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**ANNOUNCEMENT OF FINAL RESULTS
 FOR THE YEAR ENDED 31 DECEMBER 2022**

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 2022, together with comparative figures for last year as follows:

Consolidated statement of profit or loss

(Expressed in Hong Kong dollars)

	Notes	2022 HK\$'000	2021 HK\$'000
Revenue	3&4	1,063,058	1,433,612
Cost of sales		<u>(933,071)</u>	<u>(1,261,281)</u>
Gross profit		129,987	172,331
Other revenue	5	3,455	449
Other net income	5	9,438	2,272
Selling expenses		(12,350)	(15,798)
General and administrative expenses		<u>(96,194)</u>	<u>(111,982)</u>
Profit before taxation		34,336	47,272
Income tax expense	6	<u>(3,832)</u>	<u>(5,312)</u>
Profit for the year attributable to shareholders of the Company	7	<u>30,504</u>	<u>41,960</u>
Earnings per share	9		
Basic, HK cents		<u>6.09</u>	<u>8.41</u>
Diluted, HK cents		<u>6.09</u>	<u>8.39</u>

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

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year attributable to shareholders of the Company	<u>30,504</u>	<u>41,960</u>
Other comprehensive income		
Item that may be reclassified to profit or loss:		
– Exchange differences on translation of financial statements of foreign operations	<u>(25,475)</u>	<u>9,110</u>
Total comprehensive income for the year attributable to shareholders of the Company	<u>5,029</u>	<u>51,070</u>

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

	<i>Notes</i>	2022 HK\$'000	2021 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment	<i>10</i>	132,498	155,983
Right-of-use assets	<i>10</i>	7,552	8,509
Deferred tax assets		2,865	3,000
		142,915	167,492
Current assets			
Inventories		198,491	219,518
Trade and other receivables	<i>11</i>	178,355	324,399
Current tax assets		-	664
Bank and cash balances	<i>12</i>	334,379	244,802
		711,225	789,383
Current liabilities			
Trade and other payables	<i>13</i>	206,918	283,234
Dividends payable		351	322
Current tax liabilities		846	2,326
		208,115	285,882
Net current assets		503,110	503,501
Total assets less current liabilities		646,025	670,993
Non-current liabilities			
Deferred tax liabilities		159	163
NET ASSETS		645,866	670,830
CAPITAL AND RESERVES			
Share capital		467,676	467,578
Reserves		178,190	203,252
TOTAL EQUITY		645,866	670,830

Notes:

1. **BASIS OF PREPARATION**

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. These consolidated 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 and with the requirements of the Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

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

Application of new and revised HKFRSs

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRS 16 (March 2021)	Covid-19 Related Rent Concessions beyond 30 June 2021
Annual Improvements Project	Annual Improvements to HKFRS Standards 2018-2020
Amendments to Accounting Guideline 5	Merger Accounting for Common Control Combinations

The amendments do not have an impact on these Group’s financial statements in adopting the aforementioned amended standards or annual improvements. As a result, the Group was not required to change its accounting policies or make retrospective adjustments.

3 SEGMENT INFORMATION

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 six reportable segments on a geographical basis: Japan, the United States of America ("USA"), the People's Republic of China (the "PRC"), Europe, Asia (excluding Japan and the PRC) 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, South America and Africa.

(a) Segment profit or loss, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the profit or loss, 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 and other payables, with the exception of tax balances and dividends payable, attributable to the manufacture and sale activities of the individual segments. Segment non-current assets do not include deferred tax assets.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. Segment profit or loss do not include other revenue and other net income or loss, and the depreciation of assets not attributable to those segments.

The measurement used for reporting segment profit is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes and depreciation". 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 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.

3 SEGMENT INFORMATION (continued)

(a) Segment profit or loss, 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						
	USA 2022 HK\$'000	The PRC 2022 HK\$'000	Japan 2022 HK\$'000	Europe 2022 HK\$'000	Asia (excluding Japan and the PRC) 2022 HK\$'000	Rest of the world 2022 HK\$'000	Total 2022 HK\$'000
Revenue from external customers	260,909	153,906	314,387	218,263	61,358	54,235	1,063,058
Inter-segment revenue	-	371,446	-	-	847,072	-	1,218,518
Reportable segment revenue recognised at a point in time	260,909	525,352	314,387	218,263	908,430	54,235	2,281,576
Reportable segment profit (adjusted EBITDA)	13,014	7,676	15,681	10,887	58,620	2,704	108,582
Reportable segment assets as at 31 December	-	445,652	-	-	574,801	-	1,020,453
Reportable segment liabilities as at 31 December	-	(155,341)	-	-	(220,756)	-	(376,097)
Additions to non-current segment assets during the year	-	20,102	-	-	-	-	20,102

