

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your ordinary shares in Climax International Company Limited, you should at once hand this circular and the accompany form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



CLIMAX INTERNATIONAL COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 439)

**(1) GENERAL MANDATES TO ISSUE AND
REPURCHASE ORDINARY SHARES**

**(2) RE-ELECTION OF RETIRING DIRECTORS
AND**

(3) NOTICE OF ADJOURNED ANNUAL GENERAL MEETING

A notice convening the Adjourned AGM to be held at United Conference Centre — Room 1, 10/F., United Centre, 95 Queensway, Hong Kong on 30 September 2014 at 11:00 a.m. is set out on pages 13 to 16 of this circular. Whether or not you are able to attend the Adjourned AGM, you are requested to complete the accompanying form of proxy for use at the Adjourned AGM in accordance with the instructions printed thereon and return the same to the Company's share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the Adjourned AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Adjourned AGM or any adjourned meeting thereof should you so wish.

29 August 2014

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
APPENDIX I — EXPLANATORY STATEMENT	8
APPENDIX II— DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ADJOURNED AGM	11
NOTICE OF ADJOURNED ANNUAL GENERAL MEETING	13

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“Adjourned AGM”	the adjourned annual general meeting of the Company to be held at United Conference Centre — Room 1, 10/F., United Centre, 95 Queensway, Hong Kong on 30 September 2014 at 11:00 a.m. for the purpose of considering and, if thought fit, approving, among other things, the proposed resolution(s) set out in this circular
“AGM”	the annual general meeting of the Company held on 6 August 2014
“Appointment of Directors”	the appointment of Dr. Liu Ruopeng, Dr. Luan Lin, Dr. Zhang Yangyang and Mr. Ko Chun Shun, Johnson as executive Directors and Dr. Liu Jun and Dr. Wong Kai Kit as independent non-executive Directors, which took effect from completion of the Subscription, i.e. 22 August 2014
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-law(s)”	the bye-law(s) of the Company
“Company”	Climax International Company Limited, a company incorporated in Bermuda with limited liability and the Ordinary Shares of which are listed on the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than the Subscribers, their respective associates and other Shareholders who have a material interest in the Subscription
“Issue Mandate”	a general mandate to allot and issue Ordinary Shares not exceeding 20% of the aggregate nominal amount of the issued Ordinary Shares as at the date of approval of the mandate

DEFINITIONS

“Latest Practicable Date”	26 August 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Ordinary Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company from time to time
“Outsourcing Technology Development Agreement”	an agreement made between a wholly-foreign owned subsidiary of the Company established under PRC laws as principal and Kuang-Chi Innovative Technology Limited (深圳光啟創新技術有限公司) as developer at completion of the Subscription in relation to the development of certain technology, details of which are set out in the Subscription Circular
“PRC”	the People’s Republic of China
“Repurchase Mandate”	a general mandate to repurchase Ordinary Shares not exceeding 10% of the total fully paid-up nominal amount of the Ordinary Shares as at the date of approval of the mandate
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shareholder(s)”	holders of Ordinary Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber(s)”	New Horizon Wireless Technology Limited, Starbliss Holdings Limited, Grand Consulting Management S.A., Lucky Time Global Limited, Cutting Edge Global Limited and REORIENT Global Limited, or any of them as the context may suggest
“Subscription”	the subscription of 1,666,666,668 new Ordinary Shares and 2,683,333,332 new convertible preferred shares of HK\$0.01 each in the capital of the Company under the Subscription Agreement
“Subscription Agreement”	the subscription agreement entered into between the Company and the Subscribers dated 29 May 2014
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules

DEFINITIONS

“Takeovers Code” the Code on Takeovers and Mergers issued by the Securities and Futures Commission as amended from time to time

“%” percentage

LETTER FROM THE BOARD



CLIMAX INTERNATIONAL COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 439)

Executive Directors:

Dr. Liu Ruopeng
Dr. Luan Lin
Dr. Zhang Yangyang
Mr. Ko Chun Shun, Johnson
Mr. Ng Man Chan

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Independent non-executive Directors:

Dr. Liu Jun
Dr. Wong Kai Kit
Mr. Lau Man Tak

*Head office and principal place of
business in Hong Kong:*

Unit 906, 9th Floor
Wings Building
110–116 Queen's Road Central
Central
Hong Kong

29 August 2014

To the Shareholders

Dear Sir or Madam,

**(1) GENERAL MANDATES TO ISSUE AND
REPURCHASE ORDINARY SHARES
(2) RE-ELECTION OF RETIRING DIRECTORS
AND
(3) NOTICE OF ADJOURNED ANNUAL GENERAL MEETING**

