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 2015

The Board (the "**Board**") of Directors (the "**Directors**") 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 2015, together with comparative figures for last year as follows:

Consolidated statement of profit or loss
(Expressed in Hong Kong dollars)

	Note	**2015** *HK$*	2014 *HK$*
Revenue	*3*	**988,449,114**	1,034,874,526
Cost of sales		**(886,596,543)**	(911,917,905)
Gross profit		**101,852,571**	122,956,621
Other revenue	*4*	**2,370,996**	1,948,507
Other net (loss)/income	*4*	**(144,321)**	941,159
Net foreign exchange gain: reclassified from equity upon deregistration of a subsidiary		**17,884,012**	-
Selling expenses		**(14,378,536)**	(14,908,034)
General and administrative expenses		**(62,839,383)**	(66,768,629)
Profit before taxation	*5*	**44,745,339**	44,169,624
Income tax	*6*	**(8,416,870)**	(15,883,233)
Profit for the year and attributable to equity shareholders of the Company		**36,328,469**	28,286,391
Earnings per share	*8*		
Basic, HK cents		**7.65**	6.04
Diluted, HK cents		**7.53**	5.96

Consolidated statement of profit or loss and other comprehensive income
(Expressed in Hong Kong dollars)

	2015	2014
	HK$	*HK$*
Profit for the year	**36,328,469**	28,286,391
Other comprehensive loss for the year:		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements of foreign operations, net of nil tax	**(18,561,940)**	(1,405,735)
– Exchange reserve reclassified to profit or loss upon deregistration of a subsidiary, net of nil tax	**(17,884,012)**	-
	(36,445,952)	(1,405,735)
Total comprehensive (loss)/income for the year and attributable to equity shareholders of the Company	**(117,483)**	26,880,656

Consolidated statement of financial position

(Expressed in Hong Kong dollars)

	Note	2015 HK$	2014 HK$
Non-current assets			
Property, plant and equipment	*9*	165,693,369	196,514,429
Interests in leasehold land held for own use under operating leases	*9*	8,141,666	9,075,984
Deferred tax assets		8,345,504	7,476,336
		182,180,539	213,066,749
Current assets			
Inventories		112,335,440	146,072,052
Trade and other receivables	*10*	208,005,264	231,496,240
Tax recoverable		1,549,617	253
Cash and cash equivalents	*11*	244,472,180	213,008,820
		566,362,501	590,577,365
Current liabilities			
Trade and other payables	*12*	173,683,542	199,430,808
Dividends payable		203,787	155,167
Tax payable	*6(ii)*	10,095,169	7,635,527
		183,982,498	207,221,502
Net current assets		382,380,003	383,355,863
Total assets less current liabilities		564,560,542	596,422,612
Non-current liabilities			
Deferred tax liabilities		167,906	174,142
NET ASSETS		564,392,636	596,248,470
CAPITAL AND RESERVES			
Share capital		445,820,688	438,527,402
Other reserves		118,571,948	157,721,068
TOTAL EQUITY		564,392,636	596,248,470

1 BASIS OF PREPARATION

These financial statements 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") and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance. These financial statements also comply 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 the following amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's consolidated financial statements.

- Amendments to HKAS 19, Employee benefits: Defined benefit plans: Employee contributions
- Annual improvements to HKFRSs 2010-2012 Cycle
- Annual improvements to HKFRSs 2011-2013 Cycle

Except as described below, the above amendments do not have significant impact on the Group's consolidated financial statements.

Annual improvements to HKFRSs 2010-2012 Cycle and 2011 -2013 Cycle

These two cycles of annual improvements contain amendments to nine standards with consequential amendments to other standards. Among them, HKAS 24, Related party disclosures has been amended to expand the definition of a "related party" to include a management entity that provides key management personnel services to the reporting entity, and to require the disclosure of the amounts incurred for obtaining the key management personnel services provided by the management entity. These amendments do not have an impact on the Group's related party disclosures as the Group does not obtain key management personnel services from management entities.

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

The financial information relating to the year ended 31 December 2015 included in this preliminary announcement of annual results 2015 do not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company will deliver the financial statements for the year ended 31 December 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance in due course.

