

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



(Stock Code: 0229)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024
AND
CHANGE OF REGISTERED OFFICE ADDRESS**

SUMMARY OF UNAUDITED FINANCIAL RESULTS

For the six months ended 30 June 2024

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 2024 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 2024 and the condensed consolidated statement of financial position of the Group as at 30 June 2024, 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 2024**(Expressed in Hong Kong dollars)*

		Six months ended 30 June	
		2024	2023
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
	<i>Note</i>		
Revenue	5	523,457	648,916
Cost of sales		<u>(445,764)</u>	<u>(561,118)</u>
Gross profit		77,693	87,798
Other revenue	6	9,267	6,345
Other net income	6	6,542	8,207
Selling expenses		(6,415)	(2,849)
General and administrative expenses		<u>(57,577)</u>	<u>(67,344)</u>
Profit before taxation		29,510	32,157
Income tax expense	7	<u>(2,689)</u>	<u>(6,495)</u>
Profit for the period attributable to shareholders of the Company	8	<u>26,821</u>	<u>25,662</u>
Earnings per share	9		
Basic, HK cents		<u>5.35</u>	<u>5.12</u>
Diluted, HK cents		<u>N/A</u>	<u>N/A</u>

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

*For the six months ended 30 June 2024
(Expressed in Hong Kong dollars)*

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period attributable to shareholders of the Company	<u>26,821</u>	<u>25,662</u>
Other comprehensive income for the period		
<i>Item that will not be reclassified to profit or loss:</i>		
– Revaluation gain arising from the transfer of property, plant and equipment to investment properties	32,797	-
<i>Item that may be reclassified to profit or loss:</i>		
– Exchange differences on translation of financial statements of foreign operations	<u>(2,261)</u>	<u>(8,363)</u>
Total comprehensive income for the period attributable to shareholders of the Company	<u>57,357</u>	<u>17,299</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

(Expressed in Hong Kong dollars)

		30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
	<i>Note</i>		
Non-current assets			
Property, plant and equipment	11	117,365	119,077
Investment properties	12	33,700	-
Right-of use assets	11	5,825	6,990
Deferred tax assets		3,141	3,028
		<u>160,031</u>	<u>129,095</u>
Current assets			
Inventories		138,552	144,473
Trade and other receivables	13	237,111	248,009
Current tax assets		1,095	2,058
Bank and cash balances		366,214	367,415
		<u>742,972</u>	<u>761,955</u>
Current liabilities			
Trade and other payables	14	215,105	215,764
Dividends payable		5,767	339
Current tax liabilities		1,208	1,249
		<u>222,080</u>	<u>217,352</u>
Net current assets		<u>520,892</u>	<u>544,603</u>
Total assets less current liabilities		<u>680,923</u>	<u>673,698</u>
Non-current liabilities			
Deferred tax liabilities		157	157
NET ASSETS		<u>680,766</u>	<u>673,541</u>
Capital and reserves			
Share capital		467,676	467,676
Reserves		213,090	205,865
TOTAL EQUITY		<u>680,766</u>	<u>673,541</u>

Notes:

1. BASIS OF PREPARATION

This 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 2023 that is included in these unaudited condensed financial statements for the six months ended 30 June 2024 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 2023 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 2023 annual financial statements. Except as described below, the accounting policies (including the significant judgments 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 2023.

2. NEW AND AMENDED HONG KONG FINANCIAL REPORTING STANDARDS

A. New and amended standards adopted by the Group

Except as described in note 3 for the new accounting policy for investment properties, 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 2023. 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 2024. They do not have a material effect on the Group’s condensed consolidated interim financial statements.

B. Impact of new and amended standards issued but not yet adopted by the Group

In September 2023, HKICPA amended HKAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. These new requirements will apply for annual reporting periods beginning on or after 1 January 2025. The management does not expect the amendment to have a material impact on the consolidated financial statements.

