

Date: 29 May 2020

Mr. Hsieh King-Hu, Miles
3F.-2, No.571, Sec. 1,
Wenhua 2nd Road,
Linkou District,
New Taipei City 244,
Taiwan,
R.O.C.

Dear Mr. Hsieh,

**Appointment as an Independent Non-Executive Director of
Capxon International Electronic Company Limited (凱普松國際電子有限公司)
(the "Company" together with its subsidiaries, the "Group")**

We are pleased to confirm the terms and conditions of your renewed appointment as an independent non-executive director of the Company (the "**Independent Non-Executive Director**"):

1. We hereby continue to appoint you to act as the Independent Non-Executive Director subject to the terms and conditions hereinafter provided.
2. Subject to paragraph 9 below, the provisions of the Company's articles of association (the "**Articles**") in force from time to time on rotation and election of directors and the provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") on re-election of directors, your new term of appointment as the Independent Non-Executive Director under this letter shall be three years commencing from 1 June 2020, provided that:
 - (a) the Company may terminate your appointment at any time by notice in writing if you commit a material breach of any of your obligations and/or undertakings hereunder or become bankrupt or unable to pay your debts as they fall due or become prohibited or disqualified by law from acting as a director or fulfilling your duties hereunder; or
 - (b) subject to paragraph (a) above, at any time during the term, either you or the Company may terminate your appointment at any time by giving to the other party at least six (6) months' prior notice in writing thereof.
3. In consideration of the appointment, you are entitled to a director's fee of HK\$192,000 per annum payable in arrears by twelve (12) monthly equal instalments of HK\$16,000 each. You will be entitled to such bonus and such share option as may be determined by the board of directors of the Company (the "**Board**") and a duly authorised committee thereof (namely the remuneration committee of the Company) at its sole discretion from time to time.

4. In addition to your general fiduciary responsibilities, you shall faithfully and diligently perform such functions and exercise such powers as are appropriate to your position as an independent non-executive director of the Company. The Board may need you to serve on various sub-committees of the Board and/or to accept additional appointments in or on behalf of the Company.
5. In order to satisfy the requirements of a Hong Kong public company, you are expected to attend general meetings of the Company, each meeting of the Board and of any committees of which you are appointed as a member, take a lead role in the event of conflicts of interest or potential conflicts of interest and make appropriate recommendations to the independent shareholders, and perform your duties in accordance with the principles laid down in "A Guide on Directors' Duties" issued by the Companies Registry and the "Guide for Independent Non-executive Directors" published by the Hong Kong Institute of Directors. If you are unavoidably unable to attend such meetings, as much prior notice as possible should be given to the Chairman of the Board. By accepting the appointment as the Independent Non-Executive Director, you have agreed to give sufficient time and attention to the affairs of the Company.
6. During the term of your appointment, you will also serve as a member of the audit committee, the nomination committee and the remuneration committee of the Company.
7. You will be fully reimbursed for all reasonable out-of-pocket expenses you incur in discharging your duties on production of appropriate proofs of payment. The Company may require you to obtain authorisation in advance from the Chairman of the Board for any item of expenditure over HK\$10,000 and any expenses to be reasonably incurred overseas or for foreign travel.
8. Upon the expiry of notice served on you to terminate your appointment as provided in paragraph 2 above, you will resign from your office as a director (and from each and every other office or appointment you then hold in or on behalf of the Company) and, if you have not done so within seven days, you hereby irrevocably appoint any one of your fellow directors for the time being as your attorney to effect such resignation(s) on your behalf by signing, sealing and delivering any resignation document(s), filing such return(s) and/or doing any other act(s) or thing(s) as may be necessary or requisite under the Companies Ordinance (Cap. 622 of the laws of Hong Kong) (the "**Companies Ordinance**") and other applicable legislation. You agree to confirm and ratify such documents and acts. You shall not be entitled to any payment whatsoever, other than your remuneration under paragraph 3 actually accrued due and payable, for or in respect of the then current year of service or to claim any compensation or damages for or in respect of or by reason of such termination.
9. Your appointment will terminate automatically without any requirement for notice or compensation if you:
 - 9.1 vacate your office under the terms of the Articles;
 - 9.2 are removed from office as a director by any resolution duly proposed and resolved by the members of the Company in general meeting;

