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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

HIGHLIGHTS

Our revenue for the year ended 31 December 2022 reached approximately US\$1,116,210,000 representing an increase of approximately 39.65% as compared with the corresponding year ended 31 December 2021.

Our net profit attributable to owners of the Company for the year ended 31 December 2022 reached approximately US\$84,305,000, representing an increase of approximately 69.27% as compared with that for the year ended 31 December 2021.

Basic earnings per share for the financial period ended 31 December 2022 was US10.1 cents representing an increase of approximately 68.3% as compared with that for the financial year ended 31 December 2021.

RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Cowell e Holdings Inc. (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2022 together with comparative figures for the year ended 31 December 2021. The annual financial results have also been reviewed by the audit committee (the “**Audit Committee**”) of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Expressed in United States dollars)

		For the year ended	
		31 December	
	Note	2022	2021
		\$'000	\$'000
Revenue	3	1,116,210	799,291
Cost of sales		<u>(941,763)</u>	<u>(678,793)</u>
Gross profit		174,447	120,498
Other income/(loss)	4	5,744	(15,338)
Selling and distribution expenses		(2,402)	(1,980)
Administrative expenses		<u>(71,836)</u>	<u>(44,571)</u>
Profit from operations		105,953	58,609
Finance costs	5(a)	<u>(5,115)</u>	<u>(893)</u>
Profit before taxation	5	100,838	57,716
Income tax	6	<u>(17,022)</u>	<u>(7,911)</u>
		<u>83,816</u>	<u>49,805</u>
Attributable to:			
Equity shareholders of the Company		84,305	49,805
Non-controlling interests		<u>(489)</u>	<u>—</u>
		<u>83,816</u>	<u>49,805</u>
Earnings per share	7		
Basic		<u>\$0.101</u>	<u>\$0.060</u>
Diluted		<u>\$0.097</u>	<u>\$0.059</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

(Expressed in United States dollars)

	For the year ended	
	31 December	
<i>Note</i>	2022	2021
	\$'000	\$'000
Profit for the year	83,816	49,805
Other comprehensive income for the year (after tax adjustments):		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements	(37,573)	7,430
<i>Item that will not be reclassified to profit or loss:</i>		
Remeasurement of net defined benefit liability	33	102
	(37,540)	7,532
Total comprehensive income for the year	46,276	57,337
Attributable to:		
Equity shareholders of the Company	46,765	57,337
Non-controlling interests	(489)	—
Total comprehensive income for the year	46,276	57,337

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in United States dollars)

	Note	As at 31 December	
		2022	2021
		\$'000	\$'000
Non-current assets			
Property, plant and equipment		130,253	74,233
Intangible assets		3,066	6,360
Interest in a joint venture		574	—
Net defined benefit retirement asset		23	—
Prepayment and other receivables		7,377	3,038
Deferred tax assets		9,224	11,284
		<u>150,517</u>	<u>94,915</u>
Current assets			
Inventories		138,339	138,695
Trade and other receivables	8	195,846	117,694
Current tax recoverable		—	7
Bank deposits		101,944	12,548
Cash and cash equivalents		44,508	188,243
		<u>480,637</u>	<u>457,187</u>
Current liabilities			
Trade and other payables	9	224,938	140,876
Bank loans		15,794	72,865
Lease liabilities		5,727	3,378
Current tax payable		5,856	9,831
		<u>252,315</u>	<u>226,950</u>
Net current assets		<u>228,322</u>	<u>230,237</u>
Total assets less current liabilities		<u>378,839</u>	<u>325,152</u>

	As at 31 December	
	2022	2021
<i>Note</i>	\$'000	\$'000
Non-current liabilities		
Lease liabilities	18,242	16,448
Net defined benefit retirement obligation	<u>—</u>	<u>35</u>
	18,242	16,483
	<u>18,242</u>	<u>16,483</u>
NET ASSETS	360,597	308,669
	<u>360,597</u>	<u>308,669</u>
CAPITAL AND RESERVES		
Share capital	3,357	3,337
Reserves	356,632	305,332
	<u>356,632</u>	<u>305,332</u>
Total equity attributable to equity Shareholders of the Company	359,989	308,669
	<u>359,989</u>	<u>308,669</u>
Non-controlling interests	608	—
	<u>608</u>	<u>—</u>
TOTAL EQUITY	360,597	308,669
	<u>360,597</u>	<u>308,669</u>

NOTES TO THE FINANCIAL INFORMATION

(Expressed in United States dollars unless otherwise indicated)

1 BASIS OF PREPARATION

The consolidated results set out in this announcement do not constitute the Group's financial statements for the year ended 31 December 2022 but are extracted from those draft financial statements.