2. NEW AND AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (CONT'D)

B. Impact of new and amended standards issued but not yet adopted by the Group (CONT'D)

In July 2024, HKICPA issued HKFRS 18 which is effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information. The management is currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION FOR INVESTMENT PROPERTIES

Below is the material accounting policy information for the investment properties transferred from property plant and equipment during the six-month period ended 30 June 2024, as disclosed in note 11. This information has not been described in the summary of material accounting policy information in the consolidated financial statements for the year ended 31 December 2023.

Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rentals and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

An owner-occupied property is transferred to an investment property when, and only when there has been a change in use. Such change in use occurs when the property meets the definition of investment property, and there is evidence of a change in use. If an owner-occupied property becomes an investment property, the fair value of the property at the date of change in use is considered as the deemed cost for subsequent accounting. Any difference between its carrying amount and the fair value at the date of change in use is treated as revaluation in accordance with HKAS 16 Property, plant and equipment and recorded in other comprehensive income.

Subsequent to initial recognition, an investment property is measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are recognised in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is withdrawn from use. Any gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss.

4. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

5. 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.

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 profit or loss, 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 2024 HK\$'000 (Unaudited)
	North America	Latin America	Europe	Asia	Rest of World	
	2024 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)	
For the six months ended 30 June						
Revenue from external customers	121,210	110,829	123,695	155,322	12,401	523,457
Inter-segment revenue	-	-	-	596,067	-	596,067
Reportable segment revenue recognised at a point in time	121,210	110,829	123,695	751,389	12,401	1,119,524
Reportable segment profit (adjusted EBITDA)	6,313	5,771	6,441	55,089	647	74,261
Reportable segment assets as at 30 June	-	-	-	911,260	-	911,260
Reportable segment liabilities as at 30 June	-	-	-	(291,745)	-	(291,745)

5. SEGMENT INFORMATION (CONT'D)

(a) Segment results, assets and liabilities (CONT'D)

For the six months ended 30 June	Electrical home appliances					Total 2023 HK\$'000 (Unaudited)
	North America	Latin America	Europe	Asia	Rest of World	
	2023	2023	2023	2023	2023	
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	
Revenue from external customers	109,672	75,483	116,547	338,805	8,409	648,916
Inter-segment revenue	-	-	-	799,439	-	799,439
Reportable segment revenue recognised at a point in time	109,672	75,483	116,547	1,138,244	8,409	1,448,355
Reportable segment profit (adjusted EBITDA)	5,428	3,735	5,767	84,218	417	99,565
Reportable segment assets as at 31 December	-	-	-	935,499	-	935,499
Reportable segment liabilities as at 31 December	-	-	-	(294,954)	-	(294,954)

5. SEGMENT INFORMATION (CONT'D)

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

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue		
Reportable segment revenue	1,119,524	1,448,355
Elimination of inter-segment revenue	<u>(596,067)</u>	<u>(799,439)</u>
Consolidated revenue	<u>523,457</u>	<u>648,916</u>

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit or loss		
Reportable segment profit	74,261	99,565
Elimination of inter-segment profits	<u>(47,290)</u>	<u>(67,451)</u>
Reportable segment profit derived from Group's external customers	26,971	32,114
Other revenue	9,267	6,345
Other net income	6,542	8,207
Depreciation	<u>(13,270)</u>	<u>(14,509)</u>
Consolidated profit before taxation	<u>29,510</u>	<u>32,157</u>

5. SEGMENT INFORMATION (CONT'D)

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

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Assets		
Reportable segment assets	911,260	935,499
Elimination of inter-segment receivables	<u>(46,193)</u>	<u>(49,535)</u>
	865,067	885,964
Investment properties	33,700	-
Current tax assets	1,095	2,058
Deferred tax assets	<u>3,141</u>	<u>3,028</u>
Consolidated total assets	<u>903,003</u>	<u>891,050</u>
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Liabilities		
Reportable segment liabilities	(291,745)	(294,954)
Elimination of inter-segment payables	<u>76,640</u>	<u>79,190</u>
	(215,105)	(215,764)
Dividends payable	(5,767)	(339)
Current tax liabilities	(1,208)	(1,249)
Deferred tax liabilities	<u>(157)</u>	<u>(157)</u>
Consolidated total liabilities	<u>(222,237)</u>	<u>(217,509)</u>

