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 2012

The Board of Directors (the "Board") of Raymond Industrial Limited (the "Company") is pleased to announce the audited results of the Company and its subsidiaries (together the "Group") for the year ended 31 December 2012, together with comparative figures for last year as follows:

Consolidated Income Statement
(Expressed in Hong Kong dollars)

	Note	**2012** *HK$*	2011 *HK$*
Turnover	*3*	**1,278,078,943**	1,175,520,127
Cost of sales		**(1,127,016,376)**	(1,072,173,832)
Gross profit		**151,062,567**	103,346,295
Other revenue	*4*	**1,215,510**	1,774,960
Other net (loss)/income	*4*	**(1,584,789)**	6,960,016
Selling expenses		**(18,093,487)**	(23,051,153)
General and administrative expenses		**(72,610,353)**	(64,774,540)
Profit before taxation	*5*	**59,989,448**	24,255,578
Income tax	*6*	**(12,988,212)**	(6,095,554)
Profit for the year and attributable to equity shareholders of the Company		**47,001,236**	18,160,024
Earnings per share	*8*		
Basic, HK cents		**10.87**	4.27
Diluted, HK cents		**10.80**	4.25

Consolidated Statement of Comprehensive Income
(Expressed in Hong Kong dollars)

	2012	2011
	HK$	*HK$*
Profit for the year	**47,001,236**	18,160,024
Other comprehensive income for the year:		
Exchange differences on translation of financial statements of overseas subsidiaries, net of nil tax	**(247,783)**	15,540,097
Total comprehensive income for the year and attributable to equity shareholders of the Company	**46,753,453**	33,700,121

Consolidated Balance Sheet
(Expressed in Hong Kong dollars)

	Note	2012 HK$	2011 HK$
Non-current assets			
Fixed assets	9		
– Property, plant and equipment		**210,526,589**	222,923,885
– Interests in leasehold land held for own use under operating leases		**9,658,012**	10,076,945
Deferred tax assets		**8,995,749**	9,223,883
		229,180,350	242,224,713
Current assets			
Inventories		**125,047,813**	155,480,081
Trade and other receivables	10	**273,613,609**	205,732,023
Tax recoverable		**-**	4,044,968
Cash and cash equivalents	11	**149,241,346**	169,334,260
		547,902,768	534,591,332
Current liabilities			
Trade and other payables	12	**205,674,956**	239,725,930
Dividends payable		**167,502**	371,149
Tax payable		**12,275,212**	3,007,074
		218,117,670	243,104,153
Net current assets		**329,785,098**	291,487,179
Total assets less current liabilities		**558,965,448**	533,711,892
Non-current liabilities			
Deferred tax liabilities		**193,033**	207,037
NET ASSETS		**558,772,415**	533,504,855
CAPITAL AND RESERVES			
Share capital		**216,487,130**	216,103,630
Reserves		**342,285,285**	317,401,225
TOTAL EQUITY		**558,772,415**	533,504,855

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 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 a number of amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. The adoption of these amendments to HKFRSs did not result in significant changes to the Group’s accounting policies applied in this financial information for the years presented.

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

2 SEGMENT REPORTING

The Group is principally engaged in the manufacture and sale of electrical home appliances. 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 People’s Republic of China (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 include all tangible assets and current assets with the exception of tax balances. Segment liabilities include trade creditors, accrued charges and other payables, with the exception of tax balances and dividends payable, 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 other revenue and net income, and the depreciation and amortisation of assets attributable to those segments.

The measurement used for reporting segment profit 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.

2 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 2012 *HK$'000*	**The PRC 2012** *HK$'000*	**Japan 2012** *HK$'000*	**Europe 2012** *HK$'000*	**Rest of the world 2012** *HK$'000*	**Total 2012** *HK$'000*
Revenue from external customers	**396,228**	**44,748**	**400,774**	**302,931**	**133,398**	**1,278,079**
Inter-segment revenue	**-**	**764,370**	**-**	**-**	**1,182,695**	**1,947,065**
Reportable segment revenue	**396,228**	**809,118**	**400,774**	**302,931**	**1,316,093**	**3,225,144**
Reportable segment profit (adjusted EBITDA)	**29,851**	**3,371**	**30,193**	**22,822**	**318,253**	**404,490**
Reportable segment assets	**-**	**458,983**	**-**	**-**	**462,183**	**921,166**
Additions to non-current segment assets during the year	**-**	**23,672**	**-**	**-**	**458**	**24,130**
Reportable segment liabilities	**(336)**	**(113,294)**	**-**	**-**	**(245,205)**	**(358,835)**

