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CLIMAX INTERNATIONAL COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 439)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a substantial loss for the year ended 31 March 2009 as compared to that of the corresponding period in 2008.

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

This announcement is made by Climax International Company Limited (“the Company”, 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”).

The board of directors (the “Board”) of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a substantial loss for the year ended 31 March 2009.

The Group has experienced substantial drops in sales orders placed by its customers as a result of global financial turmoil. The production capacity of the Group was below the economy scale of production, which is expected to adversely affect the Group’s overall results.

The loss was also attributable to impairment losses on assets of the Group. The impairment losses are non-cash items and do not have an impact on the operating cash flows of the Group.

This announcement is only a preliminary assessment of the consolidated management accounts as at 31 March 2009 which have not been audited by the Company’s auditors. The Company is in the process of finalizing the Group’s audited financial results for the year ended 31 March 2009 which is expected to be published in July 2009.

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

By Order of the Board
Climax International Company Limited
Chan Hoi Ling
Chairman

Hong Kong, 7 July 2009

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