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CLIMAX INTERNATIONAL COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 439)

- (1) CHANGE OF COMPANY NAME;
(2) APPOINTMENT OF DIRECTORS;
AND
(3) DESPATCH OF CIRCULAR**

CHANGE OF COMPANY NAME

The Board proposes to change the English name of the Company from “Climax International Company Limited” to “KuangChi Science Limited” and to adopt and register a Chinese name “光啟科學有限公司” as its secondary name.

APPOINTMENT OF DIRECTORS

The Board proposes six nominees as the candidates as nominated by the Subscribers for election as Directors at the SGM. Dr. Liu Ruopeng, Dr. Luan Lin, Dr. Zhang Yangyang and Mr. Ko Chun Shun, Johnson are proposed to be appointed as executive Directors and Dr. Liu Jun and Dr. Wong Kai Kit are proposed to be appointed as independent non-executive Directors. If the appointments of the above candidates as Directors are approved by the Shareholders at the SGM, their appointments as Directors will take effect from the date of Completion.

DESPATCH OF CIRCULAR

The Circular containing, among other things, further details of the Subscription and the Whitewash Waiver, the recommendation of the Independent Board Committee and the letter of advice from the independent financial adviser both advising on the Subscription and the Whitewash Waiver, and a notice of SGM, has been despatched to the Shareholders on 29 July 2014.

INTRODUCTION

Reference is made to the announcements of the Company dated 13 June 2014, 4 July 2014, 18 July 2014 and 23 July 2014 (the “Announcements”) in relation to, among other things, the Subscription and the Whitewash Wavier. Capitalised terms used herein shall have the same meanings as defined in the Announcements unless the context requires otherwise.

CHANGE OF COMPANY NAME

The Board proposes to change the English name of the Company from “Climax International Company Limited” to “KuangChi Science Limited” and to adopt and register a Chinese name “光啟科學有限公司” as its secondary name (“Change of Company Name”). Following the Change of Company Name becoming effective, the Company will cease to use its existing Chinese name “英發國際有限公司” for identification purposes.

Conditions for the Change of Company Name

The Change of Company Name is subject to the following conditions having been satisfied:

- (a) the passing of a special resolution by the Shareholders at the SGM approving the Change of Company Name;
- (b) completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement; and
- (c) the Registrar of Companies in Bermuda approving the Change of Company Name.

The relevant filing with the Registrar of Companies in Bermuda will be made after the passing of the special resolutions at the SGM. Subject to the satisfaction of the conditions set out above, the Change of Company Name will take effect from the date of entry of the new English and Chinese names of the Company on the register maintained by the Registrar of Companies in Bermuda. The Company will then carry out all necessary filing procedures with the Companies Registry in Hong Kong.

Reasons for the Change of Company Name

Upon completion of the Subscription, Kuang-Chi will become the controlling shareholder (as defined in the Listing Rules) of the Company. The Board believes that the new English and Chinese names of the Company will provide the Company with a fresh corporate image, which will benefit the Company’s future business development. The Directors are of the view that the Change of Company Name is in the interests of the Company and the Shareholders as a whole.

Effects of the Change of Company Name

The Change of Company Name will not affect any rights of the existing Shareholders. All existing share certificates of the Company in issue bearing the present name of the Company shall, after the Change of Company Name becoming effective, continue to be evidence of title to such shares of the Company and valid for trading, settlement, registration and

delivery purposes. Accordingly, there will not be any arrangement for the exchange of the existing share certificates for new certificates bearing the new English and Chinese names of the Company.

Once the Change of Company Name becomes effective, any issue of share certificates thereafter will be in the new English and Chinese names of the Company. Subject to the confirmation by the Stock Exchange, the English and Chinese stock short names of the Company for trading in the Shares on the Stock Exchange will also be changed after the Change of Company Name becomes effective.

Further announcement(s) will be made by the Company to inform the Shareholders of the effective date of the Change of Company Name, the new English and Chinese stock short names of the Company for trading in the Shares on the Stock Exchange and the new website address of the Company as and when appropriate.

