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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE, 2024

HIGHLIGHTS

Our revenue for the six months ended 30 June, 2024 reached approximately US\$585,934,000, representing an increase of approximately 59.8% as compared with the corresponding period ended 30 June, 2023.

Our net profit attributable to equity shareholders of the Company for the six months ended 30 June, 2024 was approximately US\$16,039,000 whereas our net profit attributable to equity shareholders of the Company for the six months ended 30 June, 2023 was approximately US\$18,034,000.

Basic earnings per share for the six months ended 30 June, 2024 was US1.9 cents, whereas basic earnings per share for the six months ended 30 June, 2023 was US2.1 cents.

RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Cowell e Holdings Inc. (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June, 2024 (the “**Reporting Period**”) together with comparative figures for the six months ended 30 June, 2023. The interim financial results are unaudited, but have been reviewed by the Company’s auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, “*Review of interim financial information performed by the independent auditor of the entity*”, issued by the Hong Kong Institute of Certified Public Accountants, whose independent review report will be included in the interim report of the Company for the Reporting Period to be despatched to the shareholders of the Company (the “**Shareholders**”). The interim financial results have also been reviewed with no disagreement by the audit committee (the “**Audit Committee**”) of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS — UNAUDITED*(Expressed in United States dollars)*

		Six months ended 30 June,	
	<i>Note</i>	2024	2023
		\$'000	\$'000
Revenue	<i>3 & 4</i>	585,934	366,725
Cost of sales		<u>(514,400)</u>	<u>(315,872)</u>
Gross profit		71,534	50,853
Other income		12,335	4,244
Selling and distribution expenses		(1,585)	(929)
Administrative expenses		<u>(56,808)</u>	<u>(31,777)</u>
Profit from operations		25,476	22,391
Finance costs	<i>5(a)</i>	<u>(8,169)</u>	<u>(3,186)</u>
Profit before taxation	<i>5</i>	17,307	19,205
Income tax	<i>6</i>	<u>(698)</u>	<u>(1,673)</u>
Profit for the period		<u>16,609</u>	<u>17,532</u>
Attributable to:			
Equity shareholders of the Company		16,039	18,034
Non-controlling interests		<u>570</u>	<u>(502)</u>
Profit for the period		<u>16,609</u>	<u>17,532</u>
Earnings per share	<i>7</i>		
Basic		<u>\$0.019</u>	<u>\$0.021</u>
Diluted		<u>\$0.018</u>	<u>\$0.021</u>

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

(Expressed in United States dollars)

	Six months ended 30 June,	
	2024	2023
	\$'000	\$'000
Profit for the period	<u>16,609</u>	<u>17,532</u>
Other comprehensive income for the period (after tax adjustments):		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements	(4,706)	(17,887)
<i>Item that will not be reclassified to profit or loss:</i>		
Remeasurement of net defined benefit liability	<u>(8)</u>	<u>(43)</u>
Other comprehensive income for the period	<u>(4,714)</u>	<u>(17,930)</u>
Total comprehensive income for the period	<u><u>11,895</u></u>	<u><u>(398)</u></u>
Attributable to:		
Equity shareholders of the Company	11,369	599
Non-controlling interests	<u>526</u>	<u>(997)</u>
Total comprehensive income for the period	<u><u>11,895</u></u>	<u><u>(398)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION — UNAUDITED

(Expressed in United States dollars)

	<i>Note</i>	At 30 June, 2024 \$'000	At 31 December, 2023 \$'000
Non-current assets			
Property, plant and equipment	8	270,504	176,819
Intangible assets		2,159	2,360
Interest in a joint venture		561	565
Net defined benefit retirement assets		67	—
Prepayments and other receivables		11,164	9,700
Deferred tax assets		5,925	5,967
		290,380	195,411
Current assets			
Inventories		209,097	133,895
Trade and other receivables	9	191,018	175,083
Current tax recoverable		3,111	2,410
Pledged bank deposits		73,876	74,336
Bank deposits with more than three months to maturity when placed		63,681	265,435
Cash and cash equivalents		182,057	96,726
		722,840	747,885
Current liabilities			
Trade and other payables	10	251,720	234,998
Bank loans		268,753	274,760
Lease liabilities		3,100	4,011
Current tax payable		7,334	2,051
		530,907	515,820
Net current assets		191,933	232,065
Total assets less current liabilities		482,313	427,476

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION — UNAUDITED
(CONTINUED)**

(Expressed in United States dollars)