- 9.3 are not re-elected as a director when you submit yourself to re-election;
 - 9.4 be guilty of conduct (in the reasonable opinion of the Board) likely to bring yourself or any member of the Group into disrepute; or
 - 9.5 negligently or intentionally divulge to any unauthorized person any confidential information or any other trade secret or details of the organization, business or clientele of the Group.
10. Your fiduciary duties to the Company require you at all times:
- 10.1 to maintain the confidentiality of all information you acquire by virtue of your appointment;
 - 10.2 to act honestly and in good faith in the Company's interests as a whole at all times;
 - 10.3 to act at all times for the proper purposes of the Company;
 - 10.4 to carry out your responsibilities with the skill, care and diligence which the Company is reasonably entitled to expect from someone of your knowledge, experience and expertise;
 - 10.5 to act only with the proper authority of the Company;
 - 10.6 to observe and comply with, as a director of the Company;
 - (a) the memorandum of association of the Company and the Articles from time to time;
 - (b) the Listing Rules, in particular, Chapter 3 regarding the minimum requirements of a director, Appendix 10 regarding Model Code for Securities Transactions by Directors of Listed Issuers and Appendix 14 regarding Corporate Governance Code and Corporate Governance Report;
 - (c) all reasonable and lawful resolutions, regulations and directions from time to time made or given by the Board; and
 - (d) all applicable laws, rules and regulations from time to time applicable to any member of the Group and the Independent Non-Executive Director.
 - 10.7 be answerable to the Company for the application or misapplication of its assets;
 - 10.8 to avoid actual and potential conflicts of interest and duty; and
 - 10.9 to disclose fully and fairly your interests in contracts with the Company.

11. In addition, you shall observe and use your best endeavours to procure that the Company observes the Companies Ordinance, the Companies Law of the Cayman Islands, as amended, the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), the Listing Rules, The Codes on Takeovers and Mergers and Share Buy-backs, the memorandum of association of the Company and the Articles, and all other applicable laws, rules, regulations, guidelines and practice notes which are binding on or applicable to the Group or the Independent Non-Executive Director.
12. If any circumstances should arise in which it becomes necessary for you to seek separate independent legal advice about your responsibilities as a director of the Company, you will of course, be reimbursed for your reasonable legal costs of doing so.
13. You must not at any time make any statements on the Company's behalf or concerning the Company to the press, media, venture capitalists, brokers, banks, financial analysts and/or anyone associated with the stock market or investor community.
14. You shall not, either during the term of your appointment as the Independent Non-Executive Director or thereafter:
 - 14.1 use to the detriment or prejudice of the Group or divulge or communicate to any person any trade secret or confidential information concerning the business or affairs of the Group (except to employees or directors of the Group whose province is to know the same) which may have come to your knowledge during the term of your appointment hereunder; or
 - 14.2 use for your own purpose or for any purposes other than those of the Group or disclose to any third party any information or knowledge of a confidential nature which you may from time to time acquire in relation to any member of the Group but so that this restriction shall cease to apply to any information or knowledge which may come into the public domain (otherwise than through your default).
15. You shall not and shall procure your associates (as defined in the Listing Rules) not to, during the term of your appointment and for six (6) months thereafter, be a director or employee or agent of, or have any other material financial interest or involvement in, any business or enterprise which competes or is likely to compete (directly or indirectly) or has a significant business relationship with any member of the Group without the prior written consent of the Board.
16. You shall promptly upon request by the Company or in any event upon your ceasing to be the Independent Non-Executive Director deliver up to the Company all lists of clients or customers, correspondence and all other documents, papers and records which may have been prepared by you or have come into your possession as a director of the Company, and you shall not be entitled to and shall not retain any copies thereof. Title and copyright therein shall vest in the Company.
17. You hereby covenant with and undertake to the Company that you shall not and that you shall procure that none of your associates shall during your appointment or at any time after the termination of appointment, use for any purpose the name or trading style of any

member of the Group in Hong Kong or any other part of the world, or use in Hong Kong or any other territory in which the Group then operates any name or trading style which is the same as or similar to any of the registered or unregistered trade or service marks of the Group or any brand name or proposed brand name of any of the Group's products or service or proposed products or service, or represent yourself or themselves as carrying on or continuing or being connected with any member of the Group or its business for any purpose whatsoever.

