CLIMAX INTERNATIONAL COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 439)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2012

The board of directors (the "Board") of Climax International Company Limited (the "Company") would like to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2012 and the consolidated statement of financial position as at 31 March 2012 together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2012

	Notes	**2012** ***HK$'000***	2011 *HK$'000* (Restated)
Continuing operations			
Revenue	3	**—**	—
Other revenue	4	**2,504**	449
Administrative expenses		**(7,981)**	(5,989)
Gain (loss) on changes in fair value of held for trading investments		**828**	(183)
Finance costs		**(1)**	(2)
Loss before tax		**(4,650)**	(5,725)
Income tax expense	5	**—**	—
Loss for the year from continuing operations		**(4,650)**	(5,725)
Discontinued operation			
(Loss) profit for the year from discontinued operation	6	**(140)**	1,354
Loss and total comprehensive expense for the year	7	**(4,790)**	(4,371)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Continued)*

For the year ended 31 March 2012

	Notes	2012 HK$'000	2011 HK$'000 (Restated)
(Loss) profit for the year attributable to:			
Owners of the Company			
From continuing operations		**(4,650)**	(5,725)
From discontinued operation		**(140)**	1,354
Loss and total comprehensive expense for the year attributable to owners of the Company		**(4,790)**	(4,371)
(LOSS) EARNINGS PER SHARE			
Basic and diluted (loss) earnings per share (in Hong Kong cents)	9		
From continuing operations		**(4.72)**	(5.81)
From discontinued operation		**(0.14)**	1.38
		(4.86)	(4.43)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2012

	Note	**2012** *HK$'000*	2011 *HK$'000*
Non-current asset			
Plant and equipment		**627**	240
Current assets			
Trade receivables	10	**—**	21
Deposits and prepayments		**15,225**	6,211
Held for trading investments		**5,127**	4,299
Deposits in other financial institutions		**294**	170
Bank balances and cash		**46,466**	59,908
		67,112	70,609
Current liabilities			
Other payables and accruals		**4,216**	2,526
Income tax payable		**—**	4
Obligation under finance lease — amount due within one year		**6**	6
		4,222	2,536
Net current assets		**62,890**	68,073
Total assets less current liabilities		**63,517**	68,313
Non-current liability			
Obligation under finance lease — amount due after one year		**12**	18
		63,505	68,295
Capital and reserves			
Share capital		**574**	11,486
Reserves		**62,931**	56,809
Total equity attributable to owners of the Company and total equity		**63,505**	68,295

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised standards, amendments to standards and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKFRSs	Improvements to HKFRS issued in 2010
Amendment to HKFRS 1	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
Hong Kong Accounting Standards ("HKAS") 24 (as revised in 2009)	Related Party Disclosures
Amendments to HK(IFRIC) -Interpretation ("Int") 14	Prepayments of a Minimum Funding Requirement
HK (IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments

HKAS 24 Related Party Disclosures (as revised in 2009) modifies the definition of a related party and simplifies disclosures for government-related entities.

The disclosure exemptions introduced in HKAS 24 (as revised in 2009) do not affect the Group because the Group is not a government-related entity.

The adoption of the new and revised HKFRSs in current year has had no material impact on the Group's financial performance and positions for the current year and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

The Group has not early applied the following new and revised HKFRSs have been issued but are not yet effective.

