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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)

website: www.capxongroup.com

INSIDE INFORMATION UPDATES ON COURT PROCEEDINGS

This announcement is made by Capxon International Electronic Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong limited (the “**Listing Rules**”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Reference is made to the audited annual results announcement of the Company for the year ended 31 December 2019 (the “**Results Announcement**”), the annual report of the Company for the year ended 31 December 2019 (the “**2019 Annual Report**”), the announcement of the Company dated 15 May 2020 (the “**May 2020 Announcement**”) and the announcement of the Company dated 3 August 2020 (the “**August 2020 Announcement**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Results Announcement, the 2019 Annual Report, the May 2020 Announcement and the August 2020 Announcement.

The Company would like to update its shareholders and potential investors as set forth below:

BACKGROUND

As disclosed in the August 2020 Announcement, on 30 July 2020, on application by the Claimant, the HK Court made an Injunction Order against the Respondents, with notice to Mr. Lin Chin Tsun and Ms. Chou Chiu Yuen (as directors of the Respondents). Subsequently, a further hearing regarding the Injunction Order took place on 7 August 2020 (the “**Return Date Hearing**”).

UPDATES ON COURT PROCEEDINGS

On 19 August 2020, the Company received a sealed copy of the order made by the HK Court at the Return Date Hearing (the “**7 August Order**”). The HK Court made the following orders in respect of the Injunction Order:

- (1) the substantive hearing in relation to the Injunction Order be adjourned to 7 October 2020; and
- (2) the Injunction Order be continued until determination or further order, save for the following variations:
 - (i) if the total unencumbered value of the Respondents’ assets in Hong Kong exceeds the Stated Amount, (a) the Respondents may remove any of those assets from Hong Kong or may dispose of or deal with them so long as the total unencumbered value of its assets still in Hong Kong remains above the Stated Amount; and (b) the Respondents may dispose of or deal with the assets situated outside Hong Kong that are specified in the Injunction Order;
 - (ii) the time for the Company to inform the Claimant in writing of all of its assets of an individual value of HK\$100,000 or more in Hong Kong, whether in its own name or not and whether solely or jointly owned, giving the value, location and details of all such assets, be extended to 21 August 2020;
 - (iii) the Injunction Order does not prohibit Lancom Limited (as 1st Respondent) and the Company (as 2nd Respondent) from spending HK\$10,000 and HK\$250,000 respectively per week on ordinary and proper business expenses and also the Respondents from each spending HK\$500,000 lump sum on legal advice and representation; and
 - (iv) the Injunction Order does not prohibit the Respondents from spending HK\$3,500,000 on professional expenses relating to the proposed privatization of the Company.

The Company will make further announcement(s) if there is any significant development of the Injunction Order as and where appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 20 August 2020

As at the date of this announcement, the Board comprises 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.