The Group's consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“**IFRSs**”), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and related interpretations, promulgated by the International Accounting Standards Board (“**IASB**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The measurement basis used in the preparation of the Group's consolidated financial statements is the historical cost basis except that certain employee benefits are stated at their fair value.

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRSs that are first effective for the current accounting period of the Group.

None of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are manufacturing and sale of camera module and optical components. Revenue represents the sales value of goods supplied to customers and excludes value added tax or other sales taxes and is after deduction of any trade discounts.

The Group's customer base includes one customer (2021: one customer), with whom transactions have exceeded 10% of the Group's revenues, for the year ended 31 December 2022. Revenues from sales to this customer during the reporting period are set out below.

	2022 \$'000	2021 \$'000
Largest customer	1,102,487	793,525
Percentage of total revenue	<u>99%</u>	<u>99%</u>

(b) Segment reporting

In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has only one single reportable segment.

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, intangible assets and interest in a joint venture ("**specified non-current assets**"). The Group's revenue from external customers is presented based on locations of goods physically delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, the location of the operation to which they are allocated, in the case of intangible assets, and the location of operations, in the case of interest in a joint venture.

	Revenue from		Specified	
	external customers		non-current assets	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
The People's Republic of China ("PRC") (including Hong Kong)	1,115,804	793,827	133,633	80,586
The Republic of Korea ("Korea")	406	5,464	260	7
	<u>1,116,210</u>	<u>799,291</u>	<u>133,893</u>	<u>80,593</u>

4 OTHER INCOME/(LOSS)

	2022	2021
	\$'000	\$'000
Bank interest income	7,140	1,344
Government subsidy	1,310	1,728
Compensation from a customer	—	2,250
Net loss on disposal of property, plant and equipment	(11,617)	(18,325)
Net loss on disposal of intangible assets	(2,755)	—
Net foreign exchange gain/(loss)	11,202	(2,759)
Others	464	424
	<u>5,744</u>	<u>(15,338)</u>

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2022 \$'000	2021 \$'000
(a) Finance costs		
Interest on bank loans	3,973	181
Interest on lease liabilities	<u>1,142</u>	<u>712</u>
	<u>5,115</u>	<u>893</u>
(b) Staff costs^{#*}		
Contributions to defined contribution retirement plan	3,889	2,902
Expenses recognised in respect of defined benefit retirement plans	39	91
Equity settled share-based payment expenses	1,835	1,148
Salaries, wages and other benefits	<u>60,327</u>	<u>47,752</u>
	<u>66,090</u>	<u>51,893</u>
(c) Other items		
Amortisation	873	1,083
Depreciation [#]		
— owned property, plant and equipment	18,861	20,405
— right-of-use assets	4,514	2,131
Auditors' remuneration	314	327
Research and development costs other than depreciation and amortisation [*]	50,079	23,407
Cost of inventories [#]	<u>941,763</u>	<u>688,171</u>

[#] Cost of inventories includes \$55,888,000 (2021: \$41,193,000) relating to staff costs and depreciation expenses, which amounts are also included in the respective total amounts disclosed separately above or in note 5(b) for each of these types of expenses.

^{*} Research and development costs other than depreciation and amortisation includes \$18,332,000 (2021: \$11,887,000) relating to staff costs, which amounts are also included in the respective total amounts disclosed separately in note 5(b).

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Income tax in the consolidated statement of profit or loss represents:

	2022 \$'000	2021 \$'000
Current tax — Hong Kong Profits Tax		
Provision for the year	3,268	4,196
Under/(over)-provision in respect of prior years	<u>69</u>	<u>(1)</u>
	<u>3,337</u>	<u>4,195</u>
Current tax — Overseas		
Provision for the year	7,237	5,207
Under-provision in respect of prior years	<u>5,200</u>	<u>2,224</u>
	<u>12,437</u>	<u>7,431</u>
Deferred tax		
Origination and reversal of temporary differences	<u>1,248</u>	<u>(3,715)</u>
	<u><u>17,022</u></u>	<u><u>7,911</u></u>

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

The provision for Hong Kong Profits Tax for 2022 is calculated at 16.5% (2021: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first Hong Kong dollars (“HK\$”) 2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5% in 2022. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2021.

