Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

CLIMAX INTERNATIONAL COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 439)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

The board of directors (the "Board") of Climax International Company Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2011 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 September	
		2011	2010
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited) (Re-presented)
Continuing operation			
Revenue	*3*	**—**	—
Other income		**492**	161
Administrative expenses		**(1,199)**	(3,336)
Gain on changes in fair value of held for trading investments		**327**	285
Finance costs		**(1)**	(1)
Loss before tax		**(381)**	(2,891)
Income tax expense	*4*	**—**	—
Loss for the period attributable to owners of the Company from continuing operation	*5*	**(381)**	(2,891)

	Notes	Six months ended 30 September 2011 HK$'000 (Unaudited)	2010 HK$'000 (Unaudited) (Re-presented)
Discontinued operation			
(Loss)/profit for the period attributable to owners of the Company from discontinued operation	*6*	**(115)**	1,132
Loss for the period and other comprehensive expense for the period attributable to owners of the Company		**(496)**	(1,759)
Loss per share			
Basic and diluted loss per share (in Hong Kong cents)	*7*		
— From continuing operation		**(0.03)**	(0.25)
— From discontinued operation		**(0.01)**	0.10
		(0.04)	(0.15)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 September 2011 HK$'000 (Unaudited)	At 31 March 2011 HK$'000 (Audited)
Non-current asset			
Plant and equipment		**884**	240
Current assets			
Trade receivables	*9*	**—**	21
Deposits, prepayments and other receivables		**5,098**	6,211
Held for trading investments		**4,625**	4,299
Deposits in other financial institution		**233**	170
Bank balances and cash		**59,213**	59,908
		69,169	70,609
Current liabilities			
Trade and other payables	*10*	**2,233**	2,526
Income tax payable		**—**	4
Obligation under finance leases — amount due within one year		**6**	6
		2,239	2,536
Net current assets		**66,930**	68,073
Total assets less current liabilities		**67,814**	68,313
Non-current liability			
Obligations under finance leases — amount due after one year		**15**	18
Net assets		**67,799**	68,295
Capital and reserves			
Share capital		**11,486**	11,486
Reserves		**56,313**	56,809
Total equity attributable to owners of the Company and total equity		**67,799**	68,295

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2011, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs").

The functional currency of the Company for the year ended 31 March 2011 is United States dollars ("US$") as the major business is derived from US$. During the six months ended 30 September 2011, no transactions were concluded to generate any trading income from the major business, the functional currency of the other subsidiaries is Hong Kong dollars ("HK$"). Therefore, the functional currency of the Company is changed to HK$ for the six months ended 30 September 2011. The presentation currency is HK$ which is same as the functional currency of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the condensed consolidated financial statements for the six months ended 30 September 2011 are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2011 except as described below.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations issued by the HKICPA, which are effective for the Group's financial year beginning on 1 April 2011.

HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 (Amendments)	Classification of Rights Issues
HK(IFRIC)-Interpretation ("Int") 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments

The adoption of the new or revised HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

The Group has not early applied the following new or revised standards and amendments that have been issued but are not yet effective.

HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[1]
HKFRS 7 (Amendments)	Disclosure — Transfers of Financial Assets[1]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[4]
HKFRS 11	Joint Arrangements[4]
HKFRS 12	Disclosure of Interests in Other Entities[4]
HKFRS 13	Fair Value Measurement[4]
HKAS 1 (Amendments)	Presentation of Item of Other Comprehensive Income[3]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[2]
HKAS 19 (2011)	Employee Benefits[4]
HKAS 27 (2011)	Separate Financial Statements[4]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[4]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[4]

[1] Effective for annual periods beginning on or after 1 July 2011.
[2] Effective for annual periods beginning on or after 1 January 2012.
[3] Effective for annual periods beginning on or after 1 July 2012.
[4] Effective for annual periods beginning on or after 1 January 2013.

The Group has not early adopted the new HKFRSs that have been issued but not yet effective. The directors of the Company are currently assessing the impact of these new HKFRSs but are not yet in a position to state whether they would have material financial impact on the Group's result of operations and financial position.

3. REVENUE AND SEGMENT INFORMATION

For the six months ended 30 September 2010, the Group is organized into a single operating segment of trading of electronic products. The electronic products segment was deemed discontinued on 30 September 2011 as no transactions were concluded to generate any trading income from trading of electronic products during the six months ended 30 September 2011 and the directors of the Company would like to focus on formulating a plan for the resumption of trading of the shares of the Company. Accordingly, no reportable segment is presented.

