

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**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 ANNUAL CAPS FOR  
CONTINUING CONNECTED TRANSACTIONS**

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

**H 信 NESTUM**  
竣信國際有限公司  
HONESTUM INTERNATIONAL LIMITED

**REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED  
TRANSACTIONS**

References are made to (1) the announcements of the Company dated 19 April 2023 and 10 November 2023 and the circulars of the Company dated 8 June 2023 and 5 December 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 the Suteng Group; and (2) the announcements of the Company dated 29 December 2022, 19 April 2023 and 10 November 2023 and the circulars of the Company dated 8 June 2023 and 5 December 2023 in relation to, among others, (i) the Purchase Framework Agreement entered into between the Company and Luxshare Precision, pursuant to which the Group shall purchase certain Products from the Luxshare Precision Group in accordance with the terms and conditions thereunder; and (ii) the 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 17 July 2024 (after trading hours), the Group entered into the Supplemental Agreements with Luxshare Precision, Suteng and GZ Luxvisions, respectively, to revise certain 2024 and/or 2025 annual caps (as the case may be). Save for the revision of certain 2024 and/or 2025 annual caps (as the case may be), all other terms and conditions under the Existing Agreements remain the same.

## **LISTING RULES IMPLICATIONS**

Ms. Wang Laichun and Mr. Wang Laisheng, who are the controlling Shareholders and indirectly interested in approximately 70.76% of the issued share capital of the Company, together are also indirectly interested in approximately 37.93% of the equity interests, and Mr. Wang Laisheng is also directly interested in approximately 0.22% equity interests, of Luxshare Precision. Hence, Luxshare Precision is an associate (as defined under Chapter 14A of the Listing Rules) of Ms. Wang Laichun and Mr. Wang Laisheng and a connected person of the Group. As such, the transactions contemplated under the Second Supplemental Purchase Framework Agreement constitutes continuing connected transactions of the Company under Chapter 14A of 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 date of this announcement. 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 Second Supplemental ST Supply Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As GZ Luxvisions is a controlling Shareholder indirectly interested in approximately 70.76% of the entire issued share capital of the Company through LITL as at the date of this announcement, it is a connected person of the Company. As such, the transactions contemplated under the Third 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 highest proposed annual cap under the Second Supplemental Purchase 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.

As the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed 2024 or the highest annual cap under the Second 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 Third Supplemental Materials Procurement Framework Agreement and the Second Supplemental Purchase Framework Agreement were entered into at the same time and the transactions contemplated thereunder are of similar nature in relation to the purchases by the Group of similar materials for its production; and (ii) Luxshare Precision is ultimately controlled by Ms. Wang Laichun and Mr. Wang Laisheng, who are controlling Shareholders indirectly interested in approximately 70.76% 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 Third Supplemental Materials Procurement Framework Agreement and the Second Supplemental Purchase 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 2024 annual cap or the highest annual cap under the Third 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 the highest annual cap under the Third Supplemental Materials Procurement Framework Agreement and the highest annual cap under the Second Supplemental Purchase Framework Agreement, on an aggregated basis, is more than 5%. As such, the transactions contemplated under the Third Supplemental Materials Procurement Framework Agreement are also subject to the reporting, announcement, annual review 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 indirectly interested in approximately 70.76% of the issued share capital of the Company and have interests in Luxshare Precision, have indirect control interest in GZ Luxvisions which in turn is interested in approximately 70.76% of the entire issued share capital of the Company through LITL as at the date of this announcement, LITL is considered to have a material interest in the Second Supplemental Purchase Framework Agreement and the Third Supplemental Materials Procurement Agreement, and is required to abstain from voting at the EGM on the resolutions approving the Second Supplemental Purchase Framework Agreement and the Third 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 Second Supplemental ST Supply Framework Agreement at the EGM.

It is expected that a circular containing, among other things, further information of 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, will be despatched to the Shareholders on or before 7 August 2024, as additional time will be required to finalise certain information to be included in the circular.

