
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offers, this Composite Document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Cowell e Holdings Inc., you should at once hand this Composite Document and the accompanying Forms of Acceptance to the purchaser(s) or transferee(s), licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This Composite Document should be read in conjunction with the accompanying Forms of Acceptance, the contents of which form part of the terms and conditions of the Offers.

The Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Forms of Acceptance, make no representation as to their 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 Composite Document and the accompanying Forms of Acceptance.

**Luxvisions Innovation
Technology Limited**
立景創新科技有限公司

(Incorporated in Hong Kong with limited liability)

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)

COMPOSITE OFFER AND RESPONSE DOCUMENT
MANDATORY CONDITIONAL CASH OFFERS BY
CHINA INTERNATIONAL CAPITAL CORPORATION
HONG KONG SECURITIES LIMITED FOR AND
ON BEHALF OF LUXVISIONS INNOVATION TECHNOLOGY LIMITED
TO ACQUIRE ALL THE ISSUED SHARES AND
TO CANCEL ALL THE OUTSTANDING OPTIONS OF
COWELL E HOLDINGS INC. (OTHER THAN
THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY
LUXVISIONS INNOVATION TECHNOLOGY LIMITED AND/OR
PARTIES ACTING IN CONCERT WITH IT)

Financial Adviser to the Offeror



**Independent Financial Advisor to
the Independent Board Committee**



Alliance Capital Partners Limited
同人融資有限公司

Holders of the Offer Shares and Offer Options should inform themselves of and observe any applicable legal or regulatory requirements. See "Important Notice" beginning on page iv of this Composite Document.

Capitalised terms used in this cover page have the same meaning as those defined in the section headed "Definitions" in this Composite Document. A "Letter from CICC" containing, among other things, the details of the terms and conditions of the Offers are set out on pages 9 to 22 of this Composite Document. A letter from the Board is set out on pages 23 to 31 of this Composite Document. A letter from the Independent Board Committee containing its recommendation to the Offer Shareholders and Offer Optionholders in respect of the Offers is set out on pages 32 to 33 of this Composite Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offers is set out on pages 34 to 55 of this Composite Document.

The procedures for acceptance and settlement of the Offers are set out in Appendix I to this Composite Document and in the accompanying Forms of Acceptance. Acceptances of the Offers contained herein should be received by the Registrar, by no later than 4:00 p.m. on Friday, 5 February 2021 or such later time or date as the Offeror may determine and announce, with the consent of the Executive and in accordance with the Takeovers Code.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the Forms of Acceptance to any jurisdiction outside of Hong Kong should read the details in this regard which are contained in the section headed "Overseas Shareholders and Overseas Optionholders" of the "Letter from CICC" in this Composite Document before taking any action. It is the responsibility of each Overseas Shareholder and Overseas Optionholder wishing to accept the Offers to satisfy himself, herself or itself as to full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or legal requirements. Overseas Shareholders and Overseas Optionholders are advised to seek professional advice on deciding whether to accept the Offers.

15 January 2021

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EXPECTED TIMETABLE

The timetable set out below is indicative only and may be subject to changes. Any changes to the timetable will be announced by the Offeror and the Company as and when appropriate.

Despatch date of this Composite Document and the Forms of

Acceptance Friday, 15 January 2021

Offers open for acceptance Friday, 15 January 2021

First Closing Date of the Offers (*Note 1*) Friday, 5 February 2021

Latest time and date for acceptance of the Offers

on the First Closing Date

(*Note 2*) 4:00 p.m. on Friday, 5 February 2021

Announcement of the results of the Offers as at the First

Closing Date to be posted on the website of the Stock Exchange 7:00 p.m. on Friday, 5
February 2021

Latest date for posting of remittances for the amount due in

respect of valid acceptances received under the Offers on or

before 4:00 p.m. on the First Closing Date assuming the Offers

become or are declared unconditional in all respects on the First

Closing Date (*Note 3*) Thursday, 18 February 2021

Latest time and date for acceptance of the Offers remaining open

assuming the Offers become, or are declared, unconditional on

the First Closing Date (*Note 4*) 4:00 p.m. on Friday, 19 February 2021

Latest time and date by which the Offers can become or be

declared unconditional in all respects (*Note 4*) 7:00 p.m. on Tuesday, 16 March 2021

Notes:

1. The Offers will close for acceptances at 4:00 p.m. on Friday, 5 February 2021 unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the Offers until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). The Offeror will issue an announcement in relation to any extension of the Offers, which announcement will state either the next Closing Date or, if the Offers are at that time unconditional as to acceptances, a statement that the Offers will remain open until further notice. In the latter case, at least 14 days' notice in writing must be given before the Offers are closed to those Offer Shareholders and Offer Optionholders who have not accepted the Offers.

EXPECTED TIMETABLE

- Beneficial owners of the Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (please also refer to paragraph (c) under “Procedures for Acceptance of the Share Offer” on page I-2 in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

Acceptances of the Offers are irrevocable and are not capable of being withdrawn, except in the circumstances as set out in the section headed “Right of Withdrawal” in Appendix I of this Composite Document.

- Subject to the Offers becoming unconditional, remittances in respect of the cash consideration (after deducting the seller’s ad valorem stamp duty in respect of acceptances of the Share Offer) payable for the Shares and Options tendered under the Offers will be posted to those Shareholders and Optionholders accepting the Offers (to the address specified on the relevant Shareholder’s **WHITE** Form of Share Offer Acceptance and Transfer or the relevant Optionholder’s **YELLOW** Form of Option Offer Acceptance) by ordinary post at their own risk as soon as possible, but in any event within seven Business Days from the later of the date of receipt by the Registrar of all the relevant documents to render the acceptance under the Offers complete and valid, and the date on which the Offers become or are declared unconditional in all respects.
- In accordance with the Takeovers Code, when the Offers become or are declared unconditional in all respects, at least 14 days’ notice in writing must be given before the Offers are closed to those Offer Shareholders and Offer Optionholders who have not accepted the Offers. In accordance with the Takeovers Code, except with the consent of the Executive, the Offers may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the day this Composite Document is posted. Accordingly, unless the Offers have previously become unconditional as to acceptances, the Offers will lapse on 16 March 2021 unless extended with the consent of the Executive.
- If there is a tropical cyclone warning signal number 8 or above, or a black rainstorm warning: a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offers and the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances, the latest time for acceptance of the Offers will remain at 4:00 p.m. on the same Business Day and the latest date for the posting of remittances will remain on the same Business Day; and b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offers and the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances, the latest time for acceptance of the Offers will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m. and the posting of remittances will be next following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

All time and date references contained in this Composite Document and accompanying Forms of Acceptance are to Hong Kong times and dates.

IMPORTANT NOTICES

NOTICE TO SHAREHOLDERS AND OPTIONHOLDERS OUTSIDE OF HONG KONG

The making and implementation of the Offers to holders of the Offer Shares and Offer Options who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such holders are located. Such holders should inform themselves about and observe any applicable legal or regulatory requirements.

Please refer to the section headed “Overseas Shareholders and Overseas Optionholders” of the “Letter from CICC” in this Composite Document for further information.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements.

DEFINITIONS

In this Composite Document, the following expressions have the meanings set out below unless the context requires otherwise.

“Accepting Optionholder(s)”	the Optionholder(s) who accept(s) the Option Offer
“Accepting Shareholder(s)”	the Shareholder(s) who accept(s) the Share Offer
“Acquisition”	the purchase of the Sale Shares by the Offeror from the Seller pursuant to terms set out in the SPA
“Acquisition Conditions”	any condition precedent to the Completion as set out in the section headed “Conditions precedent” in the Announcement
“Announcement”	the joint announcement issued by the Offeror and the Company on 10 December 2020 in relation to, among others, the Offers
“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“associate”	has the meaning ascribed to it in the Takeovers Code
“Board”	the board of Directors of the Company
“Business Day”	a day on which the Stock Exchange is open for transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CICC”	China International Capital Corporation Hong Kong Securities Limited, the financial adviser to the Offeror in relation to the Offers. CICC is a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities

DEFINITIONS

“Closing Date”	the date stated in this Composite Document as the First Closing Date of the Offers or any subsequent closing date as may be announced by the Offeror and approved by the Executive
“Company”	Cowell e Holdings Inc., an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 1415)
“Completion”	completion of the Acquisition under the SPA which took place on 17 December 2020
“Composite Document”	this composite offer and response document jointly issued by the Offeror and the Company to the Offer Shareholders and Offer Optionholders in connection with the Offers in compliance with the Takeovers Code
“Conditions”	the conditions of the Offers, as set out under the section headed “ <i>Conditions to the Offers</i> ” of the “Letter from CICC” of this Composite Document
“Despatch Date”	15 January 2021, the date of despatch of this Composite Document
“Directors”	directors of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Facility Agreement”	the facility agreement between the Offeror and China Merchants Bank Company Limited dated 7 December 2020, pursuant to which the Offeror pledged the Sale Shares and any Shares to be acquired by the Offeror under the Offers in favour of China Merchants Bank Company Limited (including for the purposes of this Composite Document any security documents supporting the Facility Agreement)
“First Closing Date”	5 February 2021, the first Closing Date of the Offers

DEFINITIONS

“Form(s) of Acceptance”	collectively, the WHITE Form of Share Offer Acceptance and Transfer and the YELLOW Form of Option Offer Acceptance, and “Form of Acceptance” shall mean any one of them
“GLITL”	Guangzhou Luxvisions Innovation Technology Limited 廣州立景創新科技有限公司, a company incorporated in the PRC, and is wholly-owned by LIL
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising Mr. Kim Chan Su, Dr. Song Si Young and Mr. Jung Jong Chae, being all the independent non-executive Directors of the Company, formed for the purpose of advising the Offer Shareholders and Offer Optionholders in respect of the Offers
“Independent Financial Adviser” or “Alliance Capital”	Alliance Capital Partners Limited, a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee in relation to the Offers
“Investor Participant”	the person admitted to participate in CCASS as investor participants
“KRW”	Korean Republic Won, the lawful currency of South Korea;
“Last Trading Day”	9 December 2020, being the last full trading day prior to the publication of the Announcement

DEFINITIONS

“Latest Practicable Date”	12 January 2021, being the latest practicable date prior to the printing of this Composite Document for the purpose of ascertaining certain information for inclusion in this Composite Document
“LIL”	Luxvisions Innovation Limited 立景創新有限公司, a company incorporated in Hong Kong with limited liability and is owned as to 90% by Mr. Wang Laixi 王來喜 and as to 10% by Lite-On
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lite-On”	Lite-On Singapore Pte. Limited 光寶科技新加坡私人有限公司, a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of Lite-On Technology Corporation 光寶科技股份有限公司 (a company incorporated in Taiwan with limited liability and listed on the Taiwan Stock Exchange (stock code 2301)), which is a widely-held listed company with no substantial shareholder or controlling shareholder (as defined under the Listing Rules)
“Offers”	collectively, the Share Offer and the Option Offer
“Offer Prices”	collectively, the Share Offer Price and the Option Offer Prices
“Offer Shareholder(s)”	holder(s) of Share(s), other than the Offeror and parties acting in concert with it
“Offer Share(s)”	all and any of the Shares that are subject to the Share Offer
“Offer Optionholder(s)”	holder(s) of Option(s), other than the Offeror and parties acting in concert with it
“Offer Option(s)”	all and any of the Options that are subject to the Option Offer

DEFINITIONS

“Offeror”	Luxvisions Innovation Technology Limited 立景創新科技有限公司, a limited liability company incorporated in Hong Kong which is wholly-owned by GLITL
“Offer Period”	has the meaning given to it in the Takeovers Code
“Option(s)”	share options granted by the Company pursuant to the Share Option Scheme of the Company
“Optionholder(s)”	the holder(s) of the Option(s)
“Option Offer”	the mandatory conditional cash offer made by CICC for and on behalf of the Offeror to cancel all the outstanding Options in accordance with the Takeovers Code
“Option Offer Prices”	HK\$2.11 and HK\$4.056, being the prices at which the Option Offer is made for the Offer Options with exercise prices of HK\$3.76 and HK\$1.814 respectively
“Overseas Optionholder(s)”	Offer Optionholder(s) whose address(es), as shown on the register of Optionholders of the Company, is/are outside Hong Kong
“Overseas Shareholder(s)”	Offer Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“PRC”	the People’s Republic of China (for the purpose of this Composite Document, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan)
“Relevant Period”	the period from 2 June 2020, being the date six months before the date of the commencement of the Offer Period, up to and including the Latest Practicable Date

DEFINITIONS

“Registrar”	Computershare Hong Kong Investor Services Limited, being the Hong Kong branch share registrar and transfer office of the Company, whose address is at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong
“Rule 3.7 Announcement”	the announcement published by the Company pursuant to Rule 3.7 of the Takeovers Code dated 2 December 2020
“Sale Share(s)”	374,159,400 Shares, being such number of Shares acquired by the Offeror from the Seller pursuant to the SPA, representing approximately 44.85% of the issued Shares as at the Latest Practicable Date
“Seller”	Mr. Kwak Joung Hwan
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinances (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of USD0.004 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Offer”	the mandatory conditional cash offer made by CICC, for and on behalf of the Offeror, to acquire all the issued Shares not already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it in accordance with the Takeovers Code
“Share Offer Price”	HK\$5.87 per Share, being the price at which the Share Offer will be made
“Share Option Scheme”	the share option scheme of the Company adopted on 4 February 2015

DEFINITIONS

“SPA”	the sale and purchase agreement dated 10 December 2020 entered into between the Seller and the Offeror in relation to the Sale Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it in the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers of Hong Kong
“Third Party Rights”	any interest or equity of any person (including any right to acquire, option or right of pre-emption or conversion) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement, or any agreement to create any of the above or any other third party rights of any nature
“USD”	United States dollars, the lawful currency of the United States of America
“ WHITE Form of Share Offer Acceptance and Transfer”	the WHITE form of acceptance and transfer in respect of the Share Offer accompanying this Composite Document
“ YELLOW Form of Option Offer Acceptance”	the YELLOW form of acceptance in respect of the Option Offer accompanying this Composite Document
“%”	per cent.

1. All time and date references contained in this Composite Document refer to Hong Kong times and dates.
2. Certain amounts and percentage figures in this Composite Document have been subject to rounding adjustments.
3. Certain English translations of Chinese names or words or Chinese translations of English names or words in this Composite Document are included for information and identification purposes only and should not be regarded as the official English translation of such Chinese names or words or official Chinese translation of such English names or words, respectively.

DEFINITIONS

4. The singular includes the plural and vice versa, unless the context otherwise requires.
5. References to any Appendix, paragraph and any sub-paragraphs of them are references to the Appendices to, and paragraphs of, this Composite Document and any sub-paragraphs of them respectively.
6. References to any statute or statutory provision include a statute or statutory provision which amends, consolidates or replaces the same whether before or after the date of this Composite Document.
7. Reference to one gender is a reference to all or any genders.



15 January 2021

To the Offer Shareholders and Offer Optionholders

Dear Sir or Madam,

**MANDATORY CONDITIONAL CASH OFFERS BY
CHINA INTERNATIONAL CAPITAL CORPORATION
HONG KONG SECURITIES LIMITED FOR AND
ON BEHALF OF LUXVISIONS INNOVATION TECHNOLOGY LIMITED
TO ACQUIRE ALL THE ISSUED SHARES AND
TO CANCEL ALL THE OUTSTANDING OPTIONS OF
COWELL E HOLDINGS INC. (OTHER THAN
THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY
LUXVISIONS INNOVATION TECHNOLOGY LIMITED AND/OR
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

On 10 December 2020, the Offeror and the Company jointly published an announcement that after trading hours of the Stock Exchange on 10 December 2020, the Offeror and the Seller entered into the SPA pursuant to which the Seller has agreed to sell and the Offeror has agreed to purchase 374,159,400 Shares (being all the Shares held by the Seller), representing approximately 44.87% of the issued Shares as at the date of the Announcement, for a total cash consideration of HK\$2,196,315,678 (being HK\$5.87 per Share). Ten percent of the cash consideration for the Sale Shares (i.e. HK\$219,631,568) was payable on the date of the SPA as deposit, and the remainder of the cash consideration for the Sale Shares (i.e. HK\$1,976,684,110) was payable upon Completion (both have been paid accordingly).

