

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

COWELL

Cowell e Holdings Inc.

高偉電子控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1415)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

HIGHLIGHTS

Our revenue for the year ended 31 December 2024 reached approximately US\$2,494,258,000 representing an increase of approximately 170.0% as compared with the corresponding year ended 31 December 2023.

Our net profit attributable to equity shareholders of the Company for the year ended 31 December 2024 reached approximately US\$119,055,000, representing an increase of approximately 155.54% as compared with that for the year ended 31 December 2023.

Basic earnings per share for the financial period ended 31 December 2024 was US13.9 cents representing an increase of approximately 152.73% as compared with that for the financial year ended 31 December 2023.

RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Cowell e Holdings Inc. (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024 together with comparative figures for the year ended 31 December 2023. The annual financial results have also been reviewed by the audit committee (the “**Audit Committee**”) of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Expressed in United States dollars)

		For the year ended	
		31 December	
		2024	2023
	Note	\$'000	\$'000
Revenue	3	2,494,258	923,846
Cost of sales		<u>(2,203,351)</u>	<u>(796,080)</u>
Gross profit		290,907	127,766
Other (loss)/income	4	(22,970)	12,802
Selling and distribution expenses		(3,430)	(2,119)
Administrative expenses		<u>(108,098)</u>	<u>(78,772)</u>
Profit from operations		156,409	59,677
Finance costs	5(a)	<u>(18,706)</u>	<u>(9,567)</u>
Profit before taxation	5	137,703	50,110
Income tax	6	<u>(17,323)</u>	<u>(3,720)</u>
Profit for the year		<u>120,380</u>	<u>46,390</u>
Attributable to:			
Equity shareholders of the Company		119,055	46,589
Non-controlling interests		<u>1,325</u>	<u>(199)</u>
Profit for the year		<u>120,380</u>	<u>46,390</u>
Earnings per share	7		
Basic		<u>\$0.139</u>	<u>\$0.055</u>
Diluted		<u>\$0.134</u>	<u>\$0.053</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in United States dollars)

	For the year ended	
	31 December	
	2024	2023
<i>Note</i>	\$'000	\$'000
Profit for the year	120,380	46,390
	-----	-----
Other comprehensive income for the year (after tax adjustments):		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements	(12,402)	(7,112)
<i>Item that will not be reclassified to profit or loss:</i>		
Remeasurement of net defined benefit obligation	(28)	(9)
	-----	-----
	(12,430)	(7,121)
	-----	-----
Total comprehensive income for the year	107,950	39,269
	=====	=====
Attributable to:		
Equity shareholders of the Company	106,733	39,693
Non-controlling interests	1,217	(424)
	-----	-----
Total comprehensive income for the year	107,950	39,269
	=====	=====

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in United States dollars)

		As at 31 December	
		2024	2023
	Note	\$'000	\$'000
Non-current assets			
Property, plant and equipment		374,444	176,819
Intangible assets		1,526	2,360
Interest in a joint venture		556	565
Prepayment and other receivables		17,606	9,700
Deferred tax assets		13,341	5,967
		<u>407,473</u>	<u>195,411</u>
		-----	-----
Current assets			
Inventories		315,185	133,895
Trade and other receivables	8	434,708	175,083
Current tax recoverable		—	2,410
Pledged bank deposits		10,468	74,336
Bank deposits		161,371	265,435
Cash and cash equivalents		113,349	96,726
		<u>1,035,081</u>	<u>747,885</u>
		-----	-----
Current liabilities			
Trade and other payables	9	536,553	234,998
Bank loans		206,483	274,760
Lease liabilities		4,158	4,011
Current tax payable		17,583	2,051
		<u>764,777</u>	<u>515,820</u>
		=====	=====
Net current assets		<u>270,304</u>	<u>232,065</u>
		=====	=====
Total assets less current liabilities		<u>677,777</u>	<u>427,476</u>
		-----	-----

	As at 31 December	
	2024	2023
<i>Note</i>	\$'000	\$'000
Non-current liabilities		
Bank loans	117,623	—
Lease liabilities	33,462	10,432
Net defined benefit retirement obligation	6	2
Deferred income	3,031	1,876
	<u>154,122</u>	<u>12,310</u>
NET ASSETS	<u>523,655</u>	<u>415,166</u>
CAPITAL AND RESERVES		
Share capital	3,449	3,412
Reserves	513,084	406,243
	<u>516,533</u>	<u>409,655</u>
Total equity attributable to equity Shareholders of the Company	516,533	409,655
Non-controlling interests	7,122	5,511
	<u>7,122</u>	<u>5,511</u>
TOTAL EQUITY	<u>523,655</u>	<u>415,166</u>

NOTES TO THE FINANCIAL INFORMATION

(Expressed in United States dollars unless otherwise indicated)

1 BASIS OF PREPARATION

The consolidated results set out in this announcement do not constitute the Group's financial statements for the year ended 31 December 2024 but are extracted from those draft financial statements.

