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## **CLIMAX INTERNATIONAL COMPANY LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 439)**

### **NOTICE OF SPECIAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a special general meeting of Climax International Company Limited (the “**Company**”) will be held at 3/F., Nexxus Building, 77 Des Voeux Road Central, Hong Kong at 11:00 a.m. on Wednesday, 28 March 2012 for the purpose of considering and, if thought fit, passing, with or without modification, the following resolutions:

#### **SPECIAL RESOLUTION**

1. “**THAT** subject to (i) the fulfillment of all the conditions set out in the section headed “Conditions of the Capital Reorganisation” in the circular of the Company dated 5 March 2012 (the “**Circular**”), a copy of which has been produced to the meeting marked “A” and initialled by the chairman of the meeting for the purpose of identification:
  - (a) every twenty (20) issued and unissued shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) share of HK\$0.20 each (the “**Consolidated Share**”) in the share capital of the Company (the “**Share Consolidation**”), and any fractional entitlements to the then issued Consolidated Shares resulting from the Share Consolidation shall be aggregated and sold in the form of Consolidated Shares for the benefit of the Company in such manner and on such terms as the directors of the Company (the “**Directors**”) may think fit;
  - (b) subject to and forthwith upon the Share Consolidation taking effect, the issued share capital of the Company be reduced by canceling the paid up capital to the extent of HK\$0.19 on each of the then issued Consolidated Shares such that the nominal value of all the issued Consolidated Shares will be reduced from HK\$0.20 to HK\$0.01 each (the “**Adjusted Share**”) (the “**Capital Reduction**”);
  - (c) subject to and forthwith upon the Capital Reduction taking effect, each of the authorized but unissued Consolidated Shares be sub-divided into twenty (20) Adjusted Shares of HK\$0.01 each (the “**Subdivision**”);

- (d) the credit arising from the Capital Reduction be transferred to the contributed surplus account of the Company where it will be utilized by the Directors in accordance with the bye-laws of the Company and all applicable laws of Bermuda, including without limitation to set-off against the accumulated losses of the Company (the “**Credit Application**”); and
- (e) the Directors be and are hereby authorised to do all things and acts and sign all documents which they consider necessary, desirable, or expedient in connection with the implementation of the Share Consolidation, the Capital Reduction, the Subdivision and the Credit Application.”

## **ORDINARY RESOLUTIONS**

### **2. “THAT**

- (a) the conditional agreement dated 20 January 2011 (as supplemented by the supplemental agreements dated 30 September 2011 and 29 February 2012) (collectively the “**S&P Agreement**”) entered into between Sky Will Printing & Packaging (BVI) Limited (the “**Vendor**”) as vendor and the Company as purchaser (a copy of which has been produced to the meeting marked “B” and initialled by the chairman of the meeting for the purpose of identification) in relation to, among other matters, the acquisition of the entire issued share capital of Sky Will Printing & Packaging (Holdings) Limited (the “**Acquisition**”) and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
- (b) the allotment and issue of 200,000,000 Adjusted Shares, credited as fully paid at an issue price of HK\$0.10 per Adjusted Share, as consideration shares by the Company to the Vendor (or its nominees) pursuant to the terms and conditions of the S&P Agreement be and is hereby approved; and
- (c) the Directors be and are hereby authorised to execute such all other documents, do all other acts and things and take such action as may in the opinion of the Directors be necessary, desirable or expedient to implement and give effect to the S&P Agreement and any other transactions contemplated under the S&P Agreement.”

### **3. “THAT**

- (a) the conditional agreement dated 29 February 2012 entered into between the Company as issuer and World Treasure Global Limited (the “**Subscriber**”) as subscriber (the “**Subscription Agreement**”) in relation to the subscription of 450,000,000 new Adjusted Shares in the share capital of the Company (the “**Subscription Share(s)**”) at the subscription price of HK\$0.10 per Subscription Share, a copy of which has been produced to the meeting marked “C” and initialled by the chairman of the meeting for the purpose of identification, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