On 17 December 2020, the Offeror and the Company jointly announced that Completion took place on 17 December 2020 and upon Completion, the Offeror held an aggregate of 374,159,400 Shares, representing approximately 44.87% of the issued Shares as at the date of Completion.

LETTER FROM CICC

As at the date of the Announcement, each of the Offeror and parties acting in concert with it did not have any interests in the Shares. Immediately upon Completion, the Offeror is interested in 374,159,400 Shares, representing approximately 44.87% of the issued Shares as at the date of Completion.

Given the Offeror acquired more than 30% of the voting rights of the Company as a result of the Acquisition, pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory conditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it). Pursuant to Rule 13 of the Takeovers Code, the Offeror is required to make an appropriate cash offer to the Offer Optionholders to cancel all Offer Options.

This letter forms part of this Composite Document and sets out, among other matters, principal terms of the Offers, information on the Offeror and the intention of the Offeror regarding the Group. Further details of the terms of the Offers are set out in “Appendix I — Further Terms of the Offers” to this Composite Document, and the accompanying Forms of Acceptance. Terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context otherwise requires.

THE OFFERS

For and on behalf of the Offeror, we hereby conditionally make the Offers in compliance with the Takeovers Code on the following basis:

The Share Offer

As at the Latest Practicable Date, there are 460,159,400 Shares which are subject to the Share Offer.

For each Offer Share HK\$5.87 in cash

The Share Offer Price of HK\$5.87 for each Offer Share under the Share Offer is the same as the price paid per Sale Share by the Offeror pursuant to the SPA.

Comparisons of value

The Share Offer Price of HK\$5.87 per Offer Share represents:

- (a) a premium of approximately 2.98% to the closing price of HK\$5.70 per Share as quoted on the Stock Exchange on 9 December 2020, being the Last Trading Day;

LETTER FROM CICC

- (b) the same as the closing price of HK\$5.87 per Share as quoted on the Stock Exchange on 12 January 2021, being the Latest Practicable Date;
- (c) a premium of approximately 1.38% over the average closing price of HK\$5.79 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a premium of approximately 10.34% over the average closing price of HK\$5.32 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (e) a premium of approximately 32.09% over the average closing price of HK\$4.44 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (f) a premium of approximately 52.20% over the average closing price of HK\$3.86 per Share as quoted on the Stock Exchange for the 90 consecutive trading days immediately prior to and including the Last Trading Day;
- (g) a premium of approximately 23.06% to the closing price of HK\$4.77 per Share as quoted on the Stock Exchange on 1 December 2020, being the last Business Day prior to the commencement of the Offer Period;
- (h) a premium of approximately 88.14% over the audited consolidated net assets per Share of approximately USD 0.40 as at 31 December 2019 (equivalent to approximately HK\$3.12), calculated based on the Group's audited consolidated net assets attributable to the Shareholders of approximately USD 335,968,000 as at 31 December 2019 and 834,318,800 Shares in issue as at the Latest Practicable Date; and
- (i) a premium of approximately 103.40% over the unaudited consolidated net assets per Share of approximately USD 0.37 as at 30 June 2020 (equivalent to approximately HK\$2.886), calculated based on the Group's audited consolidated net assets attributable to the Shareholders of approximately USD 308,756,000 as at 30 June 2020 and 834,318,800 Shares in issue as at the Latest Practicable Date.

The Option Offer

As at the Latest Practicable Date, there were 3,750,000 outstanding Options which, if vested, will confer rights on the Optionholders to subscribe for up to an aggregate of 1,750,000 Shares at an exercise price of HK\$3.76 per Share, and 2,000,000 Shares at an exercise price of HK\$1.814

LETTER FROM CICC

per Share. As at the Latest Practicable Date, all of the 3,750,000 outstanding Options were held by the Offer Optionholders. The 1,750,000 outstanding Options with an exercise price of HK\$3.76 shall be exercisable from 1 January 2018 to 29 October 2025 and the remaining 2,000,000 outstanding Options with an exercise price of HK\$1.814 shall be exercisable from 19 April 2020 to 18 April 2028.

In accordance with the terms of the Share Option Scheme, if a general offer is made to all the Shareholders (or all such Shareholders other than the Offeror and its concert parties and persons controller by the Offeror) and the general offer becomes or is declared unconditional during the option period of an outstanding option, the grantee (or his legal representatives) shall be entitled to exercise the option (to the extent not already exercised but whether vested or not) at any time before the expiry of the period of 10 business days following the date on which the general offer becomes or is declared unconditional. The Options shall lapse automatically at the closing of the Offer Period if the Optionholders do not accept Option Offer. If the Offers do not become unconditional and lapse, then the Options will continue to be exercisable in accordance with their respective conditions of grant.

The Option Offer made by CICC on behalf of the Offeror is on the following basis:

For each of the 1,750,000 Offer Options with an exercise price of

HK\$3.76	HK\$2.11 in cash
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For each of the 2,000,000 Offer Options with an exercise price of

HK\$1.814	HK\$4.056 in cash
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Pursuant to Rule 13 and Practice Note 6 of the Takeovers Code, the option offer price would normally represent the difference between the exercise price of the options and the share offer price. Under the Option Offer, since the exercise prices of the Offer Options, being HK\$3.76 and HK\$1.814, are below the Share Offer Price of HK\$5.87, the Offer Options are in-the-money and the Option Offer Prices are set at the see-through prices of HK\$2.11 and HK\$4.056 respectively.

The offers are extended to all Offer Shareholders and Offer Optionholders in accordance with the Takeovers Code.

In the event that the Company decides to declare, pay, make or agree to pay or make any dividends on or after the date of the Announcement and up to closing of the Offers, the Offeror intends to reduce the Offer Price by the amount of such dividends. The Offeror notes that the Company does not intend to declare, pay, make or agree to pay or make any dividends on or after the date of this Composite Document and up to closing of the Offers.

LETTER FROM CICC

Highest and lowest closing prices of the Shares

As disclosed in the Rule 3.7 Announcement, the Offer Period has commenced on 2 December 2020.

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$6.05 on 7 December 2020 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$1.55 on 15 June 2020, respectively.

Value of the Offers

Based on (i) the Share Offer Price of HK\$5.87 per Share and 460,159,400 Offer Shares and (ii) the Option Offer Prices of HK\$2.11 and HK\$4.056 for 1,750,000 Offer Options and 2,000,000 Offer Options, respectively:

- (a) Assuming no Offer Options are exercised and the Share Offer is accepted in full:
 - (i) the value of the Share Offer will be approximately HK\$2,701,135,678; and
 - (ii) the total amount to satisfy the cancellation of all Offer Options will be approximately HK\$11,804,500.
- (b) Assuming all Offer Options are exercised and the Share Offer is accepted in full:
 - (i) the value of the Share Offer will be approximately HK\$2,723,148,178; and
 - (ii) no amount will be payable by the Offeror under the Option Offer.

Confirmation of financial resources

The Offeror intends to finance the maximum consideration for the Offers (i.e. HK\$2,723,148,178, being the higher amount of scenarios (a) and (b) above) by external debt-financing.

CICC, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum consideration payable by the Offeror upon full acceptance of the Offers.

LETTER FROM CICC

CONDITIONS TO THE OFFERS

The Share Offer is conditional only on valid acceptances being received in respect of such number of Offer Shares, which together with Shares owned, acquired or agreed to be acquired by the Offeror and parties acting in concert with it before or during the Offer Period, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights in the Company (the “**Condition**”). The Option Offer will be conditional on the Share Offer becoming or being declared unconditional in all respects.

In accordance with Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Offers become unconditional as to acceptances and when the Offers become unconditional in all respects. The Offers must also remain open for acceptance for at least fourteen (14) days after the Offers become unconditional in all respects.

Acceptance

The Offers are capable of acceptance on and from 15 January 2021 and will remain open for acceptance until 5 February 2021, being the First Closing Date, unless extended or revised in accordance with the Takeovers Code. The Offeror reserves the right to revise or extend the Offers in accordance with the Takeovers Code. Unless the Offers have previously been revised or extended with the consent of the Executive, to be valid, the Forms of Acceptance must be received by no later than 4:00 p.m. (Hong Kong time) on 5 February 2021.

Acceptance of the Offers shall be unconditional and irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

Please also refer to Appendix I to this Composite Document for further terms of the Offers.

WARNING:

The Offers are subject to the Conditions being fulfilled and the Offers may or may not become unconditional. Shareholders, Optionholders and potential investors should therefore exercise caution when dealing in the securities in the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

LETTER FROM CICC

INFORMATION ON THE OFFEROR

The Offeror is an imaging product manufacturing company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of GLITL. GLITL is a wholly-owned subsidiary of LIL. LIL is a company incorporated in Hong Kong with limited liability and is owned as to 90% by Mr. Wang Laixi and as to 10% by Lite-On. Lite-On is a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of Lite-On Technology Corporation 光寶科技股份有限公司 (a company incorporated in Taiwan with limited liability and listed on the Taiwan Stock Exchange (stock code 2301)). Mr. Wang Laixi is also currently the sole director of the Offeror.

Mr. Wang Laixi is the chairman of Luxvisions Innovation Group, which comprises LIL, GLITL, the Offeror and other subsidiaries located in the PRC. Luxvisions Innovation Group is a manufacturer of mass-produced mobile phone camera modules, tablet camera modules, and notebook camera modules. So far, it has designed and mass produced hundreds of customized camera modules. Mr. Wang founded and funded Luxvisions Innovation Group in 2002 using his personal savings from employment and returns from investments. For the financial year ended 31 December 2019, the audited consolidated group revenue of Luxvisions Innovation Group was approximately RMB12.0 billion. For the nine months ended 30 September 2020, the unaudited consolidated group revenue of Luxvisions Innovation Group was approximately RMB8.43 billion.

INTENTION OF THE OFFEROR REGARDING THE GROUP

It is the intention of the Offeror that the Group's existing principal activities will be maintained after the close of the Offers. The Offeror has no intention, understanding, negotiation or arrangement (concluded or otherwise) to downsize, cease or dispose of any of the existing businesses of the Group, nor to inject new businesses and/or assets to the Group. The Offeror intends to continue to explore potential avenues and strategies following the close of the Offers, to enhance future development and growth of the Group and to create greater value for its shareholders. It is also the intention of the Offeror that the listing status of the Company will be maintained after the close of the Offers.

The Offeror and the Company believe that the strategic alliance between the Offeror and the Company could enable the Company to further benefit from the development in the consumer electronics supply chain, through integration of customer and market resources as well as technologies and R&D capabilities. The Offeror would also deploy its platform advantages and introduce strategic resources to the Company to further strengthen the Company's competitiveness in the market and promote growth in the business operations of the Group.

LETTER FROM CICC

Save as in connection with the intention of the Offeror regarding the Group as set out above and except for the proposed change of Board composition as detailed in the section headed “Proposed change of the Board composition” below, the Offeror has no intention to (i) discontinue the employment of the existing management and employees of the Group; or (ii) redeploy the fixed assets of the Company other than those in its ordinary and usual course of business.

PROPOSED CHANGE OF THE BOARD COMPOSITION

The Board is currently made up of five Directors, comprising of two executive Directors, being Mr. Kwak Jung Young and Mr. Cho Young Hoon; and three independent non-executive Directors, being Mr. Kim Chan Su, Dr. Song Si Young and Mr. Jung Jong Chae.

It is intended that all of the existing Directors will resign from the Board at the earliest time permitted under the Takeovers Code.

The Offeror has nominated new Directors to the Board with effect from the date of this Composite Document, in pursuant to Rule 26.4 of the Takeovers Code. The Offeror has nominated Mr. Wu Ying-Cheng and Mr. Meng Yan as executive Directors, and Ms. Su Yen-Hsueh, Mr. Tsai Chen-Lung and Mr. Luo Zhenbang as independent non-executive Directors.

The brief biographies of the new Directors nominated by the Offeror are set out below:

Executive Directors

Mr. Wu Ying-Cheng, aged 52, obtained a master’s degree in material science from the Department of Mechanical Engineering of the National Chung Hsing University in 1993. Mr. Wu has been working in the semiconductor assembly technology and camera module development industries since 1995. He has been a general manager of Lite-On’s portable image device business unit since 2015 and a general manager of LIL since 2018.

Mr. Meng Yan, aged 45, obtained a bachelor’s degree in mechanical and electrical engineering from the University of Electronic Science and Technology of China in 1998. Mr. Meng has extensive experience in operation, investment and corporate management. He has previously worked in leading companies in the electronic industries, such as International Business Machines Corporation, Sony Ericsson Mobile Communications (now known as Sony Mobile Communications Corporation) and Knowles Corporation. He joined the Luxshare-ICT Group as a vice president in 2016.

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Independent non-executive Directors

Ms. Su Yen-Hsueh, aged 51, obtained a bachelor's degree in international business from the National Taiwan University in 1991 and a master's degree in industrial administration from the Carnegie Mellon University in 1993. Ms. Su has extensive experience in investments and mergers and acquisitions in the technology sector. She was a top ranked technology analyst for ABN AMRO Bank and UBS before joining AsusTeK Computer Inc. as a chief investment officer in 2004. She spearheaded the AsusTeK Computer Inc. and Pegatron Corporation restructuring in 2009 and retired from her position of senior vice president for investment and business development from Pegatron Corporation in 2013. Ms. Su currently serves on the boards of AU Optronics Corporation, TXC Corporation, and Eslite Spectrum Corporation as an independent director, and on the board of Kinsus Interconnect Technology Corporation as a director.

Mr. Tsai Chen-Lung, aged 48, obtained a bachelor's degree majoring in information system from the Western United States International University and a master's degree majoring in electronic computer engineering from the Arizona State University. Mr. Tsai is currently the chief strategy officer of Taiwan Luxshare-ICT Company Limited, a director of Stech International Company Limited, a director of Space Speed Technology Limited, the chairman of the board of directors of Speedtech (LS-ICT) Company Limited, the legal representative of Luxshare-ICT Inc., the legal representative of Leader Precision Industry Corporation Limited, a director of Luxshare Precision Accessory (Kunshan) Limited, and the chairman of Toyoshima Corporation (M) Sdn. Bhd.

Mr. Luo Zhenbang, aged 54, graduated from the School of Business of Lanzhou in 1991 majoring in enterprise management. He has been managing the audit works for many listed companies since 1994. He was an independent director of Long March Vehicle Technology Company Limited, Orient Tantalum Industry Company Limited, Wuzhong Instrument Company Limited, Shengxue Company Limited, Avic Heavy Machinery Company Limited, Digital China Information Service Company Limited, a company listed on the Shenzhen Stock Exchange (stock code: 000555), and Xinjiang Goldwind Science & Technology Company Limited, a company listed on the Shenzhen Stock Exchange (stock code: 002202) and the Stock Exchange (stock code: 2208). He is the expert supervisor of China Cinda Asset Management Company Limited and China Great Wall Asset Management Company Limited, as well as the internal audit expert of Northeast Securities Company Limited, a company listed on the Shenzhen Stock Exchange (stock code: 000686). He is currently an independent non-executive director of China Aerospace International Holdings Limited and a director and managing partner of BDO China Shu Lun Pan Certified Public Accountants LLP. He is also currently an independent director of BII Railway Transportation Technology Holdings Company Limited (formerly known as China City Railway Transportation Technology Holdings Company Limited), a company listed on the Stock Exchange (stock code: 1522), and Guorui Properties Limited, a company listed on the Stock Exchange (stock

LETTER FROM CICC

code: 2329). Mr. Luo possesses several professional qualifications, including being a certified accountant in the securities and futures industry, and a certified public accountant, a certified asset valuer and a certified tax accountant in the PRC. Mr. Luo has in-depth experience in accounting, auditing and financial management. He is familiar with the audit of listed companies from various sectors and extensively participates in corporate restructuring for listing, restructuring of listed companies and other business consultation services.

Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made by the Company as and when appropriate.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Share Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

then it will consider exercising its discretion to suspend dealings in the Shares until the prescribed level of public float is restored.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offers.

The sole director of the Offeror and the new Directors to be appointed to the Board of the Company have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. The Offeror considers that the appropriate actions to be taken after the close of the Offers shall include placing down of sufficient number of accepted Shares by the Offeror and/or issue of additional Shares by the Company for this purpose. The Company and the Offeror will issue a separate announcement as and when necessary in this regard.