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

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

2 CHANGES IN ACCOUNTING POLICIES

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

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

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

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

The Group's customer base includes one customer (2023: one customer), with whom transactions have exceeded 10% of the Group's revenues, for the year ended 31 December 2024. Revenues from sales to this customer during the reporting period are set out below.

	2024	2023
	\$'000	\$'000
Largest customer	2,418,117	863,786
Percentage of total revenue	97%	93%

(b) Segment reporting

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

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

	Revenue from external customers		Specified non-current assets	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
The People's Republic of China ("PRC") (including Hong Kong)	2,192,875	852,619	376,320	179,521
India	237,032	52,510	—	—
The Republic of Korea ("Korea")	1,562	4,024	206	223
Vietnam	62,789	14,693	—	—
	<u>2,494,258</u>	<u>923,846</u>	<u>376,526</u>	<u>179,744</u>

4 OTHER (LOSS)/INCOME

	2024	2023
	\$'000	\$'000
Bank interest income	10,032	11,212
Government subsidy	2,869	1,217
Net loss on disposal of property, plant and equipment	(484)	(1,286)
Impairment loss on property, plant and equipment	(49,371)	(1,224)
Net loss on disposal of intangible assets	(626)	(11)
Net foreign exchange gain	10,966	1,049
Others	3,644	1,845
	<u>(22,970)</u>	<u>12,802</u>

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2024	2023
	\$'000	\$'000
(a) Finance costs		
Interest on bank loans	16,719	8,689
Interest on lease liabilities	1,987	878
	<u>18,706</u>	<u>9,567</u>
(b) Staff costs[#]		
Contributions to defined contribution retirement plan	8,379	5,512
Expenses recognised in respect of defined benefit retirement plans	25	30
Equity settled share-based payment expenses	3,444	1,308
Salaries, wages and other benefits	113,231	59,901
	<u>125,079</u>	<u>66,751</u>
(c) Other items		
Amortisation	699	709
Depreciation [#]		
— owned property, plant and equipment	39,950	25,543
— right-of-use assets	5,807	4,489
Auditors' remuneration	424	317
Loss allowance for expected credit loss	1,291	795
Research and development costs other than depreciation and amortisation [*]	70,150	50,157
Cost of inventories [#]	<u>2,203,351</u>	<u>796,080</u>

[#] Cost of inventories includes \$111,999,000 (2023: \$57,695,000) relating to staff costs and depreciation expenses, which amounts are also included in the respective total amounts disclosed separately above or in note 5(b) for each of these types of expenses.

^{*} Research and development costs other than depreciation and amortisation includes \$35,376,000 (2023: \$21,570,000) relating to staff costs, which amounts are also included in the respective total amounts disclosed separately in note 5(b).

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

	2024 \$'000	2023 \$'000
Current tax — Hong Kong Profits Tax		
Provision for the year	<u>1,254</u>	<u>55</u>
Current tax — Overseas		
Provision for the year	23,544	682
Over-provision in respect of prior years	<u>(42)</u>	<u>(83)</u>
	<u>23,502</u>	<u>599</u>
Deferred tax		
Origination and reversal of temporary differences	<u>(7,433)</u>	<u>3,066</u>
	<u><u>17,323</u></u>	<u><u>3,720</u></u>

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

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first Hong Kong dollars (“HK\$”) 2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5% in 2024. 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 (“HNTTE”) jointly issued by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation, Dongguan Cowell Optic Electronics Co., Ltd., an indirect wholly owned subsidiary of the Company, was certified as a HNTTE. According to the provisions of Article 28 “Corporate Income Tax Law of the People’s Republic of China”, the effective Corporate Income Tax (“CIT”) rate for 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 KRW300 billion, and 24% for assessable income above KRW300 billion for the years presented.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of \$119,055,000 (2023: \$46,589,000) and the weighted average of 858,270,000 ordinary shares (2023: 846,561,000 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2024	2023
	'000	'000
Issued ordinary shares at 1 January	855,383	839,185
Effect of share options exercised	3,566	7,376
Effect of purchase of shares held for share award scheme	(679)	—
	<hr/>	<hr/>
Weighted average number of ordinary shares at 31 December	<u>858,270</u>	<u>846,561</u>

