RAYMOND Industrial Ltd
利民實業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0229)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

The Directors announce that the audited results for the year ended 31 December 2009 are as follows:

Consolidated Income Statement for the Year ended 31 December 2009
(Expressed in Hong Kong dollars)

	Note	**2009** **HK$**	2008 *HK$*
Turnover	*4*	**817,000,353**	724,191,127
Cost of sales		**(736,364,949)**	(682,305,902)
Gross profit		**80,635,404**	41,885,225
Other revenue	*5*	**1,046,891**	6,019,398
Other net income/(loss)	*5*	**837,376**	(3,063,872)
Selling expenses		**(13,819,922)**	(15,765,821)
General and administrative expenses		**(60,716,856)**	(59,694,521)
Profit/(loss) before taxation	*6*	**7,982,893**	(30,619,591)
Income tax (expense)/credit	*7*	**(22,629)**	10,329,332
Profit/(loss) for the year and attributable to equity shareholders of the Company		**7,960,264**	(20,290,259)
Dividends payable to equity shareholders of the Company attributable to the year:	*8*		
Interim dividend declared during the year		**–**	19,693,244
Final dividend proposed after the balance sheet date		**15,767,395**	19,693,244
		15,767,395	39,386,488
Earnings/(loss) per share	*9*		
Basic, HK cents		**2.02**	(5.15)
Diluted, HK cents		**2.02**	(5.15)

Consolidated Statement of Comprehensive Income for the Year ended 31 December 2009
(Expressed in Hong Kong dollars)

	2009	2008
	HK$	*HK$*
Profit/(loss) for the year	**7,960,264**	(20,290,259)
Other comprehensive income for the year:		
Exchange differences on translation of financial statements of overseas subsidiaries, net of nil tax	**3,083,420**	13,366,721
Total comprehensive income/(loss) for the year and attributable to equity shareholders of the Company	**11,043,684**	(6,923,538)

Consolidated Balance Sheet at 31 December 2009
(Expressed in Hong Kong dollars)

	Note	**2009** **HK$**	2008 HK$
Non-current assets			
Fixed assets			
– Property, plant and equipment		**173,551,404**	171,228,336
– Interests in leasehold land held for own use under operating leases		**13,986,300**	14,383,564
Interests in associates		**–**	–
Deferred tax assets		**6,672,459**	5,727,623
		194,210,163	191,339,523
Current assets			
Inventories		**97,556,670**	88,045,302
Trade and other receivables	*10*	**133,042,449**	76,581,163
Tax recoverable		**5,409,313**	7,882,898
Cash and cash equivalents		**175,402,884**	215,925,630
		411,411,316	388,434,993
Current liabilities			
Trade and other payables	*11*	**118,302,415**	85,917,711
Dividends payable		**1,349,632**	1,519,973
		119,652,047	87,437,684
Net current assets		**291,759,269**	300,997,309
Total assets less current liabilities		**485,969,432**	492,336,832
Non-current liabilities			
Deferred tax liabilities		**165,186**	2,411,225
NET ASSETS		**485,804,246**	489,925,607
CAPITAL AND RESERVES			
Share capital		**197,092,442**	196,932,442
Reserves		**288,711,804**	292,993,165
TOTAL EQUITY		**485,804,246**	489,925,607

1 BASIS OF PREPARATION

This financial information has been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. This financial information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in the Group's financial statements.

2 NEW AND REVISED HKFRSS

The HKICPA has issued one new HKFRS, a number of amendments to HKFRSs and new Interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 8, Operating segments
- HKAS 1 (revised 2007), Presentation of financial statements
- Improvements to HKFRSs (2008)
- Amendments to HKFRS 7, Financial instruments: Disclosures – improving disclosures about financial instruments
- Amendments to HKAS 27, Consolidated and separate financial statements – cost of an investment in a subsidiary, jointly controlled entity or associate
- Amendments to HKFRS 2, Share-based payment – vesting conditions and cancellations

Except for HKFRS 8 and HKAS 1 (revised 2007) as described below, the adoption of these new and revised HKFRS have no significant impact on the Group's financial statements.

HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group's financial statements into segments based on related products and services and on geographical areas. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's most senior executive management, and has resulted in additional reportable segments being identified and presented. As this is the first period in which the Group has presented segment information in accordance with HKFRS 8, additional explanation has been included in note 3 which explains the basis of preparation of the information. Comparative figures have also been disclosed on a basis consistent with the revised segment information.

As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 SEGMENT REPORTING

The Group is principally engaged in a single business segment, the manufacture and sale of electrical home appliances, therefore, no analysis in business segment is presented.

On first-time adoption of HKFRS 8, Operating segments, and in a manner consistent with the way in which information is reported internally to the Group's senior management for the purposes of resource allocation and performance assessment, the Group has identified five reportable segments on a geographical basis: Japan, United States, the PRC, Europe and rest of the world. The electrical home appliances are manufactured in the Group's manufacturing facilities located in the PRC. The "rest of the world" segment covers sales of electrical home appliances to customers in Australia, Canada and Hong Kong.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments. The Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets included all tangible assets and current assets with the exception of interests in associates, tax balances and other corporate assets. Segment liabilities included trade creditors, accrued charges and other payables with the exception of tax balances attributable to the manufacture and sale activities of the individual segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit/(loss) is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation". To arrive at adjusted EBITDA, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as other head office or corporate administration costs.

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning inter-segment sales, interest income and expense from cash balances managed directly by the segments, depreciation and amortisation and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

3 SEGMENT REPORTING (CONTINUED)

(a) Segment results, assets and liabilities (continued)

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the year is set out below.

	Electrical home appliances											
	United States		The PRC		Japan		Europe		Rest of the world		Total	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**278,896**	205,542	**22,010**	22,862	**323,315**	341,180	**137,603**	107,995	**55,176**	46,612	**817,000**	724,191
Inter-segment revenue	**-**	–	**486,051**	414,863	**-**	–	**-**	–	**694,035**	108,800	**1,180,086**	523,663
Reportable segment revenue	**278,896**	205,542	**508,061**	437,725	**323,315**	341,180	**137,603**	107,995	**749,211**	155,412	**1,997,086**	1,247,854
Reportable segment profit/ (loss) (adjusted EBITDA)	**11,237**	(2,112)	**871**	(234)	**11,260**	(3,507)	**5,748**	(1,110)	**2,251**	(480)	**31,367**	(7,443)
Reportable segment assets	**-**	–	**379,691**	329,981	**-**	–	**-**	–	**306,657**	315,901	**686,348**	645,882
Additions to non-current segment assets during the year	**-**	–	**25,675**	9,167	**-**	–	**-**	–	**558**	760	**26,233**	9,927
Reportable segment liabilities	**(245)**	(304)	**(101,558)**	(55,324)	**-**	–	**-**	–	**(109,307)**	(110,007)	**(211,110)**	(165,635)

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

	2009	2008
	HK$000	*HK$000*
Revenue		
Reportable segment revenue	**1,997,086**	1,781,698
Elimination of inter-segment revenue	**(1,180,086)**	(1,057,507)
Consolidated turnover	**817,000**	724,191
Profit/(loss)		
Reportable segment profit	**200,388**	173,180
Elimination of inter-segment profits	**(169,021)**	(180,623)
Reporting segment profit/(loss) derived from Group's external customers	**31,367**	(7,443)
Other revenue and net loss	**1,884**	2,957
Depreciation and amortisation	**(25,268)**	(26,134)
Consolidated profit/(loss) before taxation	**7,983**	(30,620)

3 SEGMENT REPORTING (CONTINUED)

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities (continued)

	2009	2008
	HK$000	*HK$000*
Assets		
Reportable segment assets	**686,348**	645,882
Elimination of inter-segment receivables	**(92,808)**	(79,718)
	593,540	566,164
Tax recoverable	**5,409**	7,883
Deferred tax assets	**6,672**	5,727
Consolidated total assets	**605,621**	579,774
Liabilities		
Reportable segment liabilities	**(211,110)**	(165,635)
Elimination of inter-segment payables	**92,808**	79,718
	(118,302)	(85,917)
Dividend payable	**(1,350)**	(1,520)
Deferred tax liabilities	**(165)**	(2,411)
Consolidated total liabilities	**(119,817)**	(89,848)

(c) Major customers

Revenue from major customers, each of whom amounted to 10% or more of the total revenue, is set out below:

	2009	2008
	HK$000	*HK$000*
Customer A	**323,920**	346,544
Customer B	**162,258**	17,347
Customer C	**129,022**	97,363

4 TURNOVER

The principal activities of the Group are the manufacture and sale of electrical home appliances.