OVERSEAS SHAREHOLDERS AND OVERSEAS OPTIONHOLDERS

The Offeror intends to make the Offers available to all Offer Shareholders and Offer Optionholders, including the Overseas Shareholders and Overseas Optionholders. However, the Offers to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident. The making of the Offers to persons with a registered

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address in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. Overseas Shareholders and/or Overseas Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek independent legal advice. It is the responsibility of Overseas Shareholders and the Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Overseas Shareholders and Overseas Optionholders in respect of such jurisdictions). The Offeror, the Company, CICC, the Registrar, and parties acting in concert with any of them and their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offers shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay.

Any acceptance of the Offers by any Overseas Shareholder and/or Overseas Optionholder will be deemed to constitute a representation and warranty from such Overseas Shareholder and/or Overseas Optionholder to the Offeror and CICC that the local laws and requirements have been complied with. Overseas Shareholders and Overseas Optionholders should consult their professional advisers if in doubt.

PROCEDURES FOR ACCEPTANCE AND SETTLEMENT

Procedures for Acceptance of the Offers

To accept the Share Offer, you must complete and sign the accompanying **WHITE** Form of Share Offer Acceptance and Transfer in accordance with the instructions printed thereon, which forms part of the terms of the Offers.

To accept the Option Offer, you must complete and sign the accompanying **YELLOW** Form of Option Offer Acceptance in accordance with the instructions printed thereon, which forms part of the terms of the Offers.

The completed Form of Acceptance should then be forwarded, together with the relevant Share or Option certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the whole of your holding of the Shares or Options or, if applicable, for not less than the number of Shares or Options in respect of which you intend to accept the Offers, by post or by hand to the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as practicable after receipt of these documents and in any event, so as to reach the Registrar

LETTER FROM CICC

by no later than 4:00 p.m. (Hong Kong time) on 5 February 2021, being the First Closing Date (or such later time and/or date as the Offeror may decide and announce with the consent of the Executive in accordance with the Takeovers Code). No acknowledgement of receipt of any Forms of Acceptance, Share certificate, transfer receipt or other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

Your attention is also drawn to the section headed “Terms of the Offers” as set out in paragraphs 1 and 2 of Appendix I to this Composite Document and the accompanying Forms of Acceptance.

Settlement of the Offers

Subject to the Offers having become, or have been declared, unconditional in all respects, payment in cash in respect of acceptances of the Offers will be made as soon as possible but in any event within seven (7) Business Days following the later of the date of receipt of a duly completed acceptance of the Offers, or the date on which the Offers become or are declared unconditional in all aspects.

Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the Offers complete and valid. The latest time on which the Offeror can declare the Offers unconditional as to acceptances is 7:00 p.m. on the 60th day after the despatch of this Composite Document (or such later date to which the Executive may consent). If the Offers do not become unconditional, pursuant to Rule 20.2 of the Takeovers Code, the Offeror is required to, as soon as possible but in any event within 10 days thereof, post the Share certificates and Option certificates lodged with the Forms of Acceptance to, or make such Share certificates and Option certificates available for collection by, those Shareholders and Optionholders who have accepted the Offers.

No fractions of a cent will be payable and the amount of the consideration payable to a Shareholder or an Optionholder who accepts the Offers will be rounded up to the nearest cent.

Hong Kong stamp duty

Offer Shareholders’ Hong Kong ad valorem stamp duty arising in connection with acceptance of the Share Offer at a rate of 0.1% of the consideration payable in respect of the relevant acceptances, or (if higher) the value of the Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the laws of Hong Kong), will be deducted from the amount payable to the Offer Shareholders who accept the Share Offer (where the amount of stamp duty is a fraction of a dollar, the stamp duty will be rounded up to the nearest

LETTER FROM CICC

dollar). The Offeror will then arrange for payment of the stamp duty on behalf of those Offer Shareholders who accepted the Share Offer. The Offeror will bear Offeror's ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the Offer Shares.

No stamp duty is payable in connection with the acceptance of the Option Offer.

Nominee Registration

To ensure the equality of treatment of all Offer Shareholders, those Offer Shareholders who hold Share(s) as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of Share(s) whose investments are registered in the names of nominees (including those whose interests in Shares are held through CCASS) to accept the Share Offer, it is essential that they provide instructions of their intentions with regard to the Share Offer to their respective nominees.

TAX ADVICE

Offer Shareholders and Offer Optionholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offers. It is emphasised that none of the Company, the Offeror, CICC, the Registrar or parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

COMPULSORY ACQUISITION

The Offeror does not intend to privatize the Company by availing itself of any powers of compulsory acquisition of the remaining Shares not acquired under the Share Offer after the close of the Offers.

FURTHER DETAILS OF THE OFFERS

Further details of the Offers are set out in "Appendix I — Further Terms of the Offers" to this Composite Document and the accompanying Forms of Acceptance.

LETTER FROM CICC

GENERAL

This Composite Document has been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code and the Listing Rules and the information disclosed may not be the same as which would have been disclosed if this Composite Document had been prepared in accordance with the laws of jurisdictions outside Hong Kong.

All documents and remittances to be sent to the Offer Shareholders and Offer Optionholders by ordinary post are at their own risk. Such documents and remittances will be sent to the Offer Shareholders and Offer Optionholders at their address specified on the relevant Shareholder or Optionholder's Form of Acceptance. None of the Company, the Offeror, CICC, the Registrar or parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other parties involved in the Offers will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.

ADDITIONAL INFORMATION

The Offer Shareholders and Offer Optionholders are strongly advised to consider carefully the information contained in the "Letter from the Board", the "Letter from the Independent Board Committee" and the "Letter from the Independent Financial Adviser", the accompanying Forms of Acceptance and the appendices as set out in this Composite Document and to consult their professional advisers if in doubt.

Yours faithfully,
For and on behalf of
China International Capital Corporation
Hong Kong Securities Limited
Pak Hiu Ching/Li Jie
Managing Director/Executive Director

LETTER FROM THE BOARD



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)

Executive directors:

KWAK Jung Young (*Chairman*)

CHO Young Hoon (*Co-Chief Executive Officer*)

Independent non-executive directors:

KIM Chan Su

SONG Si Young

JUNG Jong Chae

Registered office in the Cayman Islands:

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

Principal place of business in Hong Kong:

Suite 3208-09, 32/F, Tower 6

The Gateway, 9 Canton Road

Tsim Sha Tsui, Kowloon

Hong Kong

15 January 2021

To the Offer Shareholders and Offer Optionholders

Dear Sir or Madam,

**MANDATORY CONDITIONAL CASH OFFERS BY
CHINA INTERNATIONAL CAPITAL CORPORATION
HONG KONG SECURITIES LIMITED FOR AND
ON BEHALF OF LUXVISIONS INNOVATION TECHNOLOGY LIMITED
TO ACQUIRE ALL THE ISSUED SHARES AND
TO CANCEL ALL THE OUTSTANDING OPTIONS OF
COWELL E HOLDINGS INC. (OTHER THAN
THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY
LUXVISIONS INNOVATION TECHNOLOGY LIMITED AND/OR
PARTIES ACTING IN CONCERT WITH IT)**

LETTER FROM THE BOARD

1. INTRODUCTION

Reference is made to the Announcement. The Company was notified by the Offeror and the Seller after trading hours of the Stock Exchange on 10 December 2020 that the Seller and the Offeror entered into the SPA, pursuant to which the Seller has agreed to sell and the Offeror has agreed to purchase 374,159,400 Shares (being all the Shares held by the Seller), representing approximately 44.87% of the issued Shares as at the date of the Announcement, for a total cash consideration of HK\$2,196,315,678 (being HK\$5.87 per Sale Share). Ten percent of the cash consideration for the Sale Shares (i.e. HK\$219,631,568) shall be payable on the date of the SPA as deposit (which has been paid accordingly), and the remainder of the cash consideration for the Sale Shares (i.e. HK\$1,976,684,110) shall be payable upon Completion.

Completion of the Acquisition was subject to the satisfaction (or waiver, where applicable) of the Acquisition Conditions.

As disclosed in the announcement dated 17 December 2020 issued jointly by the Offeror and the Company, Completion of the Acquisition took place on 17 December 2020, pursuant to which the Offeror acquired 374,159,400 Shares from the Seller for the total cash consideration of HK\$2,196,315,678. The total cash consideration for the Sale Shares has been fully paid by the Offeror. As a result of the Acquisition, the Offeror became interested in 374,159,400 Shares, representing approximately 44.87% of issued Shares as at the date of Completion.

Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory conditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it), and in compliance with Rule 13 of the Takeovers Code, to make an appropriate cash offer to the Offer Optionholders to cancel all Offer Options. As stated in the Announcement, CICC would, on behalf of the Offeror, make the following mandatory conditional cash offers:

- (i) The Share Offer: to acquire all of the Offer Shares in the issued share capital of the Company at HK\$5.87 per Offer Share; and
- (ii) The Option Offer: to cancel all of the 1,750,000 and 2,000,000 Offer Options with exercise prices of HK\$3.76 and HK\$1.814 respectively of the Company at HK\$2.11 and HK\$4.056 respectively per Offer Option.

The purpose of this Composite Document is to provide you with, among other things: (i) information relating to the Group, the Offeror and the Offers; (ii) a letter from CICC containing, among other things, details of the Offers; (iii) a letter from the Independent Board Committee

LETTER FROM THE BOARD

containing its recommendation in respect of the Offers; and (iv) a letter from the Independent Financial Adviser containing its advice and recommendations to the Independent Board Committee in relation to the Offers.

This letter forms part of this Composite Document and sets out, amongst other things, certain background information of the Offeror and the intentions of the Offeror in relation to the Group. Further details on the terms of the Offers are set out in this letter, Appendix I — “Further Terms of the Offers” to this Composite Document and in the accompanying Forms of Acceptance. Terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context otherwise requires.

2. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Kim Chan Su, Dr. Song Si Young and Mr. Jung Jong Chae, being all the independent non-executive Directors of the Company, has been established by the Company pursuant to Rule 2.1 of the Takeovers Code to make a recommendation to the Offer Shareholders and Offer Optionholders in respect of the Offers, as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers.

In addition, as approved by the Independent Board Committee, an independent financial adviser, Alliance Capital, has been appointed to advise the Independent Board Committee in connection with the Offers and, in particular, as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code.

3. THE SHARE OFFER

As at the Latest Practicable Date, there are 834,318,800 Shares in issue. The Share Offer is made by CICC on behalf of the Offeror on the following basis:

For each Offer Share HK\$5.87 in cash

The Share Offer Price

Comparisons of value

The Share Offer Price of HK\$5.87 per Share represents:

- (1) a premium of approximately 2.98% over the closing price of HK\$5.70 per Share as quoted on the Stock Exchange on 9 December 2020, being the Last Trading Day;

LETTER FROM THE BOARD

- (2) the same as the closing price of HK\$5.87 per Share as quoted on the Stock Exchange on 12 January 2021, being the Latest Practicable Date;
- (3) a premium of approximately 1.38% over the average closing price of approximately HK\$5.79 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (4) a premium of approximately 10.34% over the average closing price of approximately HK\$5.32 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (5) a premium of approximately 32.09% over the average closing price of approximately HK\$4.44 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (6) a premium of approximately 52.20% over the average closing price of approximately HK\$3.86 per Share as quoted on the Stock Exchange for the 90 consecutive trading days immediately prior to and including the Last Trading Day;
- (7) a premium of approximately 23.06% to the closing price of HK\$4.77 per Share as quoted on the Stock Exchange on 1 December 2020, being the last Business Day prior to the commencement of the Offer Period;
- (8) a premium of approximately 88.14% over the audited consolidated net assets per Share of approximately USD 0.40 as at 31 December 2019 (equivalent to approximately HK\$3.12), calculated based on the Group's audited consolidated net assets attributable to the Shareholders of approximately USD 335,968,000 as at 31 December 2019 and 834,318,800 Shares in issue as at the Latest Practicable Date; and
- (9) a premium of approximately 103.40% over the unaudited consolidated net assets per Share of approximately USD 0.37 as at 30 June 2020 (equivalent to approximately HK\$2.886), calculated based on the Group's audited consolidated net assets attributable to the Shareholders of approximately USD 308,756,000 as at 30 June 2020 and 834,318,800 Shares in issue as at the Latest Practicable Date.

Highest and Lowest Share Prices

As disclosed in the Rule 3.7 Announcement, the Offer Period has commenced on 2 December 2020.

LETTER FROM THE BOARD

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$6.05 per Share on 7 December 2020 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$1.55 per Share on 15 June 2020, respectively.

The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all encumbrances and together with all rights and entitlements attaching or accruing thereto, including, without limitation, all rights to receive any dividends or other distributions declared, if any, the record date of which falls on or after the date on which the Offers are made.

4. THE OPTION OFFER

As at the Latest Practicable Date, there are 3,750,000 outstanding Options. The exercise prices of the 3,750,000 Offer Options outstanding as at the Latest Practicable Date and granted under the Share Option Scheme and the period in which they are exercisable are set out below:

Exercise price Exercise period (HK\$ per Share)		Number of Outstanding Options as at the Latest Practicable Date
3.76	From 1 Jan 2018 to 29 October 2025	1,750,000
1.814	From 19 April 2020 to 18 April 2028	2,000,000

The Option Offer is made by CICC on behalf of the Offeror on the following basis:

For each of the 1,750,000 Offer Options with an exercise price of

HK\$3.76 HK\$2.11 in cash

For each of the 2,000,000 Offer Options with an exercise price of

HK\$1.814 HK\$4.056 in cash

LETTER FROM THE BOARD

5. VALUE OF THE OFFERS

Your attention is drawn to the sections headed the “*The Offers*” and “*Value of the Offers*” in the “*Letter from CICC*” in this Composite Document which sets out the value of the Offers.

6. CONDITIONS TO THE OFFERS

Your attention is drawn to the section headed “*Conditions to the Offers*” in the “Letter from CICC” in this Composite Document which sets out the conditions to the Offers.

7. INFORMATION OF THE OFFEROR, INTENTION OF THE OFFEROR REGARDING THE GROUP AND PROPOSED CHANGE OF THE BOARD COMPOSITION

Your attention is drawn to the sections headed “*Information on the Offeror*”, “*Intention of the Offeror regarding the Group*” and “*Proposed change of the Board composition*” in the “Letter from CICC” in this Composite Document.

The Board is aware of the Offeror’s intention in respect of the Group and notes that, save for in connection with the intention of the Offeror regarding the Group as set out in the section headed “*Intention of the Offeror regarding the Group*” in the “Letter from CICC” in this Composite Document and except for the proposed change to the composition of the Board as set out in the section headed “*Proposed change of the Board composition*” in the “Letter from CICC” in this Composite Document, the Offeror has no intention to (i) discontinue the employment of the existing management and employees of the Group; or (ii) redeploy the fixed assets of the Company other than those in its ordinary and usual course of business. The Board is willing to cooperate with the Offeror and act in the best interests of the Company and its Shareholders as a whole.

8. INFORMATION OF THE GROUP

The Company was incorporated in the Cayman Islands as an exempted company with limited liability, the shares of which have been listed on the Stock Exchange since March 2015. The Group is principally engaged in the design, development, manufacture and sale of camera modules.

LETTER FROM THE BOARD

The table below sets forth a summary of certain consolidated financial information of the Group extracted from the annual reports of the Company for the years ended 31 December 2017, 2018, 2019 respectively and from the interim reports of the Company for the six months ended 30 June 2019 and 2020 respectively:

	Six months ended 30 June 2020 <i>(unaudited)</i> <i>(USD'000)</i>	Six months ended 30 June 2019 <i>(unaudited)</i> <i>(USD'000)</i>	Year ended 31 December 2019 <i>(audited)</i> <i>(USD'000)</i>	Year ended 31 December 2018 <i>(audited)</i> <i>(USD'000)</i>	Year ended 31 December 2017 <i>(audited)</i> <i>(USD'000)</i>
Revenue	307,521	193,483	542,614	535,862	740,734
Profit/(loss) before taxation . .	34,526	(100)	30,556	14,131	30,355
Profit/(loss) after taxation . . .	28,164	815	29,280	13,906	27,619

	Six months ended 30 June 2020 <i>(unaudited)</i> <i>(USD'000)</i>	Six months ended 30 June 2019 <i>(unaudited)</i> <i>(USD'000)</i>	Year ended 31 December 2019 <i>(audited)</i> <i>(USD'000)</i>	Year ended 31 December 2018 <i>(audited)</i> <i>(USD'000)</i>	Year ended 31 December 2017 <i>(audited)</i> <i>(USD'000)</i>
Total assets	396,819	391,980	460,836	384,352	504,146
Total liabilities	88,063	80,061	124,868	58,038	170,650
Net assets	308,756	311,919	335,968	326,314	333,496

Your attention is drawn to the “Financial Information of the Group” and “General Information” as set out in Appendices II and III to this Composite Document.

