RAYMOND Industrial Ltd
利 民 實 業 有 限 公 司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 0229)

Announcement
2010 Interim Results

SUMMARY OF UNAUDITED FINANCIAL RESULTS
For the six months ended 30 June 2010

The Board of Directors (the "Board") of Raymond Industrial Limited (the "Company") hereby announces the unaudited interim results for the six months ended 30 June 2010 of the Company and its subsidiaries (collectively the "Group"). The consolidated income statement, consolidated statement of comprehensive income of the Group for the six months ended 30 June 2010 and the consolidated balance sheet of the Group as at 30 June 2010, along with selected explanatory notes, are unaudited and have been reviewed by the Company's Audit Committee together with the Company's independent auditor, Baker Tilly Hong Kong Limited.

CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2010 – unaudited
(Expressed in Hong Kong dollars)

		Six months ended 30 June	
		2010	2009
	Note	***HK$'000***	*HK$'000*
Turnover	*3 & 4*	**389,670**	284,163
Cost of sales		**(358,351)**	(268,722)
Gross profit		**31,319**	15,441
Other revenue	*5*	**563**	592
Other net income/(loss)	*5*	**5,108**	(683)
Selling expenses		**(5,799)**	(5,478)
General and administrative expenses		**(24,943)**	(25,262)
Profit/(loss) before taxation	*6*	**6,248**	(15,390)
Income tax expense	*7*	**(1,366)**	(74)
Profit/(loss) for the period and attributable to equity shareholders of the Company		**4,882**	(15,464)
Earnings/(loss) per share	*9*		
Basic, HK cents		**1.22**	(3.93)
Diluted, HK cents		**1.20**	(3.93)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2010 – unaudited
(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
Profit/(loss) for the period	**4,882**	(15,464)
Other comprehensive income for the period:		
Exchange differences on translation of financial statements of overseas subsidiaries, net of nil tax	**754**	3,338
Total comprehensive income/(loss) for the period and attributable to equity shareholders of the Company	**5,636**	(12,126)

CONSOLIDATED BALANCE SHEET
AT 30 JUNE 2010 – UNAUDITED
(Expressed in Hong Kong dollars)

	Note	At 30 June 2010 HK$'000	At 31 December 2009 HK$'000 (Restated)
Non-current assets			
Fixed assets	10		
– Property, plant and equipment		**175,459**	177,425
– Interests in leasehold land held for own use under operating leases		**9,945**	10,113
Interests in associates		**–**	–
Deferred tax assets		**6,688**	6,672
		192,092	194,210
Current assets			
Inventories		**129,232**	97,557
Trade and other receivables	11	**173,799**	133,042
Tax recoverable		**5,166**	5,409
Cash and cash equivalents	12	**138,021**	175,403
		446,218	411,411
Current liabilities			
Trade and other payables	13	**151,668**	118,302
Dividends payable		**1,494**	1,350
		153,162	119,652
Net current assets		**293,056**	291,759
Total assets less current liabilities		**485,148**	485,969
Non-current liabilities			
Deferred tax liabilities		**165**	165
NET ASSETS		**484,983**	485,804
CAPITAL AND RESERVES			
Share capital		**204,118**	197,092
Reserves		**280,865**	288,712
TOTAL EQUITY		**484,983**	485,804

Notes:

1 BASIS OF PREPARATION

These interim financial results have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard 34, Interim financial reporting ("HKAS 34"), issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The interim financial report was authorised for issuance on 24 August 2010.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2009 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2010 annual financial statements. Details of these changes in accounting policies are set out in note 2.

