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CLIMAX INTERNATIONAL COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 439)

POSITIVE PROFIT ALERT AND ANNOUNCEMENT IN RELATION TO THE FORECASTS PUBLISHED ON CIRCULAR OF THE COMPANY DATED 5 MARCH 2012

This announcement is made by Climax International Company Limited (the “Company” and together with its subsidiaries, the “Group”) pursuant to Rule 13.09 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).

Reference is made to the circular of the Company dated 5 March 2012 in relation to, among others, the acquisition of paper business (the “Circular”). Unless otherwise defined, capitalized terms used in the announcement shall have the same meanings as defined in the Circular.

The board of directors of the Company (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 net profit for the year ended 31 March 2013 as compared to a net loss for the corresponding year ended 31 March 2012. The expected net profit is mainly attributable to the operating profit contributed by the paper business acquired during the year.

Furthermore, as set out in the Circular that (i) the forecasted consolidated net profit of the Enlarged Group attributable to the Shareholders for the year ended 31 March 2013 would be approximately HK\$10.5 million; and (ii) the forecasted consolidated net profit of the Target Group for the year ended 31 March 2013 would be approximately HK\$17.8 million (collectively, the “Forecasts”), the Board expects that the Group may not be able to fully achieve the Forecasts as disclosed in the Circular as a result of the shortfall of the actual revenue of the Group for the year ended 31 March 2013 as compared to the corresponding forecasted revenue. The Board believes that the shortfall was mainly attributable to the facts that the consumer market and the demand of the products was adversely affected by the impacts of recent European debt crisis and the economic down turn in the United States of America.

The information contained in this announcement should only be treated as a preliminary assessment made by the Board based on the information currently available to the Group and is not based on any figures or information that has been audited by the auditors of the Company. The overall financial results of the Group for its financial year ended 31 March 2013 will only be ascertained when all the relevant results and treatments are finalised. We expect that the annual results of the Company for the year ended 31 March 2013 will be announced before end of June 2013.

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

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

Hong Kong, 3 April 2013

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.