3 SEGMENT INFORMATION (continued)

(a) Segment profit or loss, assets and liabilities (continued)

	Electrical home appliances						
	USA 2021 HK\$'000	The PRC 2021 HK\$'000	Japan 2021 HK\$'000	Europe 2021 HK\$'000	Asia (excluding Japan and the PRC) 2021 HK\$'000	Rest of the world 2021 HK\$'000	Total 2021 HK\$'000
Revenue from external customers	458,855	271,509	297,039	303,760	69,774	32,675	1,433,612
Inter-segment revenue	-	527,222	-	-	1,192,100	-	1,719,322
Reportable segment revenue recognised at a point in time	458,855	798,731	297,039	303,760	1,261,874	32,675	3,152,934
Reportable segment profit (adjusted EBITDA)	24,973	14,777	16,167	16,531	74,168	1,777	148,393
Reportable segment assets as at 31 December	-	438,427	-	-	634,486	-	1,072,913
Reportable segment liabilities as at 31 December	-	(218,111)	-	-	(272,439)	-	(490,550)
Additions to non-current segment assets during the year	-	32,187	-	-	-	-	32,187

3 SEGMENT INFORMATION (continued)

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue		
Reportable segment revenue	2,281,576	3,152,934
Elimination of inter-segment revenue	<u>(1,218,518)</u>	<u>(1,719,322)</u>
Consolidated revenue	<u><u>1,063,058</u></u>	<u><u>1,433,612</u></u>
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Profit or loss		
Reportable segment profit	108,582	148,393
Elimination of inter-segment profits	<u>(55,560)</u>	<u>(70,371)</u>
Reportable segment profit derived from Group's external customers	53,022	78,022
Other revenue and other net income	12,893	2,721
Depreciation	<u>(31,579)</u>	<u>(33,471)</u>
Consolidated profit before taxation	<u><u>34,336</u></u>	<u><u>47,272</u></u>

3 SEGMENT INFORMATION (continued)

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Assets		
Reportable segment assets	1,020,453	1,072,913
Elimination of inter-segment receivables	<u>(169,178)</u>	<u>(119,702)</u>
	851,275	953,211
Current tax assets	-	664
Deferred tax assets	<u>2,865</u>	<u>3,000</u>
Consolidated total assets	<u>854,140</u>	<u>956,875</u>
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Liabilities		
Reportable segment liabilities	(376,097)	(490,550)
Elimination of inter-segment payables	<u>169,179</u>	<u>207,316</u>
	(206,918)	(283,234)
Dividends payable	(351)	(322)
Current tax liabilities	(846)	(2,326)
Deferred tax liabilities	<u>(159)</u>	<u>(163)</u>
Consolidated total liabilities	<u>(208,274)</u>	<u>(286,045)</u>

(c) Revenue from major customers

Revenue from major customers, each of whom amounted to 10% or more of the total revenue of the Group, is set out below:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Customer A	311,480	292,772
Customer B	246,399	307,288
Customer C	171,916	382,726
Customer D	<u>125,820</u>	<u>159,906</u>

4 REVENUE

Disaggregation of revenue from contracts with customers by major products for the year is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products – sales of goods	<u>1,063,058</u>	<u>1,433,612</u>

5 OTHER REVENUE AND OTHER NET INCOME

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Other revenue		
Bank interest income	<u>3,455</u>	<u>449</u>
Other net income		
Net gain on disposal of scrap materials	1,611	852
Net exchange gain	1,104	125
Net loss on disposal of property, plant and equipment	(15)	(66)
Installation fee income	2,133	-
Subsidy income	2,267	841
Sundry income	568	520
Rental income	<u>1,770</u>	<u>-</u>
	<u>9,438</u>	<u>2,272</u>

6 INCOME TAX EXPENSE

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
Provision for the year	3,821	3,796
Over-provision in respect of prior years	<u>(57)</u>	<u>(319)</u>
	<u>3,764</u>	<u>3,477</u>
Current tax – PRC Enterprise Income Tax		
Provision for the year	1,356	3,348
Over-provision in respect of prior years	<u>(1,242)</u>	<u>(1,310)</u>
	<u>114</u>	<u>2,038</u>
Deferred tax		
Origination and reversal of temporary differences	<u>(46)</u>	<u>(203)</u>
	<u>3,832</u>	<u>5,312</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 Profit 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% (2021: 15%).

