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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)

CONNECTED TRANSACTION — 2024 MACHINERY PURCHASE AGREEMENT

CONTINUING CONNECTED TRANSACTIONS — LABOUR SERVICES FRAMEWORK AGREEMENTS

CONNECTED TRANSACTION — 2024 MACHINERY PURCHASE AGREEMENT

On 31 May 2024 (after trading hours), the Company entered into the 2024 Machinery Purchase Agreement with Luxshare Precision, pursuant to which the Group shall purchase, and Luxshare Precision Group shall supply, the Machinery at a consideration of not more than RMB130,000,000 (subject to adjustment).

CONTINUING CONNECTED TRANSACTIONS — LABOUR SERVICES FRAMEWORK AGREEMENTS

On 31 May 2024 (after trading hours), the Company entered into with Luxshare Precision (i) the LP Provision of Labour Services Framework Agreement for the provision of labour services by the Group to the Luxshare Precision Group; and (ii) the LP Receipt of Labour Services Framework Agreement for the receipt of labour services by the Group from the Luxshare Precision Group, in connection with the support of the business operation, research and development and production aspects of the Group and the Luxshare Precision Group (as the case may be).

On the same date (after trading hours), the Company entered into with GZ Luxvisions the (i) GZL Provision of Labour Services Framework Agreement for the provision of labour services by the Group to the GZ Luxvisions Group; and (ii) the GZL Receipt of Labour Services Framework Agreement for the receipt of labour services by the Group from the GZ Luxvisions Group in connection with the support of the business operation, research and development and production aspects of the Group and the GZ Luxvisions Group (as the case may be).

LISTING RULES IMPLICATIONS

Ms. Wang Laichun and Mr. Wang Laisheng, who are the controlling Shareholders and indirectly interested in approximately 70.98% of the issued share capital of the Company, together are also indirectly interested in approximately 38.05% 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 transaction contemplated under the 2024 Machinery Purchase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and the transactions contemplated under each of the LP Provision of Labour Services Framework Agreement and the LP Receipt of Labour Services 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 70.98% 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 each of the GZL Provision of Labour Services Framework Agreement and the GZL Receipt of Labour Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all entered into or completed within a 12-month period or were otherwise related. For the 2024 Machinery Purchase Agreement, as Luxshare Precision is the counterparty to each of the 2023 Machinery Purchase Agreement and the 2024 Machinery Purchase Agreement and the transactions contemplated under the two agreements are of the same nature, the 2023 Machinery Purchase Agreement and the 2024 Machinery Purchase Agreement shall be aggregated as if they were one transaction. As the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the 2024 Machinery Purchase Agreement (after aggregation with the 2023 Machinery Purchase Agreement) are more than 0.1% but less than 5%, the 2024 Machinery Purchase Agreement is subject to the reporting and announcement requirements but is exempt from the Independent Shareholders' approval requirement as set out under Chapter 14A of the Listing Rules.

For the Labour Services Framework Agreements, considering: (i) Luxshare Precision is ultimately controlled by Ms. Wang Laichun and Mr. Wang Laisheng, who are controlling Shareholders indirectly interested in approximately 70.98% 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 (ii) the agreements and the subject matters are of the same nature, the transactions contemplated under the Labour Services Framework Agreements shall be aggregated as if they were one transaction. While all of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of each of the LP Receipt of Labour Services Framework Agreements and the GZL Receipt of Labour Services Framework Agreements are less than 0.1% and hence the transactions contemplated thereunder are de minimis transactions of the Company under the Listing Rules, more than one applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of each of the LP Provision of Labour Services Framework Agreements and the GZL Provision of Labour Services Framework Agreements (and after aggregation with other Labour Services Framework Agreements) are more than 0.1% but less than 5%. Accordingly, on an aggregated basis, each of the Labour Services Framework Agreements is subject to the reporting and announcement requirements but is exempt from the Independent Shareholders' approval requirement as set out under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTION — THE 2024 MACHINERY PURCHASE AGREEMENT

On 31 May 2024 (after trading hours), the Company entered into the 2024 Machinery Purchase Agreement with Luxshare Precision, pursuant to which the Group shall purchase, and Luxshare Precision Group shall supply, the Machinery at a consideration of not more than RMB130,000,000 (subject to adjustment).