Pursuant to the Administrative Measures for Recognition of High-New Technology Enterprise (“HNTTE”) jointly issued by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation, Dongguan Cowell Optic Electronics Co., Ltd., an indirect wholly owned subsidiary of the Company, was certified as a HNTTE. According to the provisions of Article 28 “Corporate Income Tax Law of the People’s Republic of China”, the effective Corporate Income Tax (“CIT”) rate for 2022 and 2021 was subject to a reduced tax rate of 15%.

Under the tax law in Korea, the statutory corporate tax rate applicable to the subsidiary in Korea is 10% for assessable income below Korean Won (“KRW”) 200 million, 20% for assessable income between KRW200 million and KRW20 billion and 22% for assessable income above KRW20 billion for the years presented.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of \$84,305,000 (2021: \$49,805,000) and the weighted average of 835,700,000 ordinary shares (2021: 834,358,000 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2022	2021
	'000	'000
Issued ordinary shares at 1 January	834,369	834,219
Effect of share options exercised	1,331	139
	<hr/>	<hr/>
Weighted average number of ordinary shares at 31 December	<u>835,700</u>	<u>834,358</u>

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of \$84,305,000 (2021: \$49,805,000) and the weighted average number of ordinary shares of 868,528,000 shares (2021: 844,824,000 shares), calculated as follows:

Weighted average number of ordinary shares (diluted)

	2022	2021
	'000	'000
Weighted average number of ordinary shares at 31 December	835,700	834,358
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	32,828	10,466
	<hr/>	<hr/>
Weighted average number of ordinary shares (diluted) at 31 December	<u>868,528</u>	<u>844,824</u>

8 TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of loss allowance is as follows:

	2022	2021
	\$'000	\$'000
Within 1 month	124,061	108,507
Over 1 to 2 months	53,090	—
Over 2 to 3 months	3,238	—
Over 3 months	1,285	25
	<hr/>	<hr/>
	<u>181,674</u>	<u>108,532</u>

Trade receivables are due within 30 to 90 days from the date of billing.

9 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	2022 \$'000	2021 \$'000
Within 1 month	115,242	112,434
Over 1 to 3 months	75,593	16,089
Over 3 to 6 months	5,311	635
	<u>196,146</u>	<u>129,158</u>

10 DIVIDENDS

No dividend was paid during the year (2021: Nil). The Directors do not recommend the payment of a final dividend after the end of the reporting period (2021: Nil).

Scope of work of KPMG

The financial figures in respect of Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a supplier of delicate optical modules for electronic mobile devices. It engages in the design, development, manufacture and sale of a variety of modules and systems integration products that are applied in smartphones, multimedia tablets, smart driving and other mobile devices of internationally-renowned brands.

In the fiscal year of 2022, the global economic environment remained harsh, while trade conflict between the United States and China, outbreak of COVID-19, extreme climate and regional wars became more severe than in the fiscal year of 2021, causing significant damage to the global economy and supply chain and has led to the sluggish market sentiment, and the Group has faced greater operational pressure than in the fiscal year of 2021.

Under the leadership of the management team, the Group continuously enhanced its core competitiveness, increased its investment in the research and development of new products and new technologies and fulfilled the multidimensional demands of the customers. As such, the Group's sales and net profit performance for the fiscal year of 2022 is greater than that for the fiscal year of 2021.

For the year ended 31 December 2022, the Group recorded an increase in revenue from US\$799.3 million in 2021 to US\$1,116.2 million in 2022 and recorded an increase in profit from US\$49.8 million in 2021 to US\$83.8 million in 2022. The Group had total assets of US\$631.2 million and total equity of US\$360.6 million as of 31 December 2022 as compared to total assets of US\$552.1 million and total equity of US\$308.7 million as of 31 December 2021, respectively.

In order to accommodate for future expansion via vertical integration and horizontal integration, including capital expenditure and capital requirements after the expansion in the scale of operations, as well as effective capital management, the Board does not recommend the payment of a dividend for the year ended 31 December 2022.

OUTLOOK AND FUTURE STRATEGIES

Looking forward to the fiscal year of 2023, the reduced impact of the outbreak of COVID-19 on the global economy and the resumption of diplomatic relations between Saudi Arabia and Iran both helped revive global market sentiment, but unfavourable factors such as trade conflict between the United States and China, high inflation rate and various economic sanctions have not improved. With the addition of the bank runs of certain United States banks, the fragile recovery of the global economy has worsened.

