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(Stock Code: 0229)

**ANNOUNCEMENT OF UNAUDITED 2021 THIRD QUARTER RESULTS
 FOR NINE MONTHS ENDED 30 SEPTEMBER 2021**

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 nine months ended 30 September 2021, together with comparative figures for corresponding period as follows:

Consolidated statement of profit or loss

(Expressed in Hong Kong dollars)

	Note	Nine months ended 30 September	
		2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Revenue		1,054,660	905,492
Cost of sales		<u>(938,592)</u>	<u>(772,296)</u>
Gross profit		116,068	133,196
Other revenue		353	2,000
Other net income/(loss)		2,125	(47)
Selling expenses		<u>(11,262)</u>	<u>(11,498)</u>
General and administrative expenses		<u>(83,114)</u>	<u>(72,933)</u>
Profit before taxation		24,170	50,718
Income tax expenses		<u>(2,475)</u>	<u>(10,885)</u>
Profit for the period attributable to shareholders of the Company		<u>21,695</u>	<u>39,833</u>
Earnings per share	1		
Basic, HK cents		<u>4.36</u>	<u>8.06</u>
Diluted, HK cents		<u>4.34</u>	<u>8.03</u>

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

	Nine months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Profit for the period attributable to shareholders of the Company	21,695	39,833
Other comprehensive income for the period		
Item that may be reclassified to profit or loss –Exchange differences on translation of financial statements of foreign operations	<u>4,725</u>	<u>4,920</u>
Total comprehensive income for the period attributable to shareholders of the Company	<u>26,420</u>	<u>44,753</u>

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

	30 September 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
Non-current assets		
Property, plant and equipment	160,635	153,021
Right-of-use assets	8,553	8,833
Deferred tax assets	2,921	2,739
	<u>172,109</u>	<u>164,593</u>
Current assets		
Inventories	219,563	176,770
Trade and other receivables	356,551	325,561
Bank and cash balances	183,207	291,894
	<u>759,321</u>	<u>794,225</u>
Current liabilities		
Trade and other payables	268,666	297,897
Dividends payable	308	286
Current tax liabilities	6,085	5,253
	<u>275,059</u>	<u>303,436</u>
Net current assets	<u>484,262</u>	<u>490,789</u>
Total assets less current liabilities	<u>656,371</u>	<u>655,382</u>
Non-current liabilities		
Deferred tax liabilities	167	167
NET ASSETS	<u>656,204</u>	<u>655,215</u>
CAPITAL AND RESERVES		
Share capital	467,578	462,333
Reserves	188,626	192,882
TOTAL EQUITY	<u>656,204</u>	<u>655,215</u>

NOTE:

1 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\$21,695,000 (nine months ended 30 September 2020: HK\$39,833,000) and the weighted average number of ordinary shares of approximately 498,001,000 (nine months ended 30 September 2020: 494,500,000) shares in issue during the period.

The calculation of diluted earnings per share is based on the profit for the period attributable to shareholders of the Company of approximately HK\$21,695,000 (nine months ended 30 September 2020: HK\$39,833,000) and the weighted average number of ordinary shares of approximately 499,749,000 (nine months ended 30 September 2020: 496,018,000) shares after taking into account the effect of deemed issue of ordinary shares under the Company's share option scheme.

BUSINESS HIGHLIGHTS

In the first nine months of 2021, we have seen higher sales demand for air purifiers, grooming and shaving products compared with the corresponding period in 2020 as our business has captured more market share and market opportunities in light of persistent COVID-19 pandemic affecting all walks of life. The turnover of the Group was HK\$1,054,660,000 in the first nine months of 2021, representing an increase of 16.47% compared with the turnover of HK\$905,492,000 for the corresponding period in 2020. The Group's net profit was HK\$21,695,000, representing a significant decrease of 45.54% when compared with net profit of HK\$39,833,000 for the corresponding period in 2020. The significant decrease in net profit was attributable to the fact that the Group was hit with a series of unfavourable macroeconomic factors from RMB exchange rate appreciation and increasing raw material costs to escalating transportation costs and shortage of containers to export finished goods to our customers.