The Company's auditor has reported on the financial statements of the Group for the year ended 31 December 2015. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

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, the 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 loss/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					
	The United States 2015 *HK$'000*	**The PRC 2015** *HK$'000*	**Japan 2015** *HK$'000*	**Europe 2015** *HK$'000*	**Rest of the world 2015** *HK$'000*	**Total 2015** *HK$'000*
Revenue from external customers	**316,433**	**58,499**	**269,076**	**181,274**	**163,167**	**988,449**
Inter-segment revenue	**-**	**507,589**	**-**	**-**	**839,524**	**1,347,113**
Reportable segment revenue	**316,433**	**566,088**	**269,076**	**181,274**	**1,002,691**	**2,335,562**
Reportable segment profit (adjusted EBITDA)	**19,140**	**3,538**	**16,276**	**10,966**	**59,572**	**109,492**
Reportable segment assets	**-**	**328,371**	**-**	**-**	**551,180**	**879,551**
Additions to non-current segment assets during the year	**-**	**18,789**	**-**	**-**	**-**	**18,789**
Reportable segment liabilities	**(194)**	**(106,684)**	**-**	**-**	**(209,718)**	**(316,596)**

2 SEGMENT REPORTING (CONTINUED)

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

	Electrical home appliances					
	The United States 2014 *HK$'000*	The PRC 2014 *HK$'000*	Japan 2014 *HK$'000*	Europe 2014 *HK$'000*	Rest of the world 2014 *HK$'000*	Total 2014 *HK$'000*
Revenue from external customers	347,174	105,844	256,045	192,194	133,618	1,034,875
Inter-segment revenue	-	556,421	-	-	870,496	1,426,917
Reportable segment revenue	347,174	662,265	256,045	192,194	1,004,114	2,461,792
Reportable segment profit (adjusted EBITDA)	26,276	8,012	19,379	14,547	62,140	130,354
Reportable segment assets	-	485,990	-	-	488,919	974,909
Additions to non-current segment assets during the year	-	37,061	-	-	476	37,537
Reportable segment liabilities	(194)	(162,710)	-	-	(215,270)	(378,174)

2 SEGMENT REPORTING (CONTINUED)

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

	2015	2014
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**2,335,562**	2,461,792
Elimination of inter-segment revenue	**(1,347,113)**	(1,426,917)
Consolidated revenue	**988,449**	1,034,875

	2015	2014
	HK$'000	*HK$'000*
Profit		
Reportable segment profit	**109,492**	130,354
Elimination of inter-segment profits	**(49,704)**	(52,029)
Reportable segment profit derived from Group's external customers	**59,788**	78,325
Other revenue and net (loss)/income	**2,227**	2,890
Net foreign exchange gain upon deregistration of a subsidiary	**17,884**	-
Depreciation and amortisation	**(35,154)**	(37,045)
Consolidated profit before taxation	**44,745**	44,170

	2015	2014
	HK$'000	*HK$'000*
Assets		
Reportable segment assets	**879,551**	974,909
Elimination of inter-segment receivables	**(140,904)**	(178,741)
	738,647	796,168
Tax recoverable	**1,550**	-
Deferred tax assets	**8,346**	7,476
Consolidated total assets	**748,543**	803,644

	2015	2014
	HK$'000	*HK$'000*
Liabilities		
Reportable segment liabilities	**(316,596)**	(378,174)
Elimination of inter-segment payables	**142,913**	178,742
	(173,683)	(199,432)
Dividends payable	**(204)**	(155)
Tax payable	**(10,095)**	(7,635)
Deferred tax liabilities	**(168)**	(174)
Consolidated total liabilities	**(184,150)**	(207,396)

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:

	2015	2014
	HK$'000	*HK$'000*
Customer A	**270,032**	264,601
Customer B	**210,198**	221,736
Customer C	**176,379**	185,842
Customer D	**161,395**	169,901
Customer E	**100,850**	N/A#

#The corresponding revenue did not contribute 10% or more of the total revenue.

3 REVENUE

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

Revenue 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

	2015	2014
	HK$	*HK$*
Other revenue		
Bank interest income	**2,370,996**	1,948,507
Other net (loss)/income		
Gain on disposal of scrap materials	**890,733**	1,143,031
Net exchange gain/(loss)	**806,085**	(1,169,562)
Net (loss)/gain on disposal of property, plant and equipment	**(3,600,324)**	229,214
Sample sales income	**276,789**	117,122
Subsidy income	**14,321**	22,294
Reversal of overprovision of unused staff welfare fund upon deregistration of a subsidiary	**1,319,946**	-
Sundry income	**148,129**	599,060
	(144,321)	941,159

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived after charging:

	2015	2014
	HK$	*HK$*
(a) Staff costs		
Salaries, wages and other benefits	**170,205,864**	154,975,433
Discretionary bonuses	**1,985,000**	2,398,000
Contributions to defined contribution retirement plans	**17,498,246**	17,616,176
	189,689,110	174,989,609