Amendments to HKFRSs	Annual Improvement 2009–2011 Cycle[4]
Amendments to HKFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[1]
	Presentation of Items of Other Comprehensive Income[3]
	First-time Adoption of HKFRSs — Government Loans[4]
Amendments to HKFRS 7	Disclosures — Transfers of Financial Assets[1]
	Disclosures — Offsetting Financial Assets and Financial Liabilities[4]
	Mandatory Effective Date of HKFRS 9 and Transition Disclosure[6]
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards[4]
HKFRS 9	Financial Instruments[6]
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 (Revised)	Presentation of Financial Statements[4]
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets[2]
HKAS 16	Property, plant and equipment[4]
HKAS 19 (as revised in 2011)	Employee Benefits[4]
HKAS 27 (as revised in 2011)	Separate Financial Statements[4]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[4]
HKAS 32	Financial Instruments: Presentation[4]
HKAS 34	Interim Financial Reporting[4]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[5]
HK(IFRIC)-Int 2	Members' Shares in Co-operative Entities and Similar Instruments[4]
HK(IFRIC)-Int 20	Stripping Costs in 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.
[5] Effective for annual periods beginning on or after 1 January 2014.
[6] Effective for annual periods beginning on or after 1 January 2015.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.

2. **APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")** *(Continued)*

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognised in profit or loss.

The directors of the Company anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011). Key requirements of these fives standards are described below.

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK(SIC)-Int 12 Consolidation — Special Purpose Entities. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios. Overall, the application of HKFRS 10 requires a lot of judgement. The directors of the company are assessing the impact of the HKFRS 10 and are not in the position to comment on the impact to the consolidated financial statements.

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures and HK (SIC)-Int 13 Jointly Controlled Entities — Non-Monetary Contributions by Venturers. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

Consequential amendments were made to HKAS 27 and HKAS 28 as a result of the issuance of HKFRS 10, HKFRS 11 and HKFRS 12.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

The directors anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013. The application of these five standards may have significant impact on amounts reported in the consolidated financial statements. However, the directors of the Company have not yet performed a detailed analysis of the impact of the application of these standards and hence have not yet quantified the extent of the impact.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 Financial Instruments: Disclosures will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors of the Company anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

The directors of the Company anticipate that the application of the other new and revised HKFRSs, will have no material impact on the results and the financial position of the Group.

3. REVENUE AND SEGMENT INFORMATION

For the year ended 31 March 2011, the Group reported a single operating segment of trading of electronic products. The electronic products segment was discontinued on 31 March 2012 as trading of electronic products was ceased during the year ended 31 March 2012. Accordingly, no reportable segment is presented for the year ended 31 March 2012 and the relevant financial information for the year ended 31 March 2011 has been restated.

The revenue and results of trading 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. OTHER REVENUE

	2012	2011
	HK$'000	*HK$'000*
Continuing operations		
Dividend income	**171**	155
Interest income	**855**	291
Net exchange gain	**1,478**	—
Written off of other payables	**—**	3
	2,504	449

5. INCOME TAX EXPENSE

Continuing operations

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the years ended 31 March 2012 and 2011.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profits subject to Hong Kong Profits Tax for the years ended 31 March 2012 and 2011.

No provision for tax in other jurisdictions has been made as the Group did not have any assessable profits in the respective jurisdictions for the years ended 31 March 2012 and 2011.

6. DISCONTINUED OPERATION

The Group ceased the trading of electric products operation at the year ended 31 March 2012. Accordingly, the business segment of trading of electronic products is classified as discontinued operation for the year.

The results of the electric products operation for the year of 2011 and 2012 which have been included in the consolidated statement of comprehensive income were as follows:

	2012	2011
	HK$'000	*HK$'000*
Revenue	**—**	87,366
Cost of sales	**—**	(86,045)
Gross profit	**—**	1,321
Other revenue	**—**	359
Administrative expenses	**(140)**	(322)
(Loss) profit before tax	**(140)**	1,358
Income tax expense	**—**	(4)
(Loss) profit for the year from discontinued operation	**(140)**	1,354

6. DISCONTINUED OPERATION *(Continued)*

(Loss) profit for the year from discontinued operation has been arrived at after charging:

	2012	2011
	HK$'000	*HK$'000*
Other staff costs	**100**	280
Retirement benefit scheme contributions for staff	**5**	12
Total staff costs	**105**	292
Interest income	**—**	117

No charge or credit arose on discontinuance of the operation.

7. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2012	2011
	HK$'000	*HK$'000*
Continuing operations		
Directors' emoluments	**218**	240
Other staff costs	**525**	998
Retirement benefit scheme contributions for staff	**16**	37
Total staff costs	**759**	1,275
Auditor's remuneration	**420**	450
Depreciation for plant and equipment	**429**	63
Exchange loss	**—**	59
Loss on written off of plant and equipment	**184**	—
Lease payment in respect of rented premises	**270**	600

8. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2012, nor has any dividend been proposed since the end of the reporting period (2011: nil).

9. (LOSS) EARNINGS PER SHARE

From continuing operations

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

(Loss) earnings figures are calculated as follows:

	2012	2011
	HK$'000	*HK$'000*
Loss for the year attributable to the owners of the Company	**(4,790)**	(4,371)
Less:		
(Loss) profit for the year from discontinued operation	**(140)**	1,354
Loss for the purpose of basic and diluted loss per share from continuing operation	**(4,650)**	(5,725)

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the (loss) earnings for the year attributable to owners of the Company of approximately HK$4,790,000 (2011: approximately HK$5,725,000) and the following data:

	2012	2011 (Restated)
Number of shares		
Weighted average number of shares for the purpose of basic and diluted loss per share *(Note)*	**98,456,669**	98,456,669

Note:

The weighted average of ordinary shares for the purpose of calculating basic and diluted (loss) earnings per share for the years ended 31 March 2012 and 2011 have been retrospectively adjusted for the effect of share consolidation and bonus issue completed on 29 March 2012 and 3 May 2012 respectively.

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

From discontinued operation

For the year ended 31 March 2012, basic and diluted loss per share for the discontinued operation is HK0.14 cents per share (2011: HK1.38 cents earnings per share), based on the loss for the year from the discontinued operation of approximately HK$140,000 (2011: profit of approximately HK$1,354,000) and the denominator used is the same as detailed above in number of shares for both basic and diluted loss per share.

The computation of diluted (loss) earnings 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 years ended 31 March 2012 and 2011 before the suspension of trading in shares on the Stock Exchange in September 2008.

10. TRADE RECEIVABLES

For the year ended 31 March 2011, the Group allowed an average credit period of 90 days to its trade customers. The following is an aged analysis of trade receivables presented based on the invoice date at the end of the reporting period. The Group did not hold any collateral over these balances.

	2012	2011
	HK$'000	*HK$'000*
31 – 60 days	—	9
61 – 90 days	—	9
91 – 120 days	—	3
	—	21

As at 31 March 2011, the Group's trade receivables balances were debtors with aggregate carrying amount of approximately HK$3,000 (2012: nil) which were past due for which the Group has not provided for impairment loss. Trade receivables that were past due but not impaired relate to independent customers that have a good settlement history with the Group. Based on the past experience, management believes that no impairment allowance was necessary in respect of these balances as there was no significant change in credit quality and the balances were still considered fully recoverable.

Ageing of trade receivables which are past due but not impaired

	2012	2011
	HK$'000	*HK$'000*
91 – 120 days	—	3

Trade receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default.

11. EVENTS AFTER THE REPORTING PERIOD

(a) Fulfillment of all resumption conditions and resumption of trading

On 23 September 2008, trading of the Company's shares was suspended. Until 14 December 2011, the Stock Exchange has allowed the Company to proceed with the resumption proposal subject to the resumption conditions to be fulfilled on or before 13 June 2012 and the Company announced that all the resumption conditions have been fulfilled as at 4 May 2012.

Trading in the shares of the Company has been resumed with effect on 7 May 2012. Further details were set out in the announcement of the Company dated 4 May 2012.

(b) Acquisition of a subsidiary

On 3 May 2012, the Group acquired the entire issued capital of Sky Will Printing & Packaging (Holdings) Limited ("Sky Will"), which is engaged in the manufacture and trading of paper packaging products, paper gift items and printing of paper promotional materials (the "Acquisition"). The Group has acquired Sky Will for the development of new business. The purchase consideration of HK$110,000,000 for the acquisition was in the forms of cash, by issuance of promissory note and ordinary shares. Details of the Acquisition were set out in the circular dated 5 March 2012.