	<i>Note</i>	At 30 June, 2024 \$'000	At 31 December, 2023 \$'000
Non-current liabilities			
Bank loans		38,861	—
Lease liabilities		10,169	10,432
Net defined benefit retirement obligation		—	2
Deferred income		3,388	1,876
		<u>52,418</u>	<u>12,310</u>
NET ASSETS		<u>429,895</u>	<u>415,166</u>
CAPITAL AND RESERVES			
Share capital		3,432	3,412
Reserves		420,032	406,243
Total equity attributable to equity shareholders of the Company		423,464	409,655
Non-controlling interests		6,431	5,511
TOTAL EQUITY		<u>429,895</u>	<u>415,166</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

(Expressed in United States dollars unless otherwise indicated)

1 BASIS OF PREPARATION

The interim financial information set out in this announcement does not constitute the interim financial report of the Group for the six months ended 30 June, 2024 but is extracted from that interim financial report which has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), including compliance with International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“**IASB**”). It was authorised for issue on 15 August, 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The financial information relating to the financial year ended 31 December, 2023 that is included in this announcement of the interim results and in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued several new and amended International Financial Reporting Standards that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group’s result and financial position for the current or prior periods have prepared or presented in the interim financial report.

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

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 with whom transactions have exceeded 10% of the Group's revenue for the six months ended 30 June, 2024 includes one customer (2023: one customer). Revenues from sales to this customer during the reporting period are set out below.

	Six months ended 30 June,	
	2024	2023
	\$'000	\$'000
Largest customer	547,773	353,925
— Percentage of total revenue	<u>93.5%</u>	<u>96.5%</u>

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 only has a single reportable segment.

Disaggregation of revenue by geographical location of customers is as follows:

	Six months ended 30 June,	
	2024	2023
	\$'000	\$'000
The People's Republic of China ("PRC") (including Hong Kong)	502,951	340,222
The Republic of Korea ("Korea")	1,239	282
India	56,205	21,414
Vietnam	25,539	4,807
	<u>585,934</u>	<u>366,725</u>

4 SEASONALITY OF OPERATIONS

The Group on average experiences higher sales in the fourth quarter compared to other quarters in the year, due to the increased retail demand for its products during the holiday season. As a result, the Group typically reports lower revenues and segment results for the first half of the year than the second half.

For the twelve months ended 30 June, 2024, the Group recorded a revenue of \$1,143,055,000 (twelve months ended 30 June, 2023: \$1,078,383,000), and gross profit of \$148,447,000 (twelve months ended 30 June, 2023: \$165,216,000).

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June,	
	2024	2023
	\$'000	\$'000
(a) Finance costs		
Interest on bank loans	7,836	2,654
Interest on lease liabilities	333	532
	<u>8,169</u>	<u>3,186</u>
(b) Other items		
Amortisation	364	359
Depreciation	16,057	14,310
Research and development costs (other than depreciation and amortisation)	36,361	20,323
Interest income	(5,872)	(3,870)
Net (gain)/loss on disposal of property, plant and equipment	(21)	90
Loss allowance for expected credit loss	109	—
	<u>109</u>	<u>—</u>

6 INCOME TAX

	Six months ended 30 June,	
	2024	2023
	\$'000	\$'000
Current tax — Hong Kong Profits Tax	234	17
Current tax — Outside Hong Kong	422	824
Deferred taxation	42	832
	<u>698</u>	<u>1,673</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 is calculated by applying the estimated annual effective tax rate of 16.5% (2023: 16.5%) to the six months ended 30 June, 2024 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 HK\$2 million of its assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2023.

Pursuant to the Administrative Measures for Recognition of High-New Technology Enterprise (“HNTe”) 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 HNTe. 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 2024 and 2023 was subject to a reduced tax rate of 15%. Other PRC subsidiaries were subject to statutory tax rate of 25%.

Under the tax law in Korea, the statutory corporate tax rate applicable to the subsidiary in Korea is 9% for assessable income below Korean Won (“KRW”) 200 million, 19% for assessable income between KRW200 million and KRW20 billion, 21% for assessable income between KRW20 billion and KRW30 billion and 24% for assessable income above KRW30 billion for the current period (six months ended 30 June, 2023: 9% for assessable income below KRW200 million, 19% for assessable income between KRW200 million and KRW20 billion, 21% for assessable income between KRW20 billion and KRW30 billion and 24% for assessable income above KRW30 billion).

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 \$16,039,000 (six months ended 30 June, 2023: \$18,034,000) and weighted average of 853,836,000 ordinary shares (six months ended 30 June, 2023: weighted average of 842,680,000 ordinary shares) in issue during the interim period.

