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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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The logo for CapXon, featuring the word "CapXon" in a white serif font on a black rectangular background.

**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)**

**PROPOSALS FOR**  
**(1) RE-ELECTION OF RETIRING DIRECTORS,**  
**(2) ELECTION OF NEW DIRECTOR**  
**AND**  
**(3) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**  
**AND**  
**NOTICE OF ANNUAL GENERAL MEETING**

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A letter from the chairman of the Company is set out on pages 3 to 8 of this document. A notice convening the annual general meeting (the “AGM”) of the shareholders of the Company to be held at United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Thursday, 1 June 2017 at 2:30 p.m. is set out on pages 12 to 15 of this document.

A form of proxy for the AGM is enclosed with this document. 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 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong in accordance with the instructions printed thereon no later than 2:30 p.m. on Tuesday, 30 May 2017 (Hong Kong time) or not less than 48 hours before the time fixed for holding 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.

26 April 2017

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## DEFINITIONS

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

“2016 Annual Report”	the 2016 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 Thursday, 1 June 2017 at 2:30 p.m. or any adjournment thereof
“Articles”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors
“Capxon Yichang”	凱普松電子科技(宜昌三峽)有限公司 (Capxon Electronic Technology (Yichang Xanxia) Co. Ltd.), a wholly foreign-owned enterprise established in Yichang, the PRC and an indirect wholly-owned subsidiary of the Company
“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 PRC
“Latest Practicable Date”	20 April 2017, being the latest practicable date prior to the printing of this document for ascertaining certain information for inclusion in this document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC”	The People’s Republic of China

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## DEFINITIONS

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“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“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
“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

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LETTER FROM THE CHAIRMAN

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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)**

*Executive Directors:*

Lin Chin Tsun (*Chairman and President*)

Chou Chiu Yueh (*Vice-President*)

Lin Yuan Yu (*Chief Executive Officer*)

Lin I Chu

*Registered Office:*

Floor 4, Willow House

Cricket Square

P.O. Box 2804

Grand Cayman KY1-1112

Cayman Islands

*Non-executive Director:*

Liu Fang Chun

*Principal place of business in Hong Kong:*

Room 1702, 17th Floor

OfficePlus@Wan Chai

No. 303 Hennessy Road

Wanchai

Hong Kong

*Independent Non-executive Directors:*

Lai Chung Ching

Lu Hong Te

Tung Chin Chuan

26 April 2017

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR  
(1) RE-ELECTION OF RETIRING DIRECTORS,  
(2) ELECTION OF NEW DIRECTOR  
AND  
(3) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this document is to provide you with information regarding the resolutions to be proposed at the AGM involving (1) the re-election of retiring Directors, (2) the election of new Director and (3) the grant to the Directors general mandates 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.

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## LETTER FROM THE CHAIRMAN

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### (1) RE-ELECTION OF RETIRING DIRECTORS

In accordance with article no. 87 of the Articles, Mr. Lin Yuan Yu, Ms. Liu Fang Chun and Mr. Lai Chung Ching will retire by rotation at the AGM.

Mr. Lin Yuan Yu and Ms. Liu Fang Chun, being eligible, have offered themselves for re-election.

The Board has been informed by Mr. Lai Chung Ching that he will not offer for re-election as an independent non-executive Director at the AGM. Following his retirement, Mr. Lai will cease to be (i) the chairman of the audit committee of the Company (the “Audit Committee”); (ii) a member of the nomination committee of the Company (the “Nomination Committee”) and (iii) the chairman of the remuneration committee of the Company (“Remuneration Committee”) with effect from the conclusion of the AGM.

Mr. Lai Chung Ching has confirmed that there is no disagreement with the Board and there are no matters relating to his retirement that need to be brought to the attention of the Shareholders or the Stock Exchange. The Board would also like to take this opportunity to express its sincere gratitude to Mr. Lai Chung Ching for his valuable contributions to the Company.

#### **Recommendations of the Nomination Committee**

In accordance with the terms of reference of the Nomination Committee, the Nomination Committee has evaluated the performance and the contribution of each of the retiring Directors, namely Mr. Lin Yuan Yu and Ms. Liu Fang Chun during the last financial year of the Company and the period thereafter up to the date of evaluation.

