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CLIMAX INTERNATIONAL COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 439)

- (1) COMPLETION OF SUBSCRIPTION OF NEW ORDINARY SHARES AND NEW PREFERRED SHARES;**
- (2) APPOINTMENT OF DIRECTORS;**
- (3) RESIGNATION OF DIRECTORS AND CHIEF EXECUTIVE OFFICER;**
- (4) CHANGE OF BOARD COMMITTEES MEMBERS AND**
- (5) CHANGE OF AUTHORISED REPRESENTATIVE**

COMPLETION OF THE SUBSCRIPTION

The Board is pleased to announce that all conditions precedent in respect of the Subscription have been fulfilled and the Completion took place on 22 August 2014.

APPOINTMENT OF DIRECTORS

The appointments of Dr. Liu Ruopeng, Dr. Luan Lin, Dr. Zhang Yangyang and Mr. Ko Chun Shun, Johnson as executive Directors and Dr. Liu Jun and Dr. Wong Kai Kit as independent non-executive Directors were approved by the Independent Shareholders at the SGM held on 21 August 2014 and their appointments have become effective on 22 August 2014.

RESIGNATION OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

The Board announces that Mr. Wong Hin Shek has resigned as an executive Director and chief executive officer of the Company, Mr. Wong Hung Ki has resigned as a non-executive Director, and Dr. Wong Yun Kuen and Mr. Man Kwok Leung have resigned as independent non-executive Directors with effect from 23 August 2014.

CHANGE OF BOARD COMMITTEES MEMBERS

Dr. Wong Yun Kuen and Mr. Man Kwok Leung ceased to be the chairman/members of the board committees with effect from 23 August 2014.

CHANGE OF AUTHORISED REPRESENTATIVE

Mr. Wong Hin Shek ceased to be the authorised representative of the Company and Mr. Ko Chun Shun, Johnson was appointed as the authorised representative of the Company, both with effect from 23 August 2014.

Reference is made to the announcement of the Company dated 21 August 2014 and the circular of the Company dated 29 July 2014 (the “Circular”). Capitalised terms used herein shall have the same meanings as defined in the Circular unless the context requires otherwise.

COMPLETION OF THE SUBSCRIPTION

The Board is pleased to announce that all conditions precedent in respect of the Subscription set out under the section headed “Conditions of the Subscription” in the Circular have been fulfilled and the Completion took place on 22 August 2014. Pursuant to the Subscription Agreement, 1,666,666,668 new Ordinary Shares have been duly allotted and issued as fully paid to the Subscribers and 2,683,333,332 new Preferred Shares have been duly allotted and issued as partly paid to the Subscribers. Accordingly, immediately after the Completion, there are 3,116,167,793 Ordinary Shares and 2,683,333,332 Preferred Shares in issue.

The following table shows the shareholding structure of the Company as at the date of this announcement immediately after the Completion and, for illustrative purposes, the shareholding structures of the Company immediately upon (i) conversion in full of the Tranche A Preferred Shares; and (ii) conversion in full of the Tranche A Preferred Shares and the Tranche B Preferred Shares, assuming no other Ordinary Shares will be issued between the date of this announcement and the date until all Tranche A Preferred Shares and Tranche B Preferred Shares have been fully converted:

	As at the date of this announcement		Immediately after completion of the Subscription and the conversion in full of the Tranche A Preferred Shares (Note 3)		Immediately after completion of the Subscription and the conversion in full of the Tranche A Preferred Shares and the Tranche B Preferred Shares (Note 3)	
	Number of Ordinary Shares	%	Number of Ordinary Shares	%	Number of Ordinary Shares	%
The Subscribers and parties acting in concert with New Horizon (note 4)						
New Horizon	1,133,333,334	36.37%	2,045,666,667	45.89%	2,958,000,000	51.01%
Starbliss	155,555,556	4.99%	280,777,778	6.30%	406,000,000	7.00%
Grand Consulting	77,777,778	2.50%	140,388,889	3.15%	203,000,000	3.50%
Lucky Time	77,777,778	2.50%	140,388,889	3.15%	203,000,000	3.50%
Cutting Edge	155,555,556	4.99%	280,777,778	6.30%	406,000,000	7.00%
REORIENT Global	66,666,666	2.14%	120,333,333	2.70%	174,000,000	3.00%
RFML (Note 2)	1	—	1	—	1	—
<i>Subtotal</i>	1,666,666,669	53.49%	3,008,333,335	67.49%	4,350,000,001	75.01%
World Treasure Global Limited (Note 1)	638,981,013	20.50%	638,981,013	14.33%	638,981,013	11.02%
Other public shareholders	810,520,111	26.01%	810,520,111	18.18%	810,520,111	13.97%
Total	3,116,167,793	100.00%	4,457,834,459	100.00%	5,799,501,125	100.00%

Notes:

1. The 638,981,013 Ordinary Shares are beneficially owned by World Treasure Global Limited, the entire issued share capital of which is wholly and beneficially owned by Mr. Wong Hin Shek, a former executive Director.
2. The one Ordinary Share held by RFML is a residue resulting from fractions of Ordinary Shares which were unallocated to brokerage clients of RFML when the Company conducted a bonus issue of Ordinary Shares in May 2012.