	Electrical home appliances					
	United States 2011 *HK$'000*	The PRC 2011 *HK$'000*	Japan 2011 *HK$'000*	Europe 2011 *HK$'000*	Rest of the world 2011 *HK$'000*	Total 2011 *HK$'000*
Revenue from external customers	387,034	18,715	407,097	230,705	131,969	1,175,520
Inter-segment revenue	-	760,887	-	-	1,147,861	1,908,748
Reportable segment revenue	387,034	779,602	407,097	230,705	1,279,830	3,084,268
Reportable segment profit (adjusted EBITDA)	15,991	774	16,820	9,532	284,635	327,752
Reportable segment assets	-	496,642	-	-	635,193	1,131,835
Additions to non-current segment assets during the year	-	48,024	-	-	588	48,612
Reportable segment liabilities	(247)	(186,153)	-	-	(190,311)	(376,711)

2 SEGMENT REPORTING (CONTINUED)

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

	2012	2011
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**3,225,144**	3,084,268
Elimination of inter-segment revenue	**(1,947,065)**	(1,908,748)
Consolidated turnover	**1,278,079**	1,175,520

	2012	2011
	HK$'000	*HK$'000*
Profit		
Reportable segment profit	**404,490**	327,752
Elimination of inter-segment profits	**(308,204)**	(279,181)
Reportable segment profit derived from Group's external customers	**96,286**	48,571
Other revenue and net (loss)/income	**(369)**	8,735
Depreciation and amortisation	**(35,928)**	(33,050)
Consolidated profit before taxation	**59,989**	24,256

	2012	2011
	HK$'000	*HK$'000*
Assets		
Reportable segment assets	**921,166**	1,131,835
Elimination of inter-segment receivables	**(153,079)**	(368,288)
	768,087	763,547
Tax recoverable	**-**	4,045
Deferred tax assets	**8,996**	9,224
Consolidated total assets	**777,083**	776,816

	2012	2011
	HK$'000	*HK$'000*
Liabilities		
Reportable segment liabilities	**(358,835)**	(376,711)
Elimination of inter-segment payables	**153,160**	136,985
	(205,675)	(239,726)
Dividends payable	**(167)**	(371)
Tax payable	**(12,275)**	(3,007)
Deferred tax liabilities	**(193)**	(207)
Consolidated total liabilities	**(218,310)**	(243,311)

2 SEGMENT REPORTING (CONTINUED)

(c) Major customers

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

	2012	2011
	HK$'000	*HK$'000*
Customer A	**408,202**	416,756
Customer B	**245,187**	267,357
Customer C	**192,369**	168,004
Customer D	**189,064**	166,565

3 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.

4 OTHER REVENUE AND NET (LOSS)/INCOME

	2012	2011
	HK$	*HK$*
Other revenue		
Bank interest income	**1,215,510**	1,774,960
Other net (loss)/income		
(Loss)/gain on disposal of scrap materials	**(782,230)**	2,400,552
Net exchange (loss)/gain	**(4,903,197)**	4,090,628
Net loss on disposal of property, plant and equipment	**(678,623)**	(1,738,046)
Forfeiture of benefits upon termination of a provident fund scheme	**3,305,249**	-
Sample sales income	**633,708**	808,014
Subsidy income	**525,722**	721,205
Sundry income	**314,582**	677,663
	(1,584,789)	6,960,016

5 PROFIT BEFORE TAXATION

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

	2012	2011
	HK$	*HK$*
(a) Staff costs		
Salaries, wages and other benefits	**123,907,936**	164,861,245
Discretionary bonuses	**2,887,000**	1,345,000
Contributions to defined contribution retirement plans	**19,868,071**	19,907,517
Equity-settled share-based payment transactions*	**3,551,567**	(163,774)
	150,214,574	185,949,988

* The fair value of the share options granted during the year amounted to HK$3,927,812 (2011: HK$Nil) and was recognised in profit or loss, of which an amount of HK$3,551,567 (2011: HK$Nil) has been included in staff cost as the relevant share options were granted to the employees and directors.

	2012	2011
	HK$	*HK$*
(b) Other items		
Cost of inventories sold#	**1,127,016,376**	1,072,173,832
Amortisation of interests in leasehold land held for own use under operating leases	**413,212**	413,457
Depreciation	**35,514,335**	32,636,373
Auditors' remuneration	**635,000**	616,000
Product development costs	**434,464**	892,393

\# Cost of inventories includes HK$145,657,055 (2011: HK$185,588,302) relating to staff costs, depreciation and loss on disposal of property, plant and equipment, which amounts are also included in the respective total amounts disclosed separately above or in note 5(a) for each of these types of expenses.