2 NEW AND REVISED HKFRSs

The HKICPA has issued two revised HKFRSs, a number of amendments to HKFRSs and one new Interpretation 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 3 (revised 2008), Business combinations
- Amendments to HKAS 27, Consolidated and separate financial statements
- Improvements to HKFRSs (2009)

The Improvements to HKFRSs (2009) consist of further amendments to existing standards, including an amendment to HKAS 17, Leases. The amendment to HKAS 17 requires the land element of a property lease to be classified as a finance lease rather than an operating lease if it transfers substantially all the risks and rewards of ownership. Before amendment, HKAS 17 stated that the land element of a property lease would normally be classified as an operating lease unless title to the land was expected to pass to the leasee at the end of the lease term. On adoption of the amendment, the Group has assessed its property leases in Hong Kong and the People's Republic of China (the "PRC") and has reclassified the land element of its property lease in Hong Kong from operating lease to finance lease. In addition, the amortisation of the land lease premium has been reclassified to depreciation charge. The effect of the adoption of the amendment on the consolidated balance sheet at 1 January 2010 is to increase property, plant and equipment by HK$3,874,000 with a corresponding reduction in interests in leasehold land held for own use under operating leases. The depreciation charge for the six months ended 30 June 2010 has increased by HK$52,000 with a corresponding reduction in the amortisation charge. As the adoption of the amendment applies retrospectively, it has also resulted in an increase in the depreciation charge for the six months ended 30 June 2009 of HK$52,000 and a corresponding reduction in the amortisation charge for that period. The consolidated balance sheet at 31 December 2009 has been restated to reflect the reclassifications.

The adoption of the other revisions, amendments and interpretations has had no effect on the Group's financial statements.

The Group has not applied any new standard or amendment 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.

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.

3 SEGMENT REPORTING (Continued)

(a) 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 period is set out below.

	Electrical home appliances											
	United States		The PRC		Japan		Europe		Rest of the world		Total	
For the six months ended	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
	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	**120,318**	62,282	**11,934**	10,525	**138,875**	155,024	**79,253**	42,798	**39,290**	13,534	**389,670**	284,163
Inter-segment revenue	**-**	-	**265,732**	180,942	**-**	-	**-**	-	**351,031**	243,158	**616,763**	424,100
Reportable segment revenue	**120,318**	62,282	**277,666**	191,467	**138,875**	155,024	**79,253**	42,798	**390,321**	256,692	**1,006,433**	708,263
Reportable segment profit/(loss) (adjusted EBITDA)	**4,100**	(528)	**406**	(89)	**4,732**	(363)	**2,701**	(1,317)	**87,332**	66,330	**99,271**	64,033
Reportable segment assets	**-**	-	**404,250**	359,479	**-**	-	**-**	-	**358,188**	309,896	**762,438**	669,375
Additions to non-current segment assets during the period	**-**	-	**9,760**	4,572	**-**	-	**-**	-	**990**	558	**10,750**	5,130
Reportable segment liabilities	**(247)**	-	**(119,668)**	(102,782)	**-**	-	**-**	-	**(162,669)**	(118,686)	**(282,584)**	(221,468)

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

	Six months ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**1,006,433**	708,263
Elimination of inter-segment revenue	**(616,763)**	(424,100)
Consolidated turnover	**389,670**	284,163

3 SEGMENT REPORTING (Continued)

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

	Six months ended 30 June 2010 *HK$'000*	2009 *HK$'000*
Profit/(loss)		
Reportable segment profit	**99,271**	64,033
Elimination of inter-segment profits	**(85,993)**	(66,446)
Reporting segment profit/(loss) derived from group's external customers	**13,278**	(2,413)
Other revenue and net income/(loss)	**5,671**	(91)
Depreciation and amortisation	**(12,701)**	(12,886)
Consolidated profit/(loss) before taxation	**6,248**	(15,390)

	At 30 June 2010 *HK$'000*	At 31 December 2009 *HK$'000*
Assets		
Reportable segment assets	**762,438**	686,348
Elimination of inter-segment receivables	**(135,982)**	(92,808)
	626,456	593,540
Tax recoverable	**5,166**	5,409
Deferred tax assets	**6,688**	6,672
Consolidated total assets	**638,310**	605,621

	At 30 June 2010 *HK$'000*	At 31 December 2009 *HK$'000*
Liabilities		
Reportable segment liabilities	**(282,584)**	(211,110)
Elimination of inter-segment payables	**130,916**	92,808
	(151,668)	(118,302)
Dividend payable	**(1,494)**	(1,350)
Deferred tax liabilities	**(165)**	(165)
Consolidated total liabilities	**(153,327)**	(119,817)

4 SEASONALITY OF OPERATIONS

The Group on average experiences higher demands in the second half of the year. As a result, the Group typically reports lower revenue and results in the first half of the year.

