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COWELL

Cowell e Holdings Inc.

高偉電子控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1415)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

SUPPLY FRAMEWORK AGREEMENT

AND

LABOUR SERVICES FRAMEWORK AGREEMENTS

References are made to the announcement of the Company dated 5 May 2022 in relation to the Existing Supply Framework Agreement and the announcement of the Company dated 31 May 2024 in relation to Existing Labour Services Framework Agreements.

As the term under each of the Existing Supply Framework Agreement and the Existing Labour Services Framework Agreements are due to expire on 31 December 2024, on 27 December 2024, the Company entered into the Supply Framework Agreement, the GZL Provision of Labour Services Framework Agreement and the GZL Receipt of Labour Services Framework Agreement with GZ Luxvisions and the LP Provision of Labour Services Framework Agreement and the LP Receipt of Labour Services Framework Agreement with Luxshare Precision, to extend the term under the aforementioned agreements.

As GZ Luxvisions is a controlling Shareholder indirectly interested in approximately 70.45% 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 Supply Framework Agreement, 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.

Ms. Wang Laichun and Mr. Wang Laisheng, who are the controlling Shareholders and indirectly interested in approximately 70.45% of the issued share capital of the Company, together are also indirectly interested in approximately 37.74% of the equity interests, and Mr. Wang Laisheng is also directly interested in approximately 0.21% 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 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.

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 70.45% 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.

As more than one applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of each of the Supply Framework Agreement and the Labour Services Framework Agreements (and for each of the Labour Services Framework Agreements after aggregation with other Labour Services Framework Agreements) are more than 0.1% but less than 5%. Accordingly, each of the Supply Framework Agreement and 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.

References are made to the announcement of the Company dated 5 May 2022 in relation to the Existing Supply Framework Agreement and the announcement of the Company dated 31 May 2024 in relation to Existing Labour Services Framework Agreements.

As the term under each of the Existing Supply Framework Agreement and the Existing Labour Services Framework Agreements are due to expire on 31 December 2024, on 27 December 2024, the Company entered into:

- (a) the Supply Framework Agreement, the GZL Provision of Labour Services Framework Agreement and the GZL Receipt of Labour Services Framework Agreement with GZ Luxvisions; and

(b) the LP Provision of Labour Services Framework Agreement and the LP Receipt of Labour Services Framework Agreement with Luxshare Precision,

to extend the term under the aforementioned agreements.

RENEWAL OF SUPPLY FRAMEWORK AGREEMENT

On 27 December 2024 (after trading hours), the Company entered into the Supply Framework Agreement with GZ Luxvisions, pursuant to which the Group shall supply Products to the GZ Luxvisions Group in accordance with the terms and conditions thereunder.

Details of the Supply Framework Agreement are set out below:

Date

27 December 2024 (after trading hour)

Parties

1. The Company (as supplier)
2. GZ Luxvisions (the purchaser)

Duration

From 1 January 2025 to 31 December 2027

Subject Matter

Pursuant to the Supply Framework Agreement, the Group shall supply to the GZ Luxvisions Group certain Products according to the specifications as requested by the GZ Luxvisions Group from time to time in relation to its production from 1 January 2025 to 31 December 2027, unless terminated earlier in accordance with the terms of the Supply Framework Agreement.

Principal terms and price determination

The parties shall execute separate orders in accordance with the terms of the Supply Framework Agreement setting out, among others, the specifications and quantity of the Products required and delivery schedules, and must comply with the terms of the Listing Rules and applicable laws.

The Group will determine the selling prices of the Products with reference to, and generally shall not be lower than, prices charged by the Group to other independent third party customers of the Products of same or similar specifications, which represents the then prevailing market prices.

In accordance with the Company's internal policies, the transactions (including but not limited to prices determined and transaction amounts) under the Supply Framework Agreement will be properly recorded. If the Company is of the view that the rates charged and/or terms for the Products sold to the GZ Luxvisions Group are less favourable from the Group' perspective than the rates charged and terms for equivalent or similar Products sold by the Group to independent third parties, GZ Luxvisions Group and the Group agree to use their best endeavour to adjust the rates and/or terms to ensure that the terms of the transactions are fair and reasonable. As the management of the Group will review the aforesaid pricing policy on a regular basis in every quarter, the Directors are of the view that the aforesaid method and procedures can ensure that the transactions contemplated under the Supply Framework Agreement will be conducted on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Payment terms

Specific payment terms will be stipulated in the relevant order forms, which is normally payable within 90 days after the Group issued invoice to GZ Luxvisions.