(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 \$16,039,000 (six months ended 30 June, 2023: \$18,034,000) and the weighted average number of ordinary shares of 881,183,000 (six months ended 30 June, 2023: 877,205,000 shares).

8 PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

During the six months ended 30 June, 2024, the Group renewed and entered into a number of lease agreements for use of factories and warehouses, and therefore recognised additions to right-of-use assets of \$1,574,000 (six months ended 30 June, 2023: \$Nil). In addition, the Group did not have any disposal of right-of-use assets (six months ended 30 June, 2023: \$3,066,000).

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June, 2024, the Group acquired items of plant and equipment with a cost of \$112,090,000 (six months ended 30 June, 2023: \$45,804,000). Items of plant and equipment with a net book value of \$157,000 were disposed of during the six months ended 30 June, 2024 (six months ended 30 June, 2023: \$90,000), resulting in a gain on disposal of \$21,000 (six months ended 30 June, 2023: loss on disposal of \$90,000).

(c) **Customer's equipment**

A customer has provided machinery to the Group for production of goods to that customer. The original acquisition costs of machinery borne by the customer amounted to \$111,382,000 (31 December, 2023: \$111,382,000) and was not recognised as the Group's property, plant and equipment. There is no rental charge for the machinery and the management considers that the arrangement has been taken into account in determining sales prices with the customer.

9 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:

	At 30 June, 2024 \$'000	At 31 December, 2023 \$'000
Within 1 month	171,984	101,162
Over 1 to 2 months	22	51,078
Over 2 to 3 months	53	128
Over 3 months	58	445
	<hr/>	<hr/>
Trade receivables, net of loss allowance	172,117	152,813
Other receivables and prepayments	18,901	22,270
	<hr/>	<hr/>
	191,018	175,083
	<hr/> <hr/>	<hr/> <hr/>

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

10 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:

	At 30 June, 2024 <i>\$'000</i>	At 31 December, 2023 <i>\$'000</i>
Within 1 month	210,330	125,172
Over 1 to 3 months	376	82,300
Over 3 to 6 months	1,892	1,723
Trade payables	212,598	209,195
Accrued charges and other payables	39,122	25,803
	251,720	234,998

11 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

No dividend was paid during the interim period (2023: Nil). The Directors do not recommend the payment of an interim dividend after the end of the reporting period (2023: Nil).

(b) Equity settled share-based transactions

The Company has adopted a share option scheme pursuant to the shareholders' approval on 5 May, 2021 (the "**Share Option Scheme**"), which the Directors and employees of the Group are entitled to participate.

During the six months ended 30 June, 2024, no share options (six months ended 30 June, 2023: no share options) were granted, 299,000 options (six months ended 30 June, 2023: 520,000 options) were lapsed/cancelled, and 5,059,000 options (six months ended 30 June, 2023: 10,302,000 options) were exercised under the Share Option Scheme.

MANAGEMENT DISCUSSION AND ANALYSIS BUSINESS REVIEW

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 used in smartphones, multimedia tablets, smart driving and other mobile devices of internationally-renowned brands.

The Group has continuously explored the business of precision optical modules deeply, focusing on product improvement and technological innovation to meet the changing demands of customers and the market. Despite the spreading pessimism in the global economy, the Group has been dedicated to improving the products and technology capabilities, optimizing supply chain management and strengthening mutual trust with partners to ensure stable supply and quality of products and achieve a multi-win outcome.

In the fiscal year of 2024, the global recovery still falls short of expectations and remains sluggish. Despite the spreading pessimism on the global economy, we still optimized our supply chain management and strengthened the mutual trust with our partners through improving our products and technical prowess, in order to ensure stable supply and quality of our products. These measures allow the Group to maintain its stability and advantages in this competitive market, thereby achieving stable business growth. The effect of these initiatives is positively reflected on the relevant figure of the financial statements of the Group, recording an increase in revenue for the Reporting Period as compared to the corresponding period of 2023.

The Group's revenue amounted to approximately US\$585.9 million in the Reporting Period as compared with approximately US\$366.7 million in the first half of 2023. The Group's revenue in the Reporting Period had increased by 59.8% as compared with that in the same period of 2023, which was mainly due to increased orders from customers.

The Group's net profit amounted to approximately US\$16.6 million in the Reporting Period as compared with the net profit of approximately US\$17.5 million in the first half of 2023.