APPOINTMENT OF DIRECTORS

The Board proposes six nominees as the candidates as nominated by the Subscribers for election as Directors at the SGM. Dr. Liu Ruopeng, Dr. Luan Lin, Dr. Zhang Yangyang and Mr. Ko Chun Shun, Johnson are proposed to be appointed as executive Directors and Dr. Liu Jun and Dr. Wong Kai Kit are proposed to be appointed as independent non-executive Directors. If the appointments of the above candidates as Directors are approved by the Shareholders at the SGM, their appointments as Directors will take effect from the date of Completion.

Further announcement(s) will be made by the Company upon appointment of the above mentioned Directors in compliance with the Listing Rules.

The biographical details of the above candidates proposed to be nominated as Directors are set out below:

Dr. Liu Ruopeng

Dr. Liu Ruopeng, aged 30, is the sole director of New Horizon. Dr. Liu is the president of 深圳光啟高等理工研究院 (Kuang-Chi Institute of Advanced Technology). Dr. Liu was the vice chairman of 深圳市總商會第六屆理事會 (The 6th Executive Committee of the Shenzhen Federation Of Industry and Commerce) in 2012. He was appointed a member of the First Shenzhen-Hong Kong Youth Consulting Committee for Authority of Qin Hai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen in 2014. Dr. Liu was awarded 中國青年五四獎章 (“4th May Youth Excellence Award in China”) in 2014 and 2010 年度廣東十大新聞人物 (“2010 Guangdong News-Focus People Top 10”) in 2011. Dr. Liu obtained a master of science degree and a doctorate degree from Duke University, the United States of America in 2008 and a bachelor’s degree in engineering from Zhejiang University, the PRC in 2006.

Dr. Liu has not entered into any service contract with the Company and he is subject to retirement by rotation and re-election in accordance with the Bye-laws. The director’s fee of Dr. Liu as an executive Director is to be determined by the Board with reference to his experience and prevailing market levels for director’s fees for executive directors. As at 25 July 2014 (“Latest Practicable Date”, being the latest practicable date as defined in the

Circular), Dr. Liu was deemed to be interested in 2,958,000,000 Ordinary Shares (being the 2,958,000,000 Subscription Shares to be subscribed by New Horizon under the Subscription Agreement) within the meaning of Part XV of the SFO. Save as disclosed above, Dr. Liu had not held any other directorships in any public listed companies in the past three years and, is not connected with any Directors, senior management or substantial or controlling shareholders of the Company. Dr. Liu confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no matters that need to be brought to the attention of holders of securities of the Company.

Dr. Luan Lin

Dr. Luan Lin, aged 34, has been the vice president of 深圳光啟高等理工研究院 (Kuang-Chi Institute of Advanced Technology) since 2010. Dr. Luan obtained a doctorate degree from Duke University, the United States of America in 2010 and a master's degree from Peking University, the PRC in 2004.

Dr. Luan has not entered into any service contract with the Company and she is subject to retirement by rotation and re-election in accordance with the Bye-laws. The director's fee of Dr. Luan as an executive Director is to be determined by the Board with reference to her experience and prevailing market levels for director's fees for executive directors. As at the Latest Practicable Date, Dr. Luan did not have any interest in the Ordinary Shares within the meaning of Part XV of the SFO. Save as disclosed above, Dr. Luan has not held any other directorships in any public listed companies in the past three years and, is not connected with any Directors, senior management or substantial or controlling shareholders of the Company. Dr. Luan confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no matters that need to be brought to the attention of holders of securities of the Company.

Dr. Zhang Yangyang

Dr. Zhang Yangyang, aged 35, has been the executive vice president of 深圳光啟高等理工研究院 (Kuang-Chi Institute of Advanced Technology) since 2009. Dr. Zhang has been the vice president of 深圳市青年科技人才協會 (Shenzhen Young Science and Technology Talents Association) since 2012. Dr. Zhang obtained a doctorate degree from the University of Oxford, the United Kingdom in 2009, and graduated as 碩士研究生 (Master Research Student) from Northeastern University, the PRC in 2004.