Because the completion of the Acquisition was effected shortly before the date of approval of these financial statements, it is not practicable to disclose further details about the Acquisition.

11. EVENTS AFTER THE REPORTING PERIOD *(Continued)*

(c) Completion of subscription

On 29 February 2012, the Company entered into a subscription agreement (the "Subscription Agreement") with World Treasure, in which a director of the Company has beneficial interest. Pursuant to the Subscription Agreement, the Company will issue and World Treasure will subscribe for 450,000,000 subscription shares at the subscription price of HK$0.10 per subscription share. The gross proceed of the subscription is HK$45,000,000. Details of the subscription were set out in the circular dated 5 March 2012. The subscription was completed on 3 May 2012.

(d) Completion of open offer

On 29 February 2012, the Company entered into an agreement with World Treasure and Kingston Securities Limited as underwriters, whereby the Company proposed to raise gross proceeds of approximately HK$45,900,000 before expenses, by way of open offer of 459,464,456 shares at the offer price of HK$0.10 per offer share, on the basis of eight offer shares for every share. A sum of net amount approximately HK$45,326,000, after deducting related expenses of approximately HK$574,000, was raised and used as working capital of the Group. Details of the open offer are set out in the circular dated 5 March 2012. The open offer was completed on 3 May 2012.

(e) Completion of bonus issue

On 3 May 2012, the Company has issued a bonus issue to the existing shareholders on the basis of five bonus shares for every seven shares. Details of the bonus issue are set out in the circular of the Company dated 5 March 2012. The bonus issue was completed on 3 May 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

PERFORMANCE REVIEW

For the year ended 31 March 2012 ("2012"), no turnover was recorded whilst turnover amounted to approximately HK$87 million was recorded from the electronic business for the year ended 31 March 2011 ("2011"). Due to the keen competition and the narrow margin of the electronic business, more resources were allocated to formulate the resumption proposal to the Stock Exchange to seek approval on the trading of the shares of the Company.

Loss attributable to owners of the Company was approximately HK$5 million (2011: approximately HK$4 million).

OUTLOOK

Upon completion of the transactions contemplated under the resumption proposal of the Company, the Group currently engaged in the manufacture and trading of paper packaging products and paper gift items and the printing of paper promotional materials.

The world economy continues to face exceptional uncertainties, in particular the debt crisis in Europe and the United States of America, and market sentiments will most likely remain weak during the ensuring year. The year of 2012 will be very significant to the revamped development of the Group as we will be faced with unpredictable and unprecedented challenges. Despite the difficulties ahead, the Group will closely monitor the conditions of paper product market and prepare, be able to respond swiftly and take advantage of the market adversities to seize upon further suitable investment opportunities to provide tremendous value-added to shareholders.

CAPITAL STRUCTURE

During 2012, the share capital of the Company had the following changes:

On 29 March 2012, the capital reorganisation (the "Capital Reorganisation") became effective which involved (i) every twenty issued and unissued shares of HK$0.01 each were consolidated into one consolidated share of HK$0.20 each; (ii) the nominal value of the then issued consolidated shares of HK$0.20 each were reduced to HK$0.01 each by cancelling the paid-up capital to the extent of HK$0.19 on each of the issued consolidated shares; and (iii) each authorised but unissued consolidated share was subdivided into twenty shares of HK$0.01 each.

Subsequent to 31 March 2012, the share capital of the Company had the following changes:

On 3 May 2012, 200,000,000 shares of HK$0.01 each were issued pursuant to the sale and purchase agreement dated 20 January 2011 (the "S&P Agreement") and supplemented on 30 September 2011 and 29 February 2012 respectively at the issue price of HK$0.10 per consideration share.

