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**(Stock Code: 0229)**

## **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023**

### **SUMMARY OF UNAUDITED FINANCIAL RESULTS**

*For the six months ended 30 June 2023*

The board (the “**Board**”) of directors (the “**Directors**”) of Raymond Industrial Limited (the “**Company**”) hereby announces the unaudited interim results for the six months ended 30 June 2023 of the Company and its subsidiaries (collectively, the “**Group**”). The condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income of the Group for the six months ended 30 June 2023 and the condensed consolidated statement of financial position of the Group as at 30 June 2023, along with selected explanatory notes, are unaudited but have been reviewed by the Company’s audit committee (the “**Audit Committee**”) together with the Company’s independent auditor, RSM Hong Kong.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS***For the six months ended 30 June 2023**(Expressed in Hong Kong dollars)*

		Six months ended 30 June	
		2023	2022
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
	<i>Notes</i>		
<b>Revenue</b>	3	<b>648,916</b>	568,455
Cost of sales		<u>(561,118)</u>	<u>(507,549)</u>
<b>Gross profit</b>		<b>87,798</b>	60,906
Other revenue	4	<b>6,345</b>	361
Other net income	4	<b>8,207</b>	4,809
Selling expenses		<b>(2,849)</b>	(6,391)
General and administrative expenses		<u>(67,344)</u>	<u>(51,100)</u>
<b>Profit before taxation</b>		<b>32,157</b>	8,585
Income tax (expense)/ credit	5	<u>(6,495)</u>	<u>32</u>
<b>Profit for the period attributable to shareholders of the Company</b>	6	<u><b>25,662</b></u>	<u>8,617</u>
<b>Earnings per share</b>	7		
Basic, HK cents		<u><b>5.12</b></u>	<u>1.72</u>
Diluted, HK cents		<u><b>N/A</b></u>	<u>1.72</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2023*

*(Expressed in Hong Kong dollars)*

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit for the period attributable to shareholders of the Company</b>	<b>25,662</b>	<b>8,617</b>
<b>Other comprehensive income for the period</b>		
<i>Item that may be reclassified to profit or loss:</i>		
–Exchange differences on translation of financial statements of foreign operations	<b>(8,363)</b>	<b>(12,410)</b>
<b>Total comprehensive income for the period attributable to shareholders of the Company</b>	<b>17,299</b>	<b>(3,793)</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

(Expressed in Hong Kong dollars)

		30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment	9	110,756	132,498
Right-of use assets	9	7,149	7,552
Deferred tax assets		3,380	2,865
		<u>121,285</u>	<u>142,915</u>
<b>Current assets</b>			
Inventories		140,191	198,491
Trade and other receivables	10	227,784	178,355
Bank and cash balances		362,966	334,379
		<u>730,941</u>	<u>711,225</u>
<b>Current liabilities</b>			
Trade and other payables	11	204,396	206,918
Dividends payable		378	351
Current tax liabilities		4,181	846
		<u>208,955</u>	<u>208,115</u>
<b>Net current assets</b>		<u>521,986</u>	<u>503,110</u>
<b>Total assets less current liabilities</b>		<u>643,271</u>	<u>646,025</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		159	159
<b>NET ASSETS</b>		<u>643,112</u>	<u>645,866</u>
<b>Capital and reserves</b>			
Share capital		467,676	467,676
Reserves		175,436	178,190
<b>TOTAL EQUITY</b>		<u>643,112</u>	<u>645,866</u>

*Notes:*

**1. BASIS OF PREPARATION**

These condensed financial information has been prepared in accordance with Hong Kong Accounting Standard 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial information relating to the year ended 31 December 2022 that is included in these unaudited condensed financial statements for the six months ended 30 June 2023 as comparative information does not constitute the statutory annual consolidated financial statements of the Company for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 622(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance (Cap. 622).

The Company’s auditor has reported on those consolidated financial statements. 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 Companies Ordinance (Cap. 622).

These condensed financial statements should be read in conjunction with the 2022 annual financial statements. Except as described below, the accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2022.

