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CapXon

CAPXON INTERNATIONAL ELECTRONIC COMPANY LIMITED

凱普松國際電子有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 469)

**(1) RE-ELECTION OF RETIRING DIRECTORS,
AND
(2) RENEWAL OF GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A letter from the chairman of the Company is set out on pages 3 to 8 of this circular. A notice convening the annual general meeting (the “AGM”) of the shareholders of the Company (the “Shareholders”) to be held at United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 23 June 2020 at 2:30 p.m. (Hong Kong time) is set out on pages 12 to 15 of this circular.

A form of proxy for the AGM is enclosed with this circular. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong in accordance with the instructions printed thereon no later than 2:30 p.m. on Sunday, 21 June 2020 (Hong Kong time) or not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof. The completion and return of a form of proxy will not preclude you from attending and voting at the AGM in person.

To safeguard the health and safety of Shareholders and to prevent the spreading of the coronavirus disease 2019 (“COVID-19”) pandemic, the following precautionary measures will be implemented at the AGM, without limitation:

- compulsory body temperature screening/checks;
- mandatory wearing of surgical face masks at the AGM venue and throughout the AGM (Please note that no masks will be provided at the AGM venue and attendees should wear their own masks); and
- no refreshment or souvenirs will be provided at the AGM

Any attendee who does not comply with the precautionary measures to be taken at the AGM, or is subject to any HKSAR Government prescribed quarantine may be denied entry into the meeting venue.

For the health and safety of Shareholders, the Company would like to encourage Shareholders to appoint the Chairman of the AGM as their proxy to vote according to their indicated voting instructions instead of attending the AGM in person. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures as appropriate.

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“2019 Annual Report”	the 2019 Annual Report of the Company
“AGM”	the annual general meeting of the Company to be held at United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 23 June 2020 at 2:30 p.m. (Hong Kong time) or any adjournment thereof
“Articles”	the articles of association of the Company as amended, supplemented or otherwise modified from time to time
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	Capxon International Electronic Company Limited (凱普松國際電子有限公司), a company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the main board operated by the Stock Exchange
“controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) from time to time of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	8 May 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company (or of such other nominal amount as comprising the ordinary share capital of the Company as shall result from a sub-division or a consolidation of the share capital of the Company from time to time)
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers, as amended, supplemented or otherwise modified from time to time
“VMHL”	Value Management Holding Limited, a company incorporated in the British Virgin Islands
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“NT\$”	New Taiwan dollars, the lawful currency of Taiwan
“%”	per cent

LETTER FROM THE CHAIRMAN

CapXon

CAPXON INTERNATIONAL ELECTRONIC COMPANY LIMITED

凱普松國際電子有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 469)

Executive Directors:

Lin Chin Tsun (*Chairman and President*)

Chou Chiu Yueh (*Vice-President*)

Lin Yuan Yu (*Chief Executive Officer*)

Lin I Chu

Registered office:

P.O. Box 31119 Grand Pavilion

Hibiscus Way

802 West Bay Road

Grand Cayman KY1-1205

Cayman Islands

Non-executive Director:

Liu Fang Chun

Principal place of business in Hong Kong:

Room 1303, 13th Floor

OfficePlus@Wan Chai

No. 303 Hennessy Road

Wanchai

Hong Kong

Independent non-executive Directors:

Hsieh King-Hu, Miles

Lu Hong Te

Tung Chin Chuan

15 May 2020

To the Shareholders

Dear Sir or Madam,

**(1) RE-ELECTION OF RETIRING DIRECTORS,
AND
(2) RENEWAL OF GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM involving (1) the re-election of retiring Directors; and (2) the renewal of the general mandates be granted to the Directors to allot, issue and deal with additional Shares and to repurchase Shares, and the extension of the general mandate to allot, issue and deal with new Shares by the addition thereto of any Shares repurchased by the Company.

LETTER FROM THE CHAIRMAN

(1) RE-ELECTION OF RETIRING DIRECTORS

In accordance with article no. 87 of the Articles, Mr. Lin Chin Tsun, Mr. Lin Yuan Yu and Mr. Hsieh King-Hu, Miles will retire by rotation at the AGM and, being eligible, have offered themselves for re-election.

Recommendations of the Nomination Committee

In accordance with the terms of reference of the nomination committee of the Company (the “Nomination Committee”), the Nomination Committee has:

- (a) evaluated the performance and the contribution of each of the retiring Directors, namely Mr. Lin Chin Tsun, Mr. Lin Yuan Yu and Mr. Hsieh King-Hu, Miles during the last financial year of the Company and the period thereafter up to the date of evaluation; and
- (b) assessed the independence of the independent non-executive Director to be re-elected, being Mr. Hsieh King-Hu, Miles.