## **REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS**

Reference is made to (1) the announcements of the Company dated 19 April 2023 and 10 November 2023 and the circulars of the Company dated 8 June 2023 and 5 December 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 the Suteng Group; and (2) the announcements of the Company dated 29 December 2022, 19 April 2023 and 10 November 2023 and the circulars of the Company dated 8 June 2023 and 5 December 2023 in relation to, among others, (i) the Purchase Framework Agreement entered into between the Company and Luxshare Precision, pursuant to which the Group shall purchase certain Products from the Luxshare Precision Group in accordance with the terms and conditions thereunder; and (ii) the 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 17 July 2024 (after trading hours), the Group entered into the Supplemental Agreements with Luxshare Precision, Suteng and GZ Luxvisions, respectively, to revise certain 2024 and/or 2025 annual caps (as the case may be). Save for the revision of certain 2024 and/or 2025 annual caps (as the case may be), all other terms and conditions under the Existing Agreements remain the same.

Details of the Supplemental Agreements are as follows:

**A. The Second Supplemental Purchase Framework Agreement**

Date: 17 July 2024 (after trading hours)

Parties: 1. Luxshare Precision (as supplier)  
2. The Company (as purchaser)

Subject: Pursuant to the Second Supplemental Purchase Framework Agreement, the existing 2024 annual cap and the 2025 annual cap for the two financial years ending 31 December 2025 under the Purchase Framework Agreement is revised as follows:

Proposed 2024 annual cap USD61,776,000 to USD260,000,000

Proposed 2025 annual cap USD80,352,000 to USD360,000,000

Save for the aforementioned revision of the existing 2024 and 2025 annual caps, all other terms and conditions under the Purchase Framework Agreement remain the same.

For details of the terms and price determination under the Purchase Framework Agreement, please refer to the announcement of the Company dated 29 December 2022 and the circular of the Company dated 8 June 2023.

## **Basis for determination of the proposed 2024 annual cap and the 2025 annual cap under the Second Supplemental Purchase Framework Agreement and the historical transaction amounts**

The proposed annual caps for the two years ending 31 December 2025 under the Purchase Framework Agreement was determined primarily based on arm's length negotiations between Luxshare Precision and the Company with reference to, among others:

- (i) the sudden sharp demand of our Group's products which may at least continue until the financial year ending 31 December 2025. Based on the latest discussion with, and the latest development and production plan of, the largest customer of the Group, it was expected that there might potentially be a sharp increase in the contract and/or order amount that might be awarded to the Group for a substantial increase of the supply of our existing products, as well as our production and assembly of new rear camera modules for the launch of new models of smartphone of our customer for the two years ending 31 December 2025. As a result of the potential demand from our largest customer, our Group had revised our production and procurement plans to a very large extent in which there will be a huge increase in our demand of the Products which are primarily used for our productions of existing and new smartphone camera modules;
- (ii) the historical transaction amounts incurred under the Purchase Framework Agreement and the recent purchase orders placed. For the financial year ended 31 December 2023 and for the six months ended 30 June 2024, the actual transaction amount incurred under the Purchase Framework Agreement was approximately USD6,632,000 and USD4,142,000, representing approximately 14.7% of the annual cap for the year ended 31 December 2023 of USD45,000,000 and approximately 6.7% of the existing annual cap for the year ending 31 December 2024 of USD61,776,000 under the Purchase Framework Agreement. The actual transaction amounts were lower than expected as our major customers had placed fewer orders for our products which therefore led to our low demand of the Products. However, the Company views that the actual transaction amount for the six months ended 30 June 2024 is significantly obscured by seasonality (when the sales and production volume in the first quarter are usually the lowest in the yearly production and sale cycle of the Group). As a result of the sudden and unexpected sharp demand of our Group's (i) existing products since May 2024 and (ii) production of new rear camera modules for the launch of new models of smartphone of our largest customer, our Group had commenced placing more purchase orders with the Luxshare Precision Group since May 2024. Having considered the actual transaction amounts incurred, and the delivery and payment schedules on hand, it was expected that the transaction amount for the nine months ending 30 September 2024 under the Purchase Framework Agreement will be not less than USD90,000,000 which will exceed the existing 2024 annual cap. Coupled with the seasonality factor and to cope with the latest production and product launch plan of our largest customer and the Group, our demand for the Products may increase exponentially in the last



quarter of 2024 and continue at least until the end of the financial year ending 31 December 2025;