During the first nine months of 2021, the Group's management faced uncertainties arising from the sudden surge in raw material costs due to shortage of plastic resins and electronic components as global economy rebounded in 2021. The Group had also experienced power outage that caused disruption in our production during August and September of 2021. On the other hand, the Group was fortunate that some of our environmental and grooming products became a necessity under the new normal for many people who work from home. Consequently, sales revenue increased 16.47 percent during the first nine months despite less than satisfactory net profits. Therefore, the Group's management remains optimistic yet cautious when it comes to internal allocation of capital resources, human resources, information technology and property, plant and equipment investment to ensure our financial resources was spent wisely. The new ERP system upgrade has completed and many of our staff begin to use the new operating platform that has better connectivity to the internet and is more user friendly. The new ERP system can also connect to some of our customers' ERP systems to enhance faster data exchange to perform more meaningful data

analytics to explore online e-commerce opportunities faster. The Group's management will invest more in cybersecurity to make sure that our Group's management can utilize these analytic tools to make instant decision while minimizing threats from malicious hackers.

BUSINESS PROSPECTS

The Group's management anticipates strong challenges in the last quarter of 2021 due to continuous trade tensions, COVID-19 pandemic and economic uncertainties. The Group has purchased new back-up electricity generators to avoid sudden production shut down due to limited power supply from the municipality, as we experienced in August and September of 2021 that was widely reported in the media. The Group's management has performed a comprehensive risk assessment and has contingency plans in place to handle sudden supply chain disruption, power outage, and adverse climate change such as flooding and typhoon.

From the core business perspective, the Group's management continues to cultivate 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 and product categories. The Group's investment in R&D enables us to maintain the HNTE status for the fifth consecutive year, and allow the Group to use new knowledge, patents and innovations to grow our business. The Group's management will remain resilient to tackle any immediate market downturns and form stronger partnership with our strategic customers and suppliers.

The Group will continue to invest and promote computerisation of manufacturing. The Group has started using a new ERP system platform, and integrated our ERP system with new financial analytic software to enable cross functional transformation that can unlock the Group's full operational potential. By scrutinizing the entire end-to-end process, understanding customers' needs to delivery of our finished products, the Group's management can address the entire value chain to develop new business opportunities, make more efficient use of working capital and better manage discretionary spending.

Travel restriction due to coronavirus pandemic still poses a challenge to have face-to-face meetings with old and new customers to discuss new products concept and strategies. The new normal has forced the Group's management to rethink about exploring new business opportunities in the B2B regional markets. In 2021, new products that are catered for B2B regional markets have already been developed and introduced to various industries in the vicinity.

FINANCIAL POSITION

The liquidity position of the Group was satisfactory. The current ratio of the Group was 2.76 as of 30 September 2021 (31 December 2020: 2.62). The quick ratio of the Group was 1.96 as of 30 September 2021 (31 December 2020: 2.03). The gearing ratio of the Group was 0.41 as of 30 September 2021 (31 December 2020: 0.45) and it was computed by the trade and other payables over total equity.

Bank and cash balances were HK\$183,207,000 as of 30 September 2021, representing a decrease of HK\$108,687,000 compared with that on 31 December 2020. The decrease was mainly due to higher accounts receivables and higher inventories as of 30 September 2021.

There was no bank borrowing as of 30 September 2021 (31 December 2020: Nil), and the Group had no contingent liabilities as of 30 September 2021 (31 December 2020: Nil).

REVIEW OF ACCOUNTS

The audit committee of the Company has reviewed the Group's unaudited condensed consolidated financial statements for the nine months ended 30 September 2021.

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

Hong Kong, 12 November 2021

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
Mr. Mok, Kin Hing

Non-Executive Directors:

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

Independent Non-Executive Directors:

Ms. Ling, Imma Kit Sum
Mr. Lo, Wilson Kwong Shun
Dr. Ko, Stephen Siu Fung