6. OTHER REVENUE AND OTHER NET INCOME

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Other revenue		
Bank interest income	<u>9,267</u>	<u>6,345</u>
Other net income		
Net exchange gain	5,063	5,802
Net loss on disposal of property, plant and equipment	-	(549)
Net gain on disposal of scrap materials	881	1,426
Rental income	306	1,202
Subsidy income	140	479
Sundry income/ (loss)	<u>152</u>	<u>(153)</u>
	<u>6,542</u>	<u>8,207</u>

7. INCOME TAX EXPENSE

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

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax – Hong Kong Profits Tax		
Provision for the period	<u>1,094</u>	<u>2,269</u>
Current tax – PRC Enterprise Income Tax		
Provision for the period	2,461	3,537
PRC Withholding Income Tax for the period	-	2,612
Over-provision in respect of prior years	<u>(735)</u>	<u>(1,315)</u>
	<u>1,726</u>	<u>4,834</u>
Deferred tax		
Origination and reversal of temporary differences	<u>(131)</u>	<u>(608)</u>
Income tax expense	<u>2,689</u>	<u>6,495</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 and taxed at a preferential tax rate of 15% (six months ended 30 June 2023: 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.

8. PROFIT FOR THE PERIOD

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

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(a) Staff costs (including directors' remunerations)		
Salaries, wages and other benefits	100,459	94,723
Discretionary bonuses	3,914	2,672
Contributions to defined contribution retirement plans	8,477	7,981
	112,850	105,376

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(b) Other items		
Cost of inventories sold [#]	445,764	561,118
Depreciation of right-of-use assets	227	242
Depreciation of property, plant and equipment	13,043	14,267
Product development cost [*]	18,918	20,846
Obsolete moulds and toolings written off [^]	659	13,793

[#] Cost of inventories sold includes approximately HK\$88,985,000 (six months ended 30 June 2023: HK\$87,580,000) relating to staff costs and depreciation, of which amounts are also included in the respective total amounts disclosed separately above.

^{*} Product development costs include approximately HK\$13,340,000 (six months ended 30 June 2023: HK\$12,505,000) relating to staff costs and depreciation, which are also included in the respective total amounts disclosed separately above.

[^] During the six-month period ended 30 June 2024, the Group obsoleted and wrote off moulds and tooling with carrying amount of approximately HK\$659,000 (six months ended 30 June 2023: HK\$13,793,000).

9. 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\$26,821,000 (six months ended 30 June 2023: HK\$25,662,000) and the weighted average number of ordinary shares of approximately 501,325,000 (six months ended 30 June 2023: 501,325,000) shares in issue during the interim period.

For the six-month period ended 30 June 2023 and 2024, 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 and 2024.

10. DIVIDENDS

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

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interim dividend declared and approved after the interim period of 4 HK cents per ordinary share (six months ended 30 June 2023: 3 HK cents per ordinary share)	20,053	15,040

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

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Final dividend in respect of the previous financial year ended 31 December 2023, approved and paid during the interim period, of 4 HK cents per ordinary share (year ended 31 December 2022: 4 HK cents per ordinary share)	20,053	20,053
Special dividend, approved and paid during the interim period, of 6 HK cents per ordinary share	30,079	-
	50,132	20,053

11. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Property, plant and equipment HK\$'000	Right-of-use assets HK\$'000	Total HK\$'000
Cost			
At 1 January 2024 (audited)	361,180	20,092	381,272
Exchange adjustments	(2,244)	(114)	(2,358)
Additions	13,180	-	13,180
Transfer to investment properties (note 12)	(7,451)	(1,985)	(9,436)
Disposals	(7,722)	-	(7,722)
At 30 June 2024 (unaudited)	356,943	17,993	374,936
Accumulated depreciation			
At 1 January 2024 (audited)	242,103	13,102	255,205
Exchange adjustments	(1,361)	(79)	(1,440)
Charge for the period	13,043	227	13,270
Transfer to investment properties (note 12)	(7,451)	(1,082)	(8,533)
Disposals	(6,756)	-	(6,756)
At 30 June 2024 (unaudited)	239,578	12,168	251,746
Net carrying value			
At 30 June 2024 (unaudited)	117,365	5,825	123,190
At 31 December 2023 (audited)	119,077	6,990	126,067

