter. We have discussed with and are advised by the management of the Group that as the market of LiDAR sensors products is emerging and experiencing exponential growth, the Group was given to understand that the production scale of Suteng and demand of the LS Products had also increased magnificently at a faster pace than anticipated. We have reviewed the monthly results of operation of the Group and the historical actual transaction amount in relation to the ST Supply Framework Agreement for the ten months ended 31 October 2023 and noted that the amount of sales order from Suteng in October 2023 was nearly doubled than the forecasted and expected amount for the same period as communicated between the parties when the Existing Annual Cap A was set. As a result of the unexpected and sudden increase of sales orders from Suteng since October 2023, correspondingly, the Group had placed more purchases orders and the actual transaction amount under the Materials Procurement Framework Agreement had increased rapidly in October 2023. Furthermore, we have discussed with and are advised by the management of the Group that the amount of orders to the GZ Luxvisions Group will further increase substantially from November to December 2023. In particular, based on the Proposed Annual Caps B estimation schedule prepared by the management of the Group, we noted that the expected purchase volume of the LiDAR PCBA Products (which represented over 90% of each of the annual cap(s) under the Materials Procurement Framework Agreement) will increase substantially by approximately 175% and 209% in each of November and December 2023, respectively (as compared with the anticipated purchase volume of the LiDAR PCBA Products when the Existing Annual Cap B were formulated) as a result of the unexpected increase in demand of the LS Product; (ii) the transaction amount under the Second Supplemental Materials Procurement Framework Agreement is estimated by the Group with reference to the estimated number of the LS Products to be sold by the Group in the coming years and the recent actual unit prices of the LiDAR PCBA Products purchased from the GZ Luxvisions Group; and (iii) the fairness and reasonableness of the Proposed Annual Caps B can be made reference to the projection by the management of the Group which is calculated by the estimated number of the LiDAR PCBA Products to be procured by the Group in the coming years multiplied by the recent actual unit prices of LiDAR PCBA Products purchased from the GZ Luxvisions Group, where we have reviewed, including but not limited to documents on the recent actual unit price of the LiDAR PCBA Products, the actual number of the LS Products sold by the Group and the upcoming sales plans of the LS Products of the Group, and considered them to be acceptable for the purpose of determining the Proposed Annual Caps B taking into account:

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (a) in assessing the reasonableness of the price in determining the Proposed Annual Caps B with regard to the purchase of the LiDAR PCBA Products from the GZ Luxvisions Group, we have (i) reviewed the average unit prices of the LiDAR PCBA Products purchased from the GZ Luxvisions Group for the ten months ended 31 October 2023 and noted that the unit price remained relatively stable during the period; (ii) discussed with the management of the Group and understood that the Group expected there would not be material fluctuation in such unit prices based on the historical trend; and (iii) reviewed 12 procurement invoices in respect of the LiDAR PCBA Products purchased by the Group from the GZ Luxvisions Group and compared them against the unit prices of the forecasted purchase of the LiDAR PCBA Products from the GZ Luxvisions Group and noted that such expected unit prices are at a similar level with the recent actual unit prices. Given that there is no material difference in the unit prices for all the samples selected and that such unit prices are also at a similar level with the historical average unit price of the LiDAR PCBA Products purchased from the GZ Luxvisions Group during the Review Period, we consider that the samples selected are fair and representative of the prices of the LiDAR PCBA Products;
- (b) we noted that the historical actual transaction amount was approximately RMB67.3 million for the ten months ended 31 October 2023, representing an average monthly transaction amount of approximately RMB6.7 million. For illustrative purpose only, based on such average monthly transaction amount, the annualised transaction amount under the Materials Procurement Framework Agreement for the year ending 31 December 2023 would be approximately RMB80.4 million. Furthermore, as mentioned in the sub-section headed “(i) the Supplemental ST Supply Framework Agreement” of this letter, we have discussed with and are advised by the management of the Group that the first half of the year is usually an inactive season for the Group’s business operation as a result of the Chinese New Year holidays, while the autonomous vehicle markets are characterized by seasonal increases in production and sales volume in the latter part of the year, which is primarily driven by increased consumer spending during the year-end holiday season. Correspondingly, the Group’s production and sales levels of the LS Products and the demand on the LiDAR PCBA Products tend to be the lowest in the first and second quarters of the year and the highest in the fourth quarter of the year. As a result of the inherent seasonality of the business, the annualised analysis of the actual transaction amount for the ten months ended 31 October 2023 may not be a meaningful and reliable indicator of the overall trends in the Group’s business. We have reviewed the monthly result of operation of the Group and historical actual transaction amount in relation to the Materials Procurement Framework Agreement for the ten months ended 31 October 2023 and noted that