**2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS**

The accounting policies applied in these condensed financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 December 2022. In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2023. They do not have a material effect on the Group’s condensed consolidated interim financial statements.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

### 3. SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of electrical home appliances. The electrical home appliances are manufactured within the Group's manufacturing facilities located in the People's Republic of China (the "PRC"). The Group's operating segments are determined based on information reported to the senior executive management, being the chief operating decision maker ("CODM") of the Group for the purposes of resource allocation and assessment of segment performance, focused on customer locations. During the current period, the senior executive management has recognised its internal reporting structure. As a result, the operating segments of the Group have been redefined on a continental basis, as opposed to the previous country/region-based classification. The comparative figures of segment information for the six months ended 30 June 2022 were re-presented to follow the current year presentation accordingly.

The identified reportable operating segments are as follows:

- North America – mainly including the United States of America and Canada
- Latin America – mainly including Mexico
- Europe – mainly including the United Kingdom and Netherlands
- Asia – mainly including the PRC, Korea, and Japan

For the operating segments of Australia and Africa, they have been included within the "rest of the world" due to neither of these operating segments meeting the quantitative thresholds required for classification as reportable segments.

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

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

	Electrical home appliances					Total 2023 HK\$'000 (Unaudited)
	North America	Latin America	Europe	Asia	Rest of World	
	2023 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	
<b>For the six months ended 30 June</b>						
<b>Revenue from external customers</b>	<b>109,672</b>	<b>75,483</b>	<b>116,547</b>	<b>338,805</b>	<b>8,409</b>	<b>648,916</b>
<b>Inter-segment revenue</b>	-	-	-	<b>799,439</b>	-	<b>799,439</b>
<b>Reportable segment revenue recognised at a point in time</b>	<b>109,672</b>	<b>75,483</b>	<b>116,547</b>	<b>1,138,244</b>	<b>8,409</b>	<b>1,448,355</b>
<b>Reportable segment profit (adjusted EBITDA)</b>	<b>5,428</b>	<b>3,735</b>	<b>5,767</b>	<b>84,218</b>	<b>417</b>	<b>99,565</b>
<b>Reportable segment assets as at 30 June</b>	-	-	-	<b>992,079</b>	-	<b>992,079</b>
<b>Reportable segment liabilities as at 30 June</b>	-	-	-	<b>(345,213)</b>	-	<b>(345,213)</b>

### 3. SEGMENT INFORMATION (Continued)

#### (a) Segment results, assets and liabilities (Continued)

	Electrical home appliances					Total 2022 HK\$'000 (Unaudited)
	North America	Latin America	Europe	Asia	Rest of World	
	2022 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	
For the six months ended 30 June						
Revenue from external customers	174,166	1,574	138,902	251,782	2,031	568,455
Inter-segment revenue	-	-	-	616,154	-	616,154
Reportable segment revenue recognised at a point in time	174,166	1,574	138,902	867,936	2,031	1,184,609
Reportable segment profit (adjusted EBITDA)	6,132	55	4,890	35,719	74	46,870
Reportable segment assets as at 31 December	-	-	-	1,020,453	-	1,020,453
Reportable segment liabilities as at 31 December	-	-	-	(376,097)	-	(376,097)

### 3. SEGMENT INFORMATION (Continued)

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

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Revenue</b>		
Reportable segment revenue	1,448,355	1,184,609
Elimination of inter-segment revenue	<u>(799,439)</u>	<u>(616,154)</u>
Consolidated revenue	<u><b>648,916</b></u>	<u><b>568,455</b></u>

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Profit or loss</b>		
Reportable segment profit	99,565	46,870
Elimination of inter-segment profits	<u>(67,451)</u>	<u>(26,855)</u>
Reportable segment profit derived from Group's external customers	32,114	20,015
Other revenue	6,345	361
Other net income	8,207	4,809
Depreciation	<u>(14,509)</u>	<u>(16,600)</u>
Consolidated profit before taxation	<u><b>32,157</b></u>	<u><b>8,585</b></u>



### 3. SEGMENT INFORMATION (Continued)

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

	<b>30 June 2023 HK\$'000 (Unaudited)</b>	31 December 2022 HK\$'000 (Audited)
<b>Assets</b>		
Reportable segment assets	<b>992,079</b>	1,020,453
Elimination of inter-segment receivables	<b>(143,233)</b>	(169,178)
	<b>848,846</b>	851,275
Deferred tax assets	<b>3,380</b>	2,865
Consolidated total assets	<b>852,226</b>	854,140
	<b>30 June 2023 HK\$'000 (Unaudited)</b>	31 December 2022 HK\$'000 (Audited)
<b>Liabilities</b>		
Reportable segment liabilities	<b>(345,213)</b>	(376,097)
Elimination of inter-segment payables	<b>140,817</b>	169,179
	<b>(204,396)</b>	(206,918)
Dividends payable	<b>(378)</b>	(351)
Current tax liabilities	<b>(4,181)</b>	(846)
Deferred tax liabilities	<b>(159)</b>	(159)
Consolidated total liabilities	<b>(209,114)</b>	(208,274)