The revenue and results of electronic products segment are stated in note 6.

The Group's continuing operation is located in Hong Kong. Accordingly, no geographical segment information is presented.

4. INCOME TAX EXPENSE

Continuing operation

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profits arising in Hong Kong for both periods.

No provision for tax in other jurisdictions has been made as the Group did not have any assessable profits in the respective jurisdictions for both periods.

5. LOSS FOR THE PERIOD

Continuing operation

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss for the period has been arrived at after charging:		
Staff costs:		
Directors' remuneration	**120**	120
Other staff costs	**295**	463
Retirement benefit scheme contributions for staff	**10**	19
Total staff costs	**425**	602
Depreciation of plant and equipment	**173**	32
Lease payment in respect of rented premises	**168**	300
Loss on written off of plant and equipment	**183**	—
and after crediting:		
Dividend income	**86**	78
Interest income	**406**	79

6. DISCONTINUED OPERATION

During the six months ended 30 September 2011, no transactions were concluded to generate any trading income from trading of electronic products. The business segment of electronic products is classified as discontinued operation on 30 September 2011.

The results of the electronic products operation for the period from 1 April 2011 to 30 September 2011, which have been included in the condensed consolidated statement of comprehensive income, were as follows:

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue	**—**	60,000
Cost of sales	**—**	(59,084)
Gross profit	**—**	916
Other income	**—**	344
Administrative expenses	**(115)**	(128)
(Loss)/profit before tax	**(115)**	1,132
Income tax expense	**—**	—
(Loss)/profit for the period	**(115)**	1,132

6. DISCONTINUED OPERATION (Continued)

(Loss)/profit for the period from discontinued operation has been arrived at:

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
after charging:		
Staff costs	**105**	126
and after crediting:		
Interest income	**—**	102
Written off of other payables	**—**	242

7. LOSS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company and loss for the purposes of basic loss per share	**(496)**	(1,759)

	Six months ended 30 September	
	2011	2010
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**1,148,661,140**	1,148,661,140

7. LOSS PER SHARE (Continued)

From continuing operation

The calculation of the basic and diluted loss per share from continuing operation attributable to owners of the Company is based on the following data:

Loss figures are calculated as follows:

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company	**(496)**	(1,759)
Less:		
(Loss)/profit for the period from discontinued operation	**(115)**	1,132
Loss for the purpose of basic and diluted loss per share from continuing operation	**(381)**	(2,891)

The denominators used are the same as those detailed above for both basic and diluted loss per share.

From discontinued operation

Basic and diluted loss per share for the discontinued operation is HK0.01 cent per share (2010: basic and diluted earnings per share of HK0.1 cent) based on the loss for the six months from the discontinued operation of approximately HK$115,000 (six months ended 30 September 2010: profit of approximately HK$1,132,000) and the denominators detailed above for basic and diluted loss per share.

The computation of diluted loss per share does not assume the exercise of the Company's outstanding share options as the exercise price of those options is higher than the average market price for shares during the two periods ended 30 September 2011 and 2010 before the suspension of trading in shares on the Stock Exchange in September 2008.

8. INTERIM DIVIDEND

No dividends were paid, declared or proposed during the reported period. The directors do not recommend the payment of an interim dividend for both periods.

9. TRADE RECEIVABLES

The Group allows an average credit period of 90 days to its trade customers.

The following is an analysis of trade receivables by age, presented based on the invoice date net of allowance for doubtful debts:

	30 September 2011	31 March 2011
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0–30 days	**—**	—
31–60 days	**—**	9
61–90 days	**—**	9
91–120 days	**—**	3
Over 120 days	**—**	—
	—	21

10. TRADE AND OTHER PAYABLES

	30 September 2011	31 March 2011
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables	**—**	—
Other payables and accrued charges	**2,233**	2,526
	2,233	2,526

11. COMPARATIVES

The comparative figures of condensed consolidated statement of comprehensive income have been re-presented to conform with the current period's presentation as a result of the discontinued operation in accordance with HKFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations".

MANAGEMENT DISCUSSION AND ANALYSIS

Performance review

For the six months ended 30 September 2011 (the "Interim Period"), no turnover was recorded (for the six months ended 30 September 2010 ("2010"): HK$60 million).