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the Group has experienced a growth trend in the purchase amount in the second half of the year in light of increased seasonal demand. The historical actual transaction amount was approximately RMB46.0 million for the four months ended 31 October 2023, representing an average monthly transaction amount of approximately RMB11.5 million and an increase of approximately 228.6% as compared with the average monthly transaction amount of approximately RMB3.5 million for the six months ended 30 June 2023. Based on the above, in particular that (i) a substantial portion (i.e. 92.2%) of the approved Existing Annual Cap B for the year ending 31 December 2023 have been utilised up to 31 October 2023; and (ii) the increasing trend of transaction amounts of the purchase of the LiDAR PCBA Products, we are of the view that the Existing Annual Cap B for the year ending 31 December 2023 may be insufficient;

- (c) as mentioned in the sub-section headed “(i) the ST Supply Framework Agreement” of this letter, Suteng recently announced that it delivered over 20,000 units of automotive LiDAR in August 2023, with monthly sales surpassing half of the total sales for the entire previous year and being double as compared with the sales in June 2023. It is noted that Suteng remains committed to supporting the gradual mass production and delivery phases of several vehicle models. Furthermore, in 2023, Suteng had also reached partnership with Toyota and the BYD Group, the world-leading carmakers in new energy vehicles, on various models by equipping with their LiDAR sensors systems. Accordingly, it is expected that the Group will require more LiDAR PCBA Products for the production and stable supply of the aforementioned LS Products to Suteng. In view of the above, we concur with the view of the Directors that the procurement of the LiDAR PCBA Products will increase substantially since October 2023 which is expected to continue at least until 31 December 2023; and
- (d) as mentioned in the sub-section headed “(i) the ST Supply Framework Agreement” of this letter, with the development of technology and the improvement of relevant laws and regulations and the accelerated progress of the new energy and autonomous vehicle industry, the intelligent driving applications market is expected to grow greatly, among which the market scale of LiDAR has been expanding as well, and it is expected to become a standard equipment in the industry in the future. The Group will meet the needs of customers and continue to invest resources in order to grasp the market opportunity. With the expansion of the global new energy and autonomous vehicle market, the continuous enrichment of the LiDAR sensors product matrix and the continuous improvement of the brand image of the Group and Suteng, the demand of the LS Products of the Group will continue to increase in the future. Accordingly, we understand the percentage

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

growth rates represented by the Proposed Annual Cap B for the year ending 31 December 2023 mentioned previously are primarily driven by the estimated procurement amounts by the Group to satisfy its needs of the production of the LS Products, where such transactions are revenue in nature and on fair and reasonable terms to the Group.