Details of the 2024 Machinery Purchase Agreement are set out below:

Date

31 May 2024 (after trading hour)

Parties

1. The Company (as purchaser)
2. Luxshare Precision (as seller)

Assets purchased

The machinery and equipment (the “**Machinery**”) to be manufactured and sold by Luxshare Precision Group to the Group according to the specification as requested by the Group include but not limited to Auto Vision Inspection-Auto Cap Attach (AVI-ACA) automatic lines, sidefill/flex reinforcement inlines, 4-axis dispensing machine automatic lines, module automatic line, blowers and depanelers for the production use of the Group.

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

Consideration

The consideration payable by the Group for the Machinery shall be not more than RMB130,000,000 (subject to adjustment based on, among others, the actual number and specification of the Machinery ordered and required by the Company and relevant costs of production and delivery).

The consideration for the sale and purchase of the Machinery was determined with reference to the expected number of orders and required technology under negotiation between the Group and the customers, existing and projected production capacity of the Group, expected number and specifications of machinery and equipment required from the Luxshare Precision Group, the prevailing market price of similar equipment sold by independent third party vendors or by the Luxshare Precision Group to other independent third parties.

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

Payment terms

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

Delivery

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

REASONS FOR AND BENEFITS OF THE 2024 MACHINERY PURCHASE AGREEMENT

Having considered the potential orders and the more advanced production capabilities required under negotiation, the Group expects its existing production facilities will not be sufficient and more advanced machinery and equipment are required in order to meet the demands of its customers and enhance production capacity. Having considered (i) the pricing of the Machinery manufactured by the Luxshare Precision Group are generally more favourable as compared with that of independent third party vendors; (ii) the exceptional technology capability of the Luxshare Precision Group to develop and manufacture the Machinery with special specification as requested by the Group from time to time to cope with its production needs; and (iii) the negotiation time and cost, as well as the delivery time and costs, can be reduced in view of the existing friendly business cooperation among the parties and the close geographical location of the respective operations of the Luxshare Precision Group and the Group, the Directors consider that the 2024 Machinery Purchase Agreement can allow the Group to raise its production capacity efficiently to meet the production demands in the best interest of the Group and the Shareholders.

The Directors (including the independent non-executive Directors) consider that the 2024 Machinery Purchase Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group and on normal commercial terms after arm's length negotiations between the parties, and the terms thereof (including the consideration) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors have any material interest in the transactions contemplated under the 2024 Machinery Purchase Agreement and none of them were required to abstain from voting on the resolution(s) of the Board in relation to the transactions pursuant to the Articles.

CONTINUING CONNECTED TRANSACTIONS — LABOUR SERVICES FRAMEWORK AGREEMENTS

On 31 May 2024 (after trading hours), the Company entered into with Luxshare Precision (i) the LP Provision of Labour Services Framework Agreement for the provision of labour services by the Group to the Luxshare Precision Group; and (ii) the LP Receipt of Labour Services Framework Agreement for the receipt of labour services by the Group from the Luxshare Precision Group, in connection with the support of the business operation, research and development and production aspects of the Group and the Luxshare Precision Group (as the case may be).

I. LP PROVISION OF LABOUR SERVICES FRAMEWORK AGREEMENT

Details of the LP Provision of Labour Services Framework Agreement are set out below:

Date

31 May 2024 (after trading hours)

Parties

The Company (as service provider)

Luxshare Precision (as recipient of the labour service)

Duration

1 June 2024 to 31 December 2024

Subject Matter

Pursuant to the LP Provision of Labour Services Framework Agreement, during the period from 1 June 2024 to 31 December 2024, the Group will provide to the Luxshare Precision Group labour services from labour of various positions in connection with the support of the business operation, research and development and production aspects of the Luxshare Precision Group and such other labour services as required by the Luxshare Precision Group from time to time.