6 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

Taxation in the consolidated income statement represents:

	2012	2011
	HK$	*HK$*
Current tax – Hong Kong Profits Tax		
Provision for the year	**4,169,207**	1,676,547
Over-provision in respect of prior years	**(1,777,554)**	-
	2,391,653	1,676,547
Current tax – PRC Enterprise Income Tax		
Provision for the year	**10,387,323**	4,825,757
Under-provision in respect of prior years	**128**	211
	10,387,451	4,825,968
Deferred tax		
Origination and reversal of temporary differences	**209,108**	(406,961)
Income tax expense	**12,988,212**	6,095,554

(i) The provision for Hong Kong Profits Tax is calculated at 16.5% (2011: 16.5%) of the estimated assessable profits for the year.

(ii) Taxation for overseas subsidiaries 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 rate for these two subsidiaries in the PRC for 2012 is 25% (2011: 24%).

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.

7 DIVIDENDS

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

	2012	2011
	HK$	*HK$*
Interim dividend declared and paid of 2 HK cents per ordinary share (2011: 2 HK cents per ordinary share)	**8,648,845**	8,644,145
Final dividend proposed after the balance sheet date of 5 HK cents per ordinary share (2011: 4 HK cents per ordinary share)	**21,648,713**	17,288,290
	30,297,558	25,932,435

The final dividend proposed after the balance sheet date has not been recognised as a liability 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

	2012	2011
	HK$	*HK$*
Final dividend in respect of the previous financial year, approved and paid during the year, of 4 HK cents per ordinary share (2011: 4 HK cents per ordinary share)	**17,288,690**	17,037,490

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK$47,001,236 (2011: HK$18,160,024) and the weighted average number of 432,347,194 (2011: 425,124,455) ordinary shares in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2012	2011
Issued ordinary shares at 1 January	**432,207,260**	411,745,260
Effect of share options exercised	**139,934**	13,379,195
Weighted average number of ordinary shares at 31 December	**432,347,194**	425,124,455

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of HK$47,001,236 (2011: HK$18,160,024) and the weighted average number of 435,303,683 (2011: 427,691,266) ordinary shares, calculated as follows:

Weighted average number of ordinary shares (diluted)

	2012	2011
Weighted average number of ordinary shares at 31 December	**432,347,194**	425,124,455
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	**2,956,489**	2,566,811
Weighted average number of ordinary shares (diluted) at 31 December	**435,303,683**	427,691,266

9 FIXED ASSETS

	Property, plant and equipment *HK$*	Interests in leasehold land held for own use under operating leases *HK$*	Total fixed assets *HK$*
Cost:			
At 1 January 2011	446,890,879	15,812,456	462,703,335
Exchange adjustments	17,833,835	776,360	18,610,195
Additions	48,612,045	-	48,612,045
Disposals	(13,430,401)	-	(13,430,401)
At 31 December 2011	499,906,358	16,588,816	516,495,174
At 1 January 2012	499,906,358	16,588,816	516,495,174
Exchange adjustments	(236,231)	(9,419)	(245,650)
Additions	24,130,477	-	24,130,477
Disposals	(6,486,285)	-	(6,486,285)
At 31 December 2012	517,314,319	16,579,397	533,893,716
Accumulated amortisation and depreciation:			
At 1 January 2011	246,783,679	5,813,007	252,596,686
Exchange adjustments	8,913,224	285,407	9,198,631
Charge for the year	32,636,373	413,457	33,049,830
Disposals	(11,350,803)	-	(11,350,803)
At 31 December 2011	276,982,473	6,511,871	283,494,344
At 1 January 2012	276,982,473	6,511,871	283,494,344
Exchange adjustments	(118,229)	(3,698)	(121,927)
Charge for the year	35,514,335	413,212	35,927,547
Disposals	(5,590,849)	-	(5,590,849)
At 31 December 2012	306,787,730	6,921,385	313,709,115
Carrying value:			
At 31 December 2012	210,526,589	9,658,012	220,184,601
At 31 December 2011	222,923,885	10,076,945	233,000,830

10 TRADE AND OTHER RECEIVABLES

	2012	2011
	HK$	*HK$*
Trade debtors	**254,246,605**	180,717,571
Other debtors	**5,192,564**	11,032,297
Deposits and prepayments	**14,174,440**	13,982,155
	273,613,609	205,732,023

All of the trade and other receivables, apart from certain deposits amounting to HK$2,284,194 (2011: HK$2,491,273), are expected to be recovered or recognised as expenses within one year.