As discussed above, to project the estimated number of the LiDAR PCBA Products to be procured by the Group, the management of the Group have taken into account, among other things, (i) the actual number of the LS Product sold by the Group for the ten months ended 31 October 2023; (ii) the upcoming production and sales plan of the LS Product of the Group having taking into account the recent business development of Suteng and the new cooperation between Suteng and its customers; and (iii) the overall LiDAR industry for the coming years. Based on our review of information and documents in relation to the aforementioned factors, in particular, (i) a substantial portion (i.e. 92.2%) of the approved Existing Annual Cap B for the year ending 31 December 2023 have been utilised up to 31 October 2023; (ii) the increasing trend of transaction amounts of the purchase of LiDAR PCBA Products from the GZ Luxvisions Group for the ten months ended 31 October 2023; (iii) the Proposed Annual Caps B for the years ending 31 December 2023, 2024 and 2025 are projected mainly based on the estimated number of the LiDAR PCBA Products to be procured by the Group in the coming years multiplied by the recent actual unit price of the LiDAR PCBA Products purchased from the GZ Luxvisions Group; (iv) to cope with the expected increase in demand of the Group's LS Products from Suteng for its production of LiDAR sensors, the Group's procurement volume of the LiDAR PCBA Products is expected to increase for each of the three financial years ending 31 December 2025 according to the Group's upcoming production plan, which is in line with the fluctuation in the Proposed Annual Caps B during the period; and (v) it is expected that the unit price of the LiDAR PCBA Products would not have material fluctuation with reference to the historical trend, we are of the view that the Proposed Annual Caps B for the years ending 31 December 2023, 2024 and 2025 are fair and reasonable.

4. Internal measures

As stated in the Letter from the Board, the Group has established the following internal control measures for the purpose of monitoring the continuing connected transactions of the Company:

- in addition to 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 relevant framework agreements;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- when the Group receives a request for quotation from Suteng for the purchase of the LS Products and/or when the Group intends to procure the materials with new specifications, the project manager (or his authorised personnel) or the R&D department will be responsible for considering and updating the specifications required, as well as other potential consideration factors including not limited to, the quantity of goods required, the estimate cost of engineering work (if any) which are caused by any necessary product customisation and the estimated cost and expenses relating to, among others, packaging, shipping, temporary storage and/or insurance required;
- the strategic procurement team is responsible for collecting market information, and conducting price inquiries, price comparisons, and price negotiations (if applicable) to estimate the reference price(s) of the materials and the LS Products respectively, which will be subsequently referred to for the benchmarking and determination of the selling price(s) of the LS Products and/or the highest acceptable price for purchase of the materials (as the case may be);
- for the transactions under the ST Supply Framework Agreement, considering the LS Products are highly customized goods, if in the event there are any subsequent raw material price fluctuations and/or special customization requirements from Suteng such that the rates and/or the terms negotiated for the LS Products to be sold to Suteng may potentially become less favourable (from the Group's perspective) than the rates and the terms for equivalent or similar LS Products sold by the Group to other potential independent third parties, or in the event that there are no other independent third parties which the Group had supplied certain specific LS Products to, the Group and Suteng agree to use their best endeavour (such as by referring to the quotations obtained by Suteng for the required LS Products of comparable specifications from its suppliers as reference) to negotiate and ensure that the terms of the transactions are fair and reasonable which is no less favourable than the terms offered by the Group to any independent third party customers, and to the benefit of the Company and the Shareholders as a whole. In particular, (a) the reference price(s) will then be reviewed and approved by the head of the strategic procurement team of the Group who is also responsible to ensure such prices are updated from time-to-time if necessary; (b) the approved reference price(s) will then be updated to the enterprise resources planning (ERP) system of the Group; and (c) to ensure that transaction prices under the relevant framework 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 the LS Products with same or similar specifications under the Supplemental ST Supply Framework Agreement (if available); and (ii) review and compare the purchase prices incurred and/or to be incurred under the Second Supplemental Materials Procurement Framework Agreement

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 relevant materials with the same or similar specifications (if available);

- to ensure the transactions contemplated under the relevant framework 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 relevant framework 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; and
- 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.