Principal terms and price determination

The Group may enter into specific implementation contracts with the Luxshare Precision Group in respect of provision of labour services, provided that such detailed terms of the implementation contracts shall not contravene the terms of the LP Provision of Labour Services Framework Agreement.

The service fees payable by the Luxshare Precision Group are determined on the basis of the remunerations and expenses in respect of the employment of the relevant employees of the Group providing such services, plus a service markup of 6% of such costs and expenses.

Payment terms

Specific payment terms will be stipulated in the relevant contracts to be entered into between the parties pursuant to the LP Provision of Labour Services Framework Agreement, which is normally settled within 60 days after the provision of the labour services has been completed.

Annual cap and basis of determination

Pursuant to the LP Provision of Labour Services Framework Agreement, the annual cap for the year ending 31 December 2024 is expected to be not more than RMB15,000,000.

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

- (a) the expected labour services demand from the Luxshare Precision Group due to its operation and production needs; and
- (b) the estimated cost of labour according to, among other things, the position of labour, the level of techniques required, years of experience and their experience.

II. LP RECEIPT OF LABOUR SERVICES FRAMEWORK AGREEMENT

Details of the LP Receipt of Labour Services Framework Agreement are set out below:

Date

31 May 2024 (after trading hours)

Parties

Luxshare Precision (as service provider)
The Company (as recipient of the labour service)

Duration

1 June 2024 to 31 December 2024

Subject Matter

Pursuant to the LP Receipt of Labour Services Framework Agreement, during the period from 1 June 2024 to 31 December 2024, the Group will receive from the Luxshare Precision Group labour services from labour of various positions in connection with the support of the business operation, research and development and production aspects of the Group and such other labour services as required by the Group from time to time.

Principal terms and price determination

The Group may enter into specific implementation contracts with the Luxshare Precision Group in respect of receipt of labour services, provided that such detailed terms of the implementation contracts shall not contravene the terms of the LP Receipt of Labour Services Framework Agreement.

The service fees payable by the Group are determined on the basis of the remunerations and expenses in respect of the employment of the relevant employees of the Luxshare Precision Group providing such services, plus a service markup of 6% of such costs and expenses.

Payment terms

Specific payment terms will be stipulated in the relevant contracts to be entered into between the parties pursuant to the LP Receipt of Labour Services Framework Agreement, which is normally settled within 60 days after the provision of the labour services by the Luxshare Precision Group has been completed.

Annual cap and basis of determination

Pursuant to the LP Receipt of Labour Services Framework Agreement, the annual cap for the year ending 31 December 2024 is expected to be not more than US\$550,000.

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

- (a) the aggregated actual transaction amount incurred by the Group in relation to the labour services provided by the Luxshare Precision Group for the period from January 2024 to April 2024 of approximately US\$191,000;
- (b) the expected labour services demand from the Group due to the business development and production needs. In particular, the Group expected that more labour services maybe required from the Luxshare Precision Group for the financial year ending 31 December 2024; and
- (c) the estimated cost of labour according to, among other things, the position of labour, the level of techniques required, years of experience and their experience.

On the same date (after trading hours), the Company entered into with GZ Luxvisions the (i) GZL Provision of Labour Services Framework Agreement for the provision of labour services by the Group to the GZ Luxvisions Group; and (ii) the GZL Receipt of Labour Services Framework Agreement for the receipt of labour services by the Group from the GZ Luxvisions Group, in connection with the support of the business operation, research and development and production aspects of the Group and the GZ Luxvisions Group (as the case may be).

III. GZL PROVISION OF LABOUR SERVICES FRAMEWORK AGREEMENT

Details of the GZL Provision of Labour Services Framework Agreement are set out below:

Date

31 May 2024 (after trading hours)

Parties

The Company (as service provider)
GZ Luxvisions (as recipient of the labour service)

Duration

1 June 2024 to 31 December 2024

Subject Matter

Pursuant to the GZL Provision of Labour Services Framework Agreement, during the period from 1 June 2024 to 31 December 2024, the Group will provide to the GZ Luxvisions Group labour services from labour of various positions in connection with the support of the business operation, research and development and production aspects of the GZ Luxvisions Group and such other labour services as required by the GZ Luxvisions Group from time to time.