Note:

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

12. INVESTMENT PROPERTIES

	2024 HK\$'000 (Unaudited)
At 1 January	-
Transfer from property, plant and equipment (note 11)	903
Revaluation gain recognised in other comprehensive income	<u>32,797</u>
At 30 June	<u><u>33,700</u></u>

On 1 April 2024, the Group leased out a portion of a owner-occupied building to generate rental income. Accordingly, that portion of property, plant and equipment was reclassified as investment property when the owner-occupation ceased.

The fair value of the Group's investment properties as of the date of transfer from property, plant and equipment to investment properties was valued by an external independent valuer at HK\$33,700,000. Management considers that there was no material change to the fair value of the investment properties from the date of transfer to the period ended date on 30 June 2024.

13. TRADE AND OTHER RECEIVABLES

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Trade receivables	215,952	223,215
Other receivables	15,471	18,891
Deposits and prepayments	<u>5,688</u>	<u>5,903</u>
	<u><u>237,111</u></u>	<u><u>248,009</u></u>

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

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Within 1 month	67,012	66,298
More than 1 month but less than 3 months	120,757	118,850
More than 3 months but less than 12 months	<u>28,183</u>	<u>38,067</u>
	<u><u>215,952</u></u>	<u><u>223,215</u></u>

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

14. TRADE AND OTHER PAYABLES

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Trade payables	159,036	148,343
Accrued charges and other payables	56,055	67,415
Contract liabilities	14	6
	<u>215,105</u>	<u>215,764</u>

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

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Within 1 month	58,569	51,103
More than 1 month but less than 3 months	88,492	81,172
More than 3 months but less than 12 months	11,216	15,377
Over 12 months	759	691
	<u>159,036</u>	<u>148,343</u>

INTERIM DIVIDEND

At the Board meeting held on 22 August 2024, the Board declared an interim dividend of 4 Hong Kong cents (corresponding period in 2023: 3 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 Friday, 13 September 2024 to Tuesday, 17 September 2024, both days inclusive, during which 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, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong by 4:30 p.m. on Thursday, 12 September 2024. The interim dividend will be payable on or about Thursday, 3 October 2024 to shareholders of the Company whose names appear on the Register of Members at the close of business on Tuesday, 17 September 2024.

BUSINESS HIGHLIGHTS

The Group’s turnover was HK\$523,457,000 in the first six months of 2024, representing a decrease of approximately 19.33% compared with a turnover of HK\$648,916,000 for the corresponding period in 2023. The Group’s net profit was HK\$26,821,000 compared with a net profit of HK\$25,662,000 for the corresponding period in 2023, representing an increase of approximately 4.52%. The increase in net profit was attributable to the fact that although the Group’s business turnover has decreased, a series of favorable macroeconomic factors (strong United States Dollars (“**USD**”) and depreciating Renminbi (“**RMB**”)) increased the Group’s gross profit margins. Also, rising interest rates increased the Group’s interest income, therefore, net profits were maintained at respectable level compared with last year.

During the first six months of 2024, 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 continue to launch new innovative products with good gross margins. To improve the cash flow further, the Group opted to exercise financial prudence to reduce safety stock for contingency planning, and to utilise fixed costs more effectively by investing in new machineries prudently to support launch 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 2024 amid all the uncertainties around the world.

In April 2024, the Group successfully shipped the first container of “Made in Indonesia” products for one of our major customers from Batam, an Indonesia factory of our manufacturing partner. To alleviate potential geopolitical risk, and to mitigate the uncertainty surrounding the upcoming US Presidential election, it is important that the Group has an overseas manufacturing facility where we can produce key products outside China for our customers in case Sino-US relationship deteriorates.