	2015	2014
	HK$	*HK$*
(b) Other items		
Cost of inventories sold#	**886,596,543**	911,917,905
Amortisation of interests in leasehold land held for own use under operating leases	**399,635**	424,652
Depreciation	**34,754,459**	36,620,772
Auditor's remuneration	**692,000**	667,000
Product development costs	**510,567**	916,962

Cost of inventories includes HK$187,294,585 (2014: HK$173,532,097) relating to staff costs and depreciation, 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

Taxation in the consolidated statement of profit or loss represents:

	2015	2014
	HK$	*HK$*
Current tax – Hong Kong Profits Tax		
Provision for the year	**2,794,522**	4,681,115
Over-provision in respect of prior years	**(300,142)**	(10,001)
	2,494,380	4,671,114
Current tax – PRC Enterprise Income Tax		
Provision for the year	**2,065,922**	3,033,651
Under-provision in respect of prior years	**5,109,828**	7,701,861
	7,175,750	10,735,512
Deferred tax		
Origination and reversal of temporary differences	**(1,253,260)**	476,607
Income tax expense	**8,416,870**	15,883,233

(i) The provision for Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) of the estimated assessable profits for the year.

Taxation of subsidiaries in the PRC are calculated using the applicable income tax rate of 25% (2014: 25%).

(ii) Included in the tax payable balance as at 31 December 2015 is a provision, net of payment, of approximately HK$8,412,100 (2014: HK$3,653,000) for the potential tax adjustment relating to transfer pricing audit in respect of the years ended 31 December 2002 to 2011 by the PRC tax authorities.

In 2013, the PRC tax authorities initiated a transfer pricing audit on a subsidiary of the Company in the PRC in respect of the years ended 31 December 2002 to 2011. The Group has been in discussions with the PRC tax authorities with a view to conclude the transfer pricing audit. So far no determination has been made by the PRC tax authorities. During the year ended 31 December 2014 and 2015, the Group, taking into consideration of the recent negotiations between the officials of Nansha tax bureau, has made the above provision against the potential tax exposures estimated by the management. At 31 December 2015, the total provisions made against the potential tax adjustment relating to the transfer pricing audit amounted to approximately HK$12,556,000 (2014: HK$7,572,000).

The Group will continue to monitor the progress of the transfer pricing audit and vigorously defend the Group's position. Due to uncertainty inherent in the transfer pricing audit, its outcome could be different from the amount provided and such difference would impact the income tax provision in the year in which any determination is made.

7 DIVIDENDS

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

	2015 *HK$*	2014 *HK$*
Interim dividend declared and paid of 2 HK cents per ordinary share (2014: 2 HK cents per ordinary share)	**9,546,845**	9,378,785
Final dividend proposed after the end of the reporting period of 4HK cents per ordinary share (2014: 4 HK cents per ordinary share)	**19,095,690**	18,777,170
Special dividend proposed after the end of the reporting period of Nil (2014: 2 HK cents per ordinary share)	**-**	9,388,585
	28,642,535	37,544,540

The final and special dividends proposed after the end of the reporting period have not been recognised as liabilities at the end of the reporting period.

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

	2015 *HK$*	2014 *HK$*
Final dividend in respect of the previous financial year, approved and paid during the year, of 4 HK cents per ordinary share (2014: 4 HK cents per ordinary share)	**19,036,890**	18,740,571
Special dividend in respect of the previous financial year, approved and paid during the year, of 2 HK cents per ordinary share (2014: Nil)	**9,518,446**	-
	28,555,336	18,740,571

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$36,328,469 (2014: HK$28,286,391) and the weighted average number of 475,053,080 (2014: 468,246,591) ordinary shares in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2015	2014
Issued ordinary shares at 1 January	**469,429,260**	466,779,260
Effect of share options exercised	**5,623,820**	1,467,331
Weighted average number of ordinary shares at 31 December	**475,053,080**	468,246,591

(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$36,328,469 (2014: HK$28,286,391) and the weighted average number of 482,478,829 (2014: 474,904,060) ordinary shares, calculated as follows:

Weighted average number of ordinary shares (diluted)

	2015	2014
Weighted average number of ordinary shares at 31 December	**475,053,080**	468,246,591
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	**7,425,849**	6,657,469
Weighted average number of ordinary shares (diluted) at 31 December	**482,478,929**	474,904,060