Principal terms and price determination

The Group may enter into specific implementation contracts with the GZ Luxvisions Group in respect of provision of labour services, provided that such detailed terms of the implementation contracts shall not contravene the terms of the GZL Provision of Labour Services Framework Agreement.

The service fees payable by the GZ Luxvisions Group are determined on the basis of the remunerations and expenses in respect of the employment of the relevant employees of the Group providing such services, plus a service markup of 6% of such costs and expenses.

Payment terms

Specific payment terms will be stipulated in the relevant contracts to be entered into between the parties pursuant to the GZL Provision of Labour Services Framework Agreement, which is normally settled within 90 days after the provision of the labour services has been completed.

Annual cap and basis of determination

Pursuant to the GZL Provision of Labour Services Framework Agreement, the annual cap for the year ending 31 December 2024 is expected to be not more than RMB17,000,000.

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

- (a) the expected labour services demand from the GZ Luxvisions Group due to its operation and production needs; and
- (b) the estimated cost of labour according to, among other things, the position of labour, the level of techniques required, years of experience and their experience.

IV. GZL RECEIPT OF LABOUR SERVICES FRAMEWORK AGREEMENT

Details of the GZL Receipt of Labour Services Framework Agreement are set out below:

Date

31 May 2024 (after trading hours)

Parties

GZ Luxvisions (as service provider)

The Company (as recipient of the labour service)

Duration

1 June 2024 to 31 December 2024

Subject Matter

Pursuant to the GZL Receipt of Labour Services Framework Agreement, during the period from 1 June 2024 to 31 December 2024, the Group will receive from the GZ Luxvisions Group labour services from labour of various positions in connection with the support of the business operation, research and development and production aspects of the Group and such other labour services as required by the Group from time to time.

Principal terms and price determination

The Group may enter into specific implementation contracts with the GZ Luxvisions Group in respect of receipt of labour services, provided that such detailed terms of the implementation contracts shall not contravene the terms of the GZL Receipt of Labour Services Framework Agreement.

The service fees payable by the Group are determined on the basis of the remunerations and expenses in respect of the employment of the relevant employees of the GZ Luxvisions Group providing such services, plus a service markup of 6% of such costs and expenses.

Payment terms

Specific payment terms will be stipulated in the relevant contracts to be entered into between the parties pursuant to the GZL Receipt of Labour Services Framework Agreement, which is normally settled within 90 days after the provision of the labour services by the GZ Luxvisions Group has been completed.

Annual cap and basis of determination

Pursuant to the GZL Receipt of Labour Services Framework Agreement, the annual cap for the year ending 31 December 2024 is expected to be not more than RMB1,000,000.

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

- (a) the expected labour services demand from the Group due to the business development and production needs; and
- (b) the estimated cost of labour according to, among other things, the position of labour, the level of techniques required, years of experience and their experience.

The projections as disclosed under each of the Labour Services Framework Agreements are assumed solely for determining the respective 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 each of the Labour Services Framework Agreements are expected to exceed the respective annual cap, the Company will re-comply with the relevant requirements in accordance with the Listing Rules such as by publishing a further announcement or to seek approval from independent Shareholders, if applicable.

REASONS FOR AND BENEFITS OF THE LABOUR SERVICES FRAMEWORK AGREEMENT

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

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

The 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.

The LP Receipt of Labour Services Framework Agreement and the GZL Receipt of Labour Services Framework Agreement serve as a framework containing the pricing policy and main terms for the receipt of labour services from various positions of the Luxshare Precision Group and the GZ Luxvisions Group in connection with the business operation, research and development and production aspects of the Group and such other labour services as required by the Group from time to time. The receipt of specific labour services from the Luxshare Precision Group and/or the GZ Luxvisions Group can allow the Group to operate efficiently with additional labour services from skilled and experienced labour with relevant technical and operational skills as and when needed while saving the costs and time to search for, hire and handle the direct employment of the relevant talents in the long run when the actual demand of such labour services is yet to ascertain and/or no suitable candidates are readily available.