Various segments of the industry are under different stages of development. For the new fields of intelligent driving, augmented reality (“AR”) and virtual reality (“VR”), the economic downturn has not affected the upward phases of these segments of the industry. We are continuously optimistic of the business opportunities brought about by new technologies and applications in the optical industry. It is expected that the development during the fiscal year of 2022 will be ongoing and continue to improve.

Regarding intelligent driving applications worldwide, with the development of technology, the improvement of laws and regulations and the accelerated progress of the new energy vehicle industry, the market is expected to grow greatly, among which the market scale of Light Detection And Ranging (LiDAR) has been expanding as well. The gradual decrease in the unit price of LiDAR will speed up the process of it becoming a standard equipment in the industry. 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.

Driven by AR/VR, the application and development of metaverse continued to heat up. While VR device shipment in 2022 has decreased due to the impact of high inflation on consumer market and the delayed launch of new products by brands, the mid-to-long-term development of the overall industry is unaffected. As economy rebounds and brands launch new product in 2023, Trendforce, a research institute specialized in technology industry, expected AR/VR device shipment for 2023 to reach 10.35 million units with a year-on-year increase of 20.6%. The Group will continue to invest resources in order to grasp the market opportunity and gain the first mover advantage in this new racetrack.

In the fiscal year of 2023, the global economic environment is expected to remain in turmoil and the operating environment will be challenging. The Group will maintain its development strategy in the fiscal year of 2022, 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. This is the only way to reflect differentiation while creating a win-win outcome and moving towards excellence with customers in a competitive environment. The management team is confident to lead the Company to greater successes.

RESULTS OF OPERATIONS

In a manner consistent with the way in which information is reported internally to the Group’s most senior executive management for the purposes of resource allocation and performance assessment, the Group has only a single reportable segment.

The Group reported a total revenue of approximately US\$1,116.2 million in 2022, representing an approximately 39.7% increase compared with that of 2021 which was mainly due to increased orders from customers.

For the year ended 31 December 2022, the Group has reported gross profit, operating profit and net profit of approximately US\$174.4 million, US\$106.0 million and US\$83.8 million, respectively, as compared with approximately US\$120.5 million, US\$58.6 million and US\$49.8 million, respectively, in the fiscal year of 2021. In terms of margins, the Group's gross margin, operating margin and net margin for the year ended 31 December 2022 were approximately 15.6%, 9.5% and 7.5%, respectively, as compared to approximately 15.1%, 7.3% and 6.2%, respectively, in 2021.

During the year ended 31 December 2022, the Group did not experience any significant change of pricing policy for its products and there was no material change in the unit cost of raw materials.

The other income increased by approximately 137.4% from other loss of approximately US\$15.3 million in 2021 to approximately US\$5.7 million in 2022. The increase was mainly attributable to an increase in exchange gain of approximately US\$14.0 million, an increase in the bank interest income approximately US\$5.8 million and a decrease in loss on asset disposal of approximately US\$3.9 million and offset by a decrease in the remaining other income of approximately US\$2.6 million.

The selling and distribution expenses increased by approximately 21.3% from approximately US\$2.0 million in 2021 to approximately US\$2.4 million in 2022. This increase was mainly attributable to an increase in the staff cost of sales personnel.

Administrative expenses increased by approximately 61.2% from approximately US\$44.6 million in 2021 to approximately US\$71.8 million in 2022. This increase was mainly attributable to increase in the research and development expense of approximately US\$26.7 million.

Finance costs increased by approximately 472.8% from approximately US\$0.9 million in 2021 to approximately US\$5.1 million in 2022, such increase was resulted from increase in interest expenses and handling fee on bank loans.

The Group's income tax expense increased by approximately 115.2% from approximately US\$7.9 million in 2021 to US\$17.0 million in 2022. The increase was mainly attributable to increase in profit before tax.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2022, the Group had total assets of approximately US\$631.2 million (31 December 2021: US\$552.1 million); net current assets of approximately US\$228.3 million (31 December 2021: US\$230.2 million) and total equity of approximately US\$360.6 million (31 December 2021: US\$308.7 million).

The Group has a solid financial position and continued to maintain a strong and steady inflow from operating activities. As at 31 December 2022, the Group had approximately US\$44.5 million of cash and cash equivalents. The Directors believe that the current cash and cash equivalents and expected cash flow from operations, will be sufficient to satisfy the current operational requirements of the Group.

PLEDGE OF THE GROUP'S ASSETS

As at 31 December 2022, the Group had no pledged assets (31 December 2021: Nil).