Turnover represents the sales value of goods supplied to customers, net of discounts, returns and value added tax or other sales taxes.

5 OTHER REVENUE AND NET INCOME/(LOSS)

	2009	2008
	HK$	*HK$*
Other revenue		
Bank interest income	**806,891**	5,779,398
Rentals receivable from operating leases	**240,000**	240,000
	1,046,891	6,019,398
Other net income/(loss)		
Net (loss)/gain on disposal of property, plant and equipment	**(240,155)**	23,582
Net exchange loss	**(282,322)**	(4,112,914)
Write-back of other payables	**–**	510,752
Gain on disposal of scrap materials	**711,888**	–
Sundry income	**647,965**	514,708
	837,376	(3,063,872)

6 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived after charging:

	2009	2008
	HK$	*HK$*
(a) Staff costs		
Salaries, wages and other benefits	**113,543,074**	100,996,925
Discretionary bonuses	**864,310**	1,100,000
Contributions to defined contribution retirement plans	**10,724,652**	10,584,209
Equity-settled share-based payment transactions*	**3,829,634**	4,603,838
	128,961,670	117,284,972

* During the year ended 31 December 2009, the Group recognised the fair values of equity-settled share-based payment transactions amounting to HK$4,326,599 (2008: HK$5,383,199) in the consolidated income statement, of which HK$3,829,634 (2008: HK$4,603,838) has been included in staff costs as the share options were granted to the Group's employees (including the directors).

	2009	2008
	HK$	*HK$*
(b) Other items		
Cost of inventories sold#	**736,364,949**	682,305,902
Amortisation of interests in leasehold land held for own use under operating leases	**488,140**	484,819
Depreciation	**24,779,575**	25,650,172
Impairment losses on trade and other receivables	**–**	5,486,835
Auditors' remuneration	**805,000**	838,000
Product development costs	**408,237**	938,627

Cost of inventories includes HK$117,946,000 (2008: HK$108,476,000) relating to staff costs and depreciation, which amounts are also included in the respective total amounts disclosed separately above or in note 6(a) for each of these types of expenses.

7 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

Taxation in the consolidated income statement represents:

	2009	2008
	HK$	*HK$*
Current tax – Hong Kong Profits Tax		
Provision for the year	**105,055**	144,906
Under/(over)-provision in respect of prior years	**1,702,900**	(1)
	1,807,955	144,905
Current tax – PRC Enterprise Income Tax		
Provision for the year	**1,358,988**	340,999
PRC Enterprise Income Tax refund	**–**	(8,503,227)
Under/(over)-provision in respect of prior years	**3,093**	(55,350)
	1,362,081	(8,217,578)
Deferred tax		
Origination and reversal of temporary differences	**(1,206,212)**	(2,256,659)
Over-provision in respect of prior years	**(1,941,195)**	–
	(3,147,407)	(2,256,659)
Income tax expense/(credit)	**22,629**	(10,329,332)

(i) The provision for Hong Kong Profits Tax is calculated at 16.5% (2008: 16.5%) of the estimated assessable profits for the year.

(ii) Taxation for subsidiaries outside Hong Kong is charged at the appropriate current rate of taxation ruling at the relevant tax jurisdictions.

Two subsidiaries in the PRC have been entitled to preferential tax treatments in the PRC. Upon the implementation of the Enterprise Income Tax Law of the PRC on 1 January 2008, a five-year transitional period had been granted to entities that previously enjoyed the preferential tax rate of 15%, over which the tax rate will gradually be increased to the standard rate of 25%. The applicable rates for these two subsidiaries in the PRC for 2009 are 10% and 20% (2008: 9% and 18%) respectively.

The change in the carrying amount of the deferred tax assets and liabilities, as a result of the change in tax rate, is recognised in the consolidated income statement.