5 OTHER REVENUE AND NET INCOME/(LOSS)

	Six months ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
Other revenue		
Bank interest income	**443**	472
Rental receivable from operating leases, other than those relating to investment property	**120**	120
	563	592
Other net income/(loss)		
Net loss on disposal of property, plant and equipment	**(356)**	(70)
Net exchange gain/(loss)	**1,549**	(986)
Refund of contributions to defined contribution retirement plans	**2,519**	-
Sundry income	**1,396**	373
	5,108	(683)

6 PROFIT/(LOSS) BEFORE TAXATION

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

	Six months ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
(a) Staff costs		
Salaries, wages and other benefits	**54,502**	42,738
Discretionary bonuses	**600**	156
Contributions to defined contribution retirement plans	**4,545**	4,957
Equity settled share-based payment transactions	**(45)**	(65)
	59,602	47,786

	Six months ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
		(Restated)
(b) Other items		
Cost of inventories sold[#]	**358,351**	268,722
Amortisation		
– land lease premium	**193**	193
Depreciation		
– property, plant and equipment	**12,508**	12,693
Product development costs	**421**	345

[#] Cost of inventories includes HK$59,742,000 (2009: HK$45,725,000) relating to staff costs and depreciation, which amount is 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

	Six months ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
Current tax - Hong Kong Profits Tax		
Provision for the period	**214**	-
Current tax – PRC Enterprise Income Tax		
Provision for the period	**1,139**	74
Under-provision in respect of prior years	**13**	-
	1,152	74
	1,366	74

The provision for Hong Kong Profits Tax for the six months ended 30 June 2010 is calculated at 16.5% of the estimated assessable profits for the period. No provision for Hong Kong Profits Tax for the six months ended 30 June 2009 was made as the Group did not have assessable profits for that period. Taxation for subsidiaries outside Hong Kong is charged at the appropriate current rate of taxation ruling at the relevant tax jurisdictions.

8 DIVIDENDS

(i) Dividends payable to equity shareholders of the Company attributable to the interim period:

	Six months ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
Interim dividend declared and approved after the interim period of 2 HK cents per ordinary share (six months ended 30 June 2009:HK$NIL)	**8,165**	-

The interim dividend has not been recognised as a liability at the balance sheet date.

8 DIVIDENDS (Continued)

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

	Six months ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
Final dividend in respect of previous financial year ended 31 December 2009, approved and paid of 4 HK cents (year ended 31 December 2008: 5 HK cents) per ordinary share	**16,329**	19,693

9 EARNINGS/(LOSS) PER SHARE

The calculation of earnings/(loss) per share is based on the profit/(loss) attributable to ordinary equity shareholders of the Company of HK$4,882,000 (six months ended 30 June 2009: loss of HK$15,464,000) and the weighted average of 398,561,332 (2009: 393,864,884) ordinary shares in issue during the interim period.

The calculation of diluted earnings/(loss) per share is based on the profit/(loss) attributable to ordinary equity shareholders of the Company of HK$4,882,000 (six months ended 30 June 2009: loss of HK$15,464,000) and the weighted average of 405,706,731 (2009: 393,864,884) ordinary shares. The diluted loss per share calculation for 2009 has not included the outstanding share options as at 30 June 2009 since the effect is anti-dilutive.

10 FIXED ASSETS

	Property, plant and equipment HK$'000	Interests in leasehold land held for own use under operating leases HK$'000	Total fixed assets HK$'000
Cost:			
At 1 January 2009			
as originally stated	377,153	20,487	397,640
adjustment on adoption of amendment to HKAS 17	5,235	(5,235)	-
as restated	382,388	15,252	397,640
Exchange adjustments	3,493	177	3,670
Additions	5,130	-	5,130
Disposals	(1,994)	-	(1,994)
At 30 June 2009 (Restated)	389,017	15,429	404,446
Accumulated amortisation and depreciation:			
At 1 January 2009			
as originally stated	205,925	6,103	212,028
adjustment on adoption of amendment to HKAS 17	1,257	(1,257)	-
as restated	207,182	4,846	212,028
Exchange adjustments	1,757	56	1,813
Charge for the period			
as originally stated	12,641	245	12,886
adjustment on adoption of amendment to HKAS 17	52	(52)	-
as restated	12,693	193	12,886
Disposals	(1,639)	-	(1,639)
At 30 June 2009 (Restated)	219,993	5,095	225,088
Carrying value:			
At 30 June 2009 (Restated)	169,024	10,334	179,358