- (iii) the expected costs of the Products. While on a per unit cost basis the Group did not expect the existing constituents of the Products to have material fluctuation with reference to the historical trend and market research for the two financial years ending 31 December 2025, new raw materials for our production of the new rear camera modules have a substantially higher unit cost than other constituents of the Products which represent over 16 times of the average costs of the raw materials for the existing camera modules in the Product. As such, the substantial increase in the amount of the proposed annual caps for the two financial years ending 31 December 2025 is a compound effect of (i) the proposed substantial purchase of new raw materials for production of the new rear camera modules; (ii) the high cost of such new raw materials; and (iii) the corresponding increase in demand of the Products in line with our revised production and procurement plans to cope with the product launch cycle of our customers; and
- (iv) a buffer of 10% was applied on the estimated transaction amounts for the two financial years ending 31 December 2025 to accommodate any unexpected increase in the demands on the Products, unexpected increase in the costs of the Products and any unexpected change such as advancement of the product launch cycle of our customers.

The above projection is assumed solely based on the information currently available to the Group for determining the proposed 2024 and 2025 annual caps and shall not be regarded as any indication directly or indirectly as to the respective revenue, profitability or trading prospects of the Company or the Group.

If the total transaction amounts under the Purchase 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 Purchase Framework Agreement constitute non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules, the Second Supplemental Purchase Framework Agreement and the proposed annual caps for the two years ending 31 December 2025 are subject to the approval of the Independent Shareholders at the EGM.

## **B. The Second Supplemental ST Supply Framework Agreement**

Date: 17 July 2024 (after trading hours)

Parties: 1. Luxsense (as supplier)  
2. Suteng (as purchaser)

Subject: Pursuant to the Second Supplemental ST Supply Framework Agreement, the 2024 annual cap under the ST Supply Framework Agreement is revised from RMB414,000,000 to RMB580,000,000.

Save for the aforementioned revision of the 2024 annual cap, all other terms and conditions including the existing 2025 annual cap under the ST Supply Framework Agreement remain the same.

For details of the terms and price determination under the ST Supply Framework Agreement, please refer to the announcements of the Company dated 19 April 2023 and the circulars of the Company dated 8 June 2023 and 5 December 2023.

### **Basis for determination of the proposed 2024 annual cap under the Second Supplemental ST Supply Framework Agreement and the historical transaction amounts**

The proposed annual cap for the year ending 31 December 2024 under the Second 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 financial year ended 31 December 2023 and for the six months ended 30 June 2024, the actual transaction amount incurred under the ST Supply Framework Agreement was approximately RMB373,797,000 and RMB251,310,000, representing approximately 93.4% of the annual cap for the year ended 31 December 2023 of RMB400,000,000 and approximately 60.7% of the existing annual cap for the year ending 31 December 2024 of RMB414,000,000 under the ST Supply Framework Agreement. The actual transaction amount recorded for the first half of 2024 was higher than expected despite the seasonality factor which sales and production volume in the first quarter are usually the lowest in the yearly production and sale cycle of the Group. Having considered the actual transaction amounts incurred, and the delivery and payment schedules on hand, it was expected that the transaction amount for the eight months ending 31 August 2024 under the ST Supply Framework Agreement will be not less than RMB300,000,000 which will account for approximately 72.5% of the existing annual cap for the year ending 31 December 2024;



- (ii) the unexpected increasing demand of the LS Products from the Suteng Group. As communicated with Suteng, the unexpected increase in the demand of the LS Products, which represented an average increase of 37.6% than the forecasted volume/amount for the first six months ended 30 June 2024 when determining the existing annual caps, will continue until at least to the end of the 2024 financial year;
- (iii) the corresponding increase in the production plan of Luxsense from May to December 2024 to cope with the unexpected increase in demand of the LS Products;
- (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 during the remaining term of the ST Supply Framework Agreement; and
- (v) a buffer of 10% was applied on the estimated transaction amount to accommodate any further unexpected increase in the demands of the LS Products and unexpected increase in the costs of production of the LS Products.