Proposed annual caps and historical transaction amounts

Pursuant to the Supply Framework Agreement, the proposed annual caps are as follows:

	For the financial year		
	ending	ending	ending
	31 December	31 December	31 December
	2025	2026	2027
	<i>(RMB'million)</i>	<i>(RMB'million)</i>	<i>(RMB'million)</i>
Proposed annual caps	36	43.2	51.84

Set out below are the approximate historical transaction amount under the Existing Supply Framework Agreement for the two financial years ending 31 December 2023 and the eleven months ended 30 November 2024:

	For the financial year ended 31 December 2022 (RMB' million)	For the financial year ended 31 December 2023 (RMB' million)	For the eleven months ended 30 November 2024 (RMB' million)
Historical transaction amounts	8.06	13.06	18.82

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

- (i) the aggregated actual transaction amount received by the Group in relation to the Products supplied to the GZ Luxvisions Group;
- (ii) the expected production plan and new products to be launched in each of the three financial years ending 31 December 2027;
- (iii) the expected demand and market shares of the Products to be sold by the GZ Luxvisions Group in each of the three financial years ending 31 December 2027;
- (iv) the estimated costs of production of the required Products; and
- (v) the estimated market price of the required Products.

Such projection is assumed solely for determining the 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 the Supply Framework Agreement are expected to exceed the proposed annual caps, 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 SUPPLY 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, smart driving and other mobile devices of internationally-renowned brands.

The GZ Luxvisions Group is principally engaged in the business of production of mass-produced mobile phone camera modules, tablet camera modules, and notebook camera modules, car camera module, and display module etc. and have broad market presence and customer network. The Board believes that supply and sale of the Products to the GZ Luxvisions Group can help create synergy of the parties as it can raise the profile of the Products, enhance the Products' penetration into new markets, expand the source of revenue and improve the profitability for the Group, as well as to facilitate the production of the GZ Luxvisions Group and enhance the competitiveness of their products.

As the term of the Existing Supply Framework Agreement will expire on 31 December 2024, the Group intends to enter into the Supply Framework Agreement which can enable the Group to continue the long-term supply of Products based on the principal terms and pricing policies thereto subject to the proposed annual caps without incurring substantial negotiation time and costs among the parties to effect the aforementioned transactions.

The Directors (including the independent non-executive Directors) consider that the Supply Framework 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 proposed annual caps) 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 Supply 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.

RENEWAL OF LABOUR SERVICES FRAMEWORK AGREEMENTS

On 27 December 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

27 December 2024 (after trading hours)

Parties

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

Duration

From 1 January 2025 to 31 December 2025

Subject Matter

Pursuant to the LP Provision of Labour Services Framework Agreement, during the period from 1 January 2025 to 31 December 2025, the Group will provide to the Luxshare Precision Group labour services for 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.

Proposed 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 2025 is expected to be not more than RMB18,000,000.

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 aggregated actual transaction amount received by the Group in relation to the labour services provided to the Luxshare Precision Group for the eleven months ended 30 November 2024 of approximately RMB7,913,000;
- (b) the expected labour services demand from the Luxshare Precision Group due to its operation and production needs; 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.

II. LP RECEIPT OF LABOUR SERVICES FRAMEWORK AGREEMENT

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

Date

27 December 2024 (after trading hours)

Parties

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

Duration

From 1 January 2025 to 31 December 2025

Subject Matter

Pursuant to the LP Receipt of Labour Services Framework Agreement, during the period from 1 January 2025 to 31 December 2025, the Group will receive from the Luxshare Precision Group labour services for 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 implementation 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.

Proposed 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 2025 is expected to be not more than US\$2,280,000.

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 eleven months ended 30 November 2024 of approximately US\$497,000;
- (b) the expected labour services demand from the Group due to the operation 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 2025; 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

27 December 2024 (after trading hours)

Parties

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

Duration

From 1 January 2025 to 31 December 2025

Subject Matter

Pursuant to the GZL Provision of Labour Services Framework Agreement, during the period from 1 January 2025 to 31 December 2025, the Group will provide to the GZ Luxvisions Group labour services for 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.

Proposed 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 2025 is expected to be not more than RMB29,000,000.

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 aggregated actual transaction amount received by the Group in relation to the labour services provided to the GZ Luxvisions Group for the eleven months ended 30 November 2024 of approximately RMB11,119,000;

- (b) the expected labour services demand from the GZ Luxvisions Group due to its operation and production needs; 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.

IV. GZL RECEIPT OF LABOUR SERVICES FRAMEWORK AGREEMENT

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

Date

27 December 2024 (after trading hours)

Parties

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

Duration

From 1 January 2025 to 31 December 2025

Subject Matter

Pursuant to the GZL Receipt of Labour Services Framework Agreement, during the period from 1 January 2025 to 31 December 2025, the Group will receive from the GZ Luxvisions Group labour services for 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.