INTRODUCTION

Reference is made to (i) the notice of the AGM; (ii) the circular of the Company dated 4 July 2014 in respect of the Issue Mandate, the Repurchase Mandate and the re-election of retiring Directors; (iii) the circular of the Company dated 29 July 2014 (the "Subscription Circular") in respect of, among other things, the Subscription, the Outsourcing Technology Development Agreement and the Appointment of Directors; (iv) the announcement of the Company dated 31 July 2014 in respect of adjournment of the AGM; (v) the announcement of the Company dated 6 August 2014 in respect of the poll results of the AGM; and (vi) the announcement of the Company dated 22 August 2014 in respect of completion of the Subscription.

LETTER FROM THE BOARD

As set out in the announcement of the Company dated 31 July 2014, the Board considered that the entering into the Subscription Agreement and the Outsourcing Technology Development Agreement represent a good opportunity for the Company to develop the civil near space flying apparatus and other innovative technology related business in the PRC. Furthermore, the Board proposed six nominees as the candidates for election as Directors at the special general meeting of the Company on 21 August 2014 (“SGM”) of whom three have expertise in the civil near space flying apparatus technology and other innovative technology related business in the PRC.

The Board has considered that if the AGM is held after completion of the Subscription and the new Directors are appointed to the Board, the new Directors can make use of such opportunity to meet with the Shareholders and to share their knowledge on the Company’s new business in the Adjourned AGM. Having considered the possible timing and benefit of having the new Directors attending the Company’s upcoming annual general meeting, the Board has proposed to adjourn the AGM to a date after the expected date of completion of the Subscription. The ordinary resolution to adjourn the AGM was duly passed by the Shareholders at the AGM and the Appointment of Directors was approved by the Independent Shareholders at the SGM. Completion of the Subscription took place on 22 August 2014 and the Appointment of Directors took effect from 22 August 2014. The Board now proposes to convene the Adjourned AGM on 30 September 2014 at 11:00 a.m..

The purpose of this circular is to provide you with details in respect of (i) the grant of general mandates to Directors to issue and repurchase Ordinary Shares; (ii) the re-election of retiring Directors; and (iii) to give you a notice of the Adjourned AGM.

ISSUE MANDATE AND REPURCHASE MANDATE

The Directors propose to seek the approval of the Shareholders at the Adjourned AGM by way of passing an ordinary resolution for granting the general mandate to the Directors (i) to allot, issue and otherwise deal with new Ordinary Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued Ordinary Shares as at the date of passing the relevant resolution and the extension of the aforesaid mandate by addition thereto the number of Ordinary Shares repurchased pursuant to the proposed general mandate for repurchase of Ordinary Shares up to a maximum of 10% of the issued Ordinary Shares as at the date of passing the relevant resolution as described below, and (ii) to repurchase Ordinary Shares with total nominal amount not exceeding 10% of the total fully paid-up nominal amount of the Ordinary Shares in issue at the date of passing the relevant resolution, at any time during the period ending on the earlier of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or its Bye-laws or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in the general meeting of the Company.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the number of Ordinary Shares in issue was 3,116,167,793 Ordinary Shares. On the basis that no further Ordinary Shares will be issued or repurchased prior to the Adjourned AGM, (i) the Issue Mandate in full would enable the Company to allot, issue and deal with a maximum of 623,233,558 Ordinary Shares, and (ii) the Repurchase Mandate in full would enable the Company to repurchase a maximum of 311,616,779 Ordinary Shares.

The purpose of the general mandate to allot, issue and deal with new Ordinary Shares is to enable the Directors to capture right timing of the securities market to widen the capital base of the Company. The Directors have no present intention to issue or repurchase any Ordinary Shares under the general mandates to be sought at the Adjourned AGM.

An explanatory statement as required by the Listing Rules for information on the general mandate to repurchase Ordinary Shares is set out in Appendix I to this circular.

RE-ELECTION OF RETIRING DIRECTORS

According to Bye-law 87, at each annual general meeting one-third of the Directors for the time being or, if their number is not a multiple of three, the number nearest to but not greater than one-third, shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire by rotation shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed pursuant to Bye-law 86(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

Dr. Liu Ruopeng, Dr. Luan Lin, Dr. Zhang Yangyang, Mr. Ko Chun Shun, Johnson, Dr. Liu Jun and Dr. Wong Kai Kit were appointed to the Board by the Independent Shareholders with effect from 22 August 2014. They will not be subject to retirement by rotation at the Adjourned AGM under Bye-law 87. Mr. Ng Man Chan and Mr. Lau Man Tak shall retire by rotation at the conclusion of the Adjourned AGM and shall be eligible for re-election at the Adjourned AGM.