As part of our independent work performed, we have discussed with management to understand the aforementioned internal control procedures and have obtained and reviewed the relevant internal control policy. We have also reviewed sample documents in relation to the abovementioned internal control measures, included but not limited to reference prices report prepared by the strategic procurement team, approval from the head of the strategic procurement team regarding the reference prices, the quotation obtained by Suteng for the required LS Products of comparable specifications from its independent third party suppliers and the quotation obtained by the Group for required LiDAR PCBA Products of comparable specifications from its independent third party suppliers, we noted that the above internal control measures on the pricing terms are properly adopted. Given such internal control procedures in place, in particular that the internal compliance review department and the business department of the Company has assisted and will continue to assist in reviewing and controlling particular terms and conditions and actual transaction amounts of the continuing connected transactions, we consider that the Group has the appropriate internal control procedures in place to ensure the terms under the Supplemental Agreements be no less favourable than those with independent third parties and the relevant Proposed Annual Caps under the respective agreements will not be exceeded.

Taking into account, in particular, (i) our review on the terms of the transactions contemplated under the Supplemental Agreements which shall be no less favourable than those with independent third parties; and (ii) the aforementioned internal control measures of the Group in respect of reviews of the terms with independent third parties, we are of the view that the terms

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

of the Supplemental Agreements, the transactions contemplated thereunder and the relevant Proposed Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned.

5. Listing Rules implication

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of transactions contemplated under the Supplemental Agreements must be restricted by the relevant Proposed Annual Caps; (ii) the terms of the Supplemental Agreements must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Supplemental Agreements must be included in the Company's subsequent published annual reports. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the transactions (i) have not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant Supplemental Agreements; and (iii) have exceeded the relevant Proposed Annual Caps. In the event that the total amounts of transactions contemplated under the Supplemental Agreements are anticipated to exceed the relevant Proposed Annual Caps, or that there is any proposed material amendment to the terms of the Supplemental Agreements, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.

In light of the aforementioned review and reporting requirements attached to the Supplemental Agreements, we are of the view that appropriate measures have been in place to govern the conduct of the Supplemental Agreements and safeguard the interests of the Company and the Independent Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having considered the above principal factors, we are of the opinion that the entering into of the Supplemental Agreements is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole. We are also of the opinion that the terms of the Supplemental Agreements are on normal commercial terms and, together with the relevant Proposed Annual Caps, are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the resolutions to approve the Supplemental Agreements, the transactions contemplated thereunder and the relevant Proposed Annual Caps at the EGM.

Yours faithfully,

For and on behalf of

Honestum International Limited

Michael Chum

Chairman

Sam Yip

Associate Director

Note: Mr. Michael Chum is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Honestum International Limited to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has over 25 years of experience in corporate finance industry. Mr. Sam Yip is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Honestum International Limited to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has over 10 years of experience in corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and Chief Executive Officers' interests and short positions in the securities of the Company or its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO which were required (a) to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept pursuant to Section 352 of the SFO; or (c) as otherwise to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

Name of Director	Title	Nature of Interest	Number of Shares or underlying Shares	Approximate percentage of shareholding interest
Meng Yan	Executive Director, Chairman	Beneficial interest (Note)	3,150,000	0.37
Wu Ying-Cheng	Executive Director, Chief executive officer and Chief financial officer	Beneficial interest (Note)	1,980,000	0.23
Chen Han-Yang	Non-executive Director	Beneficial interest (Note)	1,680,000	0.20

Name of Director	Title	Nature of Interest	Number of Shares or underlying Shares	Approximate percentage of shareholding interest
Yang Li	Non-executive Director	Beneficial interest (Note)	1,680,000	0.20

Note:

These interests represented the interests in underlying shares in respect of the share options granted by the Company to the Directors under the Share Option Scheme.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, none of the Directors or chief executive of the Company had interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations which (a) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

(b) Interests and short positions of substantial shareholders in shares, underlying shares of the Company

As at the Latest Practicable Date, the following persons (other than the Directors or chief executive officer of the Company) had interests or short positions in the Shares or relevant Shares which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholder	Nature of interest	Number of Shares or underlying Shares	Approximate percentage of shareholding interest ⁽²⁾
Luxvisions Innovation Technology Limited ⁽¹⁾	Beneficial interest	607,455,760 (L) 551,229,760 (S)	71.31% (L) 64.71% (S) ⁽³⁾