Proposed 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 2025 is expected to be not more than RMB1,200,000.

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 aggregated actual transaction amount incurred by the Group in relation to the labour services provided by the GZ Luxvisions for the eleven months ended 30 November 2024 of approximately RMB859,000;
- (b) the expected labour services demand from the Group due to its operation and production needs; 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.

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 expenses, 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 proposed annual caps, 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 AGREEMENTS

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 Group 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.

As the term of the Existing Labour Services Framework Agreement will expire on 31 December 2024, the Group intends to enter into the Labour Services Framework Agreement which can enable the Group to continue the cooperation based on the principal terms and pricing policies thereto subject to the proposed annual caps without incurring substantial negotiation time and costs among the parties to effect the aforementioned transactions.

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 caps) 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 ensure that the pricing and other contractual terms of the continuing connected transactions are on normal commercial terms, fair and reasonable, and to safeguard the interests of the Company and the Shareholders as a whole, the Company has adopted certain measures in monitoring the continuing connected transactions:

- (i) 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.
- (ii) the internal compliance review department of the Company is responsible for the review of individual orders on a regular basis at least quarterly to ensure that the terms thereunder are made in accordance with the terms and conditions of the respective framework agreements.
- (iii) to ensure the transactions contemplated under the Supply Framework Agreement and the Labour Services Framework Agreements do not exceed the annual caps, the business department of the Group shall fill in and submit statistical charts for the continuing connected transactions at least quarterly. In the event that the amount of the transactions incurred and/or to be incurred under any framework agreements for a financial year is expected to reach the relevant annual cap(s), the business department will follow up forthwith by reporting and proposing a response to the management of the Company, and in case that an amendment to the annual cap(s) is required, report particulars to the Board and hold a Board meeting for considering the matters thereabout to ensure compliance of the requirements under the Listing Rules.
- (iv) 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.

- (v) to ensure that transaction prices under the Supply Framework Agreement will be fair and reasonable and on normal commercial terms, or on terms no less favourable than the terms offered to independent third parties (if any), to the extent applicable, the business department of the Group will review at least quarterly its prices charged to independent third party customers (if any) for the supply of Products with same or similar specifications against the terms offered to GZ Luxvisions Group. 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 Supply Framework Agreements are conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

- (vi) 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 for similar labour services and the market conditions.

- (vii) in relation to 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 for provision of similar labour services 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.

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 70.45% of the Shares are directly held by LITL which is a subsidiary of LIL.

GZ Luxvisions

GZ Luxvisions, a company established under the laws of the PRC with limited liability, is a subsidiary of LIL. As at the date of this announcement, LIL is owed as to (i) approximately 56.342% by Mr. Wang Laixi (a controlling Shareholder); and (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. 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.

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 37.74% 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.

LISTING RULES IMPLICATIONS

As GZ Luxvisions is a controlling Shareholder indirectly interested in approximately 70.45% 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 Supply Framework Agreement, 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.

Ms. Wang Laichun and Mr. Wang Laisheng, who are the controlling Shareholders and indirectly interested in approximately 70.45% of the issued share capital of the Company, together are also indirectly interested in approximately 37.74% of the equity interests, and Mr. Wang Laisheng is also directly interested in approximately 0.21% 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 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.

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 70.45% 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.

As more than one applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of each of the Supply Framework Agreement and the Labour Services Framework Agreements (and for each of the Labour Services Framework Agreements after aggregation with other Labour Services Framework Agreements) are more than 0.1% but less than 5%. Accordingly, each of the Supply Framework Agreement and 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:

“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
“continuing connected transaction(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
“Existing Supply Framework Agreement”	the product supply framework agreement dated 5 May 2022 entered into between the Company and GZ Luxvisions in relation to the supply of the Products from the Group to the GZ Luxvisions Group
“Existing Labour Services Agreements”	collectively, <ul style="list-style-type: none"> (i) 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 (ii) 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 (iii) 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; and (iv) 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
“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 27 December 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 27 December 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”	<p>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:</p> <ul style="list-style-type: none"> (i) approximately 56.342% by Mr. Wang Laixi (a controlling Shareholder); and (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

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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 27 December 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 27 December 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 37.74% 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
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan

“Products”	the customized products and/or materials to be supplied by the Group to the GZ Luxvisions Group according to the specifications as provided by the GZ Luxvisions Group, including but not limited to optical glass, optical adhesive, optical coating and related materials or parts in relation to the production of the GZ Luxvisions Group
“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
“Supply Framework Agreement”	the product supply framework agreement dated 27 December 2024 entered into between the Company and GZ Luxvisions in relation to the supply of the Products from the Group to the GZ Luxvisions Group
“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, 27 December 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.