

**RAYMOND INDUSTRIAL LTD:  
ASSOCIATED COMPANY INTERESTS WRITTEN OFF TO ZERO**

The principal associated companies of publicly listed Raymond Industrial Ltd () (Code: 229, Main Board, The Stock Exchange of Hongkong Ltd) have their backs against a wall and the likelihood appears to be very high that part or all of \$HK1,197 million in bank loans will be called in and, if the associates cannot front up with the cash, it will, inevitably, affect Raymond Industrial Ltd, directly or indirectly.

The principal associated companies are:

1. Cheung Fung Technology (Holdings) Ltd ([ ]), 45.70 percent, owned by Raymond Industrial Ltd;
2. Sichuan Jinfeng Paper Company Ltd (), 27.42 percent, owned by Raymond Industrial Ltd; and,
3. Victory Will Ltd (), 33.83 percent, owned by Raymond Industrial Ltd.

Raymond Industrial Ltd is engaged, primarily, in the manufacturing and sales of cigarette paper, electrical home appliances and investments in property.

Up until the end of the 2006 Financial Year, ended December 31, 2006, Raymond Industrial Ltd had been profitable, but the Bottom Line had been eroded, noticeably, in the 2006-Year, compared with the 2005-Year.

However, for the 18 months from January 1, 2007 until June 30, 2008, this company has been losing money.

And there appears to be clear indications, on scanning the 2008 Interim Report, that the losses will continue throughout the 2009 Financial Year.

For the 2007-Year, Raymond Industrial Ltd reported a Loss Attributable to Shareholders of about \$HK45.49 million.

For the 6 months to June 30, 2008, the company reported a Loss Attributable to Shareholders of about \$HK8.74 million.

The losses for these 18 months were accompanied by falling levels of activity in the company.

The Turnover for the 2007-Year was about \$HK842.86 million, down about \$HK111.71 million, Year-On-Year, equivalent to about 11.70 percent.

The Turnover for the 6 months, ended June 30, 2008, was about \$HK337.88 million, down about \$HK44.89 million, Year-On-Year, equivalent to about 11.75 percent.

Recently, Bangkok Bank Public Company Ltd (), a Thailand-domiciled bank with offices in the People's Republic of China (PRC), issued legal proceedings in the High Court of the Hongkong Special

Administrative Region (HKSAR) of the PRC, naming Victory Will Ltd as the lone Defendant to the Action.

Bangkok Bank Public Company Ltd is seeking \$US2,535,682.56 (about \$HK19.78 million).

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