Details of the above retiring Directors to be re-elected at the Adjourned AGM are set out in Appendix II to this circular.

ADJOURNED AGM

A notice convening the Adjourned AGM is set out on pages 13 to 16 of this circular. At the Adjourned AGM, resolutions will be proposed for the Shareholders to consider and, if thought fit, among other things, to approve (i) the grant of general mandates to Directors to issue and repurchase Ordinary Shares; and (ii) the re-election of the retiring Directors.

LETTER FROM THE BOARD

A form of proxy for use at the Adjourned AGM is sent to the Shareholders together with this circular.

Whether or not the Shareholders are able to attend the Adjourned AGM, the Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time for holding of the Adjourned AGM or adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting at the Adjourned AGM or any adjourned meeting thereof should the Shareholders so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. Therefore, all resolutions put to the vote at the Adjourned AGM will be taken by way of poll.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Board believes that the proposed granting of the general mandates to the Directors to repurchase Ordinary Shares and to issue new securities and adding any Ordinary Shares repurchased under the Repurchase Mandate to the Issue Mandate and the re-election of Directors to be put before the Adjourned AGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the resolutions to be proposed at the Adjourned AGM.

Your attention is also drawn to the information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Climax International Company Limited
Dr. Liu Ruopeng
Chairman and Executive Director

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

REPURCHASE MANDATE

The following is the explanatory statement required to be sent to the Shareholders under the Listing Rules relating to an ordinary resolution to be proposed at the Adjourned AGM to approve a general and unconditional mandate to be given to the Directors to exercise the powers of the Company to purchase, at any time until the next annual general meeting of the Company or such earlier period as stated in the ordinary resolution, ordinary shares of HK\$0.01 each in the capital of the Company, up to a maximum of 10% of the aggregate nominal amount of issued Ordinary Shares as at the date of passing the resolution.

The Directors believe the Repurchase Mandate is in the interests of the Company and the Shareholders and accordingly recommend the Shareholders to vote in favour of the relevant resolution to be proposed at the Adjourned AGM.

SHARE CAPITAL

As at the Latest Practicable Date, the number of Ordinary Shares in issue was 3,116,167,793 Ordinary Shares. Subject to the passing of an ordinary resolution for the granting of the Repurchase Mandate and on the basis that no further Ordinary Shares are issued or repurchased prior to the Adjourned AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 311,616,779 Ordinary Shares.

REASONS FOR REPURCHASES

The Directors consider that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Ordinary Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and its assets and/or earnings per Ordinary Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

FUNDING OF REPURCHASES

Repurchases of Ordinary Shares will be funded entirely from funds legally available for such purpose in accordance with the Bye-laws and the applicable laws of Hong Kong. It is presently proposed that any Ordinary Shares repurchased under the Repurchase Mandate would be repurchased out of the capital paid up on the repurchased Ordinary Shares, profits of the Company which would otherwise be available for distribution or the Company's share premium account.

IMPACT ON WORKING CAPITAL

There might be a material adverse impact on the working capital requirements or gearing levels of the Company (as compared with the position disclosed in its audited financial statements contained in the annual report of the Company for the year ended 31 March 2014) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital or gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

UNDERTAKING

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchase pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

None of the Directors, to the best of their knowledge having made all reasonable enquiries, nor any of their respective associates, having any present intention to sell any Ordinary Shares to the Company or its subsidiaries in the event that the Repurchase Mandate is granted.

No connected persons have notified the Company that he has a present intention to sell to the Company or its subsidiaries any of his Ordinary Shares, or has undertaken not to do so, in the event that the Repurchase Mandate is granted.

TAKEOVERS CODE AND SHARE REPURCHASES

In the event that the exercise of the power to repurchase Ordinary Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the substantial shareholders of the Company, New Horizon Wireless Technology Limited and World Treasure Global Limited, were beneficially interested in 1,133,333,334 Ordinary Shares and 638,981,013 Ordinary Shares, representing approximately 36.37% and approximately 20.51% of the issued Ordinary Shares respectively. The aggregate shareholding of New Horizon Wireless Technology Limited, Starbliss Holdings Limited, Grand Consulting Management S.A., Lucky Time Global Limited, Cutting Edge Global Limited and REORIENT Global Limited (the "Concert Party Group", being parties acting in concert in respect of the Subscription) amount to approximately 53.48%. If the Repurchase Mandate is exercised in full, the Concert Party Group and World Treasure Global Limited will increase their shareholding in the Company to approximately 59.43% and approximately 22.78% respectively. Such increase will not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

The Directors have no present intention to exercise the power to repurchase Ordinary Shares pursuant to the Repurchase Mandate to such extent that the aggregate amount of Ordinary Shares in public hands would reduce below 25%.