The Nomination Committee is of the opinion that the performance of each of Mr. Lin Yuan Yu and Ms. Liu Fang Chun was satisfactory.

Accordingly, the Nomination Committee recommended to the Board to propose to re-elect Mr. Lin Yuan Yu and Ms. Liu Fang Chun as Directors.

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 2016 Annual Report which has been sent to the Shareholders together with this document. The other 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 Yuan Yu (aged 40)**

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.

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## LETTER FROM THE CHAIRMAN

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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 of the Company, 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.

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, Mr. Lin does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders.

Mr. Lin entered into a service agreement with the Company for a term of three years commencing from 7 May 2016. Mr. Lin's annual remuneration is currently HK\$1,200,000 and NT\$2,400,000. 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.

### **2. Liu Fang Chun (aged 38)**

Ms. Liu has been a Director since 3 April 2007 and is currently a non-executive Director and assistant of the chairman of Capxon Yichang. Ms. Liu did not hold any directorship in other listed companies in the last three years.

Ms. Liu is the spouse of Mr. Lin Yuan Yu (an executive Director and chief executive officer of the Group) and the daughter-in-law of Mr. Lin Chin Tsun (the chairman and president of the Group) and Ms. Chou Chiu Yueh (an executive Director and vice-president of the Group) and the sister-in-law of Miss Lin I Chu (an executive Director). Save as disclosed, Ms. Liu 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, Ms. Liu was deemed to be interested in an aggregate of 394,675,621 Shares. Out of these Shares, 6,928,993 Shares were beneficially held by Ms. Liu and 387,746,628 Shares were held by her spouse.

Ms. Liu entered into an appointment letter with the Company for a term of three years commencing from 7 May 2016. Ms. Liu's annual remuneration, as covered by her appointment letter, is currently HK\$600,000 and NT\$600,000. Ms. Liu is also entitled to such bonus and such share options as may be determined by the Board based on the recommendation of the Remuneration Committee at its sole discretion from time to time.

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## LETTER FROM THE CHAIRMAN

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### 3. 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 2016 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) PROPOSED ELECTION OF NEW DIRECTOR

The Board proposes that Mr. Hsieh King-Hu, Miles ("Mr. Hsieh") be elected as an independent non-executive Director at the AGM. The Board also proposes that if Mr. Hsieh's appointment is approved by the Shareholders at the AGM, he will be appointed to act as a member of the Audit Committee, the Nomination Committee and the Remuneration Committee.

Mr. Hsieh, aged 69, graduated from the Faculty of Accounting of Soochow University, and is currently a member of Taipei CPA Association. Mr. Hsieh joined Deloitte Haskins & Sells (now known as Deloitte & Touche) in July 1971, became a partner in 1987 and retired in August 2002. From 1983 to 2002, Mr. Hsieh was a member of the American Institute of Certified Public Accountants; he was also an executive member of Taipei CPA Association from August 1998 to 2001. Mr. Hsieh is at present the managing partner of Miles Hsieh & Company, which was established by him in 2002. From June 2012 to June 2015, Mr. Hsieh was the supervisor of a Taiwan-listed company, TSRC Corporation (Stock Code: 2103), and is currently the independent director of CX Technology Corporation (Stock Code: 2415) and The Shanghai Commercial & Savings Bank, Ltd. (Stock code: 5876), both of whose shares are listed on the Taiwan Stock Exchange Corporation.

Save as disclosed above, Mr. Hsieh has no relationship with any Directors, senior management or substantial or controlling Shareholders, has not held any position in the Company or any of its subsidiaries, and has not held any directorship in any Hong Kong or overseas listed public companies in the last three years. As at the Latest Practicable Date, Mr. Hsieh did not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

If Mr. Hsieh is to be elected as an independent non-executive Director at the AGM, Mr. Hsieh will enter into an appointment letter with the Company for a term of three years commencing from the date of appointment as an independent non-executive Director. In addition, Mr. Hsieh is subject to retirement by rotation and is eligible for re-election at annual general meetings of the Company in accordance with the Articles. The remuneration of Mr. Hsieh will be determined on the basis of his experience, level of responsibilities within the Group and the current market condition.