In April 2024, the Group also rented out part of the office and warehouse at the Hong Kong headquarters to generate rental income. The gain on the measurement of the fair value of the office and warehouse when their use was changed to investment properties has been booked in other comprehensive income.

In June 2024, the Group was nominated as one of the 3 finalists among approximately 500 suppliers in “Our Most Important Customers’ Procurement Partnership Award”. This kind of recognition would drive our management to strive for improvement and excellence in our future cooperation with strategic partners, both customers and key suppliers.

PROSPECTS IN THE SECOND HALF OF 2024

The Group's management anticipates strong challenges during the second half of 2024 due to continuous geopolitical tensions and economic uncertainties. The Group's management expects that the toxic culture of "involution" in our industrial sector in China will increase domestic factories price cutting among our competitors, which will result in diminishing returns if we do not innovate and carve out a niche market to develop new differentiated novel products. Furthermore, 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 eighth 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 2024, 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 analysis 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 give play the potential of 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 with all the new ESG and decarbonization requirements so that we can be among the market forerunners to introduce environmentally friendly new innovative products that suit this new global sustainability trend.

The year 2024 marks the 60th anniversary of the Group. Over the past few years, the Group had made investment to renovate and upgrade the manufacturing facilities with digitally transformed data processing systems and AI enabled manufacturing processes and equipment. With the state-of-the-art rejuvenated factory, enthusiastic management and workers, the Group's management strives to achieve greater results and to attain excellence in both operational and financial performance well beyond our first 60 years.

FINANCIAL REVIEW

The liquidity position of the Group was good. The current ratio of the Group was 3.35 as of 30 June 2024 (31 December 2023: 3.51). The quick ratio of the Group was 2.72 as of 30 June 2024 (31 December 2023: 2.84). The gearing ratio of the Group was 0.32 as of 30 June 2024 (31 December 2023: 0.32) which was computed by the trade and other payables over total equity.

Bank balances and cash were HK\$366,214,000 as of 30 June 2024 (31 December 2023: approximately HK\$367,415,000), representing a decrease of HK\$1,201,000 compared with that for the corresponding period. The decrease was mainly due to net effect of lower level of inventory and dividends paid out.

There was no bank borrowing as of 30 June 2024 (31 December 2023: Nil), and the Group had no contingent liabilities as of 30 June 2024 (31 December 2023: Nil).

CHARGE ON ASSETS

The Group has no charges on assets as of 30 June 2024 (31 December 2023: Nil).

FOREIGN EXCHANGE EXPOSURE

Most of the Group's transactions were conducted in the USD, Hong Kong dollars and RMB. 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 2024. 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 18 Hong Kong staff members and provides them with the Mandatory Provident Fund Scheme. Our factory in the PRC employs approximately 531 to 555 staff members, and workers employed directly or indirectly ranged from 1,592 to 2,045 persons during the six months ended 30 June 2024.

The Group's remuneration policies remained the same as disclosed in the 2023 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 2024 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 2024.

CORPORATE GOVERNANCE

Throughout the six months ended 30 June 2024, the Company was in compliance with the applicable code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 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 C3 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 2024.

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 2024.

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.

CHANGE OF REGISTERED OFFICE ADDRESS

The Board further announces that the registered office address of the Company will be changed to Rooms 1806-1813, 18/F, Grandtech Centre, 8 On Ping Street, Shatin, N.T., Hong Kong with effect from 1 September 2024. All telephone and facsimile numbers of the Company will remain unchanged.

DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE’S WEBSITE

The 2024 interim financial information will be published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.raymondfinance.com) in due course.

By Order of the Board
WONG, Man Hin Raymond
Chairman

Hong Kong, 22 August 2024

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. WONG, Ying Kit David

Independent Non-Executive Directors:

Ms. LING, Kit Sum Imma

Mr. LO, Kwong Shun Wilson

Dr. KO, Siu Fung Stephen