On 3 May 2012, 450,000,000 shares of HK$0.01 each were issued pursuant to the subscription agreement dated 29 February 2012 at the subscription price of HK$0.10 per subscription share.

On 3 May 2012, 459,464,456 shares of HK$0.01 each were issued under the open offer at the subscription price of HK$0.10 per offer share on the basis of eight offer shares for every share held by the qualifying shareholders on 10 April 2012.

On 3 May 2012, 41,023,612 shares of HK$0.01 each were issued under the bonus issue on the basis of five bonus shares for every seven shares held by the qualifying shareholders on 10 April 2012.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2012, the total shareholders' funds of the Group amounted to approximately HK$64 million (2011: approximately HK$68 million), total assets of approximately HK$68 million (2011: approximately HK$71 million) and total liabilities of approximately HK$4 million (2011: approximately HK$3 million).

The gearing ratio as of 31 March 2012, defined as the percentage of total interest bearing debt to net asset value, was 0.02% (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 Hong Kong dollar. The directors did not consider the Group was exposed to any significant foreign currency exchange risk.

INVESTMENT POSITION AND PLANNING

On 30 September 2011 and 29 February 2012, the Company entered into supplemental sale and purchase agreements (supplemented to the S&P Agreement) with Sky Will Printing & Packaging (BVI) Limited to revise the payment terms of the S&P Agreement. Pursuant to the S&P Agreement, the Company agreed to purchase the entire interest of Sky Will Printing & Packaging (Holdings) Limited and its subsidiaries which engaged in the manufacture and trading of paper packaging products and paper gift items and the printing of paper promotional materials.

On 29 February 2012, the Company entered into a subscription agreement with World Treasure Global Limited ("World Treasure") pursuant to which the Company will issue and World Treasure will subscribe for 450,000,000 subscription shares at the subscription price of HK$0.10 per subscription share.

On 29 February 2012, the Company entered into an underwriting agreement with World Treasure and Kingston Securities Limited as underwriters, whereby the Company proposed an open offer of 459,464,456 offer shares at the offer price of HK$0.10 per offer share, on the basis of eight offer shares for every share held by the qualifying shareholders on 10 April 2012.

The Company proposed a bonus issue to issue bonus shares on the basis of five bonus shares for every seven shares held by the qualifying shareholders on 10 April 2012.

On 29 February 2012, the Company entered into a service agreement with Mr. Ng Man Chan ("Mr. Ng") pursuant to which Mr. Ng will be appointed as an executive director upon completion of the Acquisition.

The above transactions form part of the resumption proposal of the Company which was approved by the Listing Committee of the Stock Exchange on 14 December 2011 and completed on 3 May 2012.

During 2012, the Group spent approximately HK$1 million (2011: HK$Nil) for acquisition of assets.

The Group has invested in shares of certain companies that are traded over the Stock Exchange. As at 31 March 2012, the Group held shares with fair value of approximately HK$5 million (2011: approximately 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 2012.

CHARGES ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

As at 31 March 2012, the Group did not pledge any assets.

As at 31 March 2012, the Group had no significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2012, 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.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles of and complied with the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules (the "CG Code") during the year under review, save for the deviation from code provision A.2.1 which is explained in the relevant paragraph in this report. The Company periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

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. Due to the resignation of Mr. Tse On Kin, the ex-chairman, on 16 November 2011, the Company has deviated from this requirement. Mr. Wong Hin Shek, who acts as the chief executive officer of the Company, also assumes the duties of the chairman during the year under review. The Board believes that vesting the roles of chairman and chief executive officer in the same individual provided the Group with strong and consistent leadership in the development and execution of long-term business strategies.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

REVIEW BY AUDIT COMMITTEE

The audit committee comprises three independent non-executive directors, namely Mr. Lau Man Tak (who acts as chairman of the committee), Dr. Wong Yun Kuen and Mr. Man Kwok Leung. The audit committee has met to review the results of the Group for the year ended 31 March 2012.

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

Hong Kong, 26 June 2012

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