The Nomination Committee is of the opinion that:

- (a) the performance of each of Mr. Lin Chin Tsun, Mr. Lin Yuan Yu and Mr. Hsieh King-Hu, Miles was satisfactory; and
- (b) based on the information available to the Nomination Committee and having taken into account the independence confirmation given by Mr. Hsieh King-Hu, Miles, the Nomination Committee was satisfied that Mr. Hsieh King-Hu, Miles (i) had met the criteria set out in rule 3.13 of the Listing Rules; and (ii) was a person of integrity and independent in character and judgment, and the Nomination Committee considered Mr. Hsieh King-Hu, Miles as independent from the Company.

Accordingly, the Nomination Committee recommended to the Board to propose to re-elect Mr. Lin Chin Tsun and Mr. Lin Yuan Yu as executive Directors and Mr. Hsieh King-Hu, Miles as an independent non-executive Director.

The Directors are of the opinion that the retiring independent non-executive Director, namely Mr. Hsieh King-Hu, Miles, will continue to contribute to the diversity of the Board with his professional background and valuable business experience in auditing, internal control and risk management, investment and financing management and maintain an independent view of the Group’s affairs. Mr. Hsieh King-Hu, Miles has also given the Company his annual independence confirmation. The Board, therefore, considers Mr. Hsieh King-Hu, Miles to be independent and is of the view that he should be re-elected.

LETTER FROM THE CHAIRMAN

The qualifications, previous experience and major appointments of all the Directors who stand for re-election at the AGM are set out in the “Directors and Senior Management Profiles” section contained in the 2019 Annual Report which has been sent to the Shareholders together with this circular. The biographical details of each of the retiring Directors, as required to be disclosed pursuant to rule 13.51(2) of the Listing Rules, are set out below for the Shareholders’ consideration.

1. Lin Chin Tsun (aged 71)

Mr. Lin is the chairman and president of the Group. He is also the chairman of the Nomination Committee and a member of the remuneration committee of the Company (the “Remuneration Committee”). He has been a Director since 14 December 2005 and is also a director of various subsidiaries of the Company. Mr. Lin did not hold any directorship in other listed companies in the last three years.

Mr. Lin is the spouse of Ms. Chou Chiu Yueh (an executive Director and vice-president of the Group) and the father of Mr. Lin Yuan Yu (an executive Director and chief executive officer of the Group) and Ms. Lin I Chu (an executive Director) and the father-in-law of Ms. Liu Fang Chun (a non-executive Director). Mr. Lin Chin Tsun is a director of VMHL, a substantial Shareholder. Save as disclosed above, Mr. Lin does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Lin had or was taken or deemed to have interest in an aggregate of 564,973,947 Shares. Out of these Shares, 101,657,378 Shares were beneficially held by Mr. Lin, 395,360,783 Shares were held through companies controlled by Mr. Lin and 67,955,786 Shares were held by his spouse.

Mr. Lin entered into a service agreement with the Company for a term of three years commencing from 7 May 2019. Mr. Lin’s annual remuneration, as covered by his service agreement, is currently HK\$2,600,000 and NT\$2,600,000. Pursuant to Mr. Lin’s service agreement, he is entitled to a discretionary bonus as determined by the Remuneration Committee provided that the total amount of bonuses payable to all the executive Directors in any year shall not exceed 5% of the audited consolidated profit after taxation and minority interests but before extraordinary items of the Group (if any) for the relevant year.

2. Lin Yuan Yu (aged 43)

Mr. Lin is the chief executive officer of the Group. He has been a Director since 3 April 2007 and is also a director of various subsidiaries of the Company. Mr. Lin did not hold any directorship in other listed companies in the last three years.

Mr. Lin is the son of Mr. Lin Chin Tsun and Ms. Chou Chiu Yueh (respectively the chairman and president and the vice-president of the Group), the spouse of Ms. Liu Fang Chun (a non-executive Director) and the brother of Ms. Lin I Chu (an executive Director). Save as disclosed above, Mr. Lin does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders.

LETTER FROM THE CHAIRMAN

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Lin was deemed to be interested in an aggregate of 394,675,621 Shares. Out of these Shares, 13,161,622 Shares were beneficially held by Mr. Lin, 374,585,006 Shares were held through VMHL, a substantial Shareholder, and Mr. Lin is deemed to be interested in the Shares held by VMHL under the SFO and 6,928,993 Shares were held by his spouse, Ms, Liu Fang Chun (a non-executive Director).