Name of shareholder	Nature of interest	Number of Shares or underlying Shares	Approximate percentage of shareholding interest ⁽²⁾
Ms. Wang Laichun ⁽¹⁾	Interest in a controlled corporation	607,455,760 (L) 551,229,760 (S)	71.31% (L) 64.71% (S) ⁽³⁾
Mr. Wang Laisheng ⁽¹⁾	Interest in a controlled corporation	607,455,760 (L) 551,229,760 (S)	71.31% (L) 64.71% (S) ⁽³⁾
Ms. Wang Laijiao ⁽¹⁾	Interest in a controlled corporation	607,455,760 (L) 551,229,760 (S)	71.31% (L) 64.71% (S) ⁽³⁾
Mr. Wang Laixi ⁽¹⁾	Interest in a controlled corporation	607,455,760 (L) 551,229,760 (S)	71.31% (L) 64.71% (S) ⁽³⁾
Luxsan ⁽¹⁾	Interest in a controlled corporation	607,455,760 (L) 551,229,760 (S)	71.31% (L) 64.71% (S) ⁽³⁾
LIL ⁽¹⁾	Interest in a controlled corporation	607,455,760 (L) 551,229,760 (S)	71.31% (L) 64.71% (S) ⁽³⁾
GLITL ⁽¹⁾	Interest in a controlled corporation	607,455,760 (L) 551,229,760 (S)	71.31% (L) 64.71% (S) ⁽³⁾

Notes:

- (1) Luxvisions Innovation Technology Limited (“LITL”), is a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of Guangzhou Luxvisions Innovation Technology Limited (“GLITL”), which is a company incorporated in the PRC. GLITL is owned as to approximately 58.35% by Luxvisions Innovation Limited (“LIL”), a company incorporated in Hong Kong with limited liability, which is owned as to approximately 53.415% by Mr. Wang Laixi, 43.659% by Luxsan Limited (“Luxsan”) and 2.927% by Lite-On Singapore Pte. Limited (“Lite-On”). Luxsan 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. 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 (stock code 2301)). Each of Ms. Wang Laichun, Mr. Wang Laisheng, Ms. Wang Laijiao, Mr. Wang Laixi, Luxsan, LIL and GLITL is deemed, or taken to be, interested in the Shares held by LITL for the purposes of the SFO.

- (2) At as the Latest Practicable Date, the total number of issued shares of the Company was 851,898,800 ordinary shares. (L) denotes long position, and (S) denotes short position.
- (3) LITL has pledged an aggregate of 551,229,760 Shares in favour of a licensed bank in Hong Kong as security for its banking facilities granted by said bank, representing approximately 64.71% of the total issued share capital of the Company as at the Latest Practicable Date.

Saved as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any person (other than Directors or chief executive officer and substantial shareholders of the Company the interests of which were disclosed above) who had an interest or short position in the securities of the Company that were required to be entered in the register of the Company pursuant to section 336 of the SFO as at the Latest Practicable Date.

3. DIRECTORS' INTERESTS IN CONTRACTS

As at the Latest Practicable Date:

- (a) none of the Directors had entered, or proposed to enter into a service contract with any member of the Group which is not expiring or determinable by the Group within one year without payment of compensation, other than statutory compensation;
- (b) none of the Directors had any interest, direct or indirect, in any assets which had been, since 31 December, 2022, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (c) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and was significant in relation to the business of the Group.

4. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business which competed or might compete with the business of the Group, or had or might have any other conflicts of interest with the Group pursuant to Rule 8.10 of the Listing Rules.

5. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there had been no material adverse change in the financial or trading positions of the Group since 31 December, 2022 (being the date to which the latest published audited financial statements of the Group were made up).

6. EXPERT

The following sets out the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
Honestum International Limited	A corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO

Honestum International Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which they appear.

As at the Latest Practicable Date, Honestum International Limited did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Honestum International Limited did not have any direct or indirect interest in any assets which had been, since 31 December, 2022 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group.

