



CLIMAX INTERNATIONAL COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 439)

PROFIT WARNING

The Board informs the Shareholders of the Company and Potential Investors that the Company expects the Group's audited results for the year ended 31 March 2007 will record a further loss as compared to the same period in 2006.

Shareholders and Potential Investors are advised to exercise caution when dealing in the shares of the Company.

The board of directors ("Board") of Climax International Company Limited ("Company") informs the shareholders ("Shareholders") of the Company and potential investors ("Potential Investors") that it is expected that the audited results of the Company and its subsidiaries ("Group") for the year ended 31 March 2007 will record a further loss as compared to the same period in 2006 because of, among other things, keen competition in the industry and the fact that additional costs were incurred for the cessation of the Group's manufacturing operation in Shenzhen.

The Company is expected to announce the Group's annual results for the year ended 31 March 2007 on 19 December 2007.

Shareholders of the Group and Potential Investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 17 December 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 Mr. 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.