Dr. Zhang has not entered into any service contract with the Company and he is subject to retirement by rotation and re-election in accordance with the Bye-laws. The director's fee of Dr. Zhang as an executive Director is to be determined by the Board with reference to his experience and prevailing market levels for director's fees for executive directors. As at the Latest Practicable Date, Dr. Zhang did not have any interest in the Ordinary Shares within the meaning of Part XV of the SFO. Save as disclosed above, Dr. Zhang has not held any other directorships in any public listed companies in the past three years and, is not connected with any Directors, senior management or substantial or controlling shareholders of the Company. Dr. Zhang confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no matters that need to be brought to the attention of holders of securities of the Company.

Mr. Ko Chun Shun, Johnson

Mr. Ko Chun Shun, Johnson, aged 62, is the sole director of Starbliss. Mr. Ko has extensive experience in a variety of activities, including manufacturing, securities trading, international trade, electronics and the renewable energy industry. He also has extensive experience in corporate finance, corporate restructuring and mergers and acquisitions. Mr. Ko is the chairman and an executive director of both REORIENT Group Limited (stock code: 376) and Varitronix International Limited (stock code: 710); the vice chairman and an executive director of China WindPower Group Limited (stock code: 182); and the deputy chairman and an executive director of Frontier Services Group Limited (stock code: 500), the shares of which are all listed on the Stock Exchange.

Mr. Ko has not entered into any service contract with the Company and he is subject to retirement by rotation and re-election in accordance with the Bye-laws. The director's fee of Mr. Ko as an executive Director is to be determined by the Board with reference to his experience and prevailing market levels for director's fees for executive directors. As at the Latest Practicable Date, Mr. Ko was deemed to be interested in 580,000,001 Ordinary Shares (including the 580,000,000 Subscription Shares under the Subscription Agreement) within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Ko had not held any other directorships in any public listed companies in the past three years and, is not connected with any Directors, senior management or substantial or controlling shareholders of the Company. Mr. Ko confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no matters that need to be brought to the attention of holders of securities of the Company.

Dr. Liu Jun

Dr. Liu Jun, aged 49, was appointed a professor of statistics at Harvard University in 2000 and has written research papers and publications about Markov chain Monte Carlo algorithms. Dr. Liu received a number of awards including The Committee of Presidents of Statistical Societies 2002 Presidents' Award in 2002 and the Morningside Gold Medal in Mathematics in 2010. Dr. Liu was elected as a fellow of the Institute of Mathematical Statistics in 2004 and the American Statistical Association in 2005. Dr. Liu obtained a doctorate degree from The University of Chicago, the United States of America in 1991.

Dr. Liu has not entered into any service contract with the Company and he is subject to retirement by rotation and re-election in accordance with the Bye-laws. The director's fee of Dr. Liu as an independent non-executive Director is to be determined by the Board with reference to his experience and prevailing market levels for director's fees for independent non-executive directors. As at the Latest Practicable Date, Dr. Liu did not have any interest in the Ordinary Shares within the meaning of Part XV of the SFO. Save as disclosed above, Dr. Liu has not held any other directorships in any public listed companies in the past three years and, is not connected with any Directors, senior management or substantial or controlling shareholders of the Company. Dr. Liu confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no matters that need to be brought to the attention of holders of securities of the Company.

Dr. Wong Kai Kit

Dr. Wong Kai Kit, aged 40, was appointed a reader at the Department of Electronic and Electrical Engineering, University College London, United Kingdom in October 2011. Dr. Wong had other teaching and research roles in universities and education institutes in Hong Kong, the United States of America and the United Kingdom. Dr. Wong is a senior member of The Institute of Electrical and Electronics Engineers Inc. (“IEEE”) and is also on the editorial board of IEEE Wireless Communications Letters, IEEE Communications Letters, Journal of Communications and Networks, and IET Communications. He is the senior editor for the IEEE Communications Letters. Dr. Wong obtained a doctorate degree, a master’s degree and a bachelor’s degree from the Hong Kong University of Science and Technology, Hong Kong, in 2001, 1998 and 1996 respectively.