7 PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

	2022 HK\$'000	2021 HK\$'000
Staff costs (including directors' remuneration)		
Salaries, wages and other benefits (<i>note (i)</i>)	190,191	234,719
Discretionary bonuses	2,000	2,757
Contributions to defined contribution retirement plans	16,854	17,406
	<u>209,045</u>	<u>254,882</u>
Other items		
Cost of inventories sold (<i>note (ii)</i>)	933,071	1,261,281
Write-down of inventories	912	129
Reversal of write-down of inventories	(978)	(1,324)
Depreciation of right-of-use assets	497	508
Depreciation of property, plant and equipment	31,082	32,963
Auditor's remuneration		
-provision for the year	750	700
-under-provision in prior year	40	45
Product development costs (<i>note (iii)</i>)	39,115	46,584
Obsolete moulds and toolings written off	417	600
Expenses relating to leases of low value assets (included in cost of inventories and general and administrative expenses) (<i>note (iv)</i>)	469	584

Notes:

- (i) For the year ended 31 December 2022, COVID-19 related government grants amounting to HK\$620,000 (2021:Nil) have been offset against salaries, wages and other benefits.
- (ii) Cost of inventories includes approximately HK\$178,334,000 (2021: HK\$221,488,000) relating to staff costs and depreciation, which are also included in the respective total amounts disclosed separately above.

Cost of inventories also includes approximately HK\$417,000 (2021: HK\$600,000) relating to obsolete moulds and toolings written off.
- (iii) Product development costs include approximately HK\$26,063,000 (2021: HK\$26,848,000) relating to staff costs and depreciation, which are also included in the respective total amounts disclosed separately above.
- (iv) During the years ended 31 December 2022 and 2021, the Group leases various warehouses and carpark for its operations. Lease contracts are entered into for fixed term of one month to two years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

8 FINAL AND SPECIAL DIVIDENDS

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interim dividend declared and paid of 2 HK cents per ordinary share (2021: 2 HK cents per ordinary share)	10,026	10,024
Final dividend proposed after the end of the reporting period of 4 HK cents per ordinary share (2021: 4 HK cents per ordinary share)	<u>20,053</u>	<u>20,048</u>
	<u>30,079</u>	<u>30,072</u>

The final 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 shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of 4 HK cents per ordinary share (2021: 4 HK cents per ordinary share)	20,053	20,036
Special dividend in respect of the previous financial year, approved and paid during the year, of nil HK cents per ordinary share (2021: 2 HK cents per ordinary share)	<u>-</u>	<u>10,018</u>
	<u>20,053</u>	<u>30,054</u>

9 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit for the year attributable to shareholders of the Company of HK\$30,504,000 (2021: HK\$41,960,000) and the weighted average number of ordinary shares of 501,276,000 (2021: 498,807,000) shares in issue during the year. The weighted average number of ordinary shares is calculated as follows:

	2022	2021
	'000	'000
Issued ordinary shares at 1 January	501,200	494,500
Effect of share options exercised	76	4,307
	<hr/> 501,276	<hr/> 498,807
Weighted average number of ordinary shares at 31 December	501,276	498,807
	<hr/> 501,276	<hr/> 498,807

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit for the year attributable to shareholders of the Company of HK\$30,504,000 (2021: HK\$41,960,000) and the weighted average number of ordinary shares of 501,290,000 (2021: 500,245,000) shares (diluted). The weighted average number of ordinary shares (diluted) is calculated as follows:

	2022	2021
	'000	'000
Weighted average number of ordinary shares at 31 December	501,276	498,807
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	14	1,438
	<hr/> 501,290	<hr/> 500,245
Weighted average number of ordinary shares (diluted) at 31 December	501,290	500,245
	<hr/> 501,290	<hr/> 500,245

