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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

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

HONESTUM
宏信國際有限公司
HONESTUM INTERNATIONAL LIMITED

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.

LISTING RULES IMPLICATIONS

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 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 71.85% 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 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 71.85% 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 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 71.85% of the issued share capital of the Company and have indirect control interest in GZ Luxvisions which in turn is interested in approximately 71.85% 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 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.

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 1 December 2023, as additional time will be required to finalise certain information to be included in the circular.

REVISION OF 2023 ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS

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 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
Parties:	1. Luxsense (as supplier) 2. Suteng (as purchaser)
Duration:	From 11 November 2023 to 31 December 2025, unless terminated earlier in accordance with the terms of the ST Supply Framework Agreement
Subject:	Pursuant to the Supplemental ST Supply Framework Agreement, the 2023 Annual Cap under the ST Supply Framework Agreement is revised from RMB211,000,000 to RMB400,000,000.

Save for the aforementioned revision of the 2023 annual cap, all other terms and conditions 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 circular of the Company dated 8 June 2023.

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 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;
- (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, it was expected that the amount of orders from Suteng will further increase substantially from November to December 2023 and represented at least approximately eight times of the average monthly transaction amount incurred from May to September 2023 under the ST Supply Framework Agreement;
- (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 will re-comply with the relevant requirements in accordance with the Listing Rules such as by publishing a further announcement and to seek approval from Independent Shareholders, if applicable.

As the transactions contemplated under the Supplemental 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

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.

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 19 April 2023 and the circular of the Company dated 8 June 2023.

Basis for the determination of the proposed annual cap

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. The actual transaction amount had increased rapidly in October 2023 and reached approximately RMB67.30 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 expected demand of the Materials from November to December 2023 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 November to December 2023. 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 Suteng for its production of the Light Detection And Ranging (LiDAR) sensors under the ST Supply Framework Agreement, the proposed increase in the 2023 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; 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.

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.

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.

Suteng is principally engaged in the production of LiDAR solutions which are supplied to various cities in the PRC, North America, Europe and Asia-Pacific. The supply of the LS Products to Suteng can allow Luxsense to raise the profile of the LS Products, enhance the LS Products' penetration into new markets, expand the source of revenue and improve the profitability for Luxsense. 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 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.

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;
- 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 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 Suteng 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 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 71.85% 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 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 date of this announcement. Luxsense is principally engaged in the production of modules and light detection and ranging machines.

Suteng

Suteng is a limited liability company established under the law of the PRC and is principally engaged in the production of LiDAR 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 announcement. Save as disclosed above, to the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the ultimate beneficial owner of Suteng has a diverse shareholder base, including (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 71.85% of the issued share capital of the Company through LITL as at the date of this announcement); 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 announcement, respectively.

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 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 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 71.85% 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 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 71.85% 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 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 71.85% of the issued share capital of the Company and have indirect control interest in GZ Luxvisions which in turn is interested in approximately 71.85% 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 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.

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 1 December 2023, as additional time will be required to finalise certain information to be included in the circular.

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

“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)”	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 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 announcement excluding, except where the context indicates otherwise, the Group)

“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”	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”	Luxvisions Innovation Limited (立景創新有限公司), a company incorporated in Hong Kong with limited liability. As at the date of this announcement, LIL is owed as to (i) approximately 53.415% by Mr. Wang Laixi (a controlling Shareholder); (ii) approximately 43.659% by Luxsan Limited (景汕有限公司), which is a company incorporated in Hong Kong with limited liability and owned as to by Ms. Wang Laichun (an elder sister of Mr. Wang Laixi), Mr. Wang Laisheng (an elder brother of Mr. Wang Laixi) and Ms. Wang Laijiao (an elder sister of Mr. Wang Laixi) as to 34%, 33% and 33%, respectively; and (iii) approximately 2.927% by Lite-On
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Lite-On”	Lite-On Singapore Pte. Limited, a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of Lite-On Technology Corporation (光寶科技股份有限公司) which is a company incorporated in Taiwan with limited liability and listed on the Taiwan Stock Exchange (stock code: 2301)
“LITL”	Luxvisions Innovation Technology Limited, a limited liability company 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 Suteng in accordance with the terms and conditions of the ST Supply Framework Agreement
“Luxsense”	東莞立騰創新電子有限公司 (Dongguan Luxsense Innovation Electronics Limited)*, a limited liability company established under the law of the PRC and is a subsidiary of the Company owned as to 51% by the Company and 49% by Suteng as at the date of this announcement
“Luxshare Limited”	Luxshare Limited (立訊有限公司), a company incorporated in Hong Kong with limited liability
“Luxshare Precision Group”	Luxshare Precision and its subsidiaries
“Luxshare Precision”	Luxshare Precision Industry Co., Limited (立訊精密工業股份有限公司), a company incorporated in the PRC with limited liability and listed on the Shenzhen Stock Exchange (stock code: 002475). The Luxshare Precision Group is principally engaged in the research, development, manufacturing and sales of products in the fields of consumer electronics, communication, auto electronics and healthcare. As at the date of this announcement, approximately 38.22% 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
“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)”	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
“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
“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”	<p>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 (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 71.85% of the issued share capital of the Company through LITL as at the date of this announcement), 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 announcement, respectively</p>

“US\$” U.S. dollars, the lawful currency of the United States of America

“%” per cent.

* *for identification purpose only*

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

Hong Kong, 10 November 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.