

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its 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 announcement.*



**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)**

website: [www.capxongroup.com](http://www.capxongroup.com)

**SUPPLEMENTARY ANNOUNCEMENT  
IN RELATION TO THE ANNUAL RESULTS ANNOUNCEMENT OF THE  
COMPANY FOR THE YEAR ENDED 31 DECEMBER 2014**

Reference is made to the announcement of the Company dated 25 March 2015 in relation to the annual results of the Group for the year ended 31 December 2014 (the “Annual Results Announcement”). Unless otherwise defined, terms used herein shall bear the same meanings as defined in the Annual Results Announcement.

The Board would like to draw the users’ attention that the Company’s auditor has included the Emphasis of Matter paragraph in the independent auditor’s report in respect of the consolidated financial statements of the Group for the year ended 31 December 2014 as set out below:

“Without qualifying our opinion, we draw attention to note 34(a) to the consolidated financial statements which explains that the Group recognised an expense of approximately RMB174,531,000, in respect of damages, interest and arbitration related expenses as a result of an arbitral award against the Group’s subsidiary in Taiwan received in August 2014, in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2014. As further stated in note 34(a) to the consolidated financial statements, the Group has filed a petition to the Tokyo District Court for the annulment of the arbitral award. Decision has not been reached in the hearing on the Tokyo District Court up to the date of this report. The eventual success or otherwise of the petition may have a material effect on the final amount to be recognised. However, the ultimate outcome of the petition cannot be assessed at this preliminary stage.”

Note 34(a) to the consolidated financial statements sets out the following:

During the year ended 31 December 2011, a customer filed a request for arbitration enclosing a statement of claim against Capxon Taiwan to the Arbitration Association in Japan, claiming JPY1,412,106,000 (equivalent to approximately RMB72,300,000) suffered by the customer with respect to certain alleged defective electrolytic capacitors supplied by Capxon Taiwan, plus interest accrued thereon from 1 January 2011 up to the settlement date at 6% per annum and all arbitration related expenses. Capxon Taiwan rejected the claims charged by the customer and filed a request for arbitration to counterclaim JPY60,000,000 (equivalent to approximately RMB3,072,000) from the customer for the damages caused, plus interest from 17 November 2011 up to the settlement date at 6% per annum and all arbitration related expenses.

In August 2014, Capxon Taiwan received the arbitral award from the Arbitration Association which requires Capxon Taiwan to compensate the customer damages in an aggregate sum of:

- (i) damages of JPY2,427,186,647 (equivalent to approximately RMB124,272,000);
- (ii) interest on deferred payment of (i) above and such interest is calculated at 6% per annum on (a) JPY1,311,973,002 (equivalent to approximately RMB67,173,000) accrued from 1 January 2011 until payment in full; (b) JPY942,366,339 (equivalent to approximately RMB48,249,000) accrued from 1 July 2012 until payment in full and (c) JPY172,847,306 (equivalent to approximately RMB8,850,000) accrued from 1 December 2012 until payment in full; and
- (iii) arbitration related expenses of JPY23,618,062 (equivalent to approximately RMB1,209,000).

In October 2014, Capxon Taiwan filed a petition to the Tokyo District Court for the annulment of the arbitral award. Decision has not been reached in the hearing on the Tokyo District Court up to the date of this report. The directors of the Company believe that the Group has sufficient grounds to the petition. However, the ultimate outcome of the petition cannot be assessed at this preliminary stage. Therefore, provision for damages of approximately RMB174,531,000 was recognised in profit or loss for the year ended 31 December 2014 as a result of the initial arbitral award.

Save for the information disclosed above, all the details contained in the Annual Results Announcement remain unchanged.

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

Hong Kong, 2 June 2015

*As at the date of this announcement, the Board is composed of four executive Directors, namely Mr. Lin Chin Tsun (Chairman and President), Ms. Chou Chiu Yueh (Vice-President), Mr. Lin Yuan Yu (Chief Executive Officer) and Ms. Lin I Chu, one non-executive Director, namely Ms. Liu Fang Chun and three independent non-executive Directors, namely Mr. Lai Chung Ching, Mr. Lu Hong Te and Mr. Tung Chin Chuan.*