10 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Property, plant and equipment <i>HK\$ '000</i>	Right-of-use assets <i>HK\$ '000</i>	Total <i>HK\$ '000</i>
Cost			
At 1 January 2021	580,996	21,185	602,181
Exchange adjustments	15,951	496	16,447
Additions	32,187	-	32,187
Disposals	(7,648)	-	(7,648)
	<hr/>	<hr/>	<hr/>
At 31 December 2021	621,486	21,681	643,167
	<hr/>	<hr/>	<hr/>
At 1 January 2022	621,486	21,681	643,167
Exchange adjustments	(44,214)	(1,327)	(45,541)
Additions	20,102	-	20,102
Disposals	(5,235)	-	(5,235)
	<hr/>	<hr/>	<hr/>
At 31 December 2022	592,139	20,354	612,493
	<hr/>	<hr/>	<hr/>
Accumulated depreciation			
At 1 January 2021	427,975	12,352	440,327
Exchange adjustments	11,317	312	11,629
Charges for the year	32,963	508	33,471
Disposals	(6,752)	-	(6,752)
	<hr/>	<hr/>	<hr/>
At 31 December 2021	465,503	13,172	478,675
	<hr/>	<hr/>	<hr/>
At 1 January 2022	465,503	13,172	478,675
Exchange adjustments	(32,234)	(867)	(33,101)
Charges for the year	31,082	497	31,579
Disposals	(4,710)	-	(4,710)
	<hr/>	<hr/>	<hr/>
At 31 December 2022	459,641	12,802	472,443
	<hr/>	<hr/>	<hr/>
Net carrying value			
At 31 December 2022	132,498	7,552	140,050
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2021	155,983	8,509	164,492
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

11 TRADE AND OTHER RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables	159,402	301,224
Other receivables	11,029	17,315
Deposits and prepayments	7,924	5,860
	<u>178,355</u>	<u>324,399</u>

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 1 month	41,281	92,112
More than 1 month but less than 3 months	93,280	161,443
More than 3 months but less than 12 months	24,841	47,565
Over 12 months	-	104
	<u>159,402</u>	<u>301,224</u>

In respect of trade receivables, management has a credit policy in place and the exposure to the credit risk is monitored on an ongoing basis. 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 receivables are due within 30 to 120 days from the date of billing. Normally, the Group does not obtain collateral from customers.

12 BANK AND CASH BALANCES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Time deposits with maturity within 3 months	305,687	163,372
Cash at bank and in hand	28,692	81,430
	<u>334,379</u>	<u>244,802</u>

13 TRADE AND OTHER PAYABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade payables	162,873	240,097
Accrued charges and other payables	43,361	43,137
Contract liabilities	684	-
	206,918	283,234

The above balances are expected to be settled within one year.

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 1 month	36,645	54,133
More than 1 month but less than 3 months	104,259	160,096
More than 3 months but less than 12 months	20,421	23,300
Over 12 months	1,548	2,568
	162,873	240,097

BUSINESS REVIEW

OPERATION RESULTS

During the financial year (“FY”) of 2022, the Group faced strong challenges of supply chain disruptions, continuous geopolitical tensions, COVID-19 pandemic, rising interest rates and the financial shocks in the People’s Republic of China (“PRC”) real estate industry that caused inflationary pressures and lower sales demand worldwide. To alleviate the impact of these uncertainties, the Group opted to exercise financial prudence to have safety stock for contingency planning, and to optimize fixed costs by investing in new machineries prudently and adopting efficient cost cutting measures to cope with significant sudden drop in sales demand worldwide.

Disruptive events such as the Russia-Ukraine war played a much larger role in determining an organization’s destiny, and the Group’s management needed to react quickly to formulate an effective new strategy to counter the disruptive market forces emerging from within a business ecosystem. In December 2022, after years of testing and tracking her citizens for the coronavirus disease, the PRC abruptly abandoned the zero-COVID approach and quickly dismantled restrictions that largely kept the coronavirus disease at bay for three years. The resulting eruption in infections in December 2022 (which infected approximately 65% of the Group’s workforce in Nansha, the PRC) had been the final key test for the ability of the Group’s management to find within a short period of time an agile and resilient closed-loop manufacturing solution to maintain operations ongoing despite the growing weekly infection cases.