Dr. Wong has not entered into any service contract with the Company and he is subject to retirement by rotation and re-election in accordance with the Bye-laws. The director’s fee of Dr. Wong as an independent non-executive Director is to be determined by the Board with reference to his experience and prevailing market levels for director’s fees for independent non-executive directors. As at the Latest Practicable Date, Dr. Wong did not have any interest in the Ordinary Shares within the meaning of Part XV of the SFO. Save as disclosed above, Dr. Wong had not held any other directorships in any public listed companies in the past three years and, is not connected with any Directors, senior management or substantial or controlling shareholders of the Company. Dr. Wong confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no matters that need to be brought to the attention of holders of securities of the Company.

DESPATCH OF CIRCULAR

The Board is pleased to announce that the Circular containing, among other things, (i) information of the Subscription Agreement and the Whitewash Waiver; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Subscription and the Whitewash Waiver; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription and the Whitewash Waiver; (iv) a notice of the SGM; and (v) other information as required under the Takeovers Code and the Listing Rules, for the purpose of the SGM, has been despatched to the Shareholders on 29 July 2014.

The table below is for illustration purpose only and sets out the effect of the Subscription on the shareholding structure of the Company immediately upon (i) Completion of the Subscription; (ii) conversion in full of the Tranche A Preferred Shares; and (iii) conversion in full of the Tranche A Preferred Shares and the Tranche B Preferred Shares, assuming no other Ordinary Shares will be issued between the date of this announcement and the date until all Tranche A Preferred Shares and Tranche B Preferred Shares have been fully converted:

	As at the Latest Practicable Date		Immediately after the allotment and issue of the Ordinary Subscription Shares and before the allotment and issue of any Conversion Shares		Immediately after Completion and the conversion in full of the Tranche A Preferred Shares (Note 3)		Immediately after Completion and the conversion in full of the Tranche A Preferred Shares and the Tranche B Preferred Shares (Note 3)	
	Number of Ordinary Shares	%	Number of Ordinary Shares	%	Number of Ordinary Shares	%	Number of Ordinary Shares	%
World Treasure Global Limited (Note 1)	638,981,013	44.08%	638,981,013	20.50%	638,981,013	14.33%	638,981,013	11.02%
Mr. Ruan Yuan (Note 4)	219,867,657	15.17%	—	—	—	—	—	—
The Subscribers								
New Horizon	—	—	1,133,333,334	36.37%	2,045,666,667	45.89%	2,958,000,000	51.01%
Starbliss	—	—	155,555,556	4.99%	280,777,778	6.30%	406,000,000	7.00%
Grand Consulting	—	—	77,777,778	2.50%	140,388,889	3.15%	203,000,000	3.50%
Lucky Time	—	—	77,777,778	2.50%	140,388,889	3.15%	203,000,000	3.50%
Cutting Edge	—	—	155,555,556	4.99%	280,777,778	6.30%	406,000,000	7.00%
REORIENT Global	—	—	66,666,666	2.14%	120,333,333	2.70%	174,000,000	3.00%
<i>Subtotal</i>	—	—	1,666,666,668	53.49%	3,008,333,334	67.49%	4,350,000,000	75.01%
RFML (Note 2)	1	—	1	—	1	—	1	—
Public Shareholders								
Existing public Shareholders	590,652,454	40.75%	590,652,454	18.95%	590,652,454	13.25%	590,652,454	10.18%
Mr. Ruan Yuan (Note 4)	—	—	219,867,657	7.06%	219,867,657	4.93%	219,867,657	3.79%
<i>Subtotal</i>	<u>590,652,454</u>	<u>40.75%</u>	<u>810,520,111</u>	<u>26.01%</u>	<u>810,520,111</u>	<u>18.18%</u>	<u>810,520,111</u>	<u>13.97%</u>
Total	<u>1,449,501,125</u>	<u>100.00%</u>	<u>3,116,167,793</u>	<u>100.00%</u>	<u>4,457,834,459</u>	<u>100.00%</u>	<u>5,799,501,125</u>	<u>100.00%</u>