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of \$119,055,000 (2023: \$46,589,000) and the weighted average number of ordinary shares of 888,163,000 shares (2023: 880,629,000 shares), calculated as follows:

Weighted average number of ordinary shares (diluted)

	2024	2023
	'000	'000
Weighted average number of ordinary shares at 31 December	858,270	846,561
Adjustments for the Company's share award scheme and share option scheme	29,893	34,068
Weighted average number of ordinary shares (diluted) at 31 December	<u>888,163</u>	<u>880,629</u>

8 TRADE AND OTHER RECEIVABLES

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

	2024	2023
	\$'000	\$'000
Within 1 month	404,582	101,162
Over 1 to 2 months	238	51,078
Over 2 to 3 months	237	128
Over 3 months	194	445
	<u>405,251</u>	<u>152,813</u>

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

9 TRADE AND OTHER PAYABLES

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

	2024	2023
	\$'000	\$'000
Within 1 month	205,379	125,172
Over 1 to 3 months	119,648	82,300
Over 3 to 6 months	152,029	1,723
	<u>477,056</u>	<u>209,195</u>

10 DIVIDENDS

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

Scope of work of KPMG

The figures in respect of Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

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 complex macroeconomic environment, with the market demand for precision optical modules remaining strong and the Company's continuous breakthroughs in the fields of smart driving and high-end mobile devices, there were steady growth in various performance indicators of the Company, demonstrating strong market competitiveness and risk resistance.

In 2024, the Group continued to focus on technological innovation and product upgrades, actively expanding into emerging markets and multi-dimensional application scenarios, while exploring strategic synergies with its partners. With a solid industrial foundation and an ever-improving supply chain system, the Company is expected to further expand its market share amidst fierce global competition, maintain its leading position in the optical field and embrace new opportunities in the intelligent era.

For the year ended 31 December 2024, the Group recorded an increase in revenue from approximately US\$923.8 million in 2023 to US\$2,494.3 million in 2024 and recorded an increase in net profit attributable to equity shareholders of Company from approximately US\$46.6 million in 2023 to US\$119.1 million in 2024. The Group had total assets of US\$1,442.6 million and total equity of US\$523.7 million as of 31 December 2024, as compared to total assets of US\$943.3 million and total equity of US\$415.2 million as of 31 December 2023. The impairment loss on property, plant and equipment related to property, plant and equipment of front camera modules increased from US\$1.2 million in 2023 to US\$49.4 million in 2024.

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 has proposed no dividend distribution for the year ended 31 December 2024, so as to ensure that the Group can remain a leading position in business development in the field of optics.

OUTLOOK AND FUTURE STRATEGIES

According to the 2025 World Economic and Financial Outlook Report published by the World Finance Forum (WFF) and the latest forecasts of the International Monetary Fund (IMF), the global economy was still struggling amidst various challenges in 2024, with the slow recovery, fragmented international trade, intensified geopolitical risks and high inflationary pressure in certain developing countries, leading to relatively weak economic growth momentum. However, under this environment, the trend of technological innovation and digital transformation has brought new development opportunities for all industries, especially for the fields of intelligent terminals, autonomous driving, immersive experience and so on where demands are growing.

In the face of global economic uncertainties and the demands for industrial upgrade, we are deeply aware that the Company must continuously increase its investment in research and development, strive to promote the mass production of new products and optimization of supply chain, collaborate with outstanding domestic and international partners, effectively improve product quality and market response speed, and rely on precision optical technology and innovative applications, in order to further consolidate its competitive advantages in the global market and achieve significant breakthroughs in rapidly growing fields, such as smartphones, multimedia tablets, smart driving, augmented reality (“AR”) and automation.

With the continuous breakthroughs and refinements of Artificial Intelligence (AI) technology, the global industry is undergoing an unprecedented wave of digital transformation which will have a profound impact on the Company’s future development. Leveraging the strength of AI in big data analysis, machine learning and automation technologies, the Company will be able to achieve more efficient quality control and intelligent optimization in the design and manufacturing process of precision optical modules, thereby enhancing product performance and market response speed.