OUTLOOK AND FUTURE STRATEGIES

According to the report “World Economic Situation and Prospects as of mid-2024” released by the United Nations, the global economic outlook has improved since January 2024, but cautious optimism is still required. The report states that the world economy is projected to grow by 2.7% in 2024, which is higher than the projection as of the end of 2023. However, overall speaking, global growth rate in the next few years will still fall below the average over the period from 2010 to 2019. The report also states that while the major economies of the world has avoided a severe downturn and inflation rate has declined without raising unemployment rate, persistently high interest rates, debt sustainability risks, geopolitical conflicts, climate risks and other adverse factors continued to pose great risks on global economic development.

Looking ahead, we are well aware that the uncertainty of the global macro-economy is still at a high level and the pressure for business expansion will continue, but we remain optimistic about the business opportunities brought by the innovative technologies and new applications in the optical industry. In addition to the traditional smartphones and tablet PCs, we are particularly bullish about the development potential of emerging areas such as smart driving, Augmented Reality (“AR”), Virtual Reality (“VR”), Mixed Reality (“MR”) and micro-display.

Currently, the penetration of Artificial Intelligence (“AI”) technology has accelerated, empowering various industries, with multiple new achievements put into use in new segments and new scenarios. It continues to remain an important driving force for the development of many fields and industries, and is recognized as a significant impetus for the new generation of technological revolution and industrial change.

The combination of AI technology with AR and VR technology is expected to address a series of problems, including expensive, time-consuming and high technological barrier of current content production. With the support of AI models, AR and VR devices can provide more powerful features and better user experience. Integrated development and continuous exploration of new application scenarios is and will be a main theme in the near future. Whether it is healthcare, education, entertainment, tourism and culture, or direct productivity, they can empower each other to generate unexpected potential, which will undoubtedly bring new guidance for the Group’s business development.

With the rapid development of automated driving, biomedicine, smart city and other applications, the market demand for high-precision optical sensors is growing, and the future application scenarios of the products will become more diversified. In terms of the current efficiency of market application, precision optics is becoming a critical component of many cutting-edge technological fields, which not only brings new market and business opportunities to the Group, but also requires us to continuously innovate to maintain our technological leadership.

According to the latest forecast of International Data Corporation (“**IDC**”), the global market size of head-mounted device will continue to grow in 2024, with an expected growth rate of 7.5% as compared to 2023. The five-year Compound Annual Growth Rate (“**CAGR**”) of the shipment volume of head-mounted device from 2024 to 2028 is expected to reach 43.9%. With the market effect of new products from leading manufacturers, it is expected that the shipment volume will continue to grow at a high rate in 2024.

Light Detection And Ranging (“**LiDAR**”) has a wide range of application scenarios, covering automotive, robotic and smart city, of which the automotive field is the largest application market for LiDAR. Application of LiDAR is currently in a period of rapid development. Due to its advantages in visibility, precision and reliability, LiDAR continues to be an important part of automated driving technology, and is expected to see rapid growth and become a core driver of the development of automated driving technology in the coming years. Given the increased application scenario, expanded procurement and decreased in device unit price, more automated driving solutions are integrated into sensors.

Marked by the rapid development and implementation of Robotaxi, which has become a hot topic in the market, the development of LiDAR market is extended to more segments. The integration of LiDAR and vision sensors will undoubtedly play an important role in the future commercialization of automated driving and autonomous driving.

In view of the rapid growth in the aforementioned new areas, we will constantly be committed to enhancing cooperation with existing customers, expanding new customer base, enriching product categories, accelerating process automation, improving process capabilities, optimizing internal efficiency, and fully exploring the team’s comprehensive potential, improve services and add value for customers while focusing on long-term products and business planning. We will constantly increase resources invested in R&D boost market development, and set up a team that is adaptive to the market changes, to deliver maximum value for all shareholders.

Talent is the most important core asset of the Group, and it is essential to have an excellent team to promote and implement the Group’s strategies and policies in the course of growth. With the expansion of business, we must continue to invest in the training and building of a key high-caliber talent team to meet the requirements of each business, and only in this way can we withstand the market fluctuations and continuously provide the best service to our customers.

In terms of the development of corporate culture, it is important to create an innovative, open and collaborative corporate culture. We encourage employees to fully leverage on their own strengths and individual creativity, and try new ideas and technologies to cope with the opportunities and challenges encountered in the work through team cooperation, which will provide a strong impetus for the Group's continuous innovation and development. At the same time, we will enhance the awareness of customer-centered service to help the Group better understand market demands and provide products and services that beat expectations.