LETTER FROM THE BOARD

9. SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company as at the Latest Practicable Date.

Shareholders	Number of Shares	Approximate percentage of shareholding interest
Offeror and parties acting in concert with it	374,159,400	44.85%
Public Shareholders	460,159,400	55.15%
Total	<u>834,318,800</u>	<u>100.00%</u>

Your attention is drawn to the “Financial Information of the Group” and “General Information” as set out in Appendices II and III to this Composite Document.

10. PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

Your attention is drawn to the section headed “*Public Float and Maintaining the Listing Status of the Company*” in the “Letter from CICC” in this Composite Document.

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that: (a) a false market exists or may exist in the trading of the Shares; or (b) that there are insufficient Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend dealings in the Shares until the prescribed level of public float is restored.

The Board notes that, the Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offers.

The Board further notes that, the sole director of the Offeror and the new Directors to be appointed to the Board of the Company have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. The Offeror considers that the appropriate actions to be taken after the close of the Offers shall include placing down of sufficient number of accepted Shares by the Offeror and/or issue of additional Shares by the Company for this purpose.

LETTER FROM THE BOARD

11. RECOMMENDATION AND ADDITIONAL INFORMATION

Your attention is drawn to (i) the “Letter from the Independent Board Committee” on pages 32 to 33 of this Composite Document, which contains its recommendation to the Offer Shareholders and Offer Optionholders in relation to the Offers and (ii) the “Letter from the Independent Financial Adviser” on pages 34 to 55 of this Composite Document, which sets out its advice to the Independent Board Committee in relation to the Offers and as to the acceptance of the Offers, and the principal factors considered by it in arriving at its advice.

You are also advised to read the “Letter from CICC”, on pages 9 to 22 to this Composite Document and the accompanying Forms of Acceptance in respect of the terms and acceptance and settlement procedures of the Offers.

The Offer Shareholders and Offer Optionholders are recommended to consult their own professional advisers as to the tax implications that may arise from accepting the Offers.

Yours faithfully,
By Order of the Board of
Cowell e Holdings Inc.
Kwak Jung Young
Chairman



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)

15 January 2021

To the Offer Shareholders and Offer Optionholders

Dear Sir or Madam,

**MANDATORY CONDITIONAL CASH OFFERS BY
CHINA INTERNATIONAL CAPITAL CORPORATION
HONG KONG SECURITIES LIMITED FOR AND
ON BEHALF OF LUXVISIONS INNOVATION TECHNOLOGY LIMITED
TO ACQUIRE ALL THE ISSUED SHARES AND
TO CANCEL ALL THE OUTSTANDING OPTIONS OF
COWELL E HOLDINGS INC. (OTHER THAN
THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY
LUXVISIONS INNOVATION TECHNOLOGY LIMITED AND/OR
PARTIES ACTING IN CONCERT WITH IT)**

We refer to this Composite Document dated 15 January 2021 jointly issued by the Company and the Offeror, of which this letter forms part. Unless specified otherwise, terms used herein shall have the same meanings as those defined in this Composite Document.

We have been appointed by the Board to form the Independent Board Committee to consider the terms of the Offers and to advise you as to whether, in our opinion, the terms of the Offers are fair and reasonable so far as the Offer Shareholders and the Offer Optionholders are concerned and to make a recommendation as to acceptance of the Offers.

Alliance Capital has been appointed, with our approval, as the Independent Financial Adviser to advise us in respect of the terms of the Offers and as to acceptance of the Offers. Your attention is drawn to the “Letter from the Independent Financial Adviser” as set out in this Composite Document containing its advice to us and the principal factors and reasons taken into account by it in arriving at such advice.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We also wish to draw your attention to the “Letter from CICC” and “Letter from the Board” as set out in this Composite Document as well as the additional information set out in the appendices to this Composite Document.

RECOMMENDATION

Having considered the terms of the Offers, the information contained in this Composite Document and the principal factors and reasons considered by, and the independent advice of Alliance Capital, as set out in its letter of advice, we consider that the terms of the Offers are fair and reasonable so far as the Offer Shareholders and the Offer Optionholders are concerned. Accordingly, we recommend the Offer Shareholders and the Offer Optionholders to accept the Offers.

Notwithstanding our recommendation, the Offer Shareholders and the Offer Optionholders should consider carefully the terms of the Offers and then decide whether to accept or not to accept the Offers. You are strongly recommended to read the full text of the “Letter from the Independent Financial Adviser” as set out in this Composite Document.

Yours faithfully,
For and on behalf of the
Independent Board Committee
Mr. Kim Chan Su
Dr. Song Si Young
Mr. Jung Jong Chae

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee, which has been prepared for the purpose of inclusion in the Composite Document.



Alliance Capital Partners Limited
同人融資有限公司

15 January 2021

To the Independent Board Committee, the Offer Shareholders and Offer Optionholders of the Company

Dear Sirs,

**MANDATORY CONDITIONAL CASH OFFERS BY
CHINA INTERNATIONAL CAPITAL CORPORATION
HONG KONG SECURITIES LIMITED FOR AND
ON BEHALF OF LUXVISIONS INNOVATION TECHNOLOGY LIMITED
TO ACQUIRE ALL THE ISSUED SHARES AND
TO CANCEL ALL THE OUTSTANDING OPTIONS OF
COWELL E HOLDINGS INC. (OTHER THAN THOSE
ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY
LUXVISIONS INNOVATION TECHNOLOGY LIMITED AND/OR
PARTIES ACTING IN CONCERT WITH IT)**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the terms of the Offers and as to acceptance, details of which are set out in the Composite Document to Shareholders and Optionholders dated 15 January 2021 of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Composite Document unless the context otherwise requires.

As mentioned in the Announcement, on 10 December 2020, the Offeror and Seller entered into the SPA pursuant to which the Seller has agreed to sell and the Offeror has agreed to purchase 374,159,400 Shares (being all the Shares held by the Seller), representing approximately 44.87% of the issued Shares as at the date of the Announcement, for a total cash consideration of HK\$2,196,315,678 (being HK\$5.87 per Share). The above cash consideration was paid by the Offeror upon Completion of the SPA on 17 December 2020. As the Offeror acquired more than 30% of the voting rights of the Company as a result of the Acquisition, the Offeror is required to make a mandatory conditional cash offer for all the issued Shares (other than those already owned

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

and/or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code. Pursuant to Rule 13 of the Takeovers Code, the Offeror is required to make an appropriate cash offer to the Offer Optionholders to cancel all Offer Options as well.

The Independent Board Committee comprising Mr. Kim Chan Su, Dr. Song Si Young and Mr. Jung Jong Chae, being all the independent non-executive Directors of the Company, was established by the Company pursuant to Rule 2.1 of the Takeovers Code to make recommendations to the Offer Shareholders and Offer Optionholders in respect of the Offers. We have been appointed to advise the Independent Board Committee as Independent Financial Adviser in connection with the Offers and, in particular, as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code, and such appointment has been approved by the Independent Board Committee.

As at the Latest Practicable Date, we are not connected with the Directors, chief executive and substantial Shareholders of the Company, the Offeror or any of their respective subsidiaries or associates or any party acting, or presumed to be acting, in concert with any of them and did not have any shareholding, directly or indirectly, in any of their respective subsidiaries or their respective associates. In addition, as at the Latest Practicable Date, we did not have any shareholding, directly or indirectly, in any member of the Group or the Offeror or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group and Offeror. Furthermore, during the past two years, we had no connection, financial or otherwise with the Company or the Offeror or the controlling shareholders of either of them. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser to the Independent Board Committee, no arrangement exists whereby we will receive any fees from the Company, the Offeror, their subsidiaries, associates or their respective substantial shareholders or associates.

In formulating our advice and recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Group, which we have assumed to be true, accurate and complete in all material respects. We have reviewed the published information on the Company, including its interim report for the six months ended 30 June 2020, its annual report for the year ended 31 December 2019, and we have discussed with the Directors their statements set out in Appendix II to the Composite Document that, save as disclosed therein, there has been no material change in the financial or trading position or outlook of the Group since the date of the last published audited accounts of the Group up to and including the Latest Practicable Date. We have sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed by them. We consider that the information we have received is sufficient for us to reach our opinion and advice as set out in this letter. We have no reason to doubt the truth and accuracy of the information provided to us or to believe that any material facts have been omitted or withheld. We

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

have, however, not conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied. We have also assumed that all information and representations contained or referred to in the Composite Document are true as at the Latest Practicable Date, and that Shareholders will be notified of any material changes to such information and representations as soon as reasonably practicable in accordance with Rule 9.1 of the Takeovers Code.

PRINCIPAL TERMS OF THE OFFERS

The Share Offer

For each Offer Share HK\$5.87 in cash

As at the Latest Practicable Date, there are 460,159,000 Shares which are subject to the Share Offer.

The Share Offer Price of HK\$5.87 per Offer Share represents:

- (a) a premium of approximately 2.98% to the closing price of HK\$5.70 per Share as quoted on the Stock Exchange on 9 December 2020, being the Last Trading Day;
- (b) a premium of approximately 1.38% over the average closing price of HK\$5.79 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (c) a premium of approximately 10.34% over the average closing price of HK\$5.32 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a premium of approximately 32.09% over the average closing price of HK\$4.44 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (e) a premium of approximately 52.20% over the average closing price of HK\$3.86 per Share as quoted on the Stock Exchange for the 90 consecutive trading days immediately prior to and including the Last Trading Day;
- (f) a premium of approximately 23.06% to the closing price of HK\$4.77 per Share as quoted on the Stock Exchange on 1 December 2020, being the last Business Day prior to the commencement of the Offer Period;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (g) a premium of approximately 88.14% over the audited consolidated net assets per Share of approximately USD0.40 as at 31 December 2019 (equivalent to approximately HK\$3.12), calculated based on the Group's audited consolidated net assets attributable to the Shareholders of approximately USD335,968,000 as at 31 December 2019 and 834,318,800 Shares in issue as at the Latest Practicable Date;
- (h) a premium of approximately 103.40% over the unaudited consolidated net assets per Share of approximately USD0.37 as at 30 June 2020 (equivalent to approximately HK\$2.886), calculated based on the Group's audited consolidated net assets attributable to the Shareholders of approximately USD308,756,000 as at 30 June 2020 and 834,318,800 Shares in issue as at the Latest Practicable Date; and
- (i) as the same as the closing price of HK\$5.87 per Share as quoted on the Stock Exchange on 12 January 2021, being the Latest Practicable Date.

The Option Offer

As at the Latest Practicable Date, there were 3,750,000 outstanding Options which, if vested, will confer rights on the Optionholders to subscribe for up to an aggregate of 1,750,000 Shares at an exercise price of HK\$3.76 per Share, and 2,000,000 Shares at an exercise price of HK\$1.814 per Share. As at the Latest Practicable Date, all of the 3,750,000 outstanding Options were held by the Offer Optionholders. The 1,750,000 outstanding Options with an exercise price of HK\$3.76 shall be exercisable from 1 January 2018 to 29 October 2025 and the remaining 2,000,000 outstanding Options with an exercise price of HK\$1.814 shall be exercisable from 19 April 2020 to 18 April 2028.

The Option Offer made by CICC on behalf of the Offeror is on the following basis:

For each of the 1,750,000 Offer Options with an exercise price of

HK\$3.76	HK\$2.11 in cash
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For each of the 2,000,000 Offer Options with an exercise price of

HK\$1.814	HK\$4.056 in cash
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Pursuant to Rule 13 and Practice Note 6 of the Takeovers Code, the Option Offer Price represents the difference between the exercise prices of the Options and the Share Offer Price. Under the Option Offer, since the exercise prices of the Offer Options, being HK\$3.76 and HK\$1.814, are "in-the-money" and consequently the Option Offer Prices are set at the see-through prices of HK\$2.11 and HK\$4.056 respectively.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Conditions of the Offers

The Share Offer is conditional only on valid acceptances being received in respect of such number of Offer Shares, which together with Shares already acquired by the Offeror and parties acting in concert with it before or during the Offer Period, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights in the Company.

The Option Offer will be conditional on the Share Offer becoming or being declared unconditional in all respects.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee in relation to the terms of the Offers and as to acceptance, we have considered the principal factors and reasons set out below:

Historical financial performance section of the Group

The Group is a major supplier of camera modules for mobile devices. It primarily engages in the design, development, manufacture and sale of a variety of camera modules that serve as critical components for smartphones, multimedia tablets and other mobile devices with camera functions. Customers for the Group's camera modules include some of the leading mobile device manufacturers in the world such as Apple and LG Electronics.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Review of recent operating performance

The following table is a summary of certain audited consolidated financial information of the Group for the financial years ended 31 December 2018 (“FY2018”) and 31 December 2019 (“FY2019”), and certain unaudited consolidated financial information of the Group for the six months ended 30 June 2019 (“6M2019”) and 30 June 2020 (“6M2020”), as extracted from the annual reports of the Company for the years ended 31 December 2018 and 31 December 2019, and the interim report of the Company for the six months ended 30 June 2020, respectively:

	Year ended 31 December		Six months ended 30 June	
	2018	2019	2019	2020
	USD in	USD in	USD in	USD in
	thousand	thousand	thousand	thousand
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	535,862	542,614	193,483	307,521
Gross Profit.	52,295	77,097	20,138	48,838
Gross profit margin	9.8%	14.2%	10.4%	15.9%
Other revenue	2,749	4,484	2,098	2,146
Other net income/(loss)	1,027	(13,153)	(3,748)	2,617
Selling and distribution expenses	(2,384)	(2,173)	(892)	(1,200)
Administrative expenses	(39,360)	(34,884)	(17,251)	(17,516)
Finance costs.	(188)	(800)	(430)	(359)
Donation	(8)	(15)	(15)	—
Profit/(loss) before income tax	14,131	30,556	(100)	34,526
Income tax (charge)/credit.	(225)	(1,276)	915	(6,362)
Net profit/(loss) for the year/period .	13,906	29,280	815	28,164

FY2019 versus FY2018

As disclosed in the FY2019 annual report, during FY2019, the Group recorded revenue of approximately US\$542.6 million (FY2018: approximately US\$535.8 million). During FY2019, the Group sold approximately 85.9 million units of camera modules and approximately 8.2 million units of optical components, compared to approximately 95.7 million units of camera modules and approximately 60.0 million units of optical components in FY2018. During the year, the Group’s gross profit margin increased to 14.2%, from 9.8% a year earlier, benefited by an overall improved yield of optical module products and reduced production cost. FY2019 results were achieved under unfavorable business environment due to a general sluggishness of the smartphone industry, increased competition and trade conflict between US and China.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group recorded revenue of USD193.5 million for the first half of 2019 and revenue of USD542.6 million for the whole year of 2019. The performance in the second half of 2019 was much better than that of the first half of 2019, which was mainly due to (i) seasonality as the Group's major customers usually launch new products during the second half of the year and (ii) better performance from the Group's new project launched in the second half of 2019.

In terms of revenue by type of products, camera modules revenue for FY2019 was approximately US\$541.8 million, representing approximately 1.6% increase from US\$533.2 million in FY2018, which was mainly due to increase in unit price of such products. Optical components revenue for FY2019 was approximately US\$0.8 million, representing approximately 69.2% decrease from US\$2.6 million in FY2018, which was primarily due to a decrease in demand within the general consumer electronic market.