On the other hand, the LP Provision of Labour Services Framework Agreement and the GZL Provision of Labour Services Framework Agreement serve as the framework to save the negotiation time and cost for the supply of labour services by the Group to the Luxshare Precision Group and the GZ Luxvisions Group, utilize the Group's part of surplus labour/production capacity to optimize our labour utilisation and production capacity and broaden the revenue base of the Group.

The Directors (including the independent non-executive Directors) consider that each of the Labour Services Framework 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 respective annual cap) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors have any material interest in the transactions contemplated under each of the Labour Services Framework 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.

INTERNAL CONTROL MEASURES

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

Specifically, in relation to the receipt of labour services from the Luxshare Precision Group and the GZ Luxvisions Group, the internal compliance review department of the Company will review and compare the market fees, remuneration and expenses for similar labour services available from independent third parties with similar or comparable capabilities at least semi-annually to ensure the prices and terms offered by the Luxshare Precision Group and the GZ Luxvisions Group are fair and reasonable and no less favourable to the Company than the terms offered by independent third parties. If there are situations where the Company could not obtain quotation due to the limitations on, among others, the technical specifications of labour services 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 and the GZ Luxvisions Group by making reference to, if available, the recent service fees payable by the Group and the market conditions. For the provision of labour services by the Group to the Luxshare Precision Group and the GZ Luxvisions Group, the internal compliance review department of the Company will review and compare the price and terms offered by the Group to the Luxshare Precision Group and the GZ Luxvisions Group against the terms offered to independent third parties (if any) at least semi-annually to ensure that the transactions are conducted on normal commercial terms, or on terms no less favourable than the terms available to independent parties (if any). The aforementioned review and evaluation processes will be conducted from both technical and commercial perspectives. The Directors are of the view that the abovementioned methods and procedures under the pricing policies can ensure that the transactions contemplated under the Labour Services Framework Agreements are conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

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 contracts on a regular basis to ensure that the terms thereunder are made in accordance with the terms and conditions of each of the Labour Services Framework Agreements. To ensure the transactions contemplated under each of the Labour Services Framework Agreements do not exceed the respective annual cap, 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 any of the Labour Services Framework Agreements for a financial year is expected to reach the relevant annual cap, 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 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 70.98% of the Shares are directly held by LITL which is a subsidiary of LIL.

Luxshare Precision

Luxshare Precision a company incorporated in the PRC with limited liability and listed on the Shenzhen Stock Exchange (stock code: 002475). As at the date of this announcement, approximately 38.05% 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.

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.

LISTING RULES IMPLICATIONS

Ms. Wang Laichun and Mr. Wang Laisheng, who are the controlling Shareholders and indirectly interested in approximately 70.98% of the issued share capital of the Company, together are also indirectly interested in approximately 38.05% 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 transaction contemplated under the 2024 Machinery Purchase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and the transactions contemplated under each of the LP Provision of Labour Services Framework Agreement and the LP Receipt of Labour Services 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 70.98% 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 each of the GZL Provision of Labour Services Framework Agreement and the GZL Receipt of Labour Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all entered into or completed within a 12-month period or were otherwise related. For the 2024 Machinery Purchase Agreement, as Luxshare Precision is the counterparty to each of the 2023 Machinery Purchase Agreement and the 2024 Machinery Purchase Agreement and the transactions contemplated under the two agreements are of the same nature, the 2023 Machinery Purchase Agreement and the 2024 Machinery Purchase Agreement shall be aggregated as if they were one transaction. As the applicable percentage ratios stipulated