18. You hereby represent and warrant to the Company that:

- (a) you do not hold more than one per cent. of the total issued share capital of the Company, whether legally or beneficially, as at the date of this appointment letter;
- (b) you have not received any interest in any securities of the Company as a gift, or by means of other financial assistance, from a core connected person (as defined in the Listing Rules) of the Company or the Company itself;
- (c) you are or were not a director, partner or principal of a professional adviser which currently provides or has within two years immediately prior to the date of your appointment provided services, nor are or were an employee of such professional adviser who is or has been involved in providing such services during the same period, to the Company, its holding company or any of their respective subsidiaries or core connected persons (as defined in the Listing Rules), or any person who was a controlling shareholder or, where there was no controlling shareholder, any person who was the chief executive or a director (other than an independent non-executive director), of the Company within two years immediately prior to the date of your appointment, or any of their respective close associates;
- (d) currently, or within one year immediately prior to the date of your appointment, you do or did not have a material interest in any principal business activity of, and you are or were not involved in any material business dealings with the Company, its holding company or their respective subsidiaries or with any core connected persons (as defined in the Listing Rules) of the Company;
- (e) you are not on the Board specifically to protect the interests of an entity whose interests are not the same as those of the shareholders of the Company as a whole;
- (f) you are not and were not connected with a director, the chief executive or a substantial shareholder of the Company within two years immediately prior to the date of your appointment (other than acting as an independent non-executive director of the Company);
- (g) you are not or have not at any time during the two years immediately prior to the date of your appointment been, an executive or a director (other than an independent non-executive director) of the Company, of its holding company or of any of their respective subsidiaries or of any core connected persons (as defined in the Listing Rules) of the Company;
- (h) you are not financially dependent on the Company, its holding company or any of

their respective subsidiaries or core connected persons (as defined in the Listing Rules) of the Company; and

- (i) there are no other factors which are relevant in assessing your independence as a director of the Company under rule 3.13 of the Listing Rules.

You further represent and warrant that the circumstances as stated in (a) to (h) above also apply to my immediate family members (as defined under Rule 14A.12(1)(a) of the Listing Rules).

19. You hereby undertake to the Company:

- (a) to inform the Company as soon as practicable if there is any subsequent change of circumstances which includes, but without limitation to, any of the circumstances set forth in Clause 18, which may affect your independence in relation to your appointment as the Independent Non-executive Director; and
- (b) to provide an annual confirmation of your independence to the Company.

20. This letter is governed by and shall construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**") and you agree to submit to the non-exclusive jurisdiction of the Hong Kong Courts in connection herewith.

21. Exclusion of third party contract rights

Save as expressly provided herein, a person who is not a party to this Agreement shall not have any rights under the Contract (Rights of Third Parties) Ordinance (Chapter 623 of the laws of Hong Kong) to enforce any term of this Agreement.

Please sign, date and return the enclosed copy of this letter to me, confirming your acceptance of the renewed appointment on the terms and conditions set out herein.

Yours sincerely,

Chou Chiu-Yueh
Director

for and on behalf of
**Capxon International Electronic
Company Limited**



I agree to the terms and conditions set out above relating to my renewed appointment as the Independent Non-Executive Director.

SIGNED, SEALED AND DELIVERED by)
HSIEH KING-HU, MILES)
in the presence of:)

謝金虎

胡景泰

Witness's name: HU SZU JUNG, CAROL

Witness's address: 台灣台北市內湖區內湖路
二段 114-1 號 1 樓

Witness's occupation: Chief Financial Officer

Date: 29 May 2020