CAPITAL EXPENDITURES AND COMMITMENTS

The Group's capital expenditures (equivalent to the cash spent for payment for purchases of property, plant and equipment and intangible assets) for the year ended 31 December 2022 amounted to approximately US\$92.7 million which was funded through cash flow from operation, compared to approximately US\$26.3 million for the year ended 31 December 2021. The Group's capital expenditures in 2022 mainly reflected purchases of additional machinery and equipment to produce more advanced Flip-chip camera modules. The Group intends to fund the Group's planned future capital expenditures through a combination of cash flow from operating activities and possible fund raising exercise.

CONTINGENT LIABILITIES

As at 31 December 2022, the Group had no significant contingent liabilities except for the guarantee issued by Company and ultimate controlling party to secure the banking facilities granted amounting to US\$59 million (31 December 2021: US\$60 million).

HUMAN RESOURCES

The Group employed a total of approximately 3,405 full-time employees as of 31 December 2022 (31 December 2021: 2,885). Total staff costs for the year ended 31 December 2022, excluding Directors' remuneration, was approximately US\$64.3 million (2021: US\$51.0 million).

In particular, professional employment agencies located in Dongguan, the PRC, have been involved for purpose of hiring most of the Group’s factory workers. The Group also provides living, entertainment, dining and training facilities for its employees. The scope of the training includes human resources policy, health and safety, management skills and machine and equipment manuals as well as other various topics.

The Group has an emolument policy with respect to its long-term incentive schemes. The basis of determining emoluments payable to the Directors is made on a discretionary basis with reference to the Company’s operating results, individual performance and comparable market statistics. Furthermore, the Board has delegated the remuneration committee to review and make decisions in respect of the remuneration packages and overall benefits for the Directors and senior management of the Company. The emolument policy of the Group is determined by the Board on the basis of their merit, qualifications and competence.

Furthermore, to provide incentive or reward to our employees for their contribution or potential contribution to, and continuing efforts to promote the interests of, the Group with greater flexibility, the Group had terminated the share option scheme of the Company adopted on 4 February 2015 and adopted a new share option scheme on 5 May 2021 (the “**Share Option Scheme**”). During the year ended 31 December 2022, 4,816,000 options had been exercised, 230,000 options had been cancelled, and 1,650,000 options had been lapsed. As at 31 December 2022, based on the number of options granted which had not been exercised, cancelled and/or lapsed, the total number of Shares available for issue under the Share Option Scheme was 71,740,880, representing approximately 8.55% of the issued shares of the Company as at the date of this announcement. For details of the Share Option Scheme, please refer to the circular of the Company dated 20 April 2021 and the annual report of the Company for the year ended 31 December 2022.

SUPPLEMENTARY INFORMATION

Final dividend

No dividend was paid during the year (2021: Nil). The Directors do not recommend the payment of a final dividend after the end of the reporting period (2021: Nil).

Annual general meeting

The annual general meeting of the Company (the “**AGM**”) will be held on Thursday, 25 May 2023. The notice of the AGM will be published and dispatched to the Shareholders in due course.

Closure of register of members for the AGM

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 22 May 2023 to Thursday, 25 May 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 AGM, 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 Friday, 19 May 2023.

Purchase, sale or redemption of the Company’s listed securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2022.

Corporate governance

The Board has reviewed the corporate governance of the Group in accordance with the code provisions (the “**Code Provisions**”) of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (the “**CG Code**”) and considered that, during the financial year ended 31 December 2022 (the “**Period**”), the Company regulated its operation and carried out appropriate governance in accordance with the Code Provisions. The Company has complied with the Code Provisions as set out in the CG Code during the Period.

Audit Committee

The Audit Committee has reviewed with the management, the accounting principles and policies adopted by the Group and the consolidated financial results for the Period. Based on their review, the Audit Committee was satisfied that the financial statements were prepared in accordance with applicable accounting standards and fairly present the Group’s financial position and results for the Period.

Model Code of Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules. All Directors have confirmed, following specific enquiry of all Directors that they have fully complied with the required standard of dealings as set out in the Model Code and the code of conduct regarding Director’s securities transactions adopted by the Company throughout the Period.

Events after the Period

There were no significant events affecting the Company nor any of its subsidiaries after the Period requiring disclosure in this announcement.

Publication of 2022 Annual Results and Annual Report

The annual results announcement is published on the website of the Company (<http://www.cowelleholdings.com>) and the website of the Stock Exchange (<http://www.hkex.com.hk>). The annual report of the Company for the Period will be dispatched to the Shareholders and available on the above websites in due course.

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

Hong Kong, 23 March 2023

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