3. The allotment and issue of the Conversion Shares are subject to the Tranche A Preferred Shares or the Tranche B Preferred Shares (as the case may be) having been fully paid up and the public float requirements under the Listing Rules, as further set out below.
4. New Horizon is a substantial shareholder of the Company. Mr. Ko Chun Shun, Johnson, an executive Director, is the ultimate beneficial owner of each of Starbliss, REORIENT Global and RFML. Ordinary Shares held by New Horizon, Starbliss, REORIENT Global and RFML are considered not held by public under Rule 8.08 of the Listing Rules.

Upon the exercise of the conversion rights attaching to the Tranche A Preferred Shares, the public float of the Company may fall below the minimum 25% threshold as required under Rule 8.08(1)(a) of the Listing Rules. Under the terms of the Preferred Shares, the Company's obligation to effect conversion of fully-paid Preferred Shares into Conversion Shares shall be subject to the Company's compliance with the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules. In the event the Preferred Shares are held by more than one holder and the headroom for conversion by the Company is insufficient to enable all of such Preferred Shares be converted in one batch, the Preferred Shares held by the relevant holders shall be converted by the Company on a pro-rata basis. The Company will ensure its compliance with the public float requirements under the Listing Rules at all times.

APPOINTMENT OF DIRECTORS

As set out in the section headed "Letter from the Board" in the Circular, the Board had proposed six nominees of the Subscribers, namely Dr. Liu Ruopeng, Dr. Luan Lin, Dr. Zhang Yangyang and Mr. Ko Chun Shun, Johnson to be appointed as executive Directors and Dr. Liu Jun and Dr. Wong Kai Kit to be appointed as independent non-executive Directors (together, the "Incoming Directors"). The above appointments were approved by the Independent Shareholders at the SGM held on 21 August 2014 and have become effective on 22 August 2014. The biographical details of the Incoming Directors are as follows:

Dr. Liu Ruopeng

Dr. Liu Ruopeng, aged 30, is the sole director of New Horizon. Dr. Liu is the president of 深圳光啟高等理工研究院 (Kuang-Chi Institute of Advanced Technology). Dr. Liu was the vice chairman of 深圳市總商會第六屆理事會 (The 6th Executive Committee of the Shenzhen Federation Of Industry and Commerce) in 2012. He was appointed a member of the First Shenzhen-Hong Kong Youth Consulting Committee for Authority of Qin Hai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen in 2014. Dr. Liu was awarded 中國青年五四獎章 ("4th May Youth Excellence Award in China") in 2014 and 2010年度廣東十大新聞人物 ("2010 Guangdong News-Focus People Top 10") in 2011. Dr. Liu obtained a master of science degree and a doctorate degree from Duke University, the United States of America in 2008 and a bachelor's degree in engineering from Zhejiang University, the PRC in 2006.

As at the date of this announcement, Dr. Liu was deemed to be interested in 2,958,000,000 Ordinary Shares (being the 2,958,000,000 Ordinary Shares held by New Horizon) within the meaning of Part XV of the SFO.

Dr. Luan Lin

Dr. Luan Lin, aged 34, has been the vice president of 深圳光啟高等理工研究院 (Kuang-Chi Institute of Advanced Technology) since 2010. Dr. Luan obtained a doctorate degree from Duke University, the United States of America in 2010 and a master's degree from Peking University, the PRC in 2004.

Dr. Zhang Yangyang

Dr. Zhang Yangyang, aged 35, has been the executive vice president of 深圳光啟高等理工研究院 (Kuang-Chi Institute of Advanced Technology) since 2009. Dr. Zhang has been the vice president of 深圳市青年科技人才協會 (Shenzhen Young Science and Technology Talents Association) since 2012. Dr. Zhang obtained a doctorate degree from the University of Oxford, the United Kingdom in 2009, and graduated as 碩士研究生 (Master Research Student) from Northeastern University, the PRC in 2004.

Mr. Ko Chun Shun, Johnson

Mr. Ko Chun Shun, Johnson, aged 62, is the sole director of Starbliss. Mr. Ko has extensive experience in a variety of activities, including manufacturing, securities trading, international trade, electronics and the renewable energy industry. He also has extensive experience in corporate finance, corporate restructuring and mergers and acquisitions. Mr. Ko is the chairman and an executive director of both REORIENT Group Limited (stock code: 376) and Varitronix International Limited (stock code: 710); the vice chairman and an executive director of China WindPower Group Limited (stock code: 182); and the deputy chairman and an executive director of Frontier Services Group Limited (stock code: 500), the shares of which are listed on the Stock Exchange.