9 PROPERTY, PLANT AND EQUIPMENT AND LEASEHOLD LAND

	Property, plant and equipment *HK$*	Interests in leasehold land held for own use under operating leases *HK$*	Total *HK$*
Cost:			
At 1 January 2014	545,731,603	17,105,493	562,837,096
Exchange adjustments	(1,817,163)	(67,276)	(1,884,439)
Additions	40,508,627	-	40,508,627
Disposals	(6,030,128)	-	(6,030,128)
At 31 December 2014	578,392,939	17,038,217	595,431,156
At 1 January 2015	578,392,939	17,038,217	595,431,156
Exchange adjustments	(29,129,901)	(1,003,752)	(30,133,653)
Additions	18,788,932	-	18,788,932
Disposals	(14,021,408)	-	(14,021,408)
At 31 December 2015	554,030,562	16,034,465	570,065,027
Accumulated amortisation and depreciation:			
At 1 January 2014	348,868,008	7,567,343	356,435,351
Exchange adjustments	(1,089,575)	(29,762)	(1,119,337)
Charge for the year	36,620,772	424,652	37,045,424
Disposals	(2,520,695)	-	(2,520,695)
At 31 December 2014	381,878,510	7,962,233	389,840,743
At 1 January 2015	381,878,510	7,962,233	389,840,743
Exchange adjustments	(18,200,474)	(469,069)	(18,669,543)
Charge for the year	34,754,459	399,635	35,154,094
Disposals	(10,095,302)	-	(10,095,302)
At 31 December 2015	388,337,193	7,892,799	396,229,992
Carrying value:			
At 31 December 2015	165,693,369	8,141,666	173,835,035
At 31 December 2014	196,514,429	9,075,984	205,590,413

10 TRADE AND OTHER RECEIVABLES

	2015	2014
	HK$	*HK$*
Trade debtors	**185,064,826**	206,022,667
Other debtors	**10,661,959**	14,646,610
Deposits and prepayments	**12,278,479**	10,826,963
	208,005,264	231,496,240

All of the trade and other receivables, apart from certain deposits amounting to HK$3,538,958 (2014: HK$2,048,543), are expected to be recovered or recognised as expenses within one year.

The ageing analysis of trade debtors as of the end of the reporting period, based on invoice date, is as follows:

	2015	2014
	HK$	*HK$*
Within 1 month	**88,471,436**	86,985,887
1 to 3 months	**87,827,025**	104,699,930
3 to 12 months	**8,277,754**	14,306,732
Over 12 months	**488,611**	30,118
	185,064,826	206,022,667

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 120 days from the date of billing.

11 CASH AND CASH EQUIVALENTS

	2015	2014
	HK$	*HK$*
Bank deposits	**147,716,225**	74,403,375
Cash at bank and in hand	**96,755,955**	138,605,445
	244,472,180	213,008,820

12 TRADE AND OTHER PAYABLES

	2015	2014
	HK$	*HK$*
Trade creditors	**120,430,319**	145,421,767
Accrued charges and other payables	**53,253,223**	54,009,041
	173,683,542	199,430,808

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

The ageing analysis of trade creditors as of the end of the reporting period, based on invoice date, is as follows:

	2015	2014
	HK$	*HK$*
Within 1 month	**45,531,367**	61,340,498
1 to 3 months	**65,441,307**	76,913,378
3 to 12 months	**7,121,873**	4,368,430
Over 12 months	**2,335,772**	2,798,961
	120,430,319	145,421,767

BUSINESS REVIEW

OPERATION RESULTS

During the financial year ("**FY**") of 2015, the Group continued to face challenge of increasing operating costs and shortage of skilled labour. As RMB continued to depreciate during the year, all of the customers used this as an excuse to request reduction in selling prices from the Group. Consequently, the Group's effort to improve the Group's profitability and gross margins was offset by the reduction in selling price due to RMB depreciation. Further, the Group's turnover suffered from weakened global market demand, especially the weakened demand in air purifiers market in China. As a result, the Group's consolidated turnover decreased to HK$988,449,114 in FY2015, a decrease of 4.49% compared with previous year. Nevertheless, the Group has benefited from the closure of a China based subsidiary and repatriated the capital investment in this subsidiary. As a result, the net profit increased to HK$36,328,469, representing an increase of 28.43% compared with the net profit of HK$28,286,391 in FY2014. Cash generated from operations was HK$93,752,138. Cash and cash equivalents at 31 December 2015 was HK$244,472,180 (with HK$38,053,561 dividend paid out during FY2015) compared with HK$213,008,820 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 and advanced technology.