The Group recorded an increase in a net profit from approximately US\$13.9 million in FY2018 to approximately US\$29.3 million in FY2019. Such increase was mainly due to (i) the increase in gross profit margin as mentioned above; (ii) decrease in selling and distribution expenses by approximately 8.9% from approximately US\$2.4 million in FY2018 to approximately US\$2.2 million in FY2019 led by a decrease in sales volume; (iii) decrease in administrative expenses by approximately 11.4% from approximately US\$39.4 million in FY2018 to approximately US\$34.9 million in FY2019 which was mainly attributable to decrease in the staff cost and research and development expenses of approximately US\$3.5 million; which was partially offset by an increase in other net loss of approximately US\$13.2 million in FY2019 which was attributable to impairment losses of property, plant and equipment of approximately US\$8.9 million in 2019 (2018: US\$Nil).

6M2020 versus 6M2019

The Group's revenue amounted to US\$307.5 million for the 6M2020 as compared with US\$193.5 million for the 6M2019. For revenue by type of products, camera modules revenue for 6M2020 was approximately US\$307.4 million, representing approximately 59.3% increase from US\$193.0 million in 6M2019, which was mainly due to customers' increased orders and an increase in unit price of products. Revenue from optical components in 6M2020 was approximately US\$0.1 million, representing approximately 79.4% decrease from US\$0.5 million in 6M2019. This was primarily due to decrease in sales of "blue filter", a component of camera module, as a result of decreased demand within the industry.

The Group recorded an increase in a net profit from approximately US\$0.8 million in 6M2019 to approximately US\$28.2 million in 6M2020. Such increase was mainly due to (i) a general increase in the Group's gross margin, from 10.4% in 6M2019 to 15.9% in 6M2020; and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) the record of other net income of approximately US\$2.6 million primarily due to foreign exchange gain as compared to other net loss of approximately US\$3.7 million arising from the disposal of impaired assets in 6M2019.

Review of recent financial position

Set out below is the summary of the consolidated financial position of the Group as at 31 December 2018 and 2019 and 30 June 2020 as extracted from the respective annual reports and interim report:

	As at 31 December	As at 30 June
	2018	2019
	<i>USD in</i>	<i>USD in</i>
	<i>thousand</i>	<i>thousand</i>
	<i>(audited)</i>	<i>(audited)</i>
		2020
		<i>USD in</i>
		<i>thousand</i>
		<i>(unaudited)</i>
Non-current assets		
Property, plant and equipment	105,168	98,332
Intangible assets	7,516	6,499
Other receivables	5,559	6,269
Deferred tax assets	1,632	6,756
	119,875	117,856
	119,875	117,856
	119,875	117,856
Current assets		
Inventories	66,666	70,180
Trade and other receivables	60,808	114,805
Current tax recoverable	711	355
Pledged deposits	3,231	3,113
Bank deposits	20,757	34,956
Cash and cash equivalents	112,304	119,571
	264,477	342,980
	264,477	342,980
	264,477	342,980
Total assets	384,352	460,836
	384,352	460,836
	384,352	460,836
Non-current liabilities		
Lease liabilities	—	13,443
Net defined benefit retirement obligation . .	164	168
	164	13,611
	164	13,611
	164	13,611

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	As at 31 December		As at 30 June
	2018	2019	2020
	USD in	USD in	USD in
	thousand	thousand	thousand
	(audited)	(audited)	(unaudited)
Current liabilities			
Trade and other payables	54,183	104,330	66,324
Lease liabilities	—	1,805	2,047
Current tax payable	3,691	5,122	7,186
	57,874	111,257	75,557
Total liabilities	58,038	124,868	88,063
Total equity	326,314	335,968	308,756
Net current assets	206,603	231,723	211,841
Current ratio (times)	4.57	3.08	3.80
Quick ratio (times)	3.42	2.45	3.16

As at 31 December 2019 versus 31 December 2018

As at 31 December 2019, the Group had current assets of approximately US\$343.0 million (2018: US\$264.5 million), and current liabilities of approximately US\$111.3 million (2018: US\$57.9 million), representing net current assets and current ratio of approximately US\$231.7 million (2018: approximately US\$206.6 million) and 3.08 times (2018: approximately 4.57 times), respectively. The Group's current ratio was well above 1.0 times as at 31 December 2018 and 2019, indicating that the Group's liquidity was relatively healthy. As at 31 December 2019, the Group had cash and bank balances of approximately US\$119.6 million (2018: approximately US\$112.3 million). The Group's inventory balance increased by approximately 5.3%, or US\$3.5 million, from US\$66.7 million as at 31 December 2018 to US\$70.2 million as at 31 December 2019, mainly due to an increase in raw material stock in 2019.

Trade payables represent outstanding amounts due on the Group's purchases of components and materials and equipment from external suppliers. Apart from trade payables, the Group's accrued charges and other payables primarily comprise accrued salaries and other remuneration benefits and interest expenses payable. The Group's trade and other payables increased by approximately 92.6%, or US\$50.1 million, from US\$54.2 million as at 31 December 2018 to US\$104.3 million as at 31 December 2019, primarily due to an increase in purchased components and materials resulting mainly from increased production in 2019.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group's non-current liabilities increased from US\$0.2 million as at 31 December 2018 to approximately US\$13.6 million as at 31 December 2019. This was primarily due to the record of lease liabilities as a result of the adoption of the IFRS 16. As at 31 December 2019, the Group did not have any loan outstanding, debt securities, charges, mortgages or other similar indebtedness, hire purchase and finance lease commitments, or guarantees or other material contingent liabilities.

As at 31 December 2019, the Group's pledged deposits included US\$3.1 million (31 December 2018: US\$3.2 million) provided to the local customs authority in the PRC.

As at 30 June 2020 versus 31 December 2019

As at 30 June 2020, the Group had current assets of approximately US\$287.4 million (31 December 2019: approximately US\$343.0 million), and current liabilities of approximately US\$75.6 million (31 December 2019: approximately US\$111.3 million), representing net current assets and current ratio of US\$211.8 million (31 December 2019: US\$231.7 million) and 3.80 times (31 December 2019: 3.08 times), respectively. The Group's current ratio was well above 1.0 times as at 31 December 2019 and 30 June 2020, indicating that the Group's liquidity remained relatively healthy. As at 30 June 2020, the Group had cash and bank balances of approximately US\$133.1 million (31 December 2019: approximately US\$119.6 million).

The Group's inventory balance decreased by approximately 30.7%, or US\$21.6 million, from US\$70.2 million as at 31 December 2019 to US\$48.6 million as at 30 June 2020, mainly as a result of following customers' production orders and delivery schedules.

Group's trade and other payables decreased by approximately US\$38 million, from US\$104.3 million as at 31 December 2019 to US\$66.3 million as at 30 June 2020, primarily due to seasonality, as the Group typically experiences higher sales in the fourth quarter, compared to other quarters in the year due to increased retail demand for its products during holiday season.

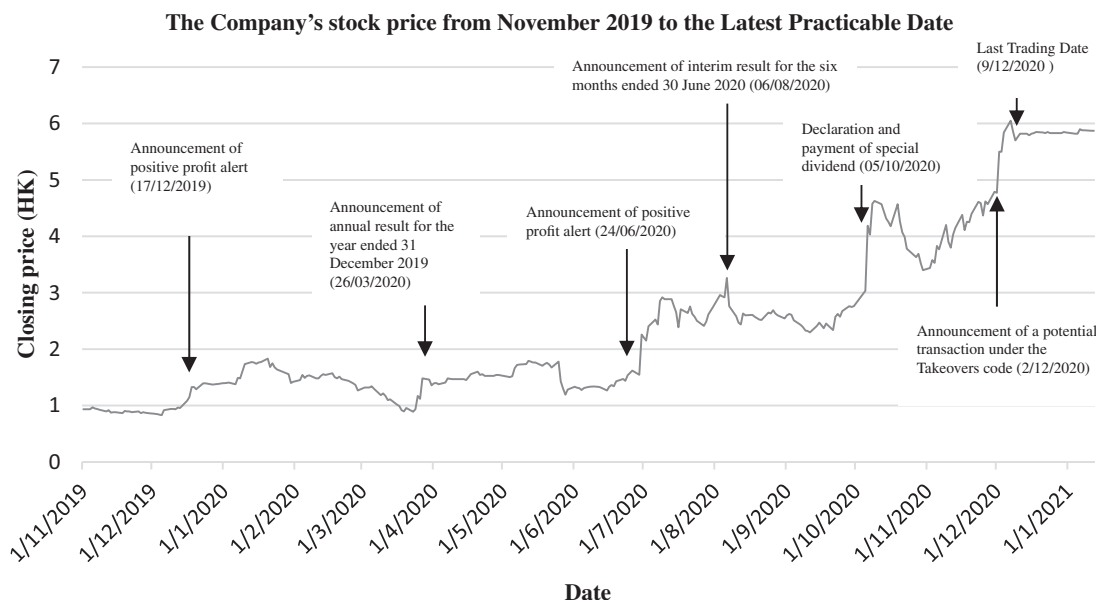
As at 30 June 2020, the Group did not have any loan outstanding, debt securities, charges, mortgages or other similar indebtedness, hire purchase and finance lease commitments, or guarantees or other material contingent liabilities. In addition, the Group did not have pledged deposits whereas there was US\$3.1 million as at 31 December 2019 provided to the local customs authority in the PRC.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

ANALYSIS OF SHARE PRICE PERFORMANCE AND TRADING LIQUIDITY

(a) Historical price performance of the Shares

Solely for illustration purposes, set out below is the movement of the closing prices of the Shares during the period from 1 November 2019 to the Latest Practicable Date (i.e. 14 December 2020) (the “**Review Period**”) (being approximately the most recent 12-month period).



Source: the website of the Stock Exchange (www.hkex.com.hk)

Also, we consider that it is relevant to compare the closing price level of the Shares traded on the Stock Exchange during the Review Period against the Share Offer Price. The historical performance of the Share prices during the Review Period is summarized as follow:

	Highest closing price HK\$	Lowest closing price HK\$	Average daily closing price HK\$	Number of trading days in each month Days
2019				
November	0.971	0.867	0.902	21
December	1.394	0.830	1.107	20

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	Highest closing price <i>HK\$</i>	Lowest closing price <i>HK\$</i>	Average daily closing price <i>HK\$</i>	Number of trading days in each month <i>Days</i>
2020				
January	1.831	1.379	1.614	20
February	1.572	1.268	1.478	20
March	1.483	0.89	1.163	22
April	1.601	1.379	1.492	19
May	1.794	1.194	1.628	20
June	2.257	1.267	1.420	21
July	2.919	2.15	2.619	22
August	3.262	2.436	2.671	21
September	2.763	2.297	2.513	22
October	4.628	3.033	4.038	18
November	4.79	3.44	4.151	21
December	6.050	4.770	5.755	21
2021				
From 1 January 2021 to the Latest Practicable Date	5.90	5.82	5.86	7

Source: the website of the Stock Exchange (www.hkex.com.hk)

Over the most recent 12-month period from 1 November 2019 up to 1 December 2020 (being the latest trade day before publication of the potential transaction under the Takeovers Code), the highest and lowest closing prices of the Shares were HK\$4.79 on 30 November 2020 and HK\$0.83 on 5 December 2019, respectively. The average closing price of the Shares over the period was approximately HK\$2.06.

The Share Offer Price of HK\$5.87 per Offer Share represents (i) a discount of approximately 3% from the highest closing price; (ii) a significant premium of approximately 607.2% from the lowest closing price; and (iii) a significant premium of approximately 129.2% from the average daily closing price during the period. As such, the Share Offer Price of HK\$5.87 per Offer Share is well above the closing prices of the Shares throughout the most recent 12-month period.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In view of the fluctuation in the Share prices during the Review Period, we have discussed with the Directors regarding the possible reasons, and we were advised that, the Directors were not aware of any particular matters which might possibly have a material impact on the Share prices apart from the publications made by the Company on the website of the Stock Exchange, including (i) the announcements regarding (i) the positive profit alerts dated 17 December 2019 and 24 June 2020; (ii) the annual and interim results announcements and reports of the Company; (iii) the declaration and payment of special dividend dated 5 October 2020 and (iv) the inside information announcement dated 2 December 2020 in respect of the announcement of a potential transaction under the Takeovers Code.

We have reviewed these publications and are not aware of any other matters that were price sensitive in nature. We believe the historical Share price performance reflects the Group's latest and actual operating performance, financial position, business prospects and outlook and is a reliable and meaningful benchmark for the purpose of making reference in analyzing the fairness and reasonableness of the Share Offer Price.

(b) Trading liquidity

Set out below in the table are the average trading volume of the Shares per trading day during the month and the percentage of daily trading volume to total issued Shares and public float of the Company during the Review Period:

	Average trading volume of the Shares per trading day during the month (Note 1)	Percentage of the daily trading volume of the Shares to the total number of Shares in issue (Note 2)	Percentage of the daily total trading volume of the Shares to public float of the Company (Note 3)
2019			
November	1,024,857	0.12%	0.22%
December	5,827,822	0.70%	1.27%

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	Average trading volume of the Shares per trading day during the month <i>(Note 1)</i>	Percentage of the daily trading volume of the Shares to the total number of Shares in issue <i>(Note 2)</i>	Percentage of the daily total trading volume of the Shares to public float of the Company <i>(Note 3)</i>
2020			
January	10,429,261	1.25%	2.27%
February	5,412,413	0.65%	1.18%
March	7,199,989	0.87%	1.57%
April	4,685,161	0.56%	1.02%
May	9,008,200	1.08%	1.96%
June	10,048,551	1.21%	2.19%
July	20,306,158	2.44%	4.42%
August	14,735,682	1.77%	3.21%
September	6,330,784	0.76%	1.38%
October	28,240,137	3.39%	6.14%
November	13,198,680	1.58%	2.87%
December	18,037,044	2.16%	3.92%
2021			
From 1 January 2021 to the Latest Practicable Date	10,623,990	1.27%	2.31%
Minimum	1,024,857	0.12%	0.22%
Maximum	28,240,137	3.39%	6.14%
Average	11,007,249	1.32%	2.39%

Notes:

- (1) *Source: website of the Stock Exchange*
- (2) The calculation is based on the daily trading volumes of the Shares during the month divided by the total number of issued Shares at the end of each month or at the Latest Practicable Date, as applicable. The total number of Shares in issue was based on 831,518,800 Shares from November 2019 to September 2020, 833,868,800 Shares from October 2020 to November 2020, and 834,218,800 for December 2020 and 834,318,800 from 1 January 2021 to the Latest Practicable Date.
- (3) The calculation is based on the daily trading volumes of the Shares during the month divided by the total number of Shares held by the public as at the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on our analysis, the percentage of average daily trading volume of the Shares per month during the Review Period ranged from approximately 0.12% to 3.39%, while the average daily trading volume of the Shares accounted for 1.32% of the total number of the issued Shares throughout the Review Period. If only those Shares held by public Shareholders, i.e. the public float, were considered in calculating the percentage of average daily trading volume of the Shares per month during the Review Period, the percentage would range from approximately 0.22% to 6.14%. Based on the aforesaid, we consider the overall trading volume of the Shares was low during the Review Period. Accordingly, the independent Shareholders may find it difficult to dispose of a large volume of Shares in the open market in a short period of time without exerting downward pressure on the price of the Shares. Therefore, in our view, the Share Offer provides a viable alternative exit for the independent Shareholders, particularly for those who hold a large volume of Shares, should they wish to realise their investments in the Company.

OUTLOOK OF CAMERA MODULE MARKET

The Group primarily engages in the design, development, manufacture and sale of a variety of camera modules that serve as critical components for smartphones, multimedia tablets and other mobile devices with camera functions. Camera modules are used in various consumer electronics, with manufacturers of mobile phones being the major users. In recent years, to improve functionality and quality of the images produced by smartphones, mobile phone manufacturers are shifting from single rear cameras to multi-camera designs, resulting in the increase in the numbers of camera modules per smartphone. The automotive market is another growth segment with more cars installing onboard rear and front cameras. Security cameras for homes and public spaces are also on the increasing trend. According to the report “Camera Module Market — Growth, Trends, Forecasts (2020–2025)” prepared by ReportLinker¹, the global camera module market is estimated to increase to approximately USD50 billion in 2025, registering a CAGR of approximately 8% from 2019 to 2025.