Mr. Lin entered into a service agreement with the Company for a term of three years commencing from 7 May 2019. Mr. Lin's annual remuneration is currently HK\$1,300,000 and NT\$2,600,000. Mr. Lin is also entitled to a discretionary bonus as determined by the Remuneration Committee provided that the total amount of bonuses payable to all the executive Directors in any year shall not exceed 5% of the audited consolidated profit after taxation and minority interests but before extraordinary items of the Group (if any) for the relevant year.

3. Hsieh King-Hu, Miles (aged 72)

Mr. Hsieh King-Hu, Miles has been a Director since 1 June 2017 and is currently an independent non-executive Director. He is also a member of the Company's audit committee, the Remuneration Committee and the Nomination Committee.

Mr. Hsieh is currently the managing partner of Miles Hsieh & Company, which was established by him in 2002. Mr. Hsieh was the supervisor of TSRC Corporation (Stock Code: 2103) from June 2012 to June 2015, and ceased to be an independent director of CX Technology Corporation (Stock Code: 2415) since 5 June 2018, both companies are listed in Taiwan. Mr. Hsieh is currently an independent director of The Shanghai Commercial & Savings Bank, Ltd. (Stock code: 5876) whose shares are listed on the Taiwan Stock Exchange Corporation. Save as disclosed, Mr. Hsieh has not held any directorship in any Hong Kong or overseas listed public companies in the last three years.

Mr. Hsieh does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders and has not held any other position in the Company or any of its subsidiaries.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Hsieh did not have any interest in the securities of the Company.

Mr. Hsieh entered into a service agreement with the Company for a term of three years commencing from 1 June 2017. Mr. Hsieh's annual remuneration, as covered by his service agreement, is currently HK\$192,000. Mr. Hsieh is also entitled to such bonus as may be determined by the Board based on the recommendation of the Remuneration Committee from time to time.

LETTER FROM THE CHAIRMAN

4. Additional Information

- (i) The emoluments of all Directors are determined on the basis of the relevant Director's experience, level of responsibilities within the Group and the current market situation.
- (ii) Save for the information set out in this section and in the 2019 Annual Report, there is no other matter that needs to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed under paragraphs (h) to (v) of rule 13.51(2) of the Listing Rules.

(2) RENEWAL OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

As the general mandates granted to the Directors to allot, issue, and deal with and repurchase Shares respectively pursuant to resolutions passed by the Shareholders at the Company's annual general meeting held on 4 June 2019 will lapse at the conclusion of the AGM, resolutions will be proposed at the AGM to renew the grant of these general mandates. The relevant resolutions, in summary, are:

- an ordinary resolution to grant to the Directors a general and unconditional mandate to allot, issue, and deal with additional Shares (including, inter alia, offers, agreements, options, warrants or similar rights in respect thereof) not exceeding 20% of the number of the Shares in issue as at the date of passing the relevant resolution for the period from the close of the AGM until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution) (the "Issue Mandate");
- an ordinary resolution to grant to the Directors a general and unconditional mandate to exercise all the powers of the Company to repurchase such number of Shares not exceeding 10% of the number of the Company Shares in issue as at the date of passing the relevant resolution for the period from the close of the AGM until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution) (the "Repurchase Mandate"); and
- conditional on the passing of the resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution to authorise the Directors to exercise the powers of the Company to allot, issue, and deal with additional securities under the Issue Mandate by adding those Shares repurchased by the Company pursuant to the Repurchase Mandate.

The explanatory statement providing the requisite information regarding the Repurchase Mandate as required to be sent to Shareholders under the Listing Rules is set out in Appendix I to this circular.

LETTER FROM THE CHAIRMAN

(3) AGM

The notice convening the AGM is set out in Appendix II to this circular. At the AGM, amongst others, ordinary resolutions will be proposed to approve the re-election of the retiring Directors, the granting of the Issue Mandate and the Repurchase Mandate and the extension of the Issue Mandate by the addition thereto of any Shares repurchased under the Repurchase Mandate.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event no later than 2:30 p.m. on Sunday, 21 June 2020 (Hong Kong time) or not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting of the Company must be taken by way of a poll. Accordingly, the resolutions to be proposed at the AGM will be voted by way of a poll by the Shareholders.

(4) RECOMMENDATION

The Directors consider that the proposed resolutions regarding the re-election of the retiring Directors, the renewal of the Issue Mandate and the Repurchase Mandate and the extension of the Issue Mandate by the addition thereto of any Shares repurchased under the Repurchase Mandate are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the proposed resolutions.