In FY2015, the Group invested HK$18,788,932 to set up new semi-automated production lines for a series of new products, and bought more double injection moulding machines to support development of higher quality grooming products. Moreover, the Group purchased new precision cutting machines and related intellectual property rights in order to develop a new series of men shaver. In comparison, the capital expenditure of the Group was HK$40,508,627 in FY2014. The Group hopes the continuingly increased investment in advanced technology allows the management team to be able to develop more high end products with higher gross profits margins products for our customers.

The Group's net profit in FY2015 was HK$36,328,469, with basic earnings per share of 7.65 HK cents (net profit in FY2014 was HK$28,286,391, with basic earnings per share of 6.04 HK cents).

DIVIDEND

The Board of the Company has proposed the payment of a final dividend of 4 HK cents per ordinary share for the year ended 31 December 2015. The proposed final dividend, if approved by the shareholders at the forthcoming annual general meeting, will be paid on 14 June 2016 to the shareholders whose names appear on the register of members of the Company on 6 June 2016.

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, 25 May 2016 ("**2016 AGM**"), the Register of Members of the Company will be closed from Friday, 20 May 2016 to Wednesday, 25 May 2016, both days inclusive. In order to be qualified for attending and voting at the 2016 AGM, all transfer documents, accompanied by the relevant share certificates, 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, 19 May 2016.
(2) For the purpose of determining shareholders who are qualified for the final dividend, the Register of Members of the Company will be closed from Thursday, 2 June 2016 to Monday, 6 June 2016, both days

inclusive. In order to be qualified for the final dividend, all transfer documents, accompanied by the relevant share certificates, 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 Wednesday, 1 June 2016.

FINANCIAL POSITION

The liquidity position of the Group was satisfactory. Its current ratio was 3.08 as of 31 December 2015, compared with 2.85 as of 31 December 2014. The gearing ratio was 0.31 as of 31 December 2015 (31 December 2014: 0.35) and it was computed by the total liabilities over the net assets.

During FY2015, the Group's trade receivables turnover stood at 68 days, compared with 73 days in FY2014. The inventory turnover in FY2015 was 46 days, compared with 58 days in FY2014.

Bank balances and cash were HK$244,472,180 as of 31 December 2015 (2014: HK$213,008,820), representing an increase of HK$31,463,360 when compared with the figures in the previous year, which was mainly due to decrease in accounts receivable and inventory.

There were no bank borrowings as of 31 December 2015, and the Group's debt to equity ratio was 31% as of 31 December 2015 (2014: 33%).

The Group had no contingent liabilities as of 31 December 2015 (2014: Nil).

CHARGES ON ASSETS

The Group had no charges on assets as of 31 December 2015 (2014: Nil).

FUTURE PROSPECTS

The Group expects to face similar challenges in FY2016 due to the expected fluctuation in RMB exchange rate and shortage of skilled labour in China, etc. Despite the continuingly unfavourable macro-environment anticipated for the OEM manufacturing industry, the Group will continue to invest in new technology which enables the Group to launch new innovative products. The Group expects to place even more resources to expand the Mainland China market as we continue to see market weaknesses in Japan, USA and Europe in FY2015, at the same time seeking stronger partnership with key strategic customers to increase the turnover of the Group.

During FY2015, the Group successfully launched several new air purifiers and a successful grooming product line and is in the process of developing a series of men shavers with another innovative cutting system to be launched in FY2016. The Group expects to launch more air purifiers and grooming products in FY2016 as our core product strategy. In order to speed up products launching, the Group invested in upgrading the "Smart Nexus" of various operating systems, including "Smart" logistic system linking to ERP system and Cloud database; "Smart" robotic system in facilitating injection moulding and paint spraying processes; and a "Smart" work environment that increase the co-dependency relationship between people, machines and automations. The Group will continue to upgrade "Smart" operating systems to enhance the efficiency and effectiveness of our operations.

Finally, the Board has instructed the management to set certain KPIs in FY2016 to focus on mitigating financial and operating risks in important areas, and to work with our auditor and outside consultants to identify risks that were previously not identified, in order to manage risk more effectively. The Group has installed new Firewalls and tightened Cloud security to mitigate cyber risk in early FY2016.

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 labour laws of China and Hong Kong applicable to the staff in the corresponding locations. The working hours, benefits and welfares of all staff and workers were also in compliance with the corresponding local labour laws and fulfilled the working conditions requirement from our major customers and US/European retail stores, in which regular audits are conducted by 3rd parties such as ITS and SGS every year.