VALUATIONS OF COMPARABLE COMPANIES

In order to assess the fairness and reasonableness of the Offer Price, we considered using the equity value multiples, namely, price-to-earnings ratio (“**P/E Ratio**”), price-to sales ratio (the “**P/S Ratio**”) and price to book ratio (the “**P/B Ratio**”), which are the most commonly used benchmarks in assessing the financial valuation of a company to compare the Offer Price against market valuation of other comparable companies as the data for calculating the ratios can be obtained fairly and directly from publicly available information. However, P/S Ratio is commonly used in the valuation of companies which have yet to generate profits and that the P/B Ratio is mainly

¹ “Camera Module Market — Growth, Trends, Forecasts (2020–2025)” prepared by ReportLinker in May 2020 (https://www.reportlinker.com/p05903699/Camera-Module-Market-Growth-Trends-Forecasts.html?utm_source=GNW)

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used in evaluating capital intensive business (such as property development and investment companies). As the Group is a manufacturing company and its property, plant and equipment represented only approximately 23.6% of the Company's total assets as at 30 June 2020, we consider the business model of the Company is asset-light and thus P/B Ratio is not applicable for our comparison purpose.

Given the Company is listed on the Stock Exchange with business only in Asia such as China and Korea, we have conducted a comparable analysis by making reference to P/Es of companies listed on the major Asian stock markets including the Stock Exchange, Taiwan Stock Exchange, Korea Stock Exchange, Shenzhen Stock Exchange, Shanghai Stock Exchange, Singapore Exchange and Tokyo Stock Exchange engaging in similar business as that of the Company (the “Comparable Companies”). In this regard, we have selected and identified 9 companies which are engaged in similar business as that of the Company and with majority of its income generated from such business (i.e. over 50% revenue derived from manufacturing, distribution and sale of camera modules for mobile devices). These Comparable Companies represent an exhaustive list of comparable companies we were able to identify from the above-mentioned stock exchanges' websites satisfying the above selection criteria.

Set forth below are the identified Comparable Companies based on the aforementioned criteria as at the Latest Practicable Date:

Stock code	Company name	Principal business activities	The percentage of revenue contributed by the business of manufacturing, distribution and sale of camera modules for mobile devices	Market capitalization as at the Latest Practicable Date (HK\$ in billion)	P/E (x) as at the Latest Practicable Date
1. 1478.HK	Q technology Group Co Ltd	Principally engaged in manufacturing and sales of camera modules and fingerprint recognition modules for mobile phones and other mobile communication terminals	78.7%	16.1	24.8

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				The percentage of revenue contributed by the business of manufacturing, distribution and sale of camera modules for mobile devices	Market capitalization as at the Latest Practicable Date (HK\$ in billion)	P/E (x) as at the Latest Practicable Date
Stock code	Company name	Principal business activities				
2. 2382.HK	Sunny Optical Technology (Group) Company Limited	Principally engaged in the design, research and development, manufacture and sales of optical and optical-related products		99.2%	213.9	44.8
3. 3882.HK	Skylight Holdings Limited	Principally engaged in manufacture and distribution of home surveillance cameras, digital imaging products, other electronic products		100.0%	0.22	N/A — net loss
4. 011070.KRX	LG Innotek Co. Ltd	Principally engaged in manufacture and distribution of smartphone camera modules, substrates and photomasks for displays, and semiconductor substrates for communications		65.4%	31.25	43.3
5. 050110.KRX	CammSys Corp	Principally engaged in manufacture of camera module		99.7%	1.18	N/A — net loss
6. 097520.KRX	MCNEX Co Ltd	Principally engaged in manufacture of mobile and automotive camera modules		89.4%	6.16	8.8
7. 3008.TW	Largan Precision Co Ltd	Principally engaged in design and production of mobile phone lenses		71.6%	110.95	14.2

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				The percentage of revenue contributed by the business of manufacturing, distribution and sale of camera modules for mobile devices	Market capitalization as at the Latest Practicable Date (HK\$ in billion)	P/E (x) as at the Latest Practicable Date
Stock code	Company name	Principal business activities				
8.	002456.SZ	Shenzhen O-Film Tech Co. Ltd	Principally engaged in design and production of camera modules, optical lenses and fingerprint recognition modules for smartphone and automobile	77.4%	45.26	74.2
9.	002273.SZ	Zhejiang Crystal-Optech Co., Ltd	Principally engaged in optical components for smart phones, digital cameras, tablet computers, wearable devices, notebook computers, security monitoring, automotive electronics, and protective equipment, etc	93.7%	16.25	27.7
		Minimum				8.8
		Maximum				74.2
		Average (excluding the outliers)				26.2 <i>(Note 1)</i>
		The Group			4.90 <i>(Note 2)</i>	21.6 <i>(Note 3)</i> ("Implied P/E")

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:

1. Average calculation had excluded the market capitalization of outliers (i.e. Sunny Optical Technology (Group) Company Limited and Largan Precision Co Ltd) as well as PE of the outlier (i.e. Shenzhen O-Film Tech Co. Ltd).
2. Calculated by the Share Offer Price of HK\$5.87 per Offer Share multiplied by the total number of issued Shares of 834,318,800 as at the Latest Practicable Date.
3. Implied P/E is calculated based on Share Offer Price of HK\$5.87 per Offer Share divided by FY2019 earnings per Share of US\$0.035 (HK\$0.273)

As illustrated in the table set out above, the P/E ratio of the Comparable Companies ranged from approximately 8.8 times to approximately 74.2 times, with an average of approximately 26.2 times. Accordingly, the Implied P/E of approximately 21.6 times is within the range and close to the average P/E ratio of approximately 26.2 times.

In light of the above, we are of the view that the Share Offer Price is fair and reasonable from a valuation standpoint so far as the independent Shareholders are concerned.

INFORMATION ON THE OFFEROR AND ITS INTENTION REGARDING THE GROUP

The Offeror is an imaging product manufacturing company incorporated in Hong Kong and a wholly-owned subsidiary of GLITL. GLITL is a wholly-owned subsidiary of LIL which is owned as to 90% by Mr. Wang Laixi and as to 10% by Lite-On. Lite-On is a Singapore incorporated company and a wholly-owned subsidiary of Lite-On Technology Corporation 光寶科技股份有限公司 (a company incorporated in Taiwan and listed on the Taiwan Stock Exchange under stock code 2301). Mr. Wang Laixi is also currently the sole director of the Offeror and Chairman of Luxvisions Innovation Group.

Founded in 2002 by Mr. Wang Laixi, Luxvisions Innovation Group is a manufacturer of mass-produced mobile phone camera modules, tablet camera modules, and notebook camera modules. We understand from the Offeror that the audited consolidated group revenue of Luxvisions Innovation Group in 2019 was approximately RMB12.0 billion. For the nine months ended 30 September 2020, its unaudited consolidated group revenue was approximately RMB8.43 billion.

The Offeror has stated that it intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offers. In this regard, the sole director of the Offeror and the new Directors to be appointed to the Board of the Company have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Following the close of the Offers, the Offeror has also stated that the Group's existing principal activities will be maintained and has no intention to downsize, cease or dispose of any of the existing businesses of the Group, nor to inject new businesses and/or assets to the Group. The Offeror and the Company believe that the strategic alliance between the Offeror and the Company could enable the Company to further benefit from the development in the consumer electronics supply chain, through integration of customer and market resources as well as technologies and R&D capabilities. The Offeror would also deploy its platform advantages and introduce strategic resources to the Company to further strengthen the Company's competitiveness in its market with a view to promote business growth.

DISCUSSION

Valuation of the Share Offer Price

The Implied P/E of approximately 21.6 times as represented by the Share Offer Price is comparable to the average P/E of 26.2 times of the Comparable Companies as at the Latest Practicable Date. As such, from a valuation perspective, the Share Offer Price is fair and reasonable so far as the Offer Shareholders are concerned.

Outlook of the camera module industry

Cameras are being used in a variety of consumer electronic products, with most being used in mobile phones. The automotive industry as well as home and public security markets are expected to be drivers for increasing use of cameras going forward. According to the report "Camera Module Market — Growth, Trends, Forecasts (2020–2025)" prepared by ReportLinker, it is estimated that the global camera module market will be approximately USD50 billion in 2025, registering a CAGR of approximately 8% from 2019 to 2025. Consequently, we believe the camera module industry is likely to maintain moderate growth in the near future.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Share Offer Price is historical high during our Review Period

During the period from 1 November 2019 to 1 December 2020 (being the latest trading day before the Company's announcement of a potential transaction under the Takeovers Code), the highest and lowest closing prices of the Shares were HK\$4.79 on 30 November 2020 and HK\$0.83 on 5 December 2019, respectively and the average closing price of the Shares over the above mentioned period was only approximately HK\$2.06, significantly lower than the Share Offer Price of HK\$5.87. If we look at Share price performance closer to 9 December 2020, being the Last Trading Day prior to the Announcement of the mandatory conditional cash offers, we note the Share Offer Price represents a premium of approximately 32.1% and 52.2% over the average closing price of HK\$4.44 per Share and HK\$3.86 per Share for the 30 and 90 consecutive trading days immediately prior to and including the Last Trading Day respectively.

RECOMMENDATION

The Share Offer

Based on the above principal factors and reasons and as summarised in the section headed "Discussion" above, we are of the view the terms of the Share Offer are fair and reasonable as far as the Offer Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Offer Shareholders to accept the Share Offer.

Shareholders are also reminded that the Share Offer is conditional upon the Offeror securing more than 50% interest in the Company. An announcement in this regard will be published by 7:00 p.m. on the Closing Date stating the results of the Offers and whether the Offers have been revised, extended or expired.

Offer Shareholders should monitor the market price and the liquidity of the Shares during the Offer Period. If the market price of the Shares exceeds the Share Offer Price, Offer Shareholders who are inclined to accept the Share Offer should sell their Shares in the market if the sales proceeds, net of transaction costs, exceed the Share Offer Price of HK\$5.87. Those Offer Shareholders who are attracted by the prospects of the camera modules market, the strategic alliance and future development between the Offeror and the Company may wish to consider retaining some or all of their shareholdings.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Option Offer

The Option Offer is conditional upon the Share Offer becoming unconditional in all respects. We consider the terms of the Option Offer, which are based on the “see through” principle, to be fair and reasonable so far as the Optionholders are concerned. As such, the Optionholders are recommended to accept the Option Offer. Having said that, Optionholders should monitor the Share prices during the Offer Period and consider exercising their Options and selling the Shares upon such exercise in the open market during the Offer Period, rather than accepting the Option Offer if the sales proceeds, net of transaction costs, exceed the net amount receivable under the Option Offer.

For and on behalf of
Alliance Capital Partners Limited

David Tsang
Responsible Officer

Danielle Yau
Vice President

1. PROCEDURES FOR ACCEPTANCE OF THE SHARE OFFER

To accept the Share Offer, you should complete and sign the accompanying **WHITE** Form of Share Offer Acceptance and Transfer in accordance with the instructions printed thereon, which instructions form part of the terms of the Share Offer. You should insert the total number of Shares for which the Share Offer is accepted. If no number is inserted in the box title “Number of Shares to be transferred” or a number of Shares inserted is greater than the number of Shares held by you or inserted is greater or smaller than the represented by the certificate for Shares tendered for acceptance of the Share Offer, the form will be returned to you for correction and resubmission. Any corrected form must be resubmitted and received by the Registrar on or before the latest time for acceptance of the Share Offer. Your Shares sold to the Offeror by way of acceptance of the Share Offer will be registered under the name of the Offeror or its nominee.

By signing and returning the **WHITE** Form of Share Offer Acceptance and Transfer, you warrant to the Offeror, CICC, the Company and parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers that you have not taken or omitted to take any action which will or may result in the Offeror, the Company, CICC or parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers acting in breach of the legal or regulatory requirements of any territory in connection with the Share Offer or your acceptance thereof.

If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name and you wish to accept the Share Offer in respect of your Shares (whether in full or in part), you must send the duly completed and signed **WHITE** Form of Share Offer Acceptance and Transfer together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Share Offer, by post or by hand, to the Registrar, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, in an envelope marked “**Cowell e Holdings Inc. — Share Offer**”, as soon as possible, and, in any event no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce with the consent of the Executive.

If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own and you wish to accept the Share Offer in full or in part, you must either:

- (a) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, and with instructions authorising it to accept the Share Offer on your behalf and requesting it to deliver in an envelope marked “**Cowell e Holdings Inc. — Share Offer**” the duly completed and signed **WHITE** Form of Share Offer Acceptance and Transfer together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Share Offer to the Registrar; or
- (b) arrange for the Shares to be registered in your name by the Company, through the Registrar, and send in an envelope marked “**Cowell e Holdings Inc. — Share Offer**” the duly completed and signed **WHITE** Form of Share Offer Acceptance and Transfer together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or
- (c) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees to accept the Share Offer on your behalf on or before the deadline set by HKSCC Nominees. In order to meet the deadline set by HKSCC Nominees, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on processing your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
- (d) if your Shares have been lodged with your Investor Participant’s account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System before the deadline set by HKSCC Nominees.

If the number of Share(s) shown in the share certificate is not wholly accepted by you, new share certificate representing the Number of Share(s) to be transferred shown in the **WHITE** Form of Share Offer Acceptance and Transfer must be applied for.

If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Share Offer in respect of your Shares, the **WHITE** Form of Share Offer Acceptance and Transfer should nevertheless be duly completed and signed and delivered in an envelope marked “**Cowell e Holdings Inc. — Share Offer**” to the Registrar together with a letter stating that you have lost one or more of your share certificates and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter.

If you have lost your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares, you should also write to the Registrar requesting a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.

If you have lodged transfer(s) of any of your Shares for registration in your name and have not received your share certificate(s) and you wish to accept the Share Offer in respect of your Shares, you should nevertheless complete and sign the **WHITE** Form of Share Offer Acceptance and Transfer and deliver it in an envelope marked “**Cowell e Holdings Inc. — Share Offer**” to the Registrar together with the transfer receipt(s) duly signed by you. Such action will be deemed to be an irrevocable authority to the CICC and/or Offeror or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Share Offer, as if it/they were delivered to the Registrar with the **WHITE** Form of Share Offer Acceptance and Transfer.

An acceptance of the Share Offer may not be counted as valid unless:

- (a) it is received by the Registrar on or before 4:00 p.m. on the Closing Date or such time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code, and the Registrar has recorded that such acceptance and any relevant documents required under paragraph (b) below have been so received; and
- (b) the **WHITE** Form of Share Offer Acceptance and Transfer is duly completed and signed and is:
 - (i) accompanied by the relevant share certificate(s) and/or transfer receipt (s) and/or other document (s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if that/those share certificate(s) is/are not in your

name, such other documents (e.g. a duly stamped transfer of the relevant Shares in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or

- (ii) from a registered Shareholder or his personal representatives (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under the other sub-paragraphs of this paragraph (b)); or
- (iii) certified by the Registrar or the Stock Exchange.

If the **WHITE** Form of Share Offer Acceptance and Transfer is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.

No acknowledgment of receipt of any **WHITE** Form of Share Offer Acceptance and Transfer, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

If the Share Offer does not become, or is not declared, unconditional as to acceptances on the Closing Date, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) received by the Registrar will be returned to the Offer Shareholders who have accepted the Share Offer by ordinary post at the Offer Shareholders' own risk as soon as possible but in any event within ten (10) days after the Share Offer has lapsed.

2. PROCEDURES FOR ACCEPTANCE OF THE OPTION OFFER

To accept the Option Offer, you should complete and sign the accompanying **YELLOW** Form of Option Offer Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Option Offer. You should insert the total number of Options for which the Option Offer is accepted. If no number is inserted in the box title "Number of Options to be cancelled" or a number of Options inserted is greater or smaller than the number of Options than your registered holding of Options or those physical Options tendered for acceptance of the Option Offer, the form will be returned to you for correction and resubmission. Any corrected form must be resubmitted and received by the Registrar on or before the latest time for acceptance of the Option Offer.