under Rule 14.07 of the Listing Rules in respect of the 2024 Machinery Purchase Agreement (after aggregation with the 2023 Machinery Purchase Agreement) are more than 0.1% but less than 5%, the 2024 Machinery Purchase Agreement is subject to the reporting and announcement requirements but is exempt from the Independent Shareholders' approval requirement as set out under Chapter 14A of the Listing Rules. For the Labour Services Framework Agreements, considering: (i) Luxshare Precision is ultimately controlled by Ms. Wang Laichun and Mr. Wang Laisheng, who are controlling Shareholders indirectly interested in approximately 70.98% 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 (ii) the agreements and the subject matters are of the same nature, the transactions contemplated under the Labour Services Framework Agreements shall be aggregated as if they were one transaction. While all of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of each of the LP Receipt of Labour Services Framework Agreements and the GZL Receipt of Labour Services Framework Agreements are less than 0.1% and hence the transactions contemplated thereunder are de minimis transactions of the Company under the Listing Rules, more than one applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of each of the LP Provision of Labour Services Framework Agreements and the GZL Provision of Labour Services Framework Agreements (and after aggregation with other Labour Services Framework Agreements) are more than 0.1% but less than 5%. Accordingly, on an aggregated basis, each of the Labour Services Framework Agreements is subject to the reporting and announcement requirements but is exempt from the Independent Shareholders' approval requirement as set out under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“2023 Machinery Purchase Agreement”	the machinery purchase agreement dated 19 April 2023 entered into between the Company and Luxshare Precision, details of which were set out in the announcement of the Company dated 19 April 2023
“2024 Machinery Purchase Agreement”	the machinery purchase agreement dated 31 May 2024 entered into between the Company and Luxshare Precision in relation to the purchase of Machinery by the Group from the Luxshare Precision Group
“associate(s)”	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
“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)
“GZL Provision of Labour Services Framework Agreement”	the framework agreement dated 31 May 2024 entered into between the Company and GZ Luxvisions in relation to the provision of labour services by the Group to the GZ Luxvisions Group
“GZL Receipt of Labour Services Framework Agreement”	the framework agreement dated 31 May 2024 entered into between GZ Luxvisions and the Company in relation to the receipt of labour services by the Group from the GZ Luxvisions Group
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	the Shareholders excluding LITL, Ms. Wang Laichun, Mr. Wang Laisheng and their respective associates
“Labour Services Framework Agreements”	the GZL Provision of Labour Services Framework Agreement, the GZL Receipt of Labour Services Framework Agreement, the LP Provision of Labour Services Framework Agreement, and the LP Receipt of Labour Services Framework Agreement

“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:
	<ul style="list-style-type: none"> <li data-bbox="606 300 1449 374">(i) approximately 53.415% by Mr. Wang Laixi (a controlling Shareholder); <li data-bbox="606 427 1449 719">(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 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 <li data-bbox="606 772 1166 804">(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
“LP Provision of Labour Services Framework Agreement”	the framework agreement dated 31 May 2024 entered into between the Company and Luxshare Precision in relation to the provision of labour services by the Group to the Luxshare Precision Group
“LP Receipt of Labour Services Framework Agreement”	the framework agreement dated 31 May 2024 entered into between Luxshare Precision and the Company in relation to the receipt of labour services by the Group from the Luxshare Precision Group

“Luxshare”	Luxshare Limited (立訊有限公司), a company incorporated in Hong Kong with limited liability
“Luxshare Precision”	Luxshare Precision Industry Co., Limited (立訊精密工業股份有限公司), a company incorporated in the PRC with limited liability and listed on the Shenzhen Stock Exchange (stock code: 002475). The Luxshare Precision Group is principally engaged in the research, development, manufacturing and sales of products in the fields of consumer electronics, communication, auto electronics and healthcare. As at the date of this announcement, approximately 38.05% of the equity interest of Luxshare Precision is directly held by Luxshare which in turn is owned by Ms. Wang Laichun and Mr. Wang Laisheng, who are siblings of Mr. Wang Laixi, one of the controlling Shareholders
“Luxshare Precision Group”	Luxshare Precision and its subsidiaries
“Machinery”	has the meaning ascribed to it under the sub-paragraph headed “Connected Transaction — The 2024 Machinery Purchase Agreement — Assets purchased” in this announcement
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of US\$0.004 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	holders of the Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

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

“%” per cent.

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

Hong Kong, 31 May 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.