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CLIMAX INTERNATIONAL COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 439)

PROPOSAL FOR AMENDMENTS TO BYE-LAWS AND CHANGE OF AUDITORS

The Board proposes to amend the Bye-Laws to the effect that the Board shall have the power to appoint new auditor to fill any casual vacancy in the office of auditor of the Company. The proposed amendments to the Bye-Laws are subject to the approval of the Shareholders by way of a special resolution to be considered at the SGM.

Reference is also made to the announcement of the Company dated 27 August 2007 in respect of the resignation of Deloitte as auditors of the Group with effect from 20 August 2007. The Board is presently considering suitable candidates to be appointed as auditors of the Group to fill in the casual vacancy resulted in the resignation of Deloitte.

A circular containing, among other things, details of the proposed amendments to the Bye-Laws as well as a notice of the SGM will be despatched to the Shareholders as soon as possible.

Trading in the shares of the Company has been suspended from 9:30 a.m. on 31 July 2007 and will remain suspended pending the release of the 2007 Annual Results.

Amendments to bye-laws of the Company

The board (“**Board**”) of directors of Climax International Company Limited (the “**Company**”) proposes to amend the bye-laws of the Company (“**Bye-Laws**”) to the effect that the Board shall have the power to appoint new auditor to fill any casual vacancy in the office of auditor of the Company without the need to obtain approval of the shareholders of the Company (“**Shareholders**”). A brief description of the proposed amendments are set out in below.

Bye-law 159: To provide the Board with the power to appoint new auditors to fill in casual vacancy in the office of auditors of the Company until the next following annual general meeting of the Company.

The proposed amendments to the Bye-Laws are subject to the approval of the Shareholders by way of special resolution at the special general meeting of the Company (“SGM”). The Board considers that the proposed amendments to the Bye-Laws will add flexibility to the management of the Company and are thus to the benefits of the Company and its Shareholders as a whole. The Board confirms that with the proposed amendments to the Bye-laws comply with the code of corporate governance practice as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

A circular containing, among other things, details of the proposed amendments to the Bye-Laws as well as a notice of the SGM will be despatched to the Shareholders as soon as possible.

Change of Auditors

Reference is also made to the announcement of the Company dated 27 August 2007 in respect of the resignation of Deloitte Touche Tohmatsu (“**Deloitte**”) as auditors of the Group with effect from 20 August 2007.

The Board is presently considering suitable candidates to be appointed as auditors of the Group to fill in the casual vacancy resulted in the resignation of Deloitte.

Trading in the shares of the Company has been suspended from 9:30 a.m. on 31 July 2007 and will remain suspended pending the release of the annual results of the Company and its subsidiaries for the year ended 31 March 2007 (“2007 Annual Results”).

By Order of the Board
Climax International Company Limited
Kan Shiu Cheong, Frederick
Chairman

Hong Kong, 17 September 2007

As at the date of this announcement, the Board consists of seven executive directors, namely Mr. Kan Shiu Cheong, Frederick, Mr. Chan Hoi Lam, Mr. Yau Kang Nam, Mr. Jiang Hai Qing, Mr. Wong Hin Shek, Ms. Chan Siu Mun and Ms. Lo Miu Sheung, Betty; two non-executive directors, namely Mr. Tse On Po, Vincent and Tse On Kin; and five independent non-executive directors, namely Mr. Ng Sui Keung, Professor Lai Kin Keung, Mr. Yueh Yung Hsin, Dr. Wong Yun Kuen and Ms. Chan Hoi Ling.