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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)**

### **PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that the Group is expected to record a loss for the year ended 31 December 2008 as compared to a profit for the corresponding period in 2007.

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

This announcement is made by Capxon International Electronic Company Limited (the "Company") pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The board of directors (the "Board") of the Company wishes to inform the shareholders of the Company (the "Shareholders") and potential investors that the Company and its subsidiaries (collectively, the "Group") is expected to record a loss for the year ended 31 December 2008 as compared to a profit for the corresponding period in 2007. Based on the information currently available, such decline is mainly due to (i) the sales reduction caused by the global financial tsunami occurred during the fourth quarter of 2008; (ii) the rise in production costs as a result of the increase in raw material prices and labour costs and (iii) the increase in finance costs caused by the interest rate hike in the People's Republic of China.

This profit warning announcement is only based on the preliminary calculations by the Board in accordance with the management accounts of the Group and is not based on any figures or information audited or reviewed by the Company's auditors. Shareholders and potential investors are advised to carefully read the annual report of the Company for the year ended 31 December 2008, which is expected to be published on the website of the Company at [www.capxongroup.com](http://www.capxongroup.com) and on the website of Hong Kong Exchanges and Clearing Limited at [www.hkex.com.hk](http://www.hkex.com.hk) in April 2009.

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

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

Hong Kong, 20 March 2009

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