The above projection is assumed solely based on the information currently available to the Group for determining the proposed 2024 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 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 ST Supply Framework Agreement constitute non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules, the Second Supplemental ST Supply Framework Agreement and the proposed 2024 annual cap are subject to the approval of the Independent Shareholders at the EGM.

### **C. The Third Supplemental Materials Procurement Framework Agreement**

Date: 17 July 2024 (after trading hours)

Parties: 1. The Company (as purchaser)  
2. GZ Luxvisions (as supplier)

Subject: Pursuant to the Third Supplemental Materials Procurement Framework Agreement, the 2024 annual cap under the Materials Procurement Framework Agreement is revised from RMB133,000,000 to RMB195,000,000.

Save for the revision of the 2024 annual cap to, all other terms and conditions including the existing 2025 annual cap under the Materials Procurement Framework Agreement remain the same.

For details of the terms and price determination under the Materials Procurement Framework Agreement, please refer to the announcements of the Company dated 29 December 2022 and the circular of the Company dated 5 December 2023.

#### **Basis for the determination of the proposed 2024 annual cap under the Third Supplemental Materials Procurement Framework Agreement and historical transaction amounts**

The proposed annual cap for the year ending 31 December 2024 under the Third 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, for the financial year ended 31 December 2023 and for the six months ended 30 June 2024, the actual transaction amount incurred under the Materials Procurement Framework Agreement was approximately RMB69,755,000 and RMB66,873,000, representing approximately 56.7% of the annual cap for the year ended 31 December 2023 of RMB123,000,000 and approximately 50.3% of the existing annual cap for the year ending 31 December 2024 of RMB133,000,000 under the Materials Procurement Framework Agreement; The actual transaction amount recorded for the first half of 2024 was higher than expected despite the seasonality factor which the procurement and production volume in the first quarter are usually the lowest in the yearly procurement and production cycle of the Group;

- (ii) the increase in demand of the Materials from May to December 2024 with reference to, among others, the current discussion with the major customers of the Group and the business and production plan of the Group from May to December 2024. In particular, as 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 of the Group which will in turn be sold to the Suteng Group for its production of the Light Detection And Ranging (LiDAR) sensors under the ST Supply Framework Agreement, the proposed increase in the 2024 annual cap 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;
- (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; and
- (v) a buffer of 10% was applied on the estimated transaction amount to accommodate any further unexpected increase in the demands on the Materials and unexpected increase in the prices of the Materials.

The above projection is assumed solely based on the information currently available to the Group for determining the proposed 2024 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 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 Third Supplemental Materials Procurement Framework Agreement constitute non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules, the Third Supplemental Materials Procurement Framework Agreement and the proposed 2024 annual cap are subject to the approval of the Independent Shareholders at the EGM.

## **REASONS FOR AND BENEFITS OF ENTERING THE SUPPLEMENTAL 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.

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

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

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

As a result of the sudden sharp demand of our Group's products since May 2024 and the continuing increase in the demand of the LS Products from the Suteng Group which are expected to continue at least until the financial year ending 31 December 2025 and 31 December 2024, respectively, 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 2024 and/or 2025 Annual Caps (as the case may be) under the Existing Agreements to ensure compliance with the Listing Rules and actively facilitate the increase in the production need of the Group. In particular, the supply of the LS Products to the Suteng Group pursuant to the ST Supply Framework Agreement can allow Luxsense to raise the profile of the LS Products, enhance the LS Products' penetration into new markets, expand the source of revenue and improve the profitability for Luxsense. The Existing Agreements and the Supplemental Agreements can provide a framework for the long-term supply of the LS Products to the Suteng Group and procurement of the Products and Materials from the Luxshare Precision Group and the GZ Luxvisions Group, respectively by the Group on a non-exclusive basis and will help reduce negotiation time and costs among the parties.