10 FIXED ASSETS (Continued)

	Property, plant and equipment HK$'000	Interests in leasehold land held for own use under operating leases HK$'000	Total fixed assets HK$'000
Cost:			
At 1 January 2010			
as originally stated	399,988	20,620	420,608
adjustment on adoption of amendment to HKAS 17	5,235	(5,235)	-
as restated	405,223	15,385	420,608
Exchange adjustments	818	38	856
Additions	10,750	-	10,750
Disposals	(2,947)	-	(2,947)
At 30 June 2010	413,844	15,423	429,267
Accumulated amortisation and depreciation:			
At 1 January 2010			
as originally stated	226,437	6,633	233,070
adjustment on adoption of amendment to HKAS 17	1,361	(1,361)	-
as restated	227,798	5,272	233,070
Exchange adjustments	424	13	437
Charge for the period	12,508	193	12,701
Disposals	(2,345)	-	(2,345)
At 30 June 2010	238,385	5,478	243,863
Carrying value:			
At 30 June 2010	175,459	9,945	185,404
At 31 December 2009 (Restated)	177,425	10,113	187,538

11 TRADE AND OTHER RECEIVABLES

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

	At 30 June 2010 *HK$'000*	At 31 December 2009 *HK$'000*
Current	**131,691**	105,732
Less than 1 month past due	**21,176**	9,183
1 to 3 months past due	**4,263**	4,121
More than 3 months but less than 12 months past due	**441**	1,618
Trade debtors	**157,571**	120,654

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade debtors are due within 30 to 90 days from the date of billing.

12 CASH AND CASH EQUIVALENTS

	At 30 June 2010 *HK$'000*	At 31 December 2009 *HK$'000*
Bank deposits	**69,743**	77,512
Cash at bank and in hand	**68,278**	97,891
	138,021	175,403

13 TRADE AND OTHER PAYABLES

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

	At 30 June 2010 *HK$'000*	At 31 December 2009 *HK$'000*
Due within 1 month or on demand	**104,026**	81,688
Due after 1 month but within 3 months	**2,397**	1,764
Due after 3 months but within 12 months	**1,257**	527
Due after 12 months	**199**	195
Trade creditors	**107,879**	84,174

INTERIM DIVIDEND

At a meeting held on 24 August 2010, the Board proposed an interim dividend of 2 HK cents (2009:HK$ NIL) per ordinary share.

	Six months ended 30 June 2010 HK$'000	30 June 2009 HK$'000
Interim, proposed, of 2 HK cents (2009: HK$NIL) per ordinary share	**8,165**	-

In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged 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 by 4:30 p.m. on 7 September 2010. The interim dividend will be payable on or about 27 September 2010 to shareholders whose names appear on the register of members at the close of business on 10 September 2010.

The book of transfers and register of members will be closed from 8 September 2010 to 10 September 2010, both days inclusive, no transfer of shares will be registered during such period.

BUSINESS HIGHLIGHTS

In the first half of 2010, we saw modest growth in our US and Europe export businesses due to successful launch of a few new products in the grooming and lifestyle product categories. The turnover of the Group was HK$389,670,000 in the first six months of 2010, representing an increase of 37.13% compared with the turnover of the Group during the same period last year. The Group's net profit was HK$4,882,000 compared with HK$15,464,000 net loss during the same period last year.

During the period under review, the Group purchased over HK$10,000,000 of new injection molding machines, robotic arms and other production equipment to further automate our production process, and to improve our production efficiency. As a result, we managed to modestly increase our workforce from 3,900 workers in the first six months of 2009 to 4,050 workers during the same period in 2010 (3.8% increase in workforce) while the turnover increased 37.13%. We expect to increase our investment in projects that enhance automation during the second half of 2010 in order to counter the potential risk of RMB appreciation and increase of labour expenses.