As at the date of this announcement, Mr. Ko was deemed to be interested in 580,000,001 Ordinary Shares (being the 406,000,000 Ordinary Shares held by Starbliss, the 174,000,000 Ordinary Shares held by REORIENT Global and the one Ordinary Share held by RFML) within the meaning of Part XV of the SFO.

Dr. Liu Jun

Dr. Liu Jun, aged 49, was appointed a professor of statistics at Harvard University in 2000 and has written research papers and publications about Markov chain Monte Carlo algorithms. Dr. Liu received a number of awards including The Committee of Presidents of Statistical Societies 2002 Presidents' Award in 2002 and the Morningside Gold Medal in Mathematics in 2010. Dr. Liu was elected as a fellow of the Institute of Mathematical Statistics in 2004 and the American Statistical Association in 2005. Dr. Liu obtained a doctorate degree from The University of Chicago, the United States of America in 1991.

Dr. Wong Kai Kit

Dr. Wong Kai Kit, aged 40, was appointed a reader at the Department of Electronic and Electrical Engineering, University College London, United Kingdom in October 2011. Dr. Wong had other teaching and research roles in universities and education institutes in Hong Kong, the United States of America and the United Kingdom. Dr. Wong is a senior member of The Institute of Electrical and Electronics Engineers Inc. ("IEEE") and is also on the

editorial board of IEEE Wireless Communications Letters, IEEE Communications Letters, Journal of Communications and Networks, and IET Communications. He is the senior editor for the IEEE Communications Letters. Dr. Wong obtained a doctorate degree, a master's degree and a bachelor's degree from the Hong Kong University of Science and Technology, Hong Kong, in 2001, 1998 and 1996 respectively.

All the Incoming Directors have not entered into any service contract with the Company and are subject to retirement by rotation and re-election in accordance with the bye-laws of the Company. The remuneration of each of the Incoming Directors will be determined by the Board with reference to their respective experience and the prevailing market director's fees for executive and independent non-executive directors (as applicable). As at the date of this announcement, save as disclosed in their biographies above, the Incoming Directors have no interest in the Ordinary Shares within the meaning of Part XV of the SFO, have not held any other directorships in any public listed companies in the past three years, are not connected with any Directors, senior management or substantial or controlling shareholders of the Company (as defined in the Listing Rules) and there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no matters that need to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to welcome the Incoming Directors for joining the Board.

RESIGNATION OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

The Board announces that Mr. Wong Hin Shek has resigned as an executive Director and chief executive officer of the Company, Mr. Wong Hung Ki has resigned as a non-executive Director, and Dr. Wong Yun Kuen and Mr. Man Kwok Leung have resigned as independent non-executive Directors with effect from 23 August 2014.

Each of Mr. Wong Hin Shek, Mr. Wong Hung Ki, Dr. Wong Yun Kuen and Mr. Man Kwok Leung confirms that none of them has any disagreement with the Board and that they are not aware of any matter in relation to their resignation that needs to be brought to the attention of the shareholders of the Company.

The Board wishes to take this opportunity to express its gratitude to Mr. Wong Hin Shek, Mr. Wong Hung Ki, Dr. Wong Yun Kuen and Mr. Man Kwok Leung for their contribution to the Board.

CHANGE OF BOARD COMMITTEES MEMBERS

Dr. Wong Yun Kuen ceased to be the chairman of the nomination committee of the Company, and a member of the audit committee and the remuneration committee of the Company; and Mr. Man Kwok Leung ceased to be a member of the audit committee, the remuneration committee and the nomination committee of the Company with effect from 23 August 2014.

A further announcement will be made by the Company in respect of appointment of the chairman/members of the audit committee, the remuneration committee and the nomination committee of the Company.

CHANGE OF AUTHORISED REPRESENTATIVE

Mr. Wong Hin Shek ceased to be the authorised representative of the Company and Mr. Ko Chun Shun, Johnson was appointed as the authorised representative of the Company, both with effect from 23 August 2014.

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

Hong Kong, 22 August 2014

As at the date of this announcement, the Board comprises six executive Directors, namely Dr. Liu Ruopeng, Dr. Luan Lin, Dr. Zhang Yangyang, Mr. Ko Chun Shun, Johnson, Mr. Wong Hin Shek and Mr. Ng Man Chan; one non-executive Director, namely Mr. Wong Hung Ki; and five independent non-executive Directors, namely Dr. Liu Jun, Dr. Wong Kai Kit, 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 and confirm having made all reasonable inquiries, 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.