7. GENERAL

In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

8. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk/>) and the Company (<http://www.cowelleholdings.com>) for a period of 14 days from the date of this circular:

- (a) the Second Supplemental Materials Procurement Framework Agreement; and
- (b) the Supplemental ST Supply Framework Agreement.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of Cowell e Holdings Inc. (the “Company”) will be held by way of virtual meeting on 20 December, 2023 at 10 a.m. for considering and, if thought fit, passing, with or without modifications, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. **“THAT** the supplemental ST supply framework agreement referred to in the sub-section headed “2. REVISION OF 2023 ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS — A. Supplemental ST Supply Framework Agreement” in the “Letter from the Board” contained in the Circular of which this notice forms part, the transactions contemplated thereunder and the proposed annual cap under the aforesaid supplemental ST supply framework agreement be and are hereby approved.”
2. **“THAT** the second supplemental materials procurement framework agreement referred to in the sub-section headed “2. REVISION OF 2023 ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS — B. Second Supplemental Materials Procurement Framework Agreement” in the “Letter from the Board” contained in the Circular of which this notice forms part, the transactions contemplated thereunder and the proposed annual cap under the aforesaid second supplemental materials procurement framework agreement be and are hereby approved.”

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

Hong Kong, 5 December, 2023

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notes:

1. The Company will conduct the extraordinary general meeting by way of a virtual meeting. Both registered Shareholders and non-registered Shareholders can (i) attend the EGM and vote by way of electronic means; or (ii) exercise their right to vote at the EGM by appointing their own proxy or the Company's designated proxy(ies), to act as their proxy. By logging in the dedicated online platform, Shareholders will be able to view a live webcast of the EGM, submit questions, and cast vote in real-time.

The online platform will be opened for registered Shareholders and non-registered Shareholders to log in 30 minutes prior to the commencement of the extraordinary general meeting, and only those Shareholders who logged in 5 minutes before the start of the Online EGM will be entitled to attend and vote at the Online EGM. The online platform can be accessed from any location with internet connection by a smart phone, tablet device or computer. Shareholders should allow ample time to check into the online platform to complete the login procedure and remain logged in until the commencement of and during the Online EGM. For online voting, Shareholders can refer to the enclosed notification letter and the Online Meeting User Guide for details. Any missed contents as a result of connection issues arise from the Shareholders will not be repeated.

2. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxy to attend and, subject to the provisions of the Articles of Association of the Company, vote in his stead. A proxy need to be a member of the Company.
3. A form of proxy for use at the EGM (or at any adjournment thereof) is dispatched together with this notice of meeting. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be completed and lodged with the offices of the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 18 December, 2023 at 10 a.m. (Hong Kong Time).
4. Completion and return of the form of proxy will not preclude members from attending and voting at the EGM or any adjournment thereof, and in such event, the relevant form of proxy shall be deemed revoked.
5. Where there are joint registered holders of any Share, any one of such joint holders may attend and vote at the EGM, either in personal or by proxy, in respect of such Share(s) as if he/she were solely entitled thereto, but if more than one of such joint registered holders are present at the EGM or any adjournment thereof (as the case may be), the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
6. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 15 December, 2023 to Wednesday, 20 December, 2023, both dates inclusive, during which period no transfers of shares of the Company will be registered. In order to qualify for attending and voting at the EGM, shareholders must complete and lodge all transfer documents accompanied by the relevant share certificates with the Share Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 14 December, 2023.
7. If typhoon signal no. 8 or above remains hoisted or a black rainstorm warning signal is in force at 8:00 a.m. at the date of the EGM, the EGM will be postponed. Members are requested to visit the website of the Company at www.cowelleholdings.com for details of alternative meeting arrangements. The EGM will be held as scheduled when an amber or red rainstorm warning signal is in force. Shareholders should make their own decision as to whether they would attend the EGM under the bad weather conditions bearing in mind their own situation and if they should choose to do so, they are advised to exercise care and caution.

As at the date hereof, 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.