Despite all these economic, geopolitical and pandemic-related uncertainties, the Group managed to tackle each challenge and to launch more new and innovative products during the second half of 2022. For FY2022, the Group’s consolidated turnover decreased to HK\$1,063,058,000, representing a decrease of approximately 25.85% as compared with the same period in the previous year. Nevertheless, the net profit of the Group was HK\$30,504,000, representing a decrease of approximately 27.30%, as compared with the net profit of HK\$41,960,000 for the same period in FY2021. Cash generated from operations was HK\$136,906,000 in FY2022. Net cash and cash equivalents at the end of FY2022 was HK\$334,379,000 (HK\$30,050,000 of which were dividend paid out during FY2022) as compared with HK\$244,802,000 at the beginning of FY2022. The positive operating cash flow and substantial cash balances enable the Group to continue paying dividends to the shareholders. At the same time, the Group continues to invest excess cash in research and development (“R&D”), new technology and automation equipment. Consequently, the Group continues to qualify as a High and New Technology Enterprise (“HNTE”) in the PRC.

In FY2022, the Group invested in R&D research projects both in the PRC and in Hong Kong, and the Group’s management anticipated that these R&D innovations could help the Group enter new market segments to diversify our risks and improve our profit margins. To achieve AIoT (Artificial Intelligence and Internet of Things) compatibility, the Group continues to invest in the information systems and automated production processes to convert the operations to 5G-ready and can utilize big data and mobile surveillance systems to improve quality systems. With more digital transformation tools available, the Group’s management can update strategies and react to changes quickly in highly competitive global markets. In FY2022, the Group invested HK\$20,102,000 (compared with HK\$32,187,000 in FY2021) to purchase new injection moulding machines, procure more high

precision laboratory testing equipment to upgrade our R&D and operational capabilities, hire consultants to work on finance digital transformation to enhance faster data processing and analysis, and to realize a paperless finance operation. Part of the abovementioned capital expenditure was related to new R&D projects to fulfill the minimum annual investment requirement of the High Technology Venture; and we expect our investment in these R&D projects will improve our operational efficiency, which enables the Group's management to make better predictions and business decisions, and hopefully can generate more sales revenue in 2023 from launch of new products. Qualifying for the High Technology Venture status will enable the Group to continue to enjoy lower profit tax rate and to receive tax incentives from the PRC Government; and increase our competitiveness among our peers.

Finally, the Group's net profit in FY2022 was HK\$30,504,000, representing basic earnings per share of 6.09 Hong Kong cents (net profit in FY2021 was HK\$41,960,000, with basic earnings per share of 8.41 Hong Kong cents).

FINAL DIVIDEND

The Board has proposed a final dividend of 4 Hong Kong cents per ordinary share for the year ended 31 December 2022 (the “**2022 Final Dividend**”). The proposed final dividend, if approved by the shareholders at the forthcoming annual general meeting, will be paid on Thursday, 8 June 2023 to the shareholders whose names appear on the register of members of the Company on Tuesday, 30 May 2023.

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 Friday, 19 May 2023 (the “**2023 AGM**”), the register of members of the Company will be closed from Monday, 15 May 2023 to Friday, 19 May 2023, both days inclusive. In order to be qualified for attending and voting at the 2023 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 Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Friday, 12 May 2023.
- (2) For the purpose of determining shareholders who are entitled to the 2022 Final Dividend, the register of members of the Company will be closed from Thursday, 25 May 2023 to Tuesday, 30 May 2023, both days inclusive. In order to be qualified for the 2022 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 Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Wednesday, 24 May 2023.

FINANCIAL POSITION

The liquidity position of the Group was satisfactory. The current ratio of the Group was 3.42 as of 31 December 2022, compared with 2.76 as of 31 December 2021. The quick ratio of the Group was 2.46 as of 31 December 2022 (31 December 2021: 1.99). The gearing ratio of the Group was 0.32 as of 31 December 2022 (31 December 2021: 0.42), which was computed by the trade and other payables over total equity.

During FY2022, the Group's trade receivables turnover stood at 55 days, compared with 77 days in FY2021. The inventory turnover in FY2022 was 78 days, compared with 64 days in FY2021.

Bank balances and cash were HK\$334,379,000 as of 31 December 2022 (2021: HK\$244,802,000), representing an increase of HK\$89,577,000 as compared to the figures in the same period in FY2021, which was mainly due to lower level of inventory and lower capital expenditure and R&D expenditure. Better management of cash flow was due to more accessible finance digital analytic tools to perform analysis, therefore the Group's management could make better procurement and inventory control decisions.

There were no bank borrowings as of 31 December 2022 (2021: Nil).

The Group had no contingent liabilities as of 31 December 2022 (2021: Nil).