#### 4. OTHER REVENUE AND OTHER NET INCOME

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
<b>Other revenue</b>		
Bank interest income	<u>6,345</u>	<u>361</u>
<b>Other net income</b>		
Net exchange gain	5,802	3,115
Net loss on disposal of property, plant and equipment	(549)	(225)
Net gain on disposal of scrap materials	1,426	736
Rental income	1,202	-
Subsidy income	479	823
Sundry (loss)/income	<u>(153)</u>	<u>360</u>
	<u>8,207</u>	<u>4,809</u>

## 5. INCOME TAX EXPENSE/(CREDIT)

Income tax has been recognised in profit or loss as follows:

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Current tax – Hong Kong Profits Tax</b>		
Provision for the period	<u>2,269</u>	<u>1,509</u>
<b>Current tax – PRC Enterprise Income Tax</b>		
Provision for the period	3,537	540
PRC Withholding Income Tax for the period	2,612	-
Over-provision in respect of prior years	<u>(1,315)</u>	<u>(1,290)</u>
	<u>4,834</u>	<u>(750)</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<u>(608)</u>	<u>(791)</u>
Income tax expense/(credit)	<u><u>6,495</u></u>	<u><u>(32)</u></u>

Notes:

(i) Hong Kong Profits Tax

Under the two-tiered Profits Tax rate regime, the first HK\$2,000,000 of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25%, and profit above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered Profits Tax rate regime will continue to be taxed at a rate of 16.5%.

(ii) PRC Enterprise Income Tax

A subsidiary in the PRC was qualified as a high and new technology enterprise that can enjoy a preferential tax rate of 15% (six months ended 30 June 2022: 15%).

(iii) PRC Withholding Income Tax

PRC withholding income tax under double tax arrangement at a rate of 5% would be imposed on payment relating to dividend received to the Company that holds directly at least 25% of the payer's capital. Such tax rate may be further reduced by applicable tax treaties or arrangements.

## 6. PROFIT FOR THE PERIOD

The Group's profit for the period is stated at after charging the following:

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>(a) Staff costs (including directors' remunerations)</b>		
Salaries, wages and other benefits	94,723	98,426
Discretionary bonuses	2,672	2,475
Contributions to defined contribution retirement plans	7,981	9,162
	<u>105,376</u>	<u>110,063</u>

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>(b) Other items</b>		
Cost of inventories sold <sup>#</sup>	561,118	507,549
Depreciation of right-of-use assets	242	256
Depreciation of property, plant and equipment	14,267	16,344
Product development cost <sup>*</sup>	20,846	20,282
Obsolete moulds and toolings written off	<u>13,793</u>	<u>94</u>

<sup>#</sup> Cost of inventories includes approximately HK\$87,580,000 (six months ended 30 June 2022: HK\$93,572,000) relating to staff costs and depreciation, of which amounts are also included in the respective total amounts disclosed separately above.

<sup>\*</sup> Product development costs include approximately HK\$12,505,000 (six months ended 30 June 2022: HK\$12,781,000) relating to staff costs and depreciation, which are also included in the respective total amounts disclosed separately above.

## 7. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the period attributable to shareholders of the Company of approximately HK\$25,662,000 (six months ended 30 June 2022: HK\$8,617,000) and the weighted average number of ordinary shares of approximately 501,325,000 (six months ended 30 June 2022: 501,226,000) shares in issue during the interim period.

For the six months ended 30 June 2022, the calculation of diluted earnings per share is based on the profit for the period attributable to shareholders of the Company of approximately HK\$8,617,000 and the weighted average number of ordinary shares of approximately 501,649,000 shares after taking into account the effect of deemed issue of ordinary shares under the Company's share option scheme.

For the six months period ended 30 June 2023, no diluted earnings per share is presented as the Company had no potential ordinary shares outstanding as the share option scheme was expired and no share options were outstanding as of 30 June 2023.