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

## 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 the Suteng Group for the purchase of the LS Products and/or when the Group intends to procure the Products and/or 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 Products and/or Materials and the LS Products respectively, which will be subsequently referred to for the benchmarking and determination of the highest acceptable price for purchase of the Products and/or Materials (as the case may be) and/or the selling price(s) of the LS Products;
- specifically, for the purchases made under the Purchase Framework Agreement and the Materials Procurement Framework Agreement, depending on the specifications of the Products/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 Products/Materials (if available) to compare and determine if the prices and terms offered by the Luxshare Precision Group or 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 Products/Materials required and/or qualification of the suppliers expected by the Group, the Company will evaluate the price and terms offered by the Luxshare Precision Group or the GZ Luxvisions Group by making reference to, if available, the recent purchase price of such Products/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 the Company is of the view that the rates and/or the terms which could have been charged and/or offered by Luxsense for the LS Products to be sold to the Suteng Group are less favourable (from the Group' perspective) than the rates and the terms for equivalent or similar LS Products sold by the Group to other potential independent third parties, Luxsense and Suteng agree to use their best endeavour to adjust the rates and/or terms to ensure that the terms of the transactions are fair and reasonable, 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;
- the approved reference price(s) will then be updated to the enterprise resources planning (ERP) system of the Group; and
- 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 Group 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.

## **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 date of this announcement, approximately 70.76% 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 date of this announcement, LIL is owed as to (i) approximately 56.342% by Mr. Wang Laixi (a controlling Shareholder); and (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. 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 date of this announcement. Luxsense is principally engaged in the production of modules and light detection and ranging machines.

## **Luxshare Precision**

Luxshare Precision a company incorporated in the PRC with limited liability and listed on the Shenzhen Stock Exchange (stock code: 002475). As at the date of this announcement, approximately 37.93% of the equity interest of Luxshare Precision is directly held by Luxshare Limited which in turn is owned as to 50% by Ms. Wang Laichun and 50% by Mr. Wang Laisheng, who are siblings of Mr. Wang Laixi, one of the controlling Shareholders. The Luxshare Precision Group is principally engaged in the research, development, manufacturing and sales of products in the fields of consumer electronics, communication, auto electronics and healthcare.

## **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. It is an indirectly wholly-owned subsidiary of RoboSense Technology Co., Ltd (速騰聚創科技有限公司) (“**RoboSense**”) which in turn is an exempted company incorporated in the Cayman Islands and listed on the Main Board of the Stock Exchange (stock code: 2498) in January 2024. 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. Save as disclosed above, to the best knowledge, information and belief of the Directors after having made all reasonable enquiries, Luxshare Limited (which in turn is owned by Ms. Wang Laichun and Mr. Wang Laisheng who are the controlling Shareholders indirectly interested in approximately 70.76% of the issued share capital of the Company through LITL as at the date of this announcement) is interested in approximately 2.23% of the issued shares of Robosense.

## **IMPLICATIONS UNDER THE LISTING RULES**

Ms. Wang Laichun and Mr. Wang Laisheng, who are the controlling Shareholders and indirectly interested in approximately 70.76% of the issued share capital of the Company, together are also indirectly interested in approximately 37.93% of the equity interests, and Mr. Wang Laisheng is also directly interested in approximately 0.22% equity interests, of Luxshare Precision. Hence, Luxshare Precision is an associate (as defined under Chapter 14A of the Listing Rules) of Ms. Wang Laichun and Mr. Wang Laisheng and a connected person of the Group. As such, the transactions contemplated under the Second Supplemental Purchase Framework Agreement constitutes continuing connected transactions of the Company under Chapter 14A of 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 date of this announcement. 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 Second Supplemental ST Supply Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As GZ Luxvisions is a controlling Shareholder indirectly interested in approximately 70.76% of the entire issued share capital of the Company through LITL as at the date of this announcement, it is a connected person of the Company. As such, the transactions contemplated under the Third 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 highest proposed annual cap under the Second Supplemental Purchase 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.