The duly completed and signed **YELLOW** Form of Option Offer Acceptance should be forwarded, together with the relevant certificate(s) of the Options (and/or satisfactory indemnity or indemnities required in respect thereof) (if applicable) you intend to tender, stating the number of Options in respect of which you intend to accept the Option Offer, by post or by hand, in an envelope marked “**Cowell e Holdings Inc. — Option Offer**” to the Registrar as soon as possible and in any event so as to reach the Registrar by not later than 4:00 p.m. on Friday, 5 February 2021, or such later time(s) and/or date(s) as may be announced by the Offeror in compliance with the Takeovers Code and approved by the Executive.

If the certificate(s) in respect of your Options (if applicable) is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Option Offer, the **YELLOW** Form of Option Offer Acceptance should nevertheless be completed and delivered to the Registrar together with a letter stating that you have lost one or more of your Option certificate(s) (if applicable) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your Option certificate(s) (if applicable), you should also write to the Registrar requesting a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.

No stamp duty will be deducted from the amount paid or payable to Optionholders who accept the Option Offer.

If the Share Offer is withdrawn or lapses, the Option Offer will be withdrawn or lapse too. In such case, the Offeror shall, at the Optionholders’ own risk as soon as possible but in any event within 10 days thereof, return by ordinary post the relevant certificate(s) of the Options (if applicable) and/or other document(s) of title (and/or satisfactory indemnity or indemnities required in respect thereof) lodged with the **YELLOW** Form of Option Offer Acceptance to the relevant Optionholders.

No acknowledgment of receipt of any **YELLOW** Form of Option Offer Acceptance and/or certificate(s) of the Options (if applicable) will be given.

References to the Offers in this Composite Document and in the Forms of Acceptance shall include any extension and/or revision thereof.

In making their decision, the Optionholders must rely on their own examination of the Group and the terms of the Option Offer, respectively, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Forms of Acceptance, shall not be construed as any legal or business

advice on the part of any of the Offeror, the Company, CICC, Independent Financial Adviser, or their respective professional advisers. Optionholders should consult their own professional advisers for professional advice.

3. SETTLEMENT

The amount due to an Accepting Shareholder (less seller's ad valorem stamp duty in respect of acceptances of the Share Offer) or Accepting Optionholder will be despatched, by a cheque or a banker's cashier order, to the relevant Shareholder or Optionholder by ordinary post at his/her/its own risks as soon as possible, but in any event within seven (7) Business Days following the later of the date on which the Offers become or are declared unconditional, and the Registrar's receipt of due acceptance by the Accepting Shareholder or Accepting Optionholder.

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder or Optionholder who accepts the Offers will be rounded up to the nearest cent.

Shareholders and Optionholders are recommended to consult their professional advisers if they are in doubt as to the above procedures.

4. ACCEPTANCE PERIOD AND REVISIONS

Pursuant to Rule 15.1 of the Takeovers Code, the Offers will remain open acceptance for at least 21 days following the date on which this Composite Document is posted. Unless the Offers have previously been revised or extended with the consent of the Executive, to be valid, the Forms of Acceptance must be received by the Registrar in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date.

If the Offers are extended or revised, the announcement of such extension or revision will state the next Closing Date or, if the Offers have become unconditional, a statement that the Offers will remain open until further notice. In the latter case, in pursuant to Rule 15.3 of the Takeovers Code, the Offers will remain open for acceptance for not less than 14 days thereafter. If, in the course of the Offers, the Offeror revises the terms of the Offers, all Shareholders and Optionholders, whether or not they have already accepted the Offers will be entitled to accept the revised Offers under the revised terms. The revised Offers must be kept open for at least 14 days following the date on which the revised offer document is posted and shall not be closed earlier than the Closing Date.

If the Closing Date is extended, any reference in this Composite Document and in the Forms of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent closing date.

5. ANNOUNCEMENTS

By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the expiry, revision and extension of the Offers. The Offeror must publish an announcement in accordance with the Listing Rules on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating the results of the Offers and whether the Offers have been revised, extended or expired. The announcement will state the following:

- (i) the total number of Shares and Options and rights over Shares and Options for which acceptances of the Offers have been received;
- (ii) the total number of Shares and Options and rights over Shares and Options held, controlled or directed by the Offeror before the Offer Period;
- (iii) the total number of Shares and Options and rights over Shares and Options acquired or agreed to be acquired during the Offer Period by the Offeror; and
- (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeover Code) in which any member of the Offeror have borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

The announcement will specify the percentages of voting rights represented by these numbers of Shares and Options.

In computing the total number of Shares and Options represented by acceptances, only valid acceptances that are complete, in good order and fulfill the Conditions set out in this Appendix I, and which have been received by the Registrar no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offers, shall be included.

As required under the Takeovers Code, all announcements in relation to the Offers will be made in accordance with the requirements of the Listing Rules.

6. NOMINEE REGISTRATION

To ensure equality of treatment of all Shareholders, those Shareholders who hold Shares as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of Shares, whose investments are registered in the names of nominees, to accept the Share Offer, it is essential that they provide instructions of their intentions with regard to the Share Offer to their nominees.

All documents and remittances sent to Shareholders by post will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to Shareholders at their addresses specified on the relevant Shareholder's **WHITE** Form of Share Offer Acceptance and Transfer. None of the Offeror, the Company, CICC, the Registrar or parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Share Offer will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof.

7. RIGHT OF WITHDRAWAL

The Offers are conditional upon fulfilment of the Conditions set out in the "Letter from CICC" in this Composite Document. Acceptance of the Offers tendered by Offer Shareholders and Offer Optionholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the following paragraph or in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the Offers shall be entitled to withdraw his/her acceptance after 21 days from the First Closing Date (being 5 February 2021) and if the Offers have not by then become unconditional as to acceptances. An acceptor of the Offers may withdraw his/her acceptance by lodging a notice in writing signed by the acceptor (or his/her agent duly appointed in writing and evidence of whose appointment is produced together with the notice) to the Registrar.

Under Rule 19.2 of the Takeovers Code, if the Offeror is unable to comply with any of the requirements of making announcements relating to the Offers set out in section 5 of this Appendix I, the Executive may require that acceptors be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements can be met.

In such case, the Offeror shall, at the Optionholders' own risk as soon as possible but in any event within 10 days thereof, return by ordinary post the relevant certificate(s) of the Options (if applicable) and/or other document(s) of title (and/or satisfactory indemnity or indemnities required in respect thereof) lodged with the **YELLOW** Form of Option Offer Acceptance to the relevant Optionholders.

8. SHARES/OPTIONS

Acceptance of the Offers by Offer Shareholders and Offer Optionholders will be deemed to constitute a warranty by such person(s) to the Offeror that such Shares and Options acquired under the Offers are sold or tendered by the Offer Shareholders or Offer Optionholders free from all Third Party Rights and together with all rights accruing and attached to them on the date of this Composite Document or subsequently becoming attached to it, including the rights to receive all dividends and distributions declared, made or paid, on or after the date of this Composite

Document. In the event that the Company decides to declare, pay, make or agree to pay or make any dividends on or after the date of the Announcement and up to closing of the Offers, the Offeror intends to reduce the Offer Price by the amount of such dividends. The Company does not intend to declare, pay, make or agree to pay or make any dividends on or after the date of this Composite Document and up to closing of the Offers.

Acceptance of the Option Offer by the Optionholders will result in the cancellation of those outstanding Options, together with all rights attaching thereto.

9. HONG KONG STAMP DUTY

Hong Kong seller's ad valorem stamp duty arising in connection with acceptance of the Share Offer at a rate of 0.1% of the consideration payable in respect of the relevant acceptances, or (if higher) the value of the Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the laws of Hong Kong), will be deducted from the cash amount payable to the Offer Shareholders who accept the Share Offer (where the amount of stamp duty is a fraction of a dollar, the stamp duty will be rounded up to the nearest dollar). The Offeror will then arrange for payment of the seller's ad valorem stamp duty on behalf of those Offer Shareholders who accepted the Share Offer. The Offeror will bear buyer's ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the Offer Shares.

No stamp duty will be payable in connection with the Option Offer.

10. GENERAL

- (a) All communications, notices, the Forms of Acceptance, share certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to be delivered by or sent to or from Shareholders and Optionholders will be delivered by or sent to or from them, or their designated agents, through post at their own risk, and none of the Offeror, the Company, CICC, the Registrar or parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, agents, associates or any other person involved in the Offers accepts any liability for any loss in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Forms of Acceptance form part of the terms of the Offers.
- (c) Due execution of the Form(s) of Acceptance will constitute an irrevocable authority to the Offeror and/or CICC (or any of their respective ultimate beneficial owners, directors, officers, agents or associates) to complete, and execute any document on

behalf of the Accepting Shareholder or Accepting Optionholder and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror (or such person or persons as it may direct) the Offer Shares or cancelling the Offer Options in respect of which such person has accepted the Offers.

- (d) The accidental omission to despatch this Composite Document and/or the Forms of Acceptance or any of them to any person to whom the Offers are made will not invalidate the Offers in any way.
- (e) The Offers and all acceptances thereof will be governed by and construed in accordance with the laws of Hong Kong.
- (f) The settlement of the consideration to which any Offer Shareholder or Offer Optionholder is entitled under the Offers will be implemented in full in accordance with the terms of the Offers without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Offer Shareholder or Offer Optionholder.
- (g) Any Offer Shareholders or Offer Optionholders accepting the Offers will be responsible for payment of any transfer or cancellation or other taxes or duties payable in respect of the relevant jurisdiction due by such persons.
- (h) In making their decision, Offer Shareholders and Offer Optionholders must rely on their own examination of the Group and the terms of the Offers, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Forms of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror, the Company, CICC or their respective professional advisers. Shareholders and Optionholders should consult their own professional advisers for professional advice.
- (i) References to the Offers in this Composite Document and in the Forms of Acceptance shall include any extension and/or revision thereof.
- (j) This Composite Document has been prepared for the purposes of compliance with the legislative and regulatory requirements applicable in respect of the Offers in Hong Kong and the operating rules of the Stock Exchange.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following is a summary of the financial results of the Group for each of the three financial years ended 31 December 2017, 31 December 2018 and 31 December 2019 as extracted from the audited consolidated financial statements of the Group as set forth in the annual reports of the Company for the three financial years ended 31 December 2017, 31 December 2018 and 31 December 2019 respectively, and for the six months ended 30 June 2019 and 30 June 2020 as extracted from the unaudited consolidated financial statements of the Group as set forth in the interim reports of the Company for the six months ended 30 June 2019 and 30 June 2020 respectively.

	For the six months ended 30 June 2020 <i>(unaudited)</i> <i>(USD'000)</i>	For the six months ended 30 June 2019 <i>(unaudited)</i> <i>(USD'000)</i>	For the year ended 31 December 2019 <i>(audited)</i> <i>(USD'000)</i>	For the year ended 31 December 2018 <i>(audited)</i> <i>(USD'000)</i>	For the year ended 31 December 2017 <i>(audited)</i> <i>(USD'000)</i>
Revenue	307,521	193,483	542,614	535,862	740,734
Profit/(loss) before taxation . .	34,526	(100)	30,556	14,131	30,355
Income tax credit/(expenses) .	(6,362)	915	(1,276)	(225)	(2,736)
Profit/(loss) attributable to owners of the Company . .	28,164	815	29,280	13,906	27,619
Total comprehensive income/(loss) attributable to owners of the Company	22,707	(84)	23,857	(1,558)	46,204
Dividends	(50,000)	(12,000)	(12,000)	(5,524)	(10,388)
Dividend per Share.	HK\$0.466616	HK\$0.111987	HK\$0.111987	HK\$0.051553	HK\$0.096949
(Loss)/earnings per share (basic and diluted)	0.034	0.001	0.035	0.017	0.033

The auditor's reports issued by KPMG in respect of the Group's audited consolidated financial statements for each of the three financial years ended 31 December 2017, 31 December 2018 and 31 December 2019 did not contain any qualifications.

There was no item which was exceptional because of size, nature or incidence that was recorded in the financial statements of the Group for each of the financial years ended 31 December 2017, 2018 and 2019, and in the unaudited consolidated financial statements of the Group for the six months ended 30 June 2020.

2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE THREE YEARS ENDED 31 DECEMBER 2017, 2018 AND 2019

The Company is required to set out or refer to in this Composite Document the consolidated statements of profit or loss, the consolidated statements of financial position, the consolidated statements of cash flows, the consolidated statements of changes in equity and any other primary statement as shown in (i) the audited consolidated financial statements of the Group for the year ended 31 December 2017 (the “**2017 Financial Statements**”); (ii) the audited consolidated financial statements of the Group for the year ended 31 December 2018 (the “**2018 Financial Statements**”); and (iii) the audited consolidated financial statements of the Group for the year ended 31 December 2019 (the “**2019 Financial Statements**”), together with significant accounting policies and any points from the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2017 Financial Statements are set out from pages 92 to 150 in the annual report of the Company for the year ended 31 December 2017 (the “**2017 Annual Report**”) which was published on 16 April 2018 on the websites of the Company (<http://www.cowelleholdings.com/>) and the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0416/lt20180416690.pdf>).

The 2018 Financial Statements are set out from pages 93 to 155 in the annual report of the Company for the year ended 31 December 2018 (the “**2018 Annual Report**”) which was published on 10 April 2019 on the websites of the Company (<http://www.cowelleholdings.com/>) and the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0410/lt20190410432.pdf>).

The 2019 Financial Statements are set out from pages 91 to 161 in the annual report of the Company for the year ended 31 December 2019 (the “**2019 Annual Report**”) which was published on 20 April 2020 on the websites of the Company (<http://www.cowelleholdings.com/>) and the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0420/2020042001011.pdf>).

The 2017 Financial Statements, the 2018 Financial Statements and the 2019 Financial Statements (but not any other part of the 2017 Annual Report, the 2018 Annual Report and the 2019 Annual Report in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

3. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE SIX MONTHS ENDED 30 JUNE 2020

The Company is required to set out or refer to in this Composite Document the consolidated statement of profit or loss, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity and any other primary

statement as shown in the unaudited financial results of the Group for the six months ended 30 June 2020 (the “**2020 Interim Financial Statements**”), together with significant accounting policies and any points from the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2020 Interim Financial Statements are set out from pages 12 to 24 in the interim report of the Company for the six months ended 30 June 2020 (the “**2020 Interim Report**”) which was published on 3 September 2020 on the websites of the Company (<http://www.cowelleholdings.com/>) and the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0903/2020090300669.pdf>).

The 2020 Interim Financial Statements (but not any other part of the 2020 Interim Report in which they appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

4. INDEBTEDNESS STATEMENT

As at the close of business on 30 November 2020, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following outstanding indebtedness:

- (1) lease liabilities of approximately USD14,608,000.

Save as disclosed above and apart from intra-group liabilities and trade payables in the normal course of business, the Group did not have any bank overdrafts or loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire-purchase commitments, guarantees or other material contingent liabilities outstanding as at the close of business on 30 November 2020.

5. NO MATERIAL CHANGE

The Directors confirm that save as disclosed below, there had been no material changes in the financial or trading position or outlook of the Group since 31 December 2019 (being the date to which the latest published audited accounts of the Group were made up) up to and including the Latest Practicable Date.

- (1) The Group’s interim results as announced on 6 August 2020 showing the Group’s unaudited net profit attributable to Shareholders for the six months ended 30 June 2020 was approximately USD28.2 million, compared to USD0.8 million for the six months

ended 30 June 2019. Such profit increase was mainly due to an increase of approximately 59% in camera module sales during the first six months of 2020 to USD307.5 million, compared to USD193.5 million during the corresponding period in 2019.

- (2) Payment of a final dividend of HK24.2640 cents and a special dividend of HK22.3976 cents per Share (amounting to a total of HK46.6616 cents per Share or USD50 million) for the year ended 31 December 2019. The above final dividend and special dividend was paid in June 2020 following approval of the Shareholders at the Company's annual general meeting held on 21 May 2020. In addition, a special dividend of HK93.206 cents per Share, amounting to a total of approximately USD99.4 million, was declared and paid in November 2020. The aggregate amount of dividends payment of USD149.4 million is substantial, compared to the Group's audited net assets of USD335.9 million as at 31 December 2019. The reason for such special dividend declared and paid in November 2020 was because the Company would like to treat it as a reward to the Shareholders for their continuous support, having considered the financial position, cash flow position and the Shareholders' return on investment of the Group since its listing in 2015. According to the Company's dividends payment history for the past four years from 2016 to 31 December 2019, the amount of dividends paid represented approximately 2.9%, 2.2%, 3.7% and 44.5% of the Group's respective year-end net assets.