SHARE PRICES

The highest and lowest prices at which the Ordinary Shares were traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2013		
August	0.246	0.170
September	0.360	0.195
October	0.290	0.210
November	0.330	0.220
December	0.325	0.226
2014		
January	0.226	0.193
February	0.275	0.210
March	0.340	0.209
April	0.450	0.250
May	0.355	0.265
June	1.290	0.400
July	3.850	1.100
August (up to the Latest Practicable Date)	5.980	3.020

SHARE REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any Ordinary Shares (whether on the Stock Exchange or otherwise) during the six months prior to the Latest Practicable Date.

Pursuant to the Listing Rules, details of the Director who will retire at the conclusion of the Adjourned AGM according to the Bye-laws and will be proposed to be re-elected at the Adjourned AGM are provided below:

EXECUTIVE DIRECTOR

Mr. NG Man Chan (“Mr. Ng”), aged 63, joined the Group as executive director on 16 May 2012. Mr. Ng commenced his career in the printing industry in 1960s and has extensive experience in printing operations and printing machinery. Mr. Ng is responsible for the overall management and development of corporate policy and strategy of the subsidiaries engaged in the manufacturing and trading of paper packaging products and paper gift items and the printing of paper promotional materials and liaison with various local government and authorities in the PRC.

Save as disclosed above, (i) Mr. Ng does not hold any directorship in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) Mr. Ng does not hold any other positions with the Company or other members of the Group; and (iii) Mr. Ng does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Ng does not have any other interests in the shares or underlying shares within the meaning of Part XV of the SFO.

Mr. Ng has entered into a service agreement with the Company for a term of three years commencing from 16 May 2012. He is entitled to an annual salary of HK\$360,000 and a discretionary bonus which will be determined with reference to the individual performance and the operating results of the Group.

Save as disclosed above, the Board is not aware of any matter in relation to Mr. Ng that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matter that need to be brought to the attention of the Shareholders of the Company in relation to Mr. Ng’s re-election.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. LAU Man Tak (“Mr. Lau”), aged 45, joined the Group on 27 March 2008. Mr. Lau is the chairman of audit committee of the Company. Mr. Lau holds a bachelor degree in Accountancy from The Hong Kong Polytechnic University. Mr. Lau has more than 20 years in corporate finance, accounting and auditing. Mr. Lau is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the Hong Kong Securities and Investment Institute. Mr. Lau admitted as a fellow member of Hong Kong Institute of Directors in August 2012. Mr. Lau is currently the chairman and an executive director of Aurum Pacific (China) Group Limited (stock code: 8148), an independent non-executive director of Kingston Financial Group Limited (stock code: 1031), AMCO United Holding Limited (stock code: 630) and Sincere Watch (Hong Kong) Limited (stock code: 444). Mr. Lau was an executive director and chief financial officer of China Sandi Holdings Limited (stock code: 910) from April 2010 to September 2012, an independent non-executive director of Kong Sun Holdings Limited (stock code: 295) from 1 September 2008 to 30 April 2014.

Save as disclosed above, (i) Mr. Lau does not hold any directorship in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) Mr. Lau does not hold any other positions with the Company or other members of the Group; and (iii) Mr. Lau does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lau does not have any other interests in the shares or underlying shares within the meaning of Part XV of the SFO.

Mr. Lau has entered into a letter of appointment with the Company. The term of service of Mr. Lau is a period of one year commencing on 1 January 2014 and he will be subject to retirement by rotation and re-election at the following general meeting of the Company in accordance with the articles of association of the Company. Mr. Lau is entitled to receive an annual director’s fee of HK\$100,000 as an independent non-executive Director which is recommended by the Remuneration Committee and determined by the Board with reference to the Company’s performance and profitability, the duties and responsibilities and contribution of the Directors.

Save as disclosed above, the Board is not aware of any matter in relation to Mr. Lau that is required to be disclosed pursuant to sub-paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matter that need to be brought to the attention of the Shareholders of the Company in relation to Mr. Lau’s re-election.