As the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed 2024 or the highest annual cap under the Second 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 Third Supplemental Materials Procurement Framework Agreement and the Second Supplemental Purchase Framework Agreement were entered into at the same time and the transactions contemplated thereunder are of similar nature in relation to the purchases by the Group of similar materials for its production; and (ii) Luxshare Precision is ultimately controlled by Ms. Wang Laichun and Mr. Wang Laisheng, who are controlling Shareholders indirectly interested in approximately 70.76% 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, the transactions contemplated under the Third Supplemental Materials Procurement Framework Agreement and the Second Supplemental Purchase 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 2024 annual cap or the highest annual cap under the Third 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 the highest annual cap under the Third Supplemental Materials Procurement Framework Agreement and the highest annual cap under the Second Supplemental Purchase Framework Agreement, on an aggregated basis, is more than 5%. As such, the transactions contemplated under the Third 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 indirectly interested in approximately 70.76% of the issued share capital of the Company and have interests in Luxshare Precision, have indirect control interest in GZ Luxvisions which in turn is interested in approximately 70.76% of the entire issued share capital of the Company through LITL as at the date of this announcement, LITL is considered to have a material interest in the Second Supplemental Purchase Framework Agreement and the Third Supplemental Materials Procurement Agreement, and is required to abstain from voting at the EGM on the resolutions approving the Second Supplemental Purchase Framework Agreement and the Third 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 Second Supplemental ST Supply Framework Agreement at the EGM.

It is expected that a circular containing, among other things, further information of 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, will be despatched to the Shareholders on or before 7 August 2024, as additional time will be required to finalise certain information to be included in the circular.

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

## DEFINITIONS

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

“2024 and/or 2025 Annual Cap(s)”	the existing annual caps for the years ending 31 December 2024 and 31 December 2025 under the Second Supplemental Purchase Framework Agreement; and the existing annual caps for the year ending 31 December 2024 under the Second Supplemental ST Supply Framework Agreement and the Third Supplemental Materials Procurement Framework Agreement
“Articles”	the memorandum and articles of association of the Company, as amended from time to time
“associates”	has the meaning ascribed to it under the Listing Rules
“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)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider, and if thought fit, approve, among others, the Supplemental Agreements and the respective Proposed Annual Cap(s)
“Existing Agreements”	the Purchase Framework Agreement, the ST Supply Framework Agreement and the Materials Procurement Framework Agreement

“Group”	the Company and its subsidiaries
“GZ Luxvisions”	Guangzhou Luxvisions Innovation Technology Limited (廣州立景創新科技有限公司), a company established under the laws of the PRC and a subsidiary of LIL
“GZ Luxvisions Group”	GZ Luxvisions and its subsidiaries (for the purpose of this announcement excluding, except where the context indicates otherwise, the Group)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	a committee of the Board comprising Ms. Su Yen-Hsueh, Mr. Tsai Chen-Lung and Ms. Liu Xia, being the independent non-executive Directors
“Independent Financial Adviser”	Honestum International Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, being independent financial adviser to the Independent Board Committee and Independent Shareholders in relation to the Supplemental Agreements, the transactions contemplated thereunder and the Proposed Annual Cap(s)
“Independent Shareholders”	the Shareholders who are not required to abstain from voting at the EGM
“LIL”	<p>Luxvisions Innovation Limited (立景創新有限公司), a company incorporated in Hong Kong with limited liability. As at the date of this announcement, LIL is owed as to:</p> <ul style="list-style-type: none"> <li>(i) approximately 56.342% by Mr. Wang Laixi (a controlling Shareholder); and</li> <li>(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.</li> </ul>



“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LITL”	Luxvisions Innovation Technology Limited, a limited liability company incorporated in Hong Kong, is a wholly-owned subsidiary of GZ Luxvisions
“LS Products”	the equipment primarily comprising modules and light detection and ranging machines to be supplied by Luxsense to the Suteng Group in accordance with the terms and conditions of the ST Supply Framework Agreement
“Luxsense”	東莞立騰創新電子有限公司 (Dongguan Luxsense Innovation Electronics Limited)*, a limited liability company established under the law of the PRC and is a subsidiary of the Company owned as to 51% by the Company and 49% by Suteng as at the date of this announcement
“Luxshare Limited”	Luxshare Limited (立訊有限公司), a company incorporated in Hong Kong with limited liability
“Luxshare Precision”	Luxshare Precision Industry Co., Limited (立訊精密工業股份有限公司), a company incorporated in the PRC with limited liability and listed on the Shenzhen Stock Exchange (stock code: 002475). As at the date of this announcement, approximately 37.93% of the equity interest of Luxshare Precision is directly held by Luxshare Limited (立訊有限公司) which in turn is owned by Ms. Wang Laichun and Mr. Wang Laisheng, who are siblings of Mr. Wang Laixi, one of the controlling Shareholders
“Luxshare Precision Group”	Luxshare Precision and its subsidiaries
“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

“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, the Second Materials Procurement Framework Agreement and the Third Supplemental Materials Procurement Framework Agreement.