The Company has received from Mr. Hsieh his confirmation of independence pursuant to Rule 3.13 of the Listing Rules and therefore, the Board considers that he is independent and believes he should be elected as an independent non-executive Director.



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## LETTER FROM THE CHAIRMAN

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Save as described above, there is no other information in relation to Mr. Hsieh which is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders in relation to his appointment.

### **(3) 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 27 May 2016 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 securities of the Company (including, inter alia, offers, agreements, options, warrants or similar rights in respect thereof) not exceeding 20% of the number of the Company's issued shares 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's issued shares 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 authorize 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 document.

### **(4) AGM**

The notice convening the AGM is set out in Appendix II to this document. At the AGM, amongst others, ordinary resolutions will be proposed to approve the re-election of the retiring Directors, the election of new Director, 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 document. Whether or not you intend to attend the AGM, you are requested to complete and return the form of proxy in

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## LETTER FROM THE CHAIRMAN

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accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, Level 22, 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 Tuesday, 30 May 2017 (Hong Kong time) or not less than 48 hours before the time appointed for holding 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.

### (5) RECOMMENDATION

The Directors consider that the proposed resolutions regarding the re-election of the retiring Directors, the election of new Director, 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 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 authorizing 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 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 2016 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 HONG KONG CODE ON TAKEOVERS AND MERGERS**

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) <sup>(1)</sup>	
			(a)	(b)
Mr. Lin Chin Tsun	Beneficial owner	101,657,378	564,973,947	66.90
	Interest of controlled corporations	395,360,783 <sup>(2)</sup>		
	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 <sup>(2)</sup>		
	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 <sup>(3)</sup>		
	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 <sup>(3)</sup>		
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 issued Shares (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.  
  
Hung Yu Investment Co., Ltd. (“Hung Yu”), 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:

	<b>Highest</b> <i>(HK\$)</i>	<b>Lowest</b> <i>(HK\$)</i>
April 2016	0.330	0.290
May 2016	0.335	0.290
June 2016	0.500	0.290
July 2016	0.415	0.310
August 2016	0.415	0.330
September 2016	0.400	0.325
October 2016	0.405	0.340
November 2016	0.475	0.405
December 2016	0.455	0.395
January 2017	0.490	0.395
February 2017	0.485	0.400
March 2017	0.540	0.400
April 2017 (up to the Latest Practicable Date)	0.510	0.440

**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 Thursday, 1 June 2017 at 2:30 p.m. 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 2016.
2.
  - A. To re-elect Mr. Lin Yuan Yu as an executive director of the Company (“Director”).
  - B. To re-elect Ms. Liu Fang Chun as a non-executive Director.
  - C. To authorize the board of Directors (the “Board”) to fix the remuneration of the Directors.
3. To elect Mr. Hsieh King-Hu, Miles as an independent non-executive Director and to authorize the Board to fix his remuneration.
4. 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 authorize the Board to fix their remuneration.
5. To consider and, if thought fit, pass with or without modifications, the following resolutions as ordinary resolutions:
  - 5.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 authorize 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 issued shares of the Company 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 recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

## 5.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 recognized 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 issued shares of the Company 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 5.A.(d) of this notice.”

5.C. “THAT conditional upon resolutions 5.A. and 5.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 5.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 5.A., provided that the number of shares repurchased by the Company shall not exceed 10 per cent of the number of issued shares of the Company 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, 26 April 2017

*Principal place of business in Hong Kong:*  
Room 1702, 17th 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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 2:30 p.m. on Tuesday, 30 May 2017 (Hong Kong time) or not less than 48 hours before the time appointed for holding any adjournment thereof.
4. For the purpose of ascertaining shareholders who are entitled to attend and vote at the annual general meeting to be held at 2:30 p.m. on Thursday, 1 June 2017 (or any adjournment thereof), the register of members of the Company will be closed from Friday, 26 May 2017 to Thursday, 1 June 2017 (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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Thursday, 25 May 2017.
5. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.