The ageing analysis of trade debtors as of the balance sheet date, based on invoice date, is as follows:

	2012	2011
	HK$	*HK$*
Current	**209,643,718**	161,292,188
Less than 1 month past due	**40,349,054**	16,699,286
1 to 3 months past due	**1,061,004**	1,751,892
More than 3 months but less than 12 months past due	**2,976,798**	960,335
More than 12 months past due	**216,031**	13,870
Amounts past due	**44,602,887**	19,425,383
	254,246,605	180,717,571

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.

11 CASH AND CASH EQUIVALENTS

	2012	2011
	HK$	*HK$*
Bank deposits	**62,458,091**	23,261,756
Cash at bank and in hand	**86,783,255**	146,072,504
	149,241,346	169,334,260

12 TRADE AND OTHER PAYABLES

	2012	2011
	HK$	*HK$*
Trade creditors	**159,971,577**	191,170,540
Accrued charges and other payables	**45,703,379**	48,555,390
	205,674,956	239,725,930

All of the trade and other payables are expected to be settled within one year.

The ageing analysis of trade creditors as of the balance sheet date, based on invoice date, is as follows:

	2012	2011
	HK$	*HK$*
Due within 1 month or on demand	**157,863,318**	188,354,243
Due after 1 month but within 3 months	**1,237,290**	2,116,506
Due after 3 months but within 12 months	**599,842**	505,082
Due after 12 months	**271,127**	194,709
	159,971,577	191,170,540

BUSINESS REVIEW

OPERATION RESULTS

During the financial year (FY) of 2012, the pool of skilled labour continued to shrink in Guangdong province as many of the non Guangdong province workers chose to stay at their home provinces. Given the experience of labour shortage and unsatisfactory operation performance in FY2011, the Group's management formulated different strategies and operation procedures in FY2012 by implementing more semi-automation to reduce labour's head count; and initiated an ecological friendly cost saving "Green Program" to reduce energy consumption to improve the Group's profitability. As a result, for FY2012, the Group's consolidated turnover increased to HK$1,278,078,943, an increase of 8.7% compared with previous year. The Group's net profit improved significantly to HK$47,001,236, representing an increase of 159%, compared with the net profit of HK$18,160,024 in FY2011. Cash generated from operations was HK$28,305,803. Cash and cash equivalents at the financial year end of 2012 was HK$149,241,346 (with HK$26,141,182 dividend paid out during the year) compared with HK$169,334,260 at the beginning of the year. The positive operating cash flow and substantial cash balances allow the Group to continue to pay satisfactory amounts of dividends and invest more in automation processes.

In FY2012, the Group had invested HK$24,130,477 to set up new semi-automated production lines for a series of new products, as well as purchasing more robotic arms for injection moulding machines and automatic paint spraying equipment. At the same time, the Group's management re-examined profitability of each product line and terminated products with low margin.

The Group's net profit was HK$47,001,236, representing basic earnings per share of 10.87 HK cents (net profit in FY2011 was HK$18,160,024, with basic earnings per share of 4.27 HK cents).

DIVIDEND

The Board of the Company has proposed the payment of a final dividend of 5 HK cents per ordinary share for the year ended 31 December 2012. The proposed final dividend, if approved by the shareholders at the forthcoming annual general meeting, will be paid on 5 June 2013 to the shareholders whose names appear on the register of members of the Company on 30 May 2013.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed for the following periods :

(1) For the purpose of determining shareholders who are entitled to attend and vote at the forthcoming annual general meeting to be held on Wednesday, 22 May 2013 ("2013 AGM"), the Register of Members of the Company will be closed from Monday, 20 May 2013 to Wednesday, 22 May 2013, both days inclusive. In order to be qualified for attending and voting at the 2013 AGM, all transfer documents should be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited at 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 16 May 2013.

(2) For the purpose of determining shareholders who are qualified for the final dividend, the Register of Members of the Company will be closed on Tuesday, 28 May 2013 to Thursday, 30 May 2013, both days inclusive. In order to be qualified for the final dividend, all transfer documents should be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited at 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on

Monday, 27 May 2013.

FINANCIAL POSITION

The liquidity position of the Group remains sound. Its current ratio was 2.5 as of 31 December 2012, compared with 2.2 as of 31 December 2011.