For details of the Materials Procurement Framework Agreement, the Supplemental Materials Procurement Framework Agreement and the Second Supplemental Materials Procurement Framework Agreement, please refer to the announcements of the Company dated 29 December 2022, 19 April 2023 and 10 November 2023 and the circulars of the Company dated 8 June 2023 and 5 December 2023

“PRC” the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan

“Products” the products to be supplied by the Luxshare Precision Group to the Group under the 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)” (1) the proposed 2024 annual cap and the proposed 2025 annual cap for the two years ending 31 December 2025 under the Purchase Framework Agreement as revised by the Second Supplemental Purchase Framework Agreement, subject to the approval by the Independent Shareholders at the EGM;

(2) the proposed 2024 annual cap for the year ending 31 December 2024 under the ST Supply Framework Agreement as revised by the Second Supplemental ST Supply Framework Agreement, subject to the approval by the Independent Shareholders at the EGM; and

- (3) the proposed 2024 annual cap for the year ending 31 December 2024 under the Materials Procurement Framework Agreement as revised by the Third Supplemental ST Supply Framework Agreement, 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 and the Second 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 Materials Procurement Framework Agreement.

For details of the Second Supplemental Materials Procurement Agreement, please refer to the announcement of the Company dated 10 November 2023 and the circular of the Company dated 5 December 2023

“Second Supplemental Purchase Framework Agreement”

the second supplemental products purchase framework agreement dated 17 July 2024 entered into between the Company and Luxshare Precision to revise the 2024 annual cap and the 2025 annual cap for the two years ending 31 December 2025 under the Purchase Framework Agreement

“Second Supplemental ST Supply Framework Agreement”	the second supplemental supply framework agreement dated 17 July 2024 entered into between the Luxsense and Suteng to revise the 2024 annual cap for the year ending 31 December 2024 under the ST Supply Framework Agreement
“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 the Suteng Group, as amended and supplemented by the Supplemental ST Supply Framework Agreement and the Second Supplemental Purchase Framework Agreement.  For details of the ST Supply Framework Agreement, please refer to the announcement of the Company dated 19 April 2023 and the circular of the Company dated 8 June 2023
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supplemental Agreements”	the Second Supplemental Purchase Framework Agreement, the Second Supplemental ST Supply Framework Agreement and the Third 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

“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. For details of the Supplemental ST Supply Framework Agreement, please refer to the announcement of the Company dated 10 November 2023 and the circular of the Company dated 5 December 2023
“Suteng”	<p>深圳市速騰聚創科技有限公司 (Suteng Innovation Technology Co., Ltd.), a limited liability company established under the law of the PRC, and an indirectly wholly-owned subsidiary of RoboSense Technology Co., Ltd (速騰聚創科技有限公司) (“<b>RoboSense</b>”) which in turn is an exempted company incorporated in the Cayman Islands and listed on the Main Board of the Stock Exchange (stock code: 2498) in January 2024. To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, Luxshare Limited (which in turn is owned by Ms. Wang Laichun and Mr. Wang Laisheng who are the controlling Shareholders indirectly interested in approximately 70.76% of the issued share capital of the Company through LITL as at the date of this announcement) is interested in approximately 2.23% of the issued shares of Robosense</p>
“Suteng Group”	Suteng and its subsidiaries
“Third Supplemental Materials Procurement Framework Agreement”	the third supplemental materials procurement framework agreement dated 17 July 2024 entered into between the Company and GZ Luxvisions to revise the 2024 annual cap for the year ending 31 December 2024 under the Materials Procurement Framework Agreement

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

“%” per cent.

\* *for identification purpose only*

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

Hong Kong, 17 July 2024

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