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## **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)**

### **VOLUNTARY WINDING-UP OF A SUBSIDIARY**

#### **VOLUNTARY WINDING-UP OF CAPXON ELECTRONIC INDUSTRIAL COMPANY LIMITED**

The board of directors (the “**Board**”) of Capxon International Electronic Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) would like to announce that on 10 April 2018, the shareholders of Capxon Electronic Industrial Company Limited (“**Capxon Taiwan**”) passed resolutions to voluntarily wind-up Capxon Taiwan (the “**Voluntary Winding-Up**”) and appoint Mr. Lin Chin Tsun as the liquidator pursuant to the laws of Taiwan.

#### **INFORMATION ABOUT CAPXON TAIWAN**

The Group is principally engaged in the manufacturing and selling of electrolytic capacitors and aluminium foils.

Capxon Taiwan, a company incorporated in Taiwan, is owned directly as to 96.54% by the Company. Accordingly, Capxon Taiwan is a direct non wholly-owned subsidiary of the Company. Capxon Taiwan primarily engages in the trading of electrolytic capacitors.

#### **REASONS FOR THE VOLUNTARY WINDING-UP OF CAPXON TAIWAN**

As disclosed in the Company’s annual report 2017 dated 29 March 2018, in August 2014, the Japan Commercial Arbitration Association made an arbitral award against Capxon Taiwan in relation to an arbitration claim by its customer (the “**Arbitral Award**”). Subsequently, the Taiwan Shilin District Court issued a decision in March 2018 granting the recognition of the Arbitral Award in Taiwan. The damages arising from the Arbitral Award include the (i) principal sum of JPY2,427,186,647, (ii) interest on the said principal sum and (iii) arbitration related expenses in the sum of JPY23,618,062.

In addition, as Capxon Taiwan has not been generating sufficient revenue to cover its operating expenses, the Company does not foresee any reasonable prospect of any significant

improvement on the business and financial performance of Capxon Taiwan.

In light of the above and considering the strategic planning of the Group, the Board believes that the Voluntary Winding-Up is in the best interests of the Company and its shareholders as a whole. In so doing, the Board may be able to reduce investment losses as well as to better allocate resources and management effort within the Group.

### **EFFECTS OF THE VOLUNTARY WINDING-UP ON THE GROUP**

The process and procedures of the Voluntary Winding-Up are ongoing in Taiwan. Upon conclusion of the Voluntary Winding-Up and all incidental procedures, Capxon Taiwan will cease to be a direct non wholly-owned subsidiary of the Company. The Board does not expect that the Voluntary Winding-Up will have any material adverse impact on the principal business operation of the Group.

Further announcement(s) will be made by the Company as and when appropriate if there is any material progress regarding the Voluntary Winding-Up.

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

Hong Kong, 19 June 2018

*As at the date of this announcement, the Board of the Company 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. Hsieh King-Hu, Miles, Mr. Lu Hong Te and Mr. Tung Chin Chuan.*