Loss attributable to owners of the Company decreased to HK$0.5 million (2010: loss attributable to owners of the Company: HK$1.8 million).

Outlook

The Company has submitted an updated proposal, which includes a proposed acquisition of a group of companies engaged in manufacture and sales of paper packaging products and paper gift items and the printing of paper promotional materials, to the Stock Exchange on 7 September 2011 for the purpose of resumption of trading of shares of the Company so as to protect the interests of the Company and its shareholders as a whole. The proposal was under review by the Stock Exchange and further announcement will be released as and when appropriate.

The Company is confident that, if the proposal is successfully implemented, the Group will have sufficient level of operations or assets under Rule 13.24 of the Listing Rules.

Besides, the Group will continue to seize upon suitable investment opportunities to provide tremendous value-added to shareholders.

Capital structure

The Group had no change in capital structure during the Interim Period.

Liquidity and financial resources

As at 30 September 2011, the total shareholders fund of the Group amounted to HK$68 million (31 March 2011: HK$68 million), total assets of HK$70 million (31 March 2011: HK$71 million) and total liabilities of HK$2 million (31 March 2011: HK$3 million).

The gearing ratio as of 30 September 2011, defined as the percentage of total interest bearing debt to net asset value, was 0.03% (31 March 2011: 0.04%).

The Group's business operation and investment are in Hong Kong and most assets, liabilities and transactions of the Group are denominated in HK$. The directors did not consider the Group was exposed to any significant foreign currency exchange risk.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Investment position and planning

During the Interim Period, the Group spent approximately HK$1 million (2010: Nil) for acquisition of assets.

The Group has invested in shares that are traded over the Stock Exchange. As at 30 September 2011, the Group held shares with fair value of approximately HK$5 million (31 March 2011: HK$4 million).

Save as disclosed above, the Group did not have any significant investment and there are no other material acquisition or disposal of subsidiaries and associated companies during the Interim Period.

Charges on the Group's assets and contingent liabilities

As at 30 September 2011, the Group did not pledge any asset (31 March 2011: Nil).

As at 30 September 2011, the Group had no significant contingent liabilities (31 March 2011: Nil).

Employees and remuneration policy

As at 30 September 2011, the Group had 1 employee. The Group provides competitive remuneration packages to employees with attractive discretionary bonus payable to those with outstanding performance and contribution to the Group.

Connected Transactions

There are no transactions which would need to be disclosed as connected transactions in accordance with the requirement of the Listing Rules.

CORPORATE GOVERNANCE

Code on corporate governance practices

The Company has applied the principles of and complied with the applicable code provisions of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Listing Rules during the Interim Period. The Company periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code except for the deviation from code provision A.2.1 upon the resignation of Mr. Tse On Kin on 16 November 2011 which is explained below.

CORPORATE GOVERNANCE (Continued)

Code on corporate governance practices (Continued)

Under the code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Upon the resignation of Mr. Tse On Kin on 16 November 2011, the Company does not have any officer with the title of "chairman". Mr. Wong Hin Shek, who acts as the chief executive officer of the Company, is also responsible for the leadership of the Board in formulating corporate policies and business strategies and oversight of significant compliance matters. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company in view of the board structure and business of the Group. The roles of the respective senior management who are in charge of different functions complement the role of the chairman and chief executive officer. The Board believes that this structure is conducive to strong and consistent leadership enabling the Group to operate efficiently. The Board will continue to review the effectiveness of the Group's corporate governance structure to assess whether the separation of the positions of chairman and chief executive officer is necessary.

Model code of securities transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as its code of conduct regarding securities transactions by the directors. Having made specific enquiry to the directors, the directors confirmed that they have complied with the code throughout the six months ended 30 September 2011.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2011, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

REVIEW OF INTERIM RESULTS

The audit committee has reviewed with the management the appropriateness and consistent application of significant accounting principles and policies adopted by the Group, and discussed judgement issues, accounting estimates, adequacy of disclosures and internal consistency of the interim financial statements for the six months ended 30 September 2011.

On behalf of the Board
Climax International Company Limited
Wong Hin Shek
Executive Director

Hong Kong, 29 November 2011

As at the date of this announcement, the Board comprises of one executive director, Mr. Wong Hin Shek and three independent non-executive directors, Dr. Wong Yun Kuen, Mr. Lau Man Tak and Mr. Man Kwok Leung.