With the rapid advancement of AI, terminal products like smartphones and multimedia tablets are facing unprecedented iterations and improvement. The integration of AI not only promotes the innovation of product functions and performance, but also accelerates replacement pace, thus leading to a significant increase in demand for core components like high-precision optical components. Meanwhile, the integration of AI with AR/VR, Light Detection And Ranging (“LiDAR”), robotics and other emerging technologies will drive the fast implementation of new applications, facilitate cross-domain innovations and lead to more breakthroughs in fields like smart device, smart driving and smart city, which will create bigger market opportunities for the Company, strengthen its competitive edges and explore the wider market, creating significant business value against the backdrop of the new round of technological revolution in the future.

In response to the rapid development of AI, machine vision and multi-sensor fusion technology, the robotics industry is expanding from traditional industrial applications to various scenarios, such as smart city, healthcare and consumer services. Under this trend, the Company will become an indispensable technical support for the intelligent application of robots by virtue of its profound accumulation in the field of high-precision optical sensory products like optical camera modules and LiDAR. The application of optical sensory products is crucial to the robotics industry, which will also drive the development of the global optical industry.

Applications of LiDAR has also been expanding in recent years, with demands for high-precision sensory technology in fields such as autonomous driving, industrial automation, machine vision, intelligent transportation and so on continue to grow. According to market forecasts, the global LiDAR market will expand rapidly at a compound annual growth rate (CAGR) of 14.7% to reach US\$3.795 billion by 2031. In the face of this development trend, by leveraging on its technological advantages in the field of optical sensory, the Company has proactively developed its LiDAR product line and, together with its partners, has endeavored to improve sensory accuracy, enhanced reliability and reduced manufacturing costs in order to meet market demands for high-performance LiDAR.

In recent years, there are constant innovations in display technology. With its self-luminous characteristics, more efficient display effect, high contrast ratio, low power consumption and excellent color reproduction capability, the potential application of MicroLED technology in the display field is gradually emerging as an important innovation in the fields of commercial displays, mobile devices and virtual reality devices, and has the opportunity to become the representative of next-gen display technology. As a leading company focusing on precision optics, the Company will proactively respond to industrial changes by actively developing MicroLED display technology and its related components, striving to provide more efficient and power-saving display solutions, in order to meet growing demands of the market. As MicroLED technology further improves, the Company will capture more development opportunities in this emerging market.

Talent is the most important core asset of the Company, and it is essential to have an excellent team to promote and implement the Company's strategies and policies in the course of growth. With the gradual expansion and rapid ramp up of business, we must continue to invest in the training and building of a key high-caliber talent team to cater to the needs of each business, and only in this way can we withstand market fluctuations and continuously provide the best services to our customers.

Looking forward, for the new rapidly growing fields, the Company will continue to focus on enhancing cooperation with existing customers, expanding new customer base, enriching product portfolio, accelerating process automation, improving process capabilities, optimizing internal efficiency, and fully exploring the team's comprehensive potential, in a push to improve services and added value for customers while focusing on long-term product and business planning. To this end, the Company will continue to increase its research and development resources, boost market development, and build a team that is adaptive to the market, in order to deliver maximum value for all shareholders. With innovative core and flexible strategies, the Group is expected to undergo stable growth amidst the global industrial restructuring and upgrades in order to generate sustained and high returns for shareholders.

RESULTS OF OPERATIONS

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

The Group reported a total revenue of approximately US\$2,494.3 million in 2024, representing an approximately 170.0% increase compared with that of 2023 which was mainly due to increased orders including orders for new rear-end camera modules from customers.

For the year ended 31 December 2024, the Group has recorded gross profit, operating profit and net profit of approximately US\$290.9 million, US\$156.4 million and US\$120.4 million, respectively, as compared with approximately US\$127.8 million, US\$59.7 million and US\$46.4 million, respectively, in the fiscal year of 2023. In terms of margins, the Group's gross margin, operating margin and net margin for the year ended 31 December 2024 were approximately 11.7%, 6.3% and 4.8%, respectively, as compared to approximately 13.8%, 6.5% and 5.0%, respectively, in 2023.

During the year ended 31 December 2024, the Group did not experience any significant change of pricing policy for its products and there was no material change in the unit cost of raw materials.

Other loss increased by approximately 279.4% from approximately US\$12.8 million of other income in 2023 to approximately US\$23.0 million of other loss in 2024. This increase was mainly attributable to an increase of US\$48.1 million in impairment loss of property, plant and equipment and offset by an increase in exchange gain of approximately US\$10.0 million and government subsidies of approximately US\$1.6 million.

The selling and distribution expenses increased by approximately 61.9% from approximately US\$2.1 million in 2023 to approximately US\$3.4 million in 2024. This increase was mainly attributable to an increase of US\$0.8 million in transportation expenses and an increase of US\$0.5 million in labor costs.