During FY2012, the Group's trade receivables turnover stood at 73 days, compared with 56 days in FY2011. The inventory turnover in FY2012 is 40 days, compared with 53 days in FY2011.

Bank balances and cash were HK$149,241,346 as of 31 December 2012 (2011: HK$169,334,260), representing a decrease of HK$20,092,914 when compared to the figures in the previous year, which was mainly due to investments in machineries and dividends payout during the year.

There were no bank borrowings as of 31 December 2012, and the Group's debt to equity ratio was 37% as of 31 December 2012 (2011: 45%).

The Group had no contingent liabilities as of 31 December 2012 (2011: Nil).

CHARGES ON ASSETS

The Group had no charges on assets as of 31 December 2012 (2011: Nil).

FUTURE PROSPECTS

The Group is cautiously optimistic about operations and performances in FY2013. The Group will continue to launch new innovative products in new product categories and will focus on growing market shares in Japan, Korea and Mainland China as this marketing strategy worked well to mitigate market uncertainties and weaknesses in USA and Europe in FY2012.

During FY2012, the Group successfully launched new series of air purifiers, beverage products and grooming products, including one innovative product in the medical device category. The Group will continue to develop new products in these categories in FY2013.

In anticipation of the sales growth over the next few years with continuous new product launch, our Group invested over HK$24,130,477 in new production equipment in FY2012. We will continue to upgrade our manufacturing processes in FY2013. Our management has already started to look at new manufacturing site suitable for future expansions, as we expect our current manufacturing plant at Nansha, Panyu will reach its full production capacity within the next 3-4 years. We have tentatively zeroed in on a few possible new manufacturing sites (including the possibility to relocate a portion of manufacturing arms to Vietnam and other Asian countries with lower labour costs) and will make a final decision in FY2013.

CORPORATE SOCIAL RESPONSIBILITIES AND COMMITMENT

WORKPLACE QUALITY

The Group focused on 4 areas to enhance good workplace quality:

(i) Working conditions: The Group's labour policies were in full compliance with Mainland China labour laws and Hong Kong labour laws applicable in corresponding locations. The working hours, benefits and welfares of all staff and workers were also in compliance with local labour laws and fulfilled working conditions requirement from major customers and US/European retail stores who conducted regular audits throughout the year by 3rd parties such as ITS and SGS.

(ii) Health and Safety: The Group was in compliance with Mainland China labour laws and Hong Kong labour laws applicable in corresponding locations. Work injuries and key occupational health and safety KPIs were illustrated in the chart below:

	FY 2012	FY 2011	FY 2012 vs FY 2011 (%)
Number of work injuries	64	78	-17.95%
Medical Expenses due to work injuries (HKD)	140,190.55	303,552.37	-53.82%

The Group was encouraged to see a safer work place evidenced by fewer work injuries and lower medical expenses in FY2012.

(iii)Development and Training: The Group provided updated Listing Rules training for directors and senior executives, the Group also provided training for middle management, regular employees and production line workers and corresponding key Development and Training KPIs are illustrated in the chart below:

	No. of Employees	Average Training Hours per Employee (hrs)
Middle management	453	20
Regular employees	544	35
Production line workers	2,612	65

(iv)Labour Standard: The Group adopted a recruitment policy that prevented the hiring of child labour and forced labour. The Group also encouraged the workers to form labour unions. A labour union was formed at our Nansha, Panyu factory and union representatives held regular meetings throughout the year to communicate issues that could improve workers' morale, upgrade the living quarters and working environment, and report workers/management disputes to the Group's senior management.

ENVIRONMENTAL PERFORMANCE

The Group focused on aspects that would enhance environmental protection and adopted policies that would lower CO2 emissions during the manufacturing processes, minimize excessive use of resources such as electricity, diesel, water and paper.

(i) CO2 emissions: The chart below illustrated the type of emissions and respective emission data. The Group will continue to strive for measures to lower CO2 emissions.

	FY 2012	FY 2011	FY 2012 vs FY 2011 (%)
Electricity (kilotonnes CO2)	20.00	21.55	-7.16%
Oil (kilotonnes CO2)	0.85	1.28	-33.41%
Gas (kilotonnes CO2)	0.04	0.05	-21.15%

(ii) Use of Resources: The chart below illustrates the energy consumption by type throughout FY2012 and show comparative data with that of FY2011:

	FY 2012	FY 2011	FY 2012 vs FY 2011 (%)
Electricity (GWh)	25.48	27.45	-7.16%
Oil (tonnes)	266.97	401.20	-33.46%
Gas (kgs)	21,500.40	27,365.40	-21.43%

The Group was particularly pleased with the environmental performance as our sales in FY2012 increased while the operating team achieved lower CO2 emissions and use less of non-renewable resources.