8 DIVIDENDS

(i) Dividends payable to equity shareholders of the Company attributable to the year

	2009	2008
	HK$	*HK$*
Interim dividend declared and paid of Nil HK cents per ordinary share (2008: 5 HK cents per ordinary share)	**–**	19,693,244
Final dividend proposed after the balance sheet date of 4 HK cents per ordinary share (2008: 5 HK cent per ordinary share)	**15,767,395**	19,693,244
	15,767,395	39,386,488

The final dividend proposed after the balance sheet date has not been recognised as liabilities at the balance sheet date.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2009	2008
	HK$	*HK$*
Final dividend in respect of the previous financial year, approved and paid during the year, of 5 HK cent per ordinary share (2008: 1 HK cents per ordinary share)	**19,693,244**	3,938,648
Special dividend in respect of the previous financial year, approved and paid during the year, of Nil HK cents per ordinary share (2008: 20 HK cents per ordinary share)	**–**	78,772,977
	19,693,244	82,711,625

9 EARNINGS/(LOSS) PER SHARE

(a) The calculation of basic earnings/(loss) per share is based on the profit attributable to ordinary equity shareholders of the Company of HK$7,960,264 (2008: loss of HK$20,290,259) and the weighted average number of 393,882,857 (2008: 393,864,884) ordinary shares in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2009	2008
Issued ordinary shares at 1 January	**393,864,884**	393,864,884
Effect of share options exercised	**17,973**	–
Weighted average number of ordinary shares at 31 December	**393,882,857**	393,864,884

9 EARNINGS/(LOSS) PER SHARE (CONTINUED)

(b) The calculation of diluted earnings/(loss) per share is based on the profit attributable to ordinary equity shareholders of the Company of HK$7,960,264 (2008: loss of HK$20,290,259) and the weighted average number of 394,663,198 (2008: 393,864,884) ordinary shares, calculated as:

Weighted average number of ordinary shares (diluted)

	2009	2008
Weighted average number of ordinary shares at 31 December	**393,882,857**	393,864,884
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	**780,341**	–
Weighted average number or ordinary shares (diluted) at 31 December	**394,663,198**	393,864,884

The diluted loss per share calculations have not included the outstanding share options as at 31 December 2008 since the effect is anti-dilutive.

10 TRADE AND OTHER RECEIVABLES

	2009	2008
	HK$	*HK$*
Trade debtors	**120,654,173**	70,120,027
Other debtors	**5,956,933**	4,487,807
Deposits and prepayments	**6,431,343**	1,973,329
	133,042,449	76,581,163

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

Included in trade and other receivables are trade debtors with the following ageing analysis as of the balance sheet date:

	2009	2008
	HK$	*HK$*
Current	**105,732,467**	47,252,346
Less than one month past due	**9,183,315**	15,172,592
1 to 3 months past due	**4,120,383**	6,007,829
More than 3 months but less than 12 months past due	**1,618,008**	1,286,106
Over 12 months past due	**–**	401,154
Amounts past due	**14,921,706**	22,867,681
	120,654,173	70,120,027

Trade debtors are due within 30 to 60 days from the date of billing.

11 TRADE AND OTHER PAYABLES

	2009	2008
	HK$	*HK$*
Trade creditors	**84,174,595**	54,457,870
Accrued charges and other payables	**34,127,820**	31,459,841
	118,302,415	85,917,711

All of the trade and other payables are expected to be settled within one year or are repayable on demand. Included in trade and other payables are trade creditors with the following ageing analysis as of the balance sheet date:

	2009	2008
	HK$	*HK$*
Due within 1 month or on demand	**81,688,175**	53,466,992
Due after 1 month but within 3 months	**1,764,805**	603,844
Due after 3 months but within 12 months	**526,906**	131,420
Due after 12 months	**194,709**	255,614
	84,174,595	54,457,870

OPERATION RESULTS

For the year end 31 December, 2009, the Group had a net profit of HK$7,960,264, compared with a net loss of HK$20,290,259 a year ago. Operating profit before changes in working capital was positive, and cash generated from operations was approximately HK$4,271,283. Our cash and cash equivalents balance at the end of 2009 was HK$175,402,884 (with HK$19,693,244 dividend paid out during the year) compared with HK$215,925,630 at the beginning of the year. The positive operating cash flow and substantial cash balance allow the Group to expand our business as well as to continue our dividend payout policy.

Last year the Group had commenced the liquidation of our HK-based holding company of investment in the paper business, and hence the Group will no longer be liable for further losses in the cigarette paper business. The Group expects the process of liquidation to be completed during the second half of 2010.

