

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes 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.



RAYMOND Industrial Ltd

利 民 實 業 有 限 公 司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0229)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and investors that the Group's consolidated results for the year ended 31 December 2007 are expected to be adversely affected by the Company's decision to make a provision for the Group's investment in Cheung Fung.

Shareholders of the Company and investors should exercise caution when dealing in the shares of the Company.

This announcement is made by Raymond Industrial Limited (the "**Company**") and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Reference is made to the annual report of the Company for the year ended 31 December 2006 and the interim report of the Company for the six months ended 30 June 2007 in respect of the deteriorating financial position of the Group's associate company Cheung Fung Technology (Holdings) Limited ("**Cheung Fung**"), which engaged in the cigarette paper business.

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company and investors that Cheung Fung has continued to incur loss for the year ended 31 December 2007. Furthermore, Cheung Fung (and its subsidiaries Victory Will Limited ("**Victory Will**") and Sichuan Jinfeng Paper Company Limited ("**Jinfeng**")) has received court order notice and demand letters from several banks demanding repayment of loans from Jinfeng/Victory Will. As a matter of prudence for accounting purposes, the Board decided to make a provision to the extent of HK\$69 million for the Group's investment in Cheung Fung (and related party loans to provide direct financial assistance to Jinfeng) for the year ended 31 December 2007. Due to that provision, the Group would record a substantial consolidated loss for the year ended 31 December 2007.

As the Group's consolidated results for the year ended 31 December 2007 have not yet been finalized, the Board is not in the position to quantify precisely the financial impacts of the provision on the Group at this stage. Further details of the Group's performance will be disclosed when the Company announces its annual results for the year ended 31 December 2007.

Shareholders of the Company and investors should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 14 March 2008

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

Executive Directors:

Mr. Wong, Wilson Kin Lae
Mr. Wong, John Ying Man
Mr. Wong, Raymond Man Hin

Non-executive Directors:

Dr. Wong, Philip Kin Hang, *GBS, JP, LLD, DH*
Mr. Huang Zhouchang
Mr. Qiang Wenyu
Mr. Xiong Zhengfeng (alternate to Mr. Huang Zhouchang)
Mr. Mok Kin Hing (alternate to Mr. Wong, Wilson Kin Lae)

Independent Non-executive Directors:

Mr. Leung, Michael Kai Hung
Mr. Fan, Anthony Ren Da
Mr. Ng Yiu Ming