OPERATING PRACTICES

The Group focused on key areas to enhance management and formulate some operating best practice procedures by tightening corporate governance policies and setting guidelines for preventing staff and workers from committing frauds and engaged in illegal activities.

(i) Anti-corruption policy was straightly enforced among all management personnel and all suppliers in the Group's supply chain. The Group was not aware of any legal cases regarding corruption of the Group's management and employees. The Group also has an independent internal audit department reporting directly to the chairman of the Group's audit committee and has a whistleblowing system to notify the audit committee of any potential fraud and malpractices.

(ii) Product Safety: The Group has a policy to work closely with customers to cooperate on any recalls and safety/health related issue; and the Group has a quality system that handled customers (and related products) complaints. Root cause analysis would be conducted on each major customer complaint to avoid re-occurance of product defects.

COMMUNITY INVOLVEMENT

The Group focused on key areas to enhance management in order to create a better community by implementing programs that built a better society through a wide range of activities and initiatives:

(i) Encourage the use of recycled paper: The Group has begun a program to use more recycled paper in operations including printing interim & annual report booklets; and working with customers to change product instruction books to recycled paper materials.

(ii) Investment in new talents: The Group continued to sponsor programs at Hong Kong Polytechnic University and members of the Group gave guest lectures at Hong Kong Polytechnic University and Fudan University during FY2012.

(iii) Education involvement: members of the Group management participated in mentorship programs organized by Hong Kong JCI (Junior Chamber International) to support growth of young professionals.

STAFF

The Group currently employs approximately 39 Hong Kong staff members and provides them with the Mandatory Provident Fund Scheme. The defined contribution pension scheme previously set up for Hong Kong staff members was terminated in 2012. Our factory in the Mainland China employs approximately 500 staff members, and workers employed directly or indirectly ranged from 3,000 to 4,000 persons during the year. Remuneration is determined by reference to their qualifications, experiences and performances.

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 year, 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 an exception of a deviation 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 retirement by rotation.

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. The Company has also received the annual confirmation of independence from each independent non-executive director and the Board believes that independent non-executive director continues to be independent. As such, the Company considers that sufficient measures have been taken to ensure that the standard of the Company's corporate governance practices is not lower than those required in the CG Code.

MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors of the Company (the "**Model Code**"). Having made specific enquiries to 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, namely Mr. Wong, John Ying Man and Mr. Wong, Raymond Man Hin, and four Independent Non-Executive Directors, namely Mr. Leung, Michael Kai Hung (Chairman), Mr. Fan, Anthony Ren Da, Mr. Ng, Yiu Ming and Mr. Lo, Wilson Kwong Shun.

AUDIT COMMITTEE

The written terms of reference which describes the authority and duties of the Audit Committee was 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's audit. It reviews the effectiveness of both external and internal audit, internal controls and risk evaluation. The Audit Committee comprises all Independent Non-Executive Directors. Two meetings were held during the FY2012.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed auditing, financial report process and internal control matters. The annual results of the Group for the year ended 31 December 2012 have been reviewed by the Audit Committee.

NOMINATION COMMITTEE

A Nomination Committee has been established in accordance with the requirements of the CG Code. The Nomination Committee comprises four Independent Non-Executive Directors, namely Mr. Leung, Michael Kai Hung; Mr. Fan, Anthony Ren Da; Mr. Lo, Kwong Shun and Mr. Ng, Yiu Ming (Chairman).

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 2012 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 Inter-Continental Grand Stanford Hong Kong, No. 70 Mody Road, Tsimshatsui East, Kowloon, on Wednesday, 22 May 2013 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
Mr. Mok, Kin Hing

Non-Executive Directors:
Dr. Wong, Philip Kin Hang, *GBS, JP, LLD, DH*
Mr. Xiong, Zhengfeng
Ms. Li, Yinghong

Independent Non-ExecutiveDirectors:
Mr. Leung, Michael Kai Hung
Mr. Fan, Anthony Ren Da
Mr. Ng, Yiu Ming
Mr. Lo, Wilson Kwong Shun

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

By Order of the Board
Wong, Wilson Kin Lae
Chairman

Hong Kong, 25 March 2013