Yours faithfully,
For and on behalf of
Capxon International Electronic Company Limited
Lin Chin Tsun
Chairman

This is the explanatory statement required by Rule 10.06(1)(b) of the Listing Rules to be given to all Shareholders relating to a resolution to be proposed at the AGM authorising the Repurchase Mandate.

1. EXERCISE OF THE REPURCHASE MANDATE

On the basis of 844,559,841 Shares in issue as at the Latest Practicable Date and assuming no further Shares will be issued or repurchased by the Company before the AGM, exercise in full of the Repurchase Mandate could result in up to 84,455,984 Shares being repurchased by the Company during the period from the date of passing of the resolution relating to the Repurchase Mandate up to the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; and (iii) the revocation or variation of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting.

2. REASONS FOR SHARE REPURCHASES

Repurchases of Shares will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles and the applicable laws of the Cayman Islands. Such funds include profits available for distribution.

4. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the latest published audited accounts as contained in the 2019 Annual Report) in the event that the Repurchase Mandate is exercised in full at any time during the proposed purchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. DIRECTORS AND CORE CONNECTED PERSONS

As at the Latest Practicable Date, to the best knowledge of the Directors having made all reasonable enquiries, none of the Directors and their respective close associates has a present intention, in the event that the Repurchase Mandate is approved and exercised, to sell Shares to the Company. No core connected persons have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved and exercised.

6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the Listing Rules, the memorandum of association of the Company and the Articles and the applicable laws of the Cayman Islands.

7. THE TAKEOVERS CODE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code. A waiver of this provision would not normally be given except in extraordinary circumstances. As at the Latest Practicable Date, the following interests in the Shares were recorded in the register kept by the Company pursuant to section 352 of the SFO:

Name of Director	Capacity and nature of interests	Number of issued Shares held	Total interest (a) and approximate percentage of shareholding (b) ⁽¹⁾	
			(a)	(b)
Mr. Lin Chin Tsun	Beneficial owner	101,657,378	564,973,947	66.90
	Interest of controlled corporations	395,360,783 ⁽²⁾		
	Interest of spouse	67,955,786		
Ms. Chou Chiu Yueh	Beneficial owner	67,955,786	564,973,947	66.90
	Interest of controlled corporations	395,360,783 ⁽²⁾		
	Interest of spouse	101,657,378		
Mr. Lin Yuan Yu	Beneficial owner	13,161,622	394,675,621	46.73
	Interest of controlled corporation	374,585,006 ⁽³⁾		
	Interest of spouse	6,928,993		
Ms. Lin I Chu	Beneficial owner	9,429,777	384,014,783	45.47
	Interest of controlled corporation	374,585,006 ⁽³⁾		
Ms. Liu Fang Chun	Beneficial owner	6,928,993	394,675,621	46.73
	Interest of spouse	387,746,628		

Notes:

(1) This percentage has been compiled based on the total number of Shares in issue (i.e. 844,559,841 Shares) as at the Latest Practicable Date.

(2) VMHL, of which Mr. Lin Chin Tsun and Ms. Chou Chiu Yueh are directors, owned 374,585,006 Shares as at the Latest Practicable Date. Pursuant to the SFO, VMHL is deemed to be controlled by Mr. Lin Chin Tsun and Ms. Chou Chiu Yueh who accordingly are taken to be interested in the 374,585,006 Shares held by VMHL.

HungYu Investment Co., Ltd. ("HungYu"), a company controlled by Mr. Lin Chin Tsun and Ms. Chou Chiu Yueh, owned 20,775,777 Shares as at the Latest Practicable Date. Pursuant to the SFO, each of Mr. Lin Chin Tsun and Ms. Chou Chiu Yueh is deemed to be interested in the 20,775,777 Shares held by Hung Yu.

(3) Each of Mr. Lin Yuan Yu and Ms. Lin I Chu is deemed to be interested in the 374,585,006 Shares held by VMHL under the SFO.

The Directors are not aware of any Shareholder, or group of Shareholders acting in concert, who will become obliged to make a general offer to Shareholders under Rules 26 and 32 of the Takeovers Code.

The Directors will use their best endeavors to ensure the Repurchase Mandate will not be exercised to the extent that the number of Shares held by the public would be reduced to less than 25% of the issued share capital of the Company.