(ii) Health and Safety: The Group was in compliance with labour laws of China and Hong Kong applicable to the staff in the corresponding locations. Key occupational health and safety KPIs are illustrated in the chart below:

	FY 2015	FY 2014	FY 2015 vs FY 2014 (%)
Number of work injuries	28	35	-20.00%
Medical Expenses due to work injuries (HKD)	74,536.77	84,231.22	-11.51%

Management of the Group was encouraged by safer work place provided to the staff in FY2015, which was evidenced by fewer work injuries and lower medical expenses.

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

	No. of Employees	Average Training Hours per Employee (hrs)
Middle management	417	30
Regular employees	393	45
Production line workers	2,172	75

(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 reported 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 CO_2 emissions during the manufacturing processes, minimize excessive use of resources such as electricity, diesel, water and paper.

(i) CO_2 emissions: The chart below illustrates the type of emissions and respective emission data. The Group will continue to strive for measures to lower CO_2 emissions.

	FY 2015	FY 2014	FY 2015 vs FY 2014 (%)
Electricity (kilotonnes CO_2)	17.60	16.96	3.76%
Oil (kilotonnes CO_2)	0.26	0.39	-32.42%
Gas (kilotonnes CO_2)	0.02	0.02	-4.13%

(ii) Use of Resources: The chart below illustrates the type of energy and energy consumption by type throughout FY2015 and shows comparative data with that of FY2014:

	FY 2015	FY 2014	FY 2015 vs FY 2014 (%)
Electricity (GWh)	22.43	21.62	3.76%
Oil (tonnes)	82.89	122.65	-32.42%
Gas (kgs)	9,901.05	10,325.10	-4.11%

The Group was pleased with the environmental protection performance as our operating team reduced its usage on non-renewable resources in FY2015. (Total consumption of oil reduced from 122.65 tonnes in FY2014 to 82.89 tonnes in FY2015)

Although CO_2 emission due to the use of electricity slightly increased in FY2015 (as some equipment which was run by oil was replaced by those that used electricity), the total CO_2 emission (electricity + oil) was 17.86 kilotonnes (17.60 + 0.26) in FY2015 which was similar to such emission of 17.35 kilotonnes (16.96 + 0.39) in FY2014.

OPERATING PRACTICES

The Group focused on formulating best operating procedures of work flow in order to enhance the professional conduct of the management and staff by tightening corporate governance policies and setting guidelines for preventing staff and workers from committing frauds and engaging 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.

(iii) Risk Management: The Group has updated its policy on risk management, and the Board, the Audit Committee and the Management team will work with external consultants and auditors to identify potential risks which have not been previously identified.

COMMUNITY INVOLVEMENT

The Group encouraged its management and staff to help creating a better community. Programs which aimed to build a better community were implemented initiatively through various kinds of activities:

(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. The Group is also encouraging and working with customers to print product instruction books by using 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 during FY2015.

(iii) Education involvement: Members of the Group's management participated in fundraising charity concert organized by the Hong Kong Philharmonic Society to support community programs for young musicians from less privileged families; and participated in Intimacy of Creativity, an international music composer symposium organized by HKUST.

(iv) Corporate Governance: Members of the Group's management founded the HKiNED Asscoation (Hong Kong Independent Non-Executive Directors Association) in October 2015 in Hong Kong to promote better corporate governance in Greater China.

(v) Create a better Society: Members of the Group's management actively participated in fundraising event for the Hong Kong Correctional Services to support education programs for prison inmates.

STAFF

The Group currently employs approximately 36 Hong Kong staff members and provides them with the Mandatory Provident Fund Scheme. Our factory in the Mainland China employs approximately 400 staff members, and workers employed directly or indirectly ranged from 2,600 to 3,000 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 (the "**Model Code**") by directors as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by its directors. Having made specific enquiries to the directors, 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, namely Mr. Leung, Michael Kai Hung (chairman); Mr. Fan, Anthony Ren Da; Mr. Ng, Yiu Ming and Mr. Lo, Wilson Kwong Shun. Three meetings were held during this FY.

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 2015 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, Wilson 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 2015 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, 25 May 2016 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:
Mr. Wong, David Ying Kit
Mr. Xiong, Zhengfeng
Ms. Li, Yinghong

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

Alternate Director:
Mr. Zhang, Yuankun (alternate to Mr. Wong, Wilson Kin Lae)

By Order of the Board
Wong, Wilson Kin Lae
Chairman
Hong Kong, 23 March 2016