## 8. DIVIDENDS

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

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Interim dividend declared and approved after the interim period of 3 HK cents per ordinary share (six months ended 30 June 2022: 2 HK cents per ordinary share)	<b>15,040</b>	10,026

The interim dividend has not been recognised as a liability at the end of the reporting period.

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

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Final dividend in respect of the previous financial year ended 31 December 2022, approved and paid during the interim period, of 4 HK cents per ordinary share (year ended 31 December 2021: 4 HK cents per ordinary share)	<b>20,053</b>	20,053

## 9. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	<b>Property, plant and equipment HK\$'000</b>	<b>Right-of-use assets HK\$'000</b>	<b>Total HK\$'000</b>
<b>Cost</b>			
At 1 January 2023 (Audited)	592,139	20,354	612,493
Exchange adjustments	(11,628)	(506)	(12,134)
Additions	10,617	-	10,617
Disposals	(144,143)	-	(144,143)
	<hr/>	<hr/>	<hr/>
At 30 June 2023 (Unaudited)	446,985	19,848	466,833
<b>Accumulated depreciation</b>			
At 1 January 2023 (Audited)	459,641	12,802	472,443
Exchange adjustments	(7,973)	(345)	(8,318)
Charge for the period	14,267	242	14,509
Disposals	(129,706)	-	(129,706)
	<hr/>	<hr/>	<hr/>
At 30 June 2023 (Unaudited)	336,229	12,699	348,928
<b>Net carrying value</b>			
At 30 June 2023 (Unaudited)	<hr/>	<hr/>	<hr/>
	110,756	7,149	117,905
At 31 December 2022 (Audited)	<hr/>	<hr/>	<hr/>
	132,498	7,552	140,050

Note:

Right-of-use assets represent leasehold land under medium-term leases.

## 10. TRADE AND OTHER RECEIVABLES

	<b>30 June 2023 HK\$'000 (Unaudited)</b>	31 December 2022 HK\$'000 (Audited)
Trade receivables	214,928	159,402
Other receivables	10,757	11,029
Deposits and prepayments	2,099	7,924
	<u>227,784</u>	<u>178,355</u>

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

	<b>30 June 2023 HK\$'000 (Unaudited)</b>	31 December 2022 HK\$'000 (Audited)
Within 1 month	94,144	41,281
More than 1 month but less than 3 months	94,271	93,280
More than 3 months but less than 12 months	26,513	24,841
	<u>214,928</u>	<u>159,402</u>

Trade receivables are normally due within 30 to 120 days from the date of billing.

## 11. TRADE AND OTHER PAYABLES

	<b>30 June 2023 HK\$'000 (Unaudited)</b>	31 December 2022 HK\$'000 (Audited)
Trade payables	157,172	162,873
Accrued charges and other payables	41,501	43,361
Contract liabilities	5,723	684
	<u>204,396</u>	<u>206,918</u>

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

	<b>30 June 2023 HK\$'000 (Unaudited)</b>	31 December 2022 HK\$'000 (Audited)
Within 1 month	58,676	36,645
More than 1 month but less than 3 months	88,688	104,259
More than 3 months but less than 12 months	8,715	20,421
Over 12 months	1,093	1,548
	<u>157,172</u>	<u>162,873</u>

## **INTERIM DIVIDEND**

At the Board meeting held on 25 August 2023, the Board declared an interim dividend of 3 Hong Kong cents (corresponding period in 2022: 2 Hong Kong cents) per ordinary share.

## **CLOSURE OF REGISTER OF MEMBERS**

The book of transfers and register of members of the Company (the “**Register of Members**”) will be closed from Monday, 18 September 2023 to Wednesday, 20 September 2023, both days inclusive, during such period no transfer of shares will be registered.

In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17<sup>th</sup> Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong by 4:30 p.m. on Friday, 15 September 2023. The interim dividend will be payable on or about Thursday, 5 October 2023 to shareholders of the Company whose names appear on the Register of Members at the close of business on Wednesday, 20 September 2023.