8. SHARE REPURCHASES MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

9. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months up to the Latest Practicable Date were as follows:

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
May 2019	0.730	0.435
June 2019	0.650	0.500
July 2019	0.550	0.460
August 2019	0.510	0.435
September 2019	0.480	0.420
October 2019	0.520	0.390
November 2019	0.465	0.390
December 2019	0.440	0.385
January 2020	0.510	0.340
February 2020	0.420	0.345
March 2020	0.400	0.248
April 2020	0.345	0.270
May 2020 (up to the Latest Practicable Date)	0.335	0.300

**CAPXON INTERNATIONAL ELECTRONIC COMPANY LIMITED****凱普松國際電子有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 469)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of Capxon International Electronic Company Limited (the “Company”) will be held at United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 23 June 2020 at 2:30 p.m. (Hong Kong time) for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditor for the year ended 31 December 2019.
2.
 - A. To re-elect Mr. Lin Chin Tsun as an executive director of the Company (“Director”).
 - B. To re-elect Mr. Lin Yuan Yu as an executive Director.
 - C. To re-elect Mr. Hsieh King-Hu, Miles as an independent non-executive Director.
 - D. To authorise the board of Directors (the “Board”) to fix the remuneration of the Directors.
3. To re-appoint Deloitte Touche Tohmatsu as auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Board to fix its remuneration.
4. To consider and, if thought fit, pass with or without modifications, the following resolutions as ordinary resolutions:
 - 4.A. **“THAT:**
 - (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into such shares or warrants or similar rights to subscribe for any shares in the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;

- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to the shares of the Company issued as a result of a Rights Issue (as hereinafter defined) or pursuant to the exercise of any option granted under any option scheme or any similar arrangement for the time being adopted, or any scrip dividend or similar arrangement providing for the allotment of shares of the Company in lieu of the whole or part of the dividend on the shares of the Company in accordance with the Company's Articles of Association, shall not exceed 20 per cent of the number of shares of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws of the Cayman Islands to be held; or
- (iii) revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company on the register on a fixed record date in proportion to their holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

4.B. **“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period of all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange on which the securities of the Company may be listed as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the aggregate number of shares of the Company to be repurchased by the Company pursuant to the approval mentioned in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent of the number of shares of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) the expression “Relevant Period” shall for the purposes of this resolution have the same meaning as assigned to it under ordinary resolution 4.A.(d) of this notice.”
- 4.C. “**THAT** conditional upon resolutions 4.A. and 4.B. above being passed, the aggregate number of shares of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in resolution 4.B. above shall be added to the number of shares that may be allotted or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to resolution 4.A., provided that the number of shares repurchased by the Company shall not exceed 10 per cent of the number of shares of the Company in issue as at the date of passing of this resolution.”

By order of the Board
Capxon International Electronic Company Limited
Lin Chin Tsun
Chairman

Hong Kong, 15 May 2020

Principal place of business in Hong Kong:

Room 1303, 13th Floor
OfficePlus@Wan Chai
No. 303 Hennessy Road
Wanchai
Hong Kong

Notes:

1. A shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.
 2. Where there are joint registered holders of any share(s), any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share(s) as if he were solely entitled thereto, but if more than one of such joint holders is present at the meeting, personally or by proxy, then the holder so present whose name stands first on the register in respect of such share(s) shall alone be entitled to vote in respect thereof.
 3. In order to be valid, the instrument appointing a proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or other authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 2:30 p.m. on Sunday, 21 June 2020 (Hong Kong time) or not less than 48 hours before the time appointed for holding the said meeting or adjourned meeting.
 4. For the purpose of ascertaining shareholders who are entitled to attend and vote at the annual general meeting ("AGM") to be held at 2:30 p.m. on Tuesday, 23 June 2020 (Hong Kong time) (or any adjournment thereof), the register of members of the Company will be closed from Thursday, 18 June 2020 to Tuesday, 23 June 2020 (both days inclusive). In order to qualify for the right to attend and vote at the meeting (or any adjournment thereof), all transfers documents accompanied by the relevant share certificates should be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Wednesday, 17 June 2020 (Hong Kong time).
 5. To safeguard the health and safety of shareholders and to prevent the spreading of the coronavirus disease 2019 ("COVID-19") pandemic, the following precautionary measures will be implemented at the AGM, without limitation:
 - compulsory body temperature screening/checks;
 - mandatory wearing of surgical face masks at the AGM venue and throughout the AGM (Please note that no masks will be provided at the AGM venue and attendees should wear their own masks); and
 - no refreshment or souvenirs will be provided at the AGM
- Any attendee who does not comply with the precautionary measures to be taken at the AGM, or is subject to any HKSAR Government prescribed quarantine may be denied entry into the meeting venue.
- For the health and safety of shareholders, the Company would like to encourage shareholders to appoint the Chairman of the AGM as their proxy to vote according to their indicated voting instructions instead of attending the AGM in person. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures as appropriate.**
6. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.