We also saw positive results in our corporate social responsibility programs as the staff and students participating in the "Teaching Company Scheme" under the University-Industry Collaboration Programme of the Innovation and Technology Fund ("ITF") have started research projects that would bring technological and commercial benefits to the Group. The success of this programme helps the Group to recruit the best fresh graduates from the local universities continuously to strengthen our engineering resources.

Finally, to increase the transparency for our investors and shareholders, the Group organized a factory tour in June 2010 for those shareholders who attended the annual general meeting of the Company so that they can have a better understanding of the Group's goal and mission. We will continue this open transparency policy as we believe shareholders' feedback would help us formulate a winning strategy for the Group's future.

PROSPECTS FOR THE SECOND HALF OF 2010

The Group will launch a new innovative humidifier product line and a new line of lady grooming products during the second half of 2010. We are in the process of setting up a new R&D centre in the Hong Kong Science Park to develop new technologies that can be incorporated into our new product lines. The Group is optimistic that the launch of new products in the near future will make substantial contribution to the Group's turnover and margins.

We have seen results from the adoption of the Lean Sigma principle in our operations to improve production efficiency and costs control as the Group has turned around from two years of operating losses during the first half of fiscal year to profitability again this year. We have also seen results from our investment in new equipment during the last two years to modernize our manufacturing processes. We are committed to continue this modernization process in the next few years to increase our competitiveness in the manufacturing industry.

During the first six months of 2010, we not only discontinued the toaster oven lines but also considered to exit other low margin categories, such as aquarium products and hairsetter products within the next 12 months. We expect to focus our resources in developing new products in the grooming/shaving and environmental/lifestyle categories in the medium term to increase our future turnover and improve our profitability. Also, eliminating the low margin product lines would allow our business development team to better serve other customers and develop our new business more effectively.

FINANCIAL POSITION

The liquidity position of the Company was good. The current ratio was 2.91 as of 30 June 2010.

Bank balances and cash were HK$138,021,000 as of 30 June 2010, representing a decrease of HK$60,560,000 over that of the same date in the previous year. The change was mainly due to cash used in supporting operating activities, purchases of new injection molding machines and dividends paid out at fiscal year end of 2009.

There was no bank borrowing as of 30 June 2010, and the Group had no contingent liabilities as of 30 June 2010.

As of 30 June 2010, the Group had commitments for capital contribution to subsidiaries (authorised but not contracted for) of HK$ NIL (31 December 2009: HK$46,500,000) and contracted for construction work and purchases of equipment and moulds of HK$13,486,000 (31 December 2009: HK$1,213,000).

CHARGE ON ASSETS

The Group has no charges on assets as of 30 June 2010.

FOREIGN EXCHANGE EXPOSURE

Most of the Group's transactions were conducted in the United States Dollars, Hong Kong Dollars and Renminbi. The Group does not foresee any substantial exposure to foreign currency fluctuations and thus use of financial instruments for exchange rate hedging purpose is not considered.

STAFF

The Group currently employs approximately 30 Hong Kong staff members and has participated in the Mandatory Provident Fund Scheme and defined contribution pension schemes. Our factory in the mainland China employs about 250 staff members. Workers employed directly or indirectly by the factory ranged from 3,000 to 4,000 persons during the period.

The Group's remuneration policies and share option scheme remained the same as revealed in the annual report 2009.

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

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

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 to The Rules Governing the Listing of Securities on 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 of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Code") as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of the Directors, all the Directors confirmed that they had complied with the required standards as set out in the Code during the six months period ended 30 June 2010.

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 of the Company has reviewed the accounting practices and principles adopted by the Group and discussed auditing, internal control and financial reporting matters with the management of the Company including the review of the interim results and the interim financial report for the six months ended 30 June 2010.

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.

DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

The interim financial report 2010 will be published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.raymondfinance.com) in due course.

By Order of the Board
Wong, Wilson Kin Lae
Chairman

Hong Kong, 24 August 2010

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. Wong, David Ying Kit (alternate to Dr. Wong, Philip Kin Hang)
Mr. Zhang Yuankun (alternate to Mr. Wong, Wilson Kin Lae)