## **BUSINESS HIGHLIGHTS**

The Group’s revenue was HK\$648,916,000 in the first six months of 2023, representing an increase of approximately 14.15% compared with turnover for the corresponding period in 2022 (HK\$568,455,000). The Group’s net profit was HK\$25,662,000 compared with a net profit of HK\$8,617,000 for the corresponding period in 2022, representing an increase of approximately 197.81%. The significant increase in net profit was attributable to the fact that the Group’s business has recovered in the post COVID-19 era and controlled expenses together with a series of favourable macroeconomic factors: strong United States Dollars (“**USD**”), appreciating British pounds and depreciating Renminbi (“**RMB**”), rising interest rates that increased the Group’s interest income. Despite resumption of normal life globally outside the People’s Republic of China (“**PRC**” or “**China**”) and Hong Kong led to lower demand for air purification products, the Group had successfully launched new consumer products that consumers would purchase in the post COVID-19 era.

During the first six months of 2023, although the Group’s management faced uncertainties arising from the rising interest rates that caused inflationary pressures and lower sales demand worldwide, the Group had been able to meet current and new customers in person via face-to-face meetings as business travel resumed, and generated new business and identify new business opportunities in new product categories. To improve the cash flow further, the Group opted to exercise financial prudence to reduce safety stock for contingency planning as supply chain normalized, and to optimize fixed costs by investing in new machineries prudently to support launch of a series of new products. Our management team expects to find new customers and discuss new opportunities to develop more new products during the second half of 2023 amid all the uncertainties around the world.

On 4 May 2023, the Group successfully obtained ISO27001 certification, certifying that the Group’s information technology (“**IT**”) system has adopted satisfactory cybersecurity measures to protect data privacy. Furthermore, the Group’s enterprise resource planning (“**ERP**”) and IT system can achieve safe and secure data management, and safeguard important digital and intangible assets to give our stakeholders confidence in our ability to protect our data integrity.



## PROSPECTS IN THE SECOND HALF OF 2023

The Group's management anticipates strong challenges during the second half of 2023 due to continuous geopolitical tensions and economic uncertainties. The Group's management expects external events can play a much larger role in determining an organization's destiny, and the Group's management needs to react quickly to formulate a new and effective strategy to counter the disruptive market forces emerging from the business ecosystem in which the Group operates. The Group's investment in research and development ("R&D") enables us to maintain the High and New Technology Enterprise ("HNTe") status for the seventh consecutive year, and allows the Group to use new knowledge, patents and innovations to grow our business despite a punctuated equilibrium in the business ecosystem. The Group's management will remain resilient to tackle any immediate market downturns and form stronger partnership with our strategic customers to adapt to the new business ecosystem.

In the year 2023, the Group will continue to invest and promote computerization of manufacturing. The Group has integrated our ERP system with new financial analytic software such as Microsoft Power BI to enable detailed financial analytics to help the Group's management team make wise decisions on important strategic tasks quickly and to unlock the Group's full operational potential. By analyzing the profit margins of different product lines, the cash and inventory real time positions, and the latest accounts receivables and payables status, the Group's management can address the entire value chain to open up new business opportunities, make more efficient use of working capital and better manage discretionary spending.

As more and more European countries propose "Carbon Border Adjustment Mechanism ("CBAM")", to comply with carbon emission and other environmental, social and governance ("ESG") targets, the Group's management is vigilant about this potential new requirement and gets ready to obtain the CBAM certificates based on Greenhouse Gases ("GHG") emissions embedded in the products to be imported in the European Union. The need for supply chain decarbonization will inevitably increase total product costs and our R&D team will take this new requirement into consideration when we develop new innovative products. Furthermore, the new measures proposed by the International Sustainability Standards Board ("ISSB") will also enforce more climate change risk management and new ESG requirements. The Board and the Group's Management will keep up-to-date on all the new ESG and decarbonization requirements so that we can be the market forerunner to introduce environmentally friendly new innovative products that suit this new globally sustainability trend.

Finally, because of continuous US-China trade tension and geopolitical uncertainties, the Group's management will find an additional manufacturing partner in Southeast Asia such as Indonesia and Vietnam and to start a small-scale pilot production of certain products outside China during second half of 2023. The Group's management will decide whether to invest more outside China after we collect more valuable costs and productivity data from the pilot production.

## FINANCIAL REVIEW

The liquidity position of the Group was good. The current ratio of the Group was 3.50 as of 30 June 2023 (31 December 2022: 3.42). The quick ratio of the Group was 2.83 as of 30 June 2023 (31 December 2022: 2.46). The gearing ratio of the Group was 0.32 as of 30 June 2023 (31 December 2022: 0.32) which was computed by the trade and other payables over total equity.