1. RESPONSIBILITY STATEMENT

This document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Offers, the Offeror and the Group.

The information contained in this Composite Document relating to the Offeror has been supplied by the Offeror. The issue of this Composite Document has been approved by the sole director of Offeror, who accepts full responsibility for the accuracy of the information contained in this Composite Document (other than that relating to the Group and the Seller), and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

The information contained in this Composite Document relating to the Group has been supplied by the Company. The issue of this Composite Document has been approved by the Directors, who jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than that relating to the Offeror and parties acting in concert with it), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. INTERESTS AND DEALINGS IN THE SHARES OF THE OFFEROR**(a) Interests in shares of the Offeror**

As at the Latest Practicable Date, the Offeror has in issue 4,000,000 shares. The Offeror is a wholly-owned subsidiary of GLITL. GLITL is a wholly-owned subsidiary of LIL. LIL is a company incorporated in Hong Kong with limited liability and is owned as to 90% by Mr. Wang Laixi and as to 10% by Lite-On. Lite-On is a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of Lite-On Technology Corporation 光寶科技股份有限公司 (a company incorporated in Taiwan with limited liability and listed on the Taiwan Stock Exchange (stock code 2301)).

As at the Latest Practicable Date, neither the Company nor any Directors has any interest in any of the shares of the Offeror or convertible securities, warrants, options or derivatives in respect of such shares of the Offeror.

(b) Dealing in the shares of the Offeror

Neither the Company nor any Directors has dealt for value in any shares or any convertible securities, warrants, options or derivatives in respect of the shares of the Offeror during the Relevant Period.

3. SHARE CAPITAL AND OPTIONS OF THE COMPANY**Share Capital**

As at the Latest Practicable Date, the authorised and issued share capital of the Company was as follows:

<i>Authorized:</i>	<i>USD</i>
10,000,000,000 Shares of USD0.004 each	40,000,000.00
<i>Issued and fully paid up:</i>	<i>USD</i>
834,318,800 Shares of USD0.004 each	3,337,275.20

All of the Shares currently in issue rank *pari passu* in all respects with each other, including, in particular, as to dividends, voting rights and capital. The Shares are listed on the main board of the Stock Exchange and none of the securities of the Company are listed or dealt in on any other stock exchange and no such listing or permission to deal is being or is proposed to be sought.

As at the Latest Practicable Date, the Company has issued 2,800,000 Shares since 31 December 2019, being the date to which the latest audited financial statements of the Company were made up.

Options

As at the Latest Practicable Date, the outstanding number of Options in respect of the Share Option Scheme was 3,750,000, of which 1,750,000 Options have an exercise price of HK\$3.76 and 2,000,000 Options have an exercise price of HK\$1.814. The 1,750,000 Options with an exercise price of HK\$3.76 have an exercise period from 1 January 2018 to 29 October 2025 and the remaining 2,000,000 Options with an exercise price of HK\$1.814 have an exercise period from 19 April 2020 to 18 April 2028. If all such Options were exercised, a total of 3,750,000 Shares would be issued.

As at the Latest Practicable Date, save as disclosed above, the Company had no outstanding options, warrants, derivatives or other securities (as defined in Note 4 to Rule 22 of the Takeovers Code) that carry a right to subscribe for or which are convertible into the Shares.

4. DISCLOSURE OF INTERESTS IN THE SHARES

(a) Director's interests

As at the Latest Practicable Date, the interests and short positions of the Directors in the Shares, underlying shares or debentures of the Company, including their respective associates (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange (a) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under the provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; (c) pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers (the “**Model Code**”); or (d) pursuant to the requirements of the Takeovers Code, were as follows:

Name of Director	Number of Options	Exercise Price (HK\$)	Closing price of the securities on the Date of Grant (HK\$)		Date of Grant	Vesting Period	Exercisable Period
Cho Young Hoon	500,000	3.76	3.75		October 30, 2015	October 31, 2015 to December 31, 2017	January 1, 2018 to October 29, 2025

As at the Latest Practicable Date, save as disclosed above, none of the Directors of the Company had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director or chief executive of the Company was taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein; (iii) pursuant to the Model Code, to be notified to the Company and the Stock Exchange; or (iv) to be disclosed in this Composite Document pursuant to the requirements of the Takeovers Code.

(b) Interests of substantial shareholders

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of the SFO and, so far as is known to the Directors, the persons or entities who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were, directly or indirectly, interested in 5% or more of the issued voting shares of any other member of the Group, or in any options in respect of such share capital were as follows:

Name	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding
Offeror	Beneficial owner	374,159,400	44.85%

Note:

The Offeror a wholly-owned subsidiary of GLITL. GLITL is a wholly-owned subsidiary of LIL. LIL is a company incorporated in Hong Kong with limited liability and is owned as to 90% by Mr. Wang Laixi and as to 10% by Lite-On. Lite-On is a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of Lite-On Technology Corporation 光寶科技股份有限公司 (a company incorporated in Taiwan with limited liability and listed on the Taiwan Stock Exchange (stock code 2301)).

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, no person had any interest or short position in the Shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 336 of the SFO or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 5% or more of the issued voting shares of any other member of the Group, or any options in respect of such share capital.

(c) Interests of the Offeror and parties acting in concert with it

As of the Latest Practicable Date, save for the 374,159,400 Shares the Offeror acquired under the SPA, neither the Offeror nor any parties acting in concert with it owned or controlled any Shares or other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company or any member of the Group.

(d) Interests of director of the Offeror

As of the Latest Practicable Date, save for the 374,159,400 Shares the Offeror acquired under the SPA, which the sole director of the Offeror Mr. Wang Laixi is deemed to be interested under the SFO, no director of the Offeror owned or controlled any Shares or other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company or any member of the Group.

(e) Other Interests

As at the Latest Practicable Date,

- (1) none of the subsidiaries of the Company, any pension fund of the Group, any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (but excluding exempt principal traders and exempt fund managers) owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares;
- (2) save for the Facility Agreement, no person who had such an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror or with the Company or any person who is presumed to be acting in concert with Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) or (4) of the definition of “associate” under the Takeovers Code owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares;
- (3) no Shares or any convertible securities, warrants, options or derivatives in respect of the Shares were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company;
- (4) none of the Offeror, the Company or any of the Directors had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares, save for any borrowed Shares which had been either on-lent or sold;
- (5) there is no person who, prior to the Latest Practicable Date, have irrevocably committed himself to accept or reject the Share Offer or Option Offer;

- (6) there is no special deal (as defined under Rule 25 of the Takeovers Code) between the Seller and parties acting in concert with him on one hand, and the Offeror and parties acting concert with it on the other hand;
- (7) there is no special deal (as defined under Rule 25 of the Takeovers Code) between (a) any Shareholders; and (b)(i) the Offeror and any parties acting in concert with it, or (b)(ii) the Company, its subsidiaries or associated companies; and
- (8) other than the consideration payable under the SPA, none of the Seller and parties acting in concert with him has received or will receive any other consideration, compensation or benefit, in whatever form from the Offeror and parties acting in concert with it, and none of the Offeror and parties acting in concert with it has given or will give any other consideration, compensation or benefit, in whatever form to the Seller and parties acting in concert with him.

As at the Latest Practicable Date, Mr. Cho Young Hoon intended to accept the Option Offer in respect of all Options held by him and none of the other Directors held any Shares or Options.

5. DEALINGS IN THE SHARES

- (a) During the Relevant Period, none of the Company, any of its subsidiaries, nor any Directors had dealt for value in any shares of the Offeror or any other convertible securities, warrants, options or derivatives in respect of any shares of the Offeror.
- (b) During the Relevant Period, none of the Directors had dealt for value in any Shares, convertible securities, warrants, options, or derivatives in respect of any Shares:
- (c) During the Relevant Period, save for entering into the SPA, none of the Offeror, the directors of the Offeror or its concert parties had dealt for value in any Shares or any other convertibles securities, warrants, options or derivatives in respect of any Shares.
- (d) During the Offer Period and up to the Latest Practicable Date, none of the subsidiaries of the Company, or the pension funds of the Company or of a subsidiary of the Company, or any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of “associate” in the Takeovers Code but excluding exempt principal traders and exempt fund managers had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

- (e) During the Offer Period and up to the Latest Practicable Date, no person who has an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code, or any associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code has dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of any Shares.
- (f) During the Offer Period and up to the Latest Practicable Date, no fund managers connected with the Company (other than exempt fund managers) who managed funds on a discretionary basis had dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of any Shares.

6. OTHER ARRANGEMENTS AND AGREEMENTS

- (a) As at the Latest Practicable Date, none of the existing Directors will be given any benefit as compensation for loss of office or otherwise in connection with the Offers.
- (b) As at the Latest Practicable Date, no agreement, arrangement or understanding (including any compensation arrangement) existed between the Offeror or any person acting in concert with it and any of the Directors, recent Directors, shareholders or recent shareholders of the Company having any connection with or dependence upon the Offers.
- (c) As at the Latest Practicable Date, other than the SPA, there was no agreement or arrangement to which the Offeror is party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition to the Offers.
- (d) As at the Latest Practicable Date, other than the Facility Agreement, there was no arrangement of the kind referred to in Note 8 of Rule 22 of the Takeovers Code between the Offeror or any person acting in concert with it or any of their other associates, and any other person.
- (e) As at the Latest Practicable Date, there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code between the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) or (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code, and any other person.

- (f) As at the Latest Practicable Date, save for the SPA, there was no material contract entered into by the Offeror in which any of the Directors has a material personal interest.
- (g) As at the Latest Practicable Date, other than the Facility Agreement, neither the Offeror nor or any person acting in concert with it has any agreement, arrangement for or understanding for any transfer, charge or pledge of Shares acquired pursuant to the Offers to any other person.
- (h) As at the Latest Practicable Date, there was no agreement or arrangement between any of the Directors and any other person which is conditional on or dependent upon the outcome of the Offers or otherwise connected with the Offers.

7. MARKET PRICES OF THE SHARES

- (a) During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$6.05 on 7 December 2020 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$1.55 on 15 June 2020.
- (b) The table below sets out the closing prices of the Shares as quoted on the Stock Exchange: (i) on the Latest Practicable Date; (ii) on the Last Trading Day; and (iii) on the last business day of each of the six calendar months immediately preceding the commencement of the Offer Period and ending on the Latest Practicable Date:

Date	Closing price <i>HK\$</i>
30 June 2020	2.257
31 July 2020	2.747
31 August 2020	2.543
30 September 2020	2.747
30 October 2020	3.4
30 November 2020	4.79
1 December 2020 (Last trading day before the commencement of the Offer Period)	4.77
9 December 2020 (Last Trading Day)	5.70
31 December 2020	5.84
12 January 2021 (Latest Practicable Date).	5.87

8. DIRECTORS' SERVICE CONTRACTS

Save as disclosed in this section 8, as at the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed-term contracts) had been entered into, or amended within six months before the date of commencement of the Offer Period; (ii) was a continuous contract with a notice period of 12 months or more; or (iii) was a fixed term contract with more than 12 months to run irrespective of the notice period:

Director	Commencement date of the service contract	Expiry date of the service contract	Amount of remuneration payable under the service contract
Mr. Kwak Jung Young	26 March 2020	For a term of three years commencing on 26 March 2020, which may be terminated by not less than three months' notice in writing served by either party and subject to retirement by rotation and re-election in accordance with the articles of association of the Company	USD100,000 per annum, plus such additional remuneration as determined by the Board at its discretion and/or negotiated between the Company and Mr. Kwak Jung Young from time to time with reference to the services rendered by and performance of Mr. Kwak Jung Young as a Director
Mr. Cho Young Hoon	26 March 2020	For a term of three years commencing on 26 March 2020, which may be terminated by not less than three months' notice in writing served by either party and subject to retirement by rotation and re-election in accordance with the articles of association of the Company	KRW 200,000,000 per annum, plus such additional remuneration as determined by the Board at its discretion and/or negotiated between the Company and Mr. Cho Young Hoon from time to time with reference to the services rendered by and performance of Mr. Cho Young Hoon as a Director

9. LITIGATION

As at the Latest Practicable Date, none of the members of the Group were engaged in any litigation or arbitration or claim of material importance and so far as the Directors are aware, no litigation, arbitration or claim of material importance is pending or threatened by or against any member of the Group.

10. MATERIAL CONTRACTS

No contract (being the contracts not entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries) have been entered into by the Company or any of its subsidiaries within the date two years before the commencement of the Offer Period up to and including the Latest Practicable Date, which are material.

11. EXPERTS

The following are the qualifications of each of the experts who have been named in this Composite Document or who have given their opinion or advice, which is contained in this Composite Document:

Name	Qualification
CICC	a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
Alliance Capital	a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities

12. CONSENTS

Each of the above experts has given and has not withdrawn their respective consents to the issue of this Composite Document with the inclusion in this Composite Document of the text of their respective letters and references to their names in the form and context in which they are included.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection on the websites of the Company (<http://www.cowelleholdings.com/>) and the SFC (www.sfc.hk) and at the principal place of business in Hong Kong of the Company at Suite 3208-9, 32/F, Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong, during normal business hours from 9:00 a.m. to 5:00 p.m., Monday to Friday (except public holidays) from the date of this Composite Document until the Closing Date or the date on which the Offers are withdrawn or lapse, whichever is the earliest:

- (a) the memorandum and articles of association of the Offeror;
- (b) the memorandum and articles of association of the Company;
- (c) the annual reports of the Company for the three financial years ended 31 December 2017, 2018 and 2019 respectively;
- (d) the Facility Agreement;
- (e) the “Letter from CICC”, the text of which is set out on pages 9 to 22 of this Composite Document;
- (f) the letter from the Board, the text of which is set out on pages 23 to 31 of this Composite Document;
- (g) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages 32 to 33 of this Composite Document;
- (h) the letter of advice from the Independent Financial Adviser, the text of which is set out on pages 34 to 55 of this Composite Document;
- (i) the Directors’ service contracts as referred to in the section headed “Directors’ Service Contracts” in this Appendix III; and
- (j) the letters of written consents as referred to in the section headed “Consents” in this Appendix III.

14. MISCELLANEOUS

- (a) The Offeror was incorporated Hong Kong on 28 February 2018 and is a wholly-owned subsidiary of GLITL. GLITL is a wholly-owned subsidiary of LIL. LIL is a company incorporated in Hong Kong with limited liability and is owned as to 90% by Mr. Wang Laixi and as to 10% by Lite-On. Lite-On is a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of Lite-On Technology Corporation 光寶科技股份有限公司 (a company incorporated in Taiwan with limited liability and listed on the Taiwan Stock Exchange (stock code 2301)).
- (b) The registered office of the Offeror is at Unit 2018, 20/F, Shatin Galleria, 18-24 Shan Mei Street, Fotan, New Territories, Hong Kong.
- (c) The registered office of GLITL is at No.25 Guangpu West Road, Science City, Gaoxin High-Tech Industrial Development Zone, Guangzhou City, Guangzhou Province, China.
- (d) The registered office of LIL is at Unit 2018, 20/F, Shatin Galleria, 18-24 Shan Mei Street, Fotan, New Territories, Hong Kong.
- (e) The address of Mr. Wang Laixi is at Flat A, 20/F, Tower 1, Imperial Cullinan, 10 Hoi Fai Road, Tai Kok Tsui, Kowloon, Hong Kong.
- (f) The registered office of the Company is at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The principal place of business in Hong Kong of the Company is at Suite 3208-9, 32/F, Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.
- (g) The Hong Kong share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (h) As at the Latest Practicable Date, the sole director of the Offeror is Mr. Wang Laixi.
- (i) As at the Latest Practicable Date, the board of Directors of the Company comprises Mr. Kwak Jung Young, Mr. Cho Young Hoon, Mr. Kim Chan Su, Dr. Song Si Young and Mr. Jung Jong Chae.
- (j) The principal place of business of CICC is at 29/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.
- (k) The English language text of this Composite Document and the Forms of Acceptance shall prevail over the Chinese language text.