For the financial year ended 31 December 2009, the Group's consolidated turnover was HK$817,000,353 compared with HK$724,191,127 in the previous year, representing an increase of 12.8% in turnover.

The Group's net profit was HK$7,960,264, representing earnings per share of 2.02 HK cents (our net loss in 2008 was HK$20,290,259, with loss per share of 5.15 HK cents).

CORPORATE SOCIAL RESPONSIBILITIES AND COMMITMENT

To uphold the Group's vision and endeavor to groom young talents for the manufacturing industry, Raymond Industrial Limited and the Hong Kong Polytechnic University have participated in the "Teaching Company Scheme" under the University-Industry Collaboration Programme of the Innovation and Technology Fund ("ITF"). New fresh graduates qualified for this program will be employed and worked at our manufacturing sites while conducting research projects culminating in award of their Master's degrees. All these efforts aim at providing our next generation of engineering professionals with a better understanding, incentives, encouragement and the necessary foundation to build a successful professional career in the manufacturing industry.

Furthermore, members of our top management gave guest lectures at the MBA classes at Dartmouth University in the U.S.A., Fudan University in Shanghai and the Hong Kong Polytechnic University to groom and recruit young talents.

DIVIDEND

The Board of Directors recommended the payment of a final dividend of 4 HK cents, making a total payout of 4 HK cents per share for 2009 (2008: total of 10 HK cents per share), which is subject to shareholders' approval at the upcoming annual general meeting. The total amount of dividend appropriated, based on the number of shares in issue, is HK$15,767,395 (2008: HK$39,386,488).

The book of transfers and register of member will be closed from 24 May 2010 to 1 June 2010, both days inclusive during which period no transfer of shares will be registered. In order to qualify for the final dividend, lodging of all transfers accompanied by the relevant share certificates must not be later than 4:30 p.m. on 20 May 2010 with the Company's share registrars, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. The final dividend is payable on or about 10 June 2010 to members whose names appear on the register of members of the Company on 1 June 2010.

FINANCIAL POSITION

The liquidity position of the Group remains sound. Its current ratio was 3.43 as of 31 December 2009, compared with 4.44 as of 31 December 2008.

During the year, the Group's Accounts Receivables turnover stood at 54 days in year 2009, compared with 35 days of the previous year because of request from a few major customers to extend payment terms. The inventory turnover increased from 47 days in year 2008 to 48 days in year 2009.

Bank balances and cash were HK$175,402,884 as of 31 December 2009 (2008: HK$215,925,630), representing a decrease of HK$40,522,746 over that of the previous year, mainly due to dividends paid out during the year.

There are no bank borrowings as of 31 December 2009, and the Group's debt to equity ratio is 29% as of 31 December 2009 (2008: 22%).

The Group had no contingent liabilities as of 31 December 2009 (2008: Nil).

As of 31 December 2009, the Group had commitments for capital contribution to subsidiaries (authorised but not contracted for) of HK$46,500,000 (2008: HK$46,800,000).

CHARGES ON ASSETS

The Group has no charges on assets as of 31 December 2009 and 31 December 2008.

FUTURE PROSPECTS

The Group completed shifting its core business from manufacturing of lower margin small appliances to higher margin environmental products. During 2009, the Group also focused on and developed more new grooming products. We expect most of these new products will be launched in 2010 and the first half of 2011, with significant contribution to be made to the Group's turnover and profit. At the same time, we have adopted a target costing strategy for all new products. We have established and deployed enterprise and business level strategy; established a technology plan with focus on core competencies; and selected target customers and identified their quality, cost and delivery requirement. Based on the business and technology strategies, we have defined new product lines, market size and share objectives, as well as developed a profit plan for the new products portfolio, thus migrating from an updated cost-plus pricing model to a market-based pricing model to capture more market shares with major customers.

At the same time, we have continued our business process improvement programs to ensure success by building leadership, understanding and commitment, as well as developing a comprehensive understanding of current business processes to improve efficiency, effectiveness and adaptability. We have developed in-process measurements and targets and implemented a continuous improvement process.

We will continue to follow our medium term strategic goal to become a leader in the environmental and grooming product categories while developing our competence in other product categories, such as the bar equipment category, a revolutionary departure from traditional electrical appliances. In 2009, we have successfully launched a few innovative and higher margin new products, and we will continue to launch new products in 2010 and beyond for these product categories.

