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## **CLIMAX INTERNATIONAL COMPANY LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 439)**

### **UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS AND PROFIT WARNING**

This announcement is made by Climax International Company Limited (the “Company” and together with its subsidiaries, the “Group”) at the request of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Rule 13.10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board of directors of the Company (the “Board”) has noted the increase in the price and increase in trading volume of the shares of the Company as at the date of this announcement. Having made such enquiry with respect to the Company as is reasonable in the circumstances, the Board confirms that they are not aware of any reasons for such price and trading volume movements of the shares of the Company or of any information which must be announced to avoid a false market in the Company’s securities or of any inside information that needs to be disclosed under Part XIVA of the Securities and Future Ordinance save as disclosed below.

The Board wishes to inform the shareholders of the Company (“Shareholders”) and potential investors that based on the preliminary review and analysis of the latest available unaudited management accounts of the Group, the Group are expected to record a substantial loss for the year ended 31 March 2014 as compared to a net profit for the corresponding year ended 31 March 2013. The expected loss in the Company’s results for the year ended 31 March 2014 was mainly attributable to (i) the significant drop of operating profit from the paper business (“Paper Business”) which were due to the increase in labour costs and other costs of production, (ii) an impairment loss of goodwill arising on the acquisition of the Paper Business, (iii) the loss on changes in fair value of the held for trading investments, and (iv) the absence of the gain on changes in fair value of investment properties as compared to last corresponding year.

The information as contained in this announcement is only based on preliminary review by the Company's management on the unaudited consolidated management accounts of the Group for the year ended 31 March 2014 and the information currently available, and is not based on the information reviewed by the auditors of the Company. The overall financial results of the Group for its financial year ended 31 March 2014 will only be ascertained when all the relevant results and valuation are finalised. We expect that the annual results of the Company for the year ended 31 March 2014 will be announced before end of June 2014.

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

This announcement is made by the order of the Company. The Board collectively and individually accepts responsibility for the accuracy of this announcement.

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

Hong Kong, 22 April 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.*