CHARGES ON ASSETS

The Group had no charges on assets as of 31 December 2022 (2021: Nil).

FOREIGN EXCHANGE EXPOSURE

Most of the Group's transactions were conducted in the United States dollars, British Pound, Hong Kong dollars and Renminbi. The Group does not foresee any substantial exposure to foreign currency fluctuations and thus use of financial instruments for exchange rate hedging purpose is not considered.

FUTURE PROSPECTS

The impact of ongoing COVID-19 pandemic has drastically impacted the operations and strategies of virtually all organizations. The underlying economic and political environment results in tremendous volatility and uncertainty that may create significant risks to the business. The Group's management has performed a comprehensive risk assessment and has contingency plans in place to handle sudden supply chain disruption, economic uncertainties and currencies volatility due to inflation and US Federal Reserve policy, and the U-turn in COVID-19 pandemic policy in the PRC. The Group's management was glad that our management team was able to allocate more time and more human resources to tackle all the "unexpected" problems in 2022 with better resources allocation. Hopefully the Group's management can maintain the same agility and resilience to tackle similar new challenges in 2023.

Despite there being a cloud of uncertainties surrounding global trade, from unstable supply chain operations to lifting of pandemic restrictions in the PRC and the ensuing snow-balling infections at our Nansha factory in 2022, the Group could still successfully extend new revenue stream from new customers and launched higher valued-added new products in 2022.

The Group's investment in R&D enables us to maintain the HNTE status for the sixth consecutive year, and allows 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 partnerships with our strategic customers and suppliers. The Group will continue to invest and promote computerization of manufacturing as well as finance digital transformation. The adoption of digital technologies requires new skills and significant efforts to upskill and reskill existing employees. Ensuring privacy, identity management, information security and system protection may require significant resources to manage cyber threats. By scrutinizing the entire end-to-end process, from understanding customer needs to the delivery of finished products, 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. The Group's management will also allocate more resources in 2023 to implement better cybersecurity and hopefully with external consultants' advice, the Group's IT system can compete the ISO27001 certification which already started in 2022.

Finally, in the past three years, the COVID-19 pandemic forced the Group's management to make agile decisions and change our strategies frequently to adopt to the macroeconomic and geopolitical uncertainties, the suspension of announcing and publishing the quarterly financial results of the Group enabled the Group's management to concentrate on its principal business for the best interests of the shareholders. Short-term metrics during a stable macroeconomic environment can help the Group prioritize decisions that will yield the most optimal and attractive results. However, during uncertain time period, such an approach will sacrifice valuable investment opportunities to build a more stable global supply chain to improve operational stability. The Group's management was glad that by reverting back to interim and annual reporting, they were able to allocate more time and more human resources to tackle all the "unexpected" problems in 2022.

STAFF

The Group currently employs approximately 27 Hong Kong staff members and provides them with the Mandatory Provident Fund Scheme. Our factory in the PRC employs approximately 500 to 515 staff members, and workers employed directly or indirectly approximately ranged from 1,450 to 2,000 during the year ended 31 December 2022. 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 ended 31 December 2022.

PURCHASE, SALE OR REDEMPTION OF OUR SHARES

During the year ended 31 December 2022, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

Throughout the year ended 31 December 2022, 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**").

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. 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 throughout the year ended 31 December 2022.

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. The Remuneration Committee held one meeting during FY2022.

AUDIT COMMITTEE

The written terms of reference which describes the authority and duties of the audit committee of the Company (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 INEDs, namely Ms. LING, Kit Sum Imma (chairlady), Mr. LO, Kwong Shun Wilson and Dr. KO, Siu Fung Stephen. The Audit Committee held two meetings during FY2022.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed auditing, financial reporting process and internal control matters. The annual results of the Group for the year ended 31 December 2022 have been reviewed by the Audit Committee.

NOMINATION COMMITTEE

A nomination committee of the Company (the “**Nomination Committee**”) has been established in accordance with the requirements of the CG Code. The Nomination Committee comprises three INEDs, namely Mr. LO, Kwong Shun Wilson (chairman), Ms. LING, Kit Sum Imma and Dr. KO, Siu Fung Stephen. The Nomination Committee held one meeting during FY2022.

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 2022 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 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong at 2:30 p.m. on Friday, 19 May 2023. The notice of the 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.

By Order of the Board
WONG, Man Hin Raymond
Chairman

Hong Kong, 24 March 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