- (b) subject to the fulfillment of the conditions set out in the Subscription Agreement, the allotment and issue of the Subscription Shares to the Subscriber pursuant to the Subscription Agreement be and is hereby approved; and
  - (c) the Directors be and are hereby authorised to execute such all other documents, do all other acts and things and take such action as may in the opinion of the Directors be necessary, desirable or expedient to implement and give effect to the Subscription Agreement and any other transactions contemplated thereunder.”
4. **“THAT** subject to the fulfillment of the conditions in the underwriting agreement dated 29 February 2012 entered into between World Treasure Global Limited and Kingston Securities Limited as the underwriters and the Company (the **“Underwriting Agreement”**), a copy of which has been produced to the meeting marked “D” and initialled by the chairman of the meeting for the purpose of identification):
- (a) the allotment and issue by way of open offer (the **“Open Offer”**) of 459,464,456 Adjusted Shares (the **“Offer Shares”**) to the shareholders of the Company (the **“Shareholders”**) at the subscription price of HK\$0.10 per Offer Share on the basis of eight (8) Offer Shares for every one (1) Adjusted Share then held by the Shareholders whose names appear on the register of members of the Company at the close of business on a date to be fixed by the Directors (the **“Record Date”**), other than those Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong on the Record Date and whom the Directors, after making enquiry as required under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, consider it necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Offer Shares to such Shareholders, and on the terms and conditions as set out in the Circular, and such other terms and conditions as may be determined by the Directors be and is hereby approved;
  - (b) the absence of arrangement for excess application for the Offer Shares according to the terms and conditions set out in the Circular be and is hereby approved and confirmed;
  - (c) the Underwriting Agreement be and is hereby approved, confirmed and ratified and any Director be and is hereby authorised to do such acts or execute such documents which may be necessary, desirable or expedient in his or her opinion to carry into effect or to give effect to the terms of the Underwriting Agreement; and
  - (d) the Directors be and are hereby authorised to allot and issue the Offer Shares pursuant to and in connection with the Open Offer and to do all such acts and things and execute all such documents which in their opinion may be necessary, desirable or expedient to carry out or give effect to or in connection with the Open Offer or any transactions contemplated thereby.”

5. “**THAT** the waiver (the “**Whitewash Waiver**”), granted or to be granted by the Executive Director (the “**Executive**”) of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong pursuant to Note 1 on dispensations from Rule 26 of the Hong Kong Code on Takeovers and Mergers waiving any obligation on the part of World Treasure Global Limited (the “**Subscriber**”) and parties acting in concert with it, to make a general offer for all the issued Adjusted Shares not already owned or agreed to be acquired by them as a result of the subscription of 450,000,000 Subscription Shares by the Subscriber and the Subscriber’s underwriting obligation of 230,000,000 Offer Shares under the Underwriting Agreement, be and is hereby approved, and the Directors be and are hereby authorised to do all such acts and things and take all such action and execute all documents (including the affixation of the common seal of the Company where execution under seal is required) as they may consider to be necessary or desirable to give effect to any of the matters relating to, or incidental to, the Whitewash Waiver.”
6. “**THAT** subject to and conditional upon the completion of the Acquisition, the Subscription Agreement and the Open Offer and the Listing Committee of the Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new Shares to be issued pursuant to this resolution:
- (a) the allotment and issue of 41,023,612 Adjusted Shares (the “**Bonus Shares**”) by the Company, credited as fully paid, to the Shareholders whose names appear on the register of members of the Company on the Record Date on the basis of five (5) Bonus Shares for every seven (7) then Adjusted Shares held by the Shareholders be and is hereby approved;
  - (b) the Bonus Shares to be issued and allotted pursuant to this resolution shall be subject to the memorandum of association and bye-laws of the Company and shall rank pari passu in all respects with the Adjusted Shares then in issue, except that they will not rank for the Offer Shares and the bonus issue of the Adjusted Shares mentioned in this resolution; and
  - (c) the Directors be are hereby authorised to do all acts and things as may be necessary and expedient in connection with the allotment and issue of the Bonus Shares, including, but not limited to, determining and applying the amount to be capitalized out of the share premium account of the Company for paying up the Bonus Shares and the number of Bonus Shares to be issued, allotted and distributed in the manner referred to in paragraph (a) of this resolution.”
7. “**THAT**
- (a) the master agreement dated 29 February 2012 entered into between Sky Will Printing & Packaging (Holdings) Limited and New Spring Label & Packaging Limited (the “**Master Agreement**”) (a copy of which has been produced to the Meeting and marked “E” and initialed by the chairman of the meeting for the purpose of identification) in relation to, among other matters, the production of printing orders for a term up to 31 March 2015 and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;

- (b) the proposed annual caps in relation to the transactions under the Master Agreement for the period commencing from the date on which the Master Agreement becoming effective until 31 March 2013 and each of the years ending 31 March 2014 and 31 March 2015 will not exceed HK\$24 million, HK\$26 million and HK\$28 million respectively be and are hereby approved; and
- (c) the Directors be and are hereby authorised to execute such other documents, do all other acts and things and take such action as they may consider necessary, desirable or expedient to implement and/or give effect to or otherwise in connection with the Master Agreement and any or all the matters contemplated in the Master Agreement and this resolution.”

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

Hong Kong, 5 March 2012

*Registered Office:*  
Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Principal Place of Business in Hong Kong:*  
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Wings Building  
110–116 Queen’s Road Central  
Central, Hong Kong

*Notes:*

1. Any member entitled to attend and vote at the special general meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. Where there are joint holders of shares, any one of such joint holders may vote at the special general meeting, either in person or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders are present at the special general meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members and where applicable, any branch register of members of the Company to be kept pursuant to the provisions of the Companies Act 1981 of Bermuda, as amended from time to time, in respect of the joint holding.
3. The form of proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or certified copy of such power or authority, shall be delivered to the Company’s Hong Kong branch share registrar, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than forty-eight (48) hours before the time appointed for holding the special general meeting or adjourned meeting at which the person named in the form proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll and in default the form of proxy shall not be treated as valid.

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

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Subscriber) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*