Bank balances and cash were HK\$362,966,000 as of 30 June 2023 (31 December 2022: approximately HK\$334,379,000), representing an increase of HK\$28,587,000 compared with that for the corresponding period. The increase was mainly due to lower level of inventory.

There was no bank borrowing as of 30 June 2023 (31 December 2022: Nil), and the Group had no contingent liabilities as of 30 June 2023 (31 December 2022: Nil).

## **CHARGE ON ASSETS**

The Group has no charges on assets as of 30 June 2023 (31 December 2022: Nil).

## **FOREIGN EXCHANGE EXPOSURE**

Most of the Group's transactions were conducted in the USD, Hong Kong dollars and RMB. The depreciation of RMB verses USD during the six months ended 30 June 2023 caused decrease in our labour costs as Hong Kong dollars is our functional currency. At the same time, the Group has seen positive impact on our financial performance as a result of British pounds appreciation since our sales received in British pounds has increased in 2023. The Group does not foresee any further 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 22 Hong Kong staff members and provides them with the Mandatory Provident Fund Scheme. Our factory in the PRC employs approximately 495 to 505 staff members, and workers employed directly or indirectly ranged from 1,400 to 2,000 persons during the six months ended 30 June 2023.

The Group's remuneration policies remained the same as disclosed in the 2022 annual report.

The Group would like to extend its appreciation to all the staff members for their hard work and dedication to the Group throughout the period.

## **EVENTS AFTER THE REPORTING PERIOD**

There are no significant events subsequent to 30 June 2023 which would materially affect the Group's operating and financial performance as at the date of this announcement.

## **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 six months ended 30 June 2023.

## **CORPORATE GOVERNANCE**

Throughout the six months ended 30 June 2023, the Company was in compliance with the applicable code provisions as set out in the Corporate Governance Code (version up to 31 December 2022) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

## **COMPLIANCE WITH MODEL CODE**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors and established written guidelines no less exacting than the Model Code for senior management and specified persons who are likely to possess inside information in relation to the Group. Having made specific enquiry with the Directors, all the Directors confirmed that they had complied with the required standards as set out in the Model Code during the six months ended 30 June 2023.

## REMUNERATION COMMITTEE

A remuneration committee of the Company (the “**Remuneration Committee**”) has been established in accordance with the requirements of the Listing Rules. The Remuneration Committee comprises two executive Directors, namely Dr. Wong, Man Hin Raymond and Mr. Wong, Ying Man John; and three independent non-executive Directors (“**INEDs**”), namely Mr. Lo, Kwong Shun Wilson (chairman), Ms. Ling, Kit Sum Imma and Dr. Ko, Siu Fung Stephen.

## AUDIT COMMITTEE

The 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 has reviewed the accounting practices and principles adopted by the Group and discussed the auditing, internal control and financial reporting matters with the management of the Group including the review of the interim results and the interim financial information for the six months ended 30 June 2023.

The Audit Committee comprises three INEDs, namely Ms. Ling, Kit Sum Imma (chairlady), Mr. Lo, Kwong Shun Wilson and Dr. Ko, Siu Fung Stephen.

## NOMINATION COMMITTEE

A nomination committee of the Company (the “**Nomination Committee**”) has been established in accordance with the requirements of the Listing Rules. The Nomination Committee comprises three INEDs, namely Mr. Lo, Kwong Shun Wilson (chairman), Ms. Ling, Kit Sum Imma and Dr. Ko, Siu Fung Stephen.

## DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE’S WEBSITE

The 2023 interim financial information will be published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.raymondfinance.com](http://www.raymondfinance.com)) in due course.

By Order of the Board  
**WONG, Man Hin Raymond**  
*Chairman*

Hong Kong, 25 August 2023

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

*Executive Directors:*

Dr. WONG, Man Hin Raymond  
Mr. WONG, Ying Man John  
Mr. MOK, Kin Hing

*Non-Executive Directors:*

Dr. WONG, Kin Lae Wilson  
Mr. XIONG, Zhengfeng  
Mr. WONG, Ying Kit David

*Independent Non-Executive Directors:*

Ms. LING, Kit Sum Imma

Mr. LO, Kwong Shun Wilson

Dr. KO, Siu Fung Stephen