To fulfill our goal to be a leader in our area of expertise and to execute our strategic plans successfully, our management has invested over HK$20,000,000 in new injection molding equipments in 2009. We expect to invest in more new machineries and technologies to further upgrade our manufacturing capabilities in 2010.

STAFF

The Group currently employs approximately 50 Hong Kong staff members and operates the Mandatory Provident Fund Scheme and defined contribution pension scheme. Our factory in the Mainland China employs about 250 staff members, and workers employed directly or indirectly varied from 3,000 to 4,000 persons during the year. Remuneration is determined by reference to their qualifications, experience and performance.

On behalf of the Board, I would like to extend the Board's appreciation to all our staff for their hard work and dedication throughout the year.

PURCHASE, SALE OR REDEMPTION OF OUR SHARES

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

CORPORATE GOVERNANCE

Throughout the period, the Company was in compliance with the Code of Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of The Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "Listing Rules"), with deviations from code provision A.4.1 of the CG Code in respect of the service term of independent non-executive directors.

Under code provision A.4.1 of the CG Code, non-executive directors (including independent non-executive directors) should be appointed for a specific term and subject to re-election.

None of the existing independent non-executive directors of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the CG Code. However, all independent non-executive directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Articles of Association. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors of the Company (the "Code"). Having made specific enquiry of the Directors of the Company, all the Directors confirmed that they had complied with the required standards as set out in the Model Code.

REMUNERATION COMMITTEE

A Remuneration Committee has been established in accordance with the requirements of the CG Code. The Remuneration Committee comprises two Executive Directors, Mr. Wong, John Ying Man and Mr. Wong, Raymond Man Hin, one Non-Executive Director, Mr. Huang, Zhouchang, and three Independent Non-Executive Directors, Mr. Leung, Michael Kai Hung (Chairman), Mr. Fan, Anthony Ren Da and Mr. Ng, Yiu Ming.

AUDIT COMMITTEE

The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to "A Guide for The Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee provides an important link between the Board and the Company's auditors in matters coming within the scope of the Group audit. It reviews the effectiveness of both the external and internal audit and of internal controls and risk evaluation. The Audit Committee comprises all independent non-executive directors and one non-executive director. Two meetings were held during the current financial year.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, financial report process and internal control matters including a review of the audited financial statements for the year ended 31 December 2009.

NOMINATION COMMITTEE

A Nomination Committee has been established in accordance with the requirements of the CG Code. The Nomination Committee comprises one Non-Executive Director, Mr. Huang, Zhouchang (Chairman), and three Independent Non-Executive Directors, Mr. Leung, Michael Kai Hung, Mr. Fan, Anthony Ren Da and Mr. Ng, Yiu Ming.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (http://www.hkexnews.hk) and the Company (http://www.raymondfinance.com). The annual report of the Company for the year ended 31 December 2009 will be despatched to shareholders of the Company and available on the above websites in due course.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at Academy Room, Inter-Continental Grand Stanford Hong Kong, No. 70 Mody Road, Tsimshatsui East, Kowloon, on 1 June 2010 (Tuesday) at 3:00 p.m. The Notice of Annual General Meeting will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

As at the date of this announcement, the Board comprises the following directors:

Executive directors:
Mr. Wong, Wilson Kin Lae; Mr. Wong, John Ying Man; Mr. Wong, Raymond Man Hin and Mr. Mok, Kin Hing

Non-executive directors:
Dr. Wong, Philip Kin Hang, *GBS, JP, LLD, DH*; Mr. Huang, Zhouchang and Ms. Li, Yinghong

Independent non-executive directors:
Mr. Leung, Michael Kai Hung; Mr. Fan, Anthony Ren Da and Mr. Ng, Yiu Ming

Alternate directors:
Mr. Xiong, Zhengfeng (alternate to Mr. Huang, Zhouchang); Mr. Zhang, Yuankun (alternate to Mr. Wong, Wilson Kin Lae) and Mr. Wong, David Ying Kit (alternate to Dr. Wong, Philip Kin Hang)

By Order of the Board
Wong, Wilson Kin Lae
Chairman

Hong Kong, 16 April 2010