In the face of fierce market competition and technological transformation, we will proactively embrace the changes, consolidate and expand our continued influence in the field of optics through continuous technological innovation, talent training and cultural development, and lay a solid and sustainable foundation for future development. The management team is confident to lead the Group to achieve new heights in the future, and seek stable benefits for stakeholders.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June, 2024, the Group had total assets of approximately US\$1,013.2 million (31 December, 2023: US\$943.3 million); net current assets of approximately US\$191.9 million (31 December, 2023: US\$232.1 million) and total equity of approximately US\$429.9 million (31 December, 2023: US\$415.2 million).

The Group continued to maintain a strong and solid financial position as at 30 June, 2024, the Group reported approximately US\$182.1 million in unencumbered cash and cash equivalents. The management believes that the Group's current cash and cash equivalents and expected cash flow from operations will be sufficient to support the Group's operational requirements.

PLEDGE OF THE GROUP'S ASSETS

As at 30 June, 2024, the Group's pledged deposits of approximately US\$73.9 million represented deposits provided to secure certain bank loans in the PRC (31 December, 2023: US\$74.3 million).

CAPITAL EXPENDITURES AND COMMITMENTS

The Group's capital expenditures (equivalent to the cash which the Group spent for purchasing property, plant and equipment) for the Reporting Period amounted to approximately US\$105.3 million, compared with US\$44.0 million for the six months ended 30 June, 2023. The Group's capital expenditures in the Reporting Period mainly reflected purchases of additional 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, bank loans and possible fund raising exercise.

CONTINGENT LIABILITIES

As at 30 June, 2024, the Group had no significant contingent liabilities except for the guarantee provided by Company and ultimate controlling party to secure the bank facilities granted by banks to certain subsidiaries amounting to approximately US\$631.1 million (30 June, 2023: US\$131.5 million).

HUMAN RESOURCES

The Group employed a total of approximately 6,869 full-time employees as at 30 June, 2024 (31 December, 2023: 5,764). Total staff costs for the Reporting Period, excluding Directors' remuneration, was approximately US\$52.0 million (six months ended 30 June, 2023: US\$23.7 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 covers introduction of our 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 Group'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. For the Reporting Period, 5,059,000 options had been exercised, 149,000 options had been cancelled, and 150,000 options had been lapsed. During the six months ended 30 June, 2023, 10,302,000 options were exercised, 80,000 options were cancelled and 440,000 options were lapsed. As at 30 June, 2024, based on the number of options granted and which had not been exercised, cancelled and/or lapsed, the total number of Shares available for issue under the Share Option Scheme was 51,662,880, representing approximately 6.0% of the issued shares of the Company. For details of the Share Option Scheme, please refer to the circular of the Company dated 20 April, 2021. The Board also approved the adoption of a share award scheme for the Company (the “**Share Award Scheme**”) on 21 March, 2024. The Share Award Scheme is a share award scheme pursuant to which existing ordinary shares of the Company will be purchased by the trustee of the scheme from the secondary market out of cash contributed by the Company and be held on trust for the selected employees until such shares are vested with the selected employees in accordance with the rules of the Share Award Scheme. The Share Award Scheme does not constitute a scheme involving issue of new shares as referred to in Chapter 17 of the Listing Rules and the adoption of the Share Award Scheme is not subject to the approval by the shareholders of the Company. For details of the Share Award Scheme, please refer to the financial report of the Company for the year ended 31 December 2023. During the Report Period, the Company did not grant any awarded share to any eligible persons under the Share Award Scheme.

SUPPLEMENTARY INFORMATION

Interim dividend

In response to future market changes and the investment required to develop new products, and in order to address the challenges posed by the growing multidimensional demands of customers and the changing market environment, the Board thus does not recommend any payment of an interim dividend for the Reporting Period (2023: Nil), so as to ensure that the Group can remain a leading position in business development in the field of optics.

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 Reporting Period.

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 C1 (formerly known as Appendix 14) to the Listing Rules (the “**CG Code**”) and considered that, during the Report 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 Reporting Period.

The Directors consider that the Company has fully complied with the applicable Code Provisions as set out in the CG Code during the Reporting Period.

Audit Committee

The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Group and the unaudited consolidated financial report for the Reporting Period. Based on this 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 Reporting 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 C3 (formerly known as 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 Report Period.

Significant Events after the Reporting Period

There were no significant events affecting the Company nor any of its subsidiaries after the end of the Reporting Period and up to the date of this announcement requiring disclosure in this announcement.

Publication of 2024 interim results and interim report

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

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

Hong Kong, 15 August, 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.