Administrative expenses increased by approximately 37.2% from approximately US\$78.8 million in 2023 to approximately US\$108.1 million in 2024. This increase was mainly attributable to increase in the research and development expense of approximately US\$22.3 million, as well as an increase of US\$7.0 million in other administrative expenses.

Finance costs increased by approximately 94.8% from approximately US\$9.6 million in 2023 to approximately US\$18.7 million in 2024, such increase was resulted from increase in interest expenses on bank loans.

The Group's income tax expense increased by approximately 367.6% from approximately US\$3.7 million in 2023 to US\$17.3 million in 2024. The increase was mainly attributable to increase in profit before tax.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2024, the Group had total assets of approximately US\$1,442.6 million (31 December 2023: US\$943.3 million); net current assets of approximately US\$270.3 million (31 December 2023: US\$232.1 million) and total equity of approximately US\$523.7 million (31 December 2023: US\$415.2 million).

The Group has a solid financial position and continued to maintain a strong and steady inflow from operating activities. As at 31 December 2024, the Group had approximately US\$113.3 million (31 December 2023: US\$96.7 million) of cash and cash equivalents. The Directors believe that the current cash and cash equivalents and expected cash flow from operations, will be sufficient to satisfy the current operational requirements of the Group. As at 31 December 2024, guarantee is provided by the Company and ultimate controlling party to secure the banking facilities granted amounting to US\$832 million (31 December 2023: US\$361 million).

PLEDGE OF THE GROUP'S ASSETS

As at 31 December 2024, the Group's pledged deposits of approximately US\$10.5 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 spent for payment for purchases of property, plant and equipment and intangible assets) for the year ended 31 December 2024 amounted to approximately US\$248.0 million which was funded through cash flow from operation, compared to approximately US\$80.8 million for the year ended 31 December 2023. The Group's capital expenditures in 2024 mainly reflected purchases of additional machinery and equipment to produce more advanced Flip-chip camera modules. The Group intends to fund the Group's planned future capital expenditures through a combination of cash flow from operating activities and possible fund raising exercise.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group had no significant contingent liabilities.

HUMAN RESOURCES

The Group employed a total of approximately 6,035 full-time employees as of 31 December 2024 (31 December 2023: 5,764). Total staff costs for the year ended 31 December 2024, excluding Directors' remuneration, amounted to approximately US\$124.2 million (2023: US\$65.9 million).

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

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

Furthermore, to provide incentive or reward to our employees for their contribution or potential contribution to, and continuing efforts to promote the interests of, the Group with greater flexibility, the Group had terminated the share option scheme of the Company adopted on 4 February 2015 and adopted a new share option scheme on 5 May 2021 (the "**Share Option Scheme**"). During the year ended 31 December 2024, 9,242,000 options had been exercised, 158,000 options had been cancelled, and 310,000 options had been lapsed. As at 31 December 2024, based on the number of options granted which had not been exercised, cancelled and/or lapsed, the total number of Shares available for issue under the Share Option Scheme was 47,310,880, representing approximately 5.49% of the issued shares of the Company as at the date of this announcement. For details of the Share Option Scheme, please refer to the circular of the Company dated 20 April 2021 and the annual report of the Company for the year ended 31 December 2024. Furthermore, the Company adopted a share award scheme ("**Share Award Scheme**") on 21 March 2024. During the year ended 31 December 2024, 13,620,000 awarded shares were granted to employees. For details of the Share Award Scheme, please refer to the annual report of the Company for the year ended 31 December 2024.

SUPPLEMENTARY INFORMATION

Final dividend

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

Annual general meeting

The annual general meeting of the Company (the “**AGM**”) is expected to be held on Thursday, 29 May 2025. The notice of the AGM will be published and despatched to the shareholders of the Company (“**Shareholders**”) in due course.

Closure of register of members for the AGM

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 26 May 2025 to Thursday, 29 May 2025, both dates inclusive, during which period no transfers of shares of the Company will be registered. In order to qualify for attending and voting at the AGM, Shareholders must complete and lodge all transfer documents accompanied by the relevant share certificates with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 23 May 2025.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2024.

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 financial year ended 31 December 2024 (the “**Period**”), the Company regulated its operation and carried out appropriate governance in accordance with the Code Provisions. The Company has complied with the Code Provisions as set out in the CG Code during the Period.

Audit Committee

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

Model Code of Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 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 Period.

Events after the Period

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

Publication of 2024 Annual Results and Annual Report

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

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

Hong Kong, 20 March 2025

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.