NOTICE OF ADJOURNED ANNUAL GENERAL MEETING



CLIMAX INTERNATIONAL COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 439)

NOTICE IS HEREBY GIVEN that the adjourned Annual General Meeting (the “Meeting”) of Climax International Company Limited (the “Company”) will be held at United Conference Centre — Room 1, 10/F., United Centre, 95 Queensway, Hong Kong on 30 September 2014 at 11:00 a.m. for the purpose of considering and, if thought fit, with or without modification, passing the following resolutions:

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “Director(s)”) and of the auditor for the year ended 31 March 2014.
- 2A. To re-elect the following retiring Directors:
 - (i) Mr. Ng Man Chan as an executive Director; and
 - (ii) Mr. Lau Man Tak as an independent non-executive Director.
- 2B. To authorise the board of Directors to fix the remuneration of the Directors.
3. To re-appoint Messrs. SHINEWING (HK) CPA Limited as auditor of the Company and to authorise the board of Directors to fix his remuneration.
- 4A. **“THAT**
 - (a) subject to paragraph (c) of this resolution below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with the additional ordinary shares in the share capital of the Company and to make or grant offers, agreements and options, including bonds, warrants, notes, debentures and other securities which carry rights to subscribe for or are convertible into ordinary shares of the Company, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options, including bonds, warrants, notes, debentures and other securities which carry rights to subscribe for or are convertible into ordinary shares of the Company, which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ADJOURNED ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of the ordinary shares allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of rights of subscription or conversion under terms of any existing warrants, bonds, debentures, notes and other securities of the Company;
 - (iii) the exercise of option granted under any share option scheme or any similar arrangement for the time being adopted for the grant or issue to officers and/or employees and/or other eligible persons of the Company and/or any of subsidiaries of ordinary shares or rights to acquire ordinary shares of the Company;
 - (iv) any scrip dividend or similar arrangement providing for the allotment and issue of ordinary shares of the Company in lieu of the whole or part of a dividend on the ordinary shares of the Company in accordance with the bye-laws of the Company in force from time to time;
 - (v) the exercise of any conversion rights attaching to any convertible notes issued or to be issued by the Company; and
 - (vi) a specified authority granted by the shareholders of the Company in general meeting; shall not exceed 20% of the aggregate nominal amount of the ordinary shares of the Company in issue on the date of passing this resolution; and the said approval shall be limited accordingly.
- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this resolution which had been granted to the Directors and which are still in effect be and hereby revoked; and
- (e) for the purpose of this resolution:

“Relevant Period” means the period from the date of passing this resolution until whichever is the earlier of:

 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; and

NOTICE OF ADJOURNED ANNUAL GENERAL MEETING

- (iii) the revocation or variation or renewal of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of ordinary shares in the Company, or an offer or issue of warrants, options or other securities giving rights to subscribe for ordinary shares of the Company, open for a period fixed by the Directors to holders of the ordinary shares of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such ordinary shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in, any territories applicable to the Company).”

4B. “THAT

- (a) subject to paragraph (b) of this resolution, the exercise by the Director during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase the ordinary shares in the share capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchanges on which the ordinary shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with the applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other stock exchanges as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the ordinary share of the Company which the Company is authorised to purchase pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the ordinary shares of the Company in issue at the date of passing of this resolution and the authority pursuant to paragraph (a) of this resolution be limited accordingly;
- (c) for the purpose of this resolution:

“Relevant Period” means the period from the date of passing this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; and

NOTICE OF ADJOURNED ANNUAL GENERAL MEETING

(iii) the revocation or variation or renewal of the authority given under this resolution by an ordinary resolution of shareholders of the Company in general meeting.”

4C. “**THAT** subject to the passing of the above resolutions 4A and 4B, the aggregate nominal amount of ordinary shares which are to be purchased by the Company pursuant to the authority granted to the Directors as mentioned in resolution 4B shall be added to the aggregate nominal amount of ordinary shares that may be allotted or agreed to be allotted by the Directors pursuant to resolution 4A.”

By order of the Board
Climax International Company Limited
Dr. Liu Ruopeng
Chairman and Executive Director

Hong Kong, 29 August 2014

Notes:

1. Every member of the Company entitled to attend and vote at the above Meeting is entitled to appoint more than one proxy (if a member who is holder of two or more shares) to attend and vote for him/her on his/her behalf of the Meeting. A proxy need not be a member of the Company but must attend the Meeting in person to represent you.
2. A form of proxy for use at the Meeting is enclosed. To be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be lodged with the Company’s share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, in accordance with the instructions printed thereon as soon as possible but in any event not less than 48 hours before the time appointed for holding the Meeting or any adjourned meeting thereof.
3. Completion and return of the form of proxy will not preclude members from attending and voting in person at the Meeting or any adjourned meeting thereof.