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(Stock Code: 0229)

**ANNOUNCEMENT OF UNAUDITED 2019 FIRST QUARTER RESULTS
 FOR THREE MONTHS ENDED 31 MARCH 2019**

The Board (the “Board”) of Directors (the “Directors”) of Raymond Industrial Limited (the “Company”) is pleased to announce the unaudited results of the Company and its subsidiaries (together the “Group”) for three months ended 31 March 2019, together with comparative figures for last period as follows:

Consolidated statement of profit or loss

(Expressed in Hong Kong dollars)

	<i>Note</i>	Three months ended 31 March	
		2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Revenue		256,263	240,786
Cost of sales		<u>(222,755)</u>	<u>(209,672)</u>
Gross profit		33,508	31,114
Other revenue		890	527
Other net income		3,656	1,659
Selling expenses		(4,383)	(2,311)
General and administrative expenses		<u>(25,355)</u>	<u>(20,026)</u>
Profit before taxation		8,316	10,963
Income tax		<u>(659)</u>	<u>(2,553)</u>
Profit for the period attributable to equity shareholders of the Company		<u>7,657</u>	<u>8,410</u>
Earnings per share	1		
Basic, HK cents		<u>1.55</u>	<u>1.73</u>
Diluted, HK cents		<u>1.54</u>	<u>1.71</u>

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

	Three months ended 31 March	
	2019	2018
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Profit for the period	7,657	8,410
Other comprehensive income for the period:		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements of foreign operations, net of nil tax	<u>5,782</u>	<u>10,470</u>
Total comprehensive income for the period attributable to equity shareholders of the Company	<u>13,439</u>	<u>18,880</u>

Consolidated statement of financial position
(Expressed in Hong Kong dollars)

	31 March 2019 (Unaudited) HK\$'000	31 December 2018 (Audited) HK\$'000
Non-current assets		
Property, plant and equipment	185,826	184,011
Interests in leasehold land held for own use under operating leases	6,708	6,664
Deferred tax assets	3,346	3,296
	<u>195,880</u>	<u>193,971</u>
Current assets		
Inventories	163,937	170,995
Trade and other receivables	215,760	289,831
Tax recoverable	2,140	2,140
Cash and cash equivalents	215,027	190,007
	<u>596,864</u>	<u>652,973</u>
Current liabilities		
Trade and other payables	164,982	229,599
Dividends payable	255	258
Tax payable	1,718	4,737
	<u>166,955</u>	<u>234,594</u>
Net current assets	<u>429,909</u>	<u>418,379</u>
Total assets less current liabilities	<u>625,789</u>	<u>612,350</u>
Non-current liabilities		
Deferred tax liabilities	181	181
NET ASSETS	<u>625,608</u>	<u>612,169</u>
CAPITAL AND RESERVES		
Share capital	461,807	461,807
Reserves	163,801	150,362
TOTAL EQUITY	<u>625,608</u>	<u>612,169</u>

NOTE:**1 EARNINGS PER SHARE**

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of approximately HK\$7,657,000 (three months ended 31 March 2018: HK\$8,410,000) and the weighted average number of ordinary shares of 493,815,000 (three months ended 31 March 2018: 486,948,000) shares in issue during the period.

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of approximately HK\$7,657,000 (three months ended 31 March 2018: HK\$8,410,000) and the weighted average number of ordinary shares of 497,276,000 (three months ended 31 March 2018: 492,232,000) shares (diluted) after taking into account the effect of deemed issue of ordinary shares under the Company's share option scheme.

BUSINESS HIGHLIGHTS

In the first three months of 2019, we have seen higher sales demand for grooming and shaving products compared with the corresponding period in 2018. The turnover of the Group was HK\$256,263,000 in the first three months of 2019, representing a slight increase of 6.43 % compared with turnover for the corresponding period in 2018. The Group's net profit was HK\$7,657,000 representing a decrease of 8.95% when compared with net profit of HK\$8,410,000 for the corresponding period in 2018. Despite the slight drop in net profit, the Group's management is not overly concerned about the business prospect as additional R&D expenses were spent in the three months of 2019 alone for series of new products to be launched later this year. According to past experience, expenses spent are the highest during initial launch of new products, and financial performance typically would improve as sales volume of new products gradually increases at the growth phase. After the products reach the maturation and consolidation phase, both margins and the sales volume would level off until the products are replaced. We hope that the launch of the current series of new products will boost both revenue and profit for the Group in near future.

During the first three months of 2019, the Group's management faces uncertainties arising from continuing Sino-USA trade war and the potential adverse effect of BREXIT. To avoid concentration of profit in the same product categories and markets, the Group's management tries to expand sales in product categories and markets that are less prone to trade uncertainties. At the same time, economic slowdown has a negative impact on the PRC consumer market, and the Group will try its best endeavor to develop new innovative products that differentiate us from those commonly available in the market. To achieve sustainable R&D development and product innovations, the Group's management also enters into R&D joint programs with several customers and educational institutions, such as Panasonic, Hong Kong University of Science and Technology and the Hong Kong Polytechnics University.

BUSINESS PROSPECTS

The Group's management remains positive as we continue to launch new products in the PRC and overseas. We adopt a balance strategy to increase sales in both the PRC and overseas. This business strategy should enable the Group to generate more revenue. The Group's management will continue to develop and launch new customers to diversify our new products portfolio. With these new customers, we hope that we can bring in new revenue stream and diversify the risk of having too much revenue concentrated in a few major customers. The Group's investment in R&D enables us to maintain the High and New-Technology Enterprise status in the PRC for the third consecutive year, and it allows the Group to use new knowledge, patents and innovations to find new business opportunities to grow.

Finally, the Board believes to continue quarterly reporting, the Board and the Group's management can assess if the business strategies need faster fine-tuning. Regular and more frequent discussion of the financial position of the Group and management presentation of the latest development of the Group would enable the Board to evaluate the effectiveness of the business strategies.

FINANCIAL POSITION

The liquidity position of the Group was satisfactory. The current ratio of the Group was 3.57 as of 31 March 2019 (31 December 2018: 2.78). The quick ratio of the Group was 2.59 as of 31 March 2019 (31 December 2018: 2.05). The gearing ratio of the Group was 0.33 as of 31 March 2019 (31 December 2018: 0.44) and it was computed by the current liabilities (trade and other payable plus proposed dividend) divided by the adjusted capital (total equity less proposed dividend).

Bank balances and cash were HK\$215,027,000 as of 31 March 2019, representing an increase of HK\$25,020,000 (2018: HK\$190,007,000) compared with that on 31 December 2018. The increase was mainly due to lower level of inventory and lower receivables at the end of March 2019.

There was no bank borrowing as of 31 March 2019 (31 December 2018: Nil), and the Group had no contingent liabilities as of 31 March 2019 (31 December 2018: Nil).

REVIEW OF ACCOUNTS

The audit committee of the Company has reviewed the Group's unaudited condensed consolidated financial information for the three months ended 31 March 2019.

By Order of the Board
Raymond Industrial Limited
Wong, Wilson Kin Lae
Chairman

Hong Kong, 10 May 2019

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

Executive Directors:

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

Non-Executive Directors:

Mr. Xiong Zhengfeng and Mr. Wong, David Ying Kit

Independent Non-Executive Directors:

Mr. Leung, Michael Kai Hung; Mr. Fan, Anthony Ren Da, Mr. Ng Yiu Ming and Mr. Lo, Wilson Kwong Shun

Alternate Director:

Mr. Zhang Yuankun (alternate to Dr. Wong, Wilson Kin Lae)