Note:

- The 638,981,013 Ordinary Shares are beneficially owned by World Treasure Global Limited, the entire issued share capital of which is wholly and beneficially owned by Mr. Wong Hin Shek, an executive Director.
- The one Ordinary Share held by RFML is a residue resulting from fractions of Ordinary Shares which were unallocated to brokerage clients of RFML when the Company conducted a bonus issue of Ordinary Shares in May 2012.
- The allotment and issue of the Conversion Shares are subject to the Tranche A Preferred Shares or the Tranche B Preferred Shares (as the case may be) having been fully paid up and the minimum public float requirements under the Listing Rules, as further set out below.

4. Save for Mr. Ruan Yuan's shareholding in the Company of 10% or more as at the Latest Practicable Date, Mr. Ruan Yuan is otherwise not a connected person of the Company. Upon Completion, Mr. Ruan Yuan's shareholding interest will fall below 10% of the number of issued Ordinary Shares and his holding in the issued Ordinary Shares will be considered as held in public hands.
5. As at the Latest Practicable Date, parties acting in concert with New Horizon (other than the Subscribers and RFML) did not hold any Ordinary Shares.

Under Rule 26.1 of the Takeovers Code, the Subscribers would be obliged to make a mandatory general offer to the Shareholders for all the issued Ordinary Shares and other securities of the Company not already owned or agreed to be acquired by the Subscribers and parties acting in concert with New Horizon, unless the Whitewash Waiver is obtained from the Executive. In this regard, New Horizon (on its own behalf and on behalf of the other Subscribers) has made an application to the Executive for the Whitewash Waiver in respect of the allotment and issue of the Ordinary Subscription Shares and the Conversion Shares upon full conversion of the Preferred Shares. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, approval by the Independent Shareholders at the SGM by way of poll. Completion of the Subscription is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the Independent Shareholders. The Executive has indicated that it will grant the Whitewash Waiver subject to, among other things, the approval of the Independent Shareholders on a vote by way of poll at the SGM. World Treasure Global Limited (which is wholly and beneficially owned by Mr. Wong Hin Shek, an executive Director, who was involved in the negotiation of the Subscription for and on behalf of the Company) will abstain from voting at the SGM in respect of the resolution relating to the Whitewash Waiver. RFML (being an associate of REORIENT Global and Starbliss (being two of the Subscribers)) will abstain from voting on all resolutions at the SGM. Save for World Treasure Global Limited and RFML, none of the Shareholders were interested or involved in the Subscription (including the Specific Mandate) and/or the Whitewash Waiver as at the Latest Practicable Date.

The SGM will be held at Lavender, Level 3, Three Pacific Place, 1 Queen's Road East, Admiralty, Hong Kong on 21 August 2014 at 11:00 a.m., details of which are set out in the notice of SGM contained in the Circular.

By order of the Board
Climax International Company Limited
Wong Hin Shek
Executive Director

Hong Kong, 29 July 2014

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Wong Hin Shek and Mr. Ng Man Chan; one non-executive Director, namely Mr. Wong Hung Ki; and three independent non-executive Directors, namely Mr. Lau Man Tak, Mr. Man Kwok Leung and Dr. Wong Yun Kuen.

The Directors jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Subscribers) contained in this announcement and confirm having made all reasonable inquiries, that to the best of their knowledge, opinions

expressed in this announcement (other than those expressed by the Subscribers) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

The sole director of New Horizon, namely, Mr. Liu Ruopeng, accepts full responsibility for the accuracy of the information relating to the Subscribers contained in this announcement and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed by the Subscribers have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.