

The directors are pleased to submit their report together with the audited accounts of Raymond Industrial Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2002.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activities of the Company and its subsidiaries are investment holding, manufacturing and sale of electrical home appliances in North America, Australia, Europe and the People's Republic of China ("PRC") and manufacturing and sale of cigarette paper in the PRC.

An analysis of the Group's performance for the year by geographic and business segments is set out in note 3 to the accounts.

The Group's head office is in Hong Kong and all of its products are manufactured in the PRC. The principal activities and particulars of the Group's subsidiaries are set out in note 14 to the accounts.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated profit and loss account on page 24.

The directors declared an interim dividend of 2 cents per share (2001: 2 cents per share), totalling HK\$6,286,016 (2001: HK\$6,286,016), which was paid on 23 October 2002.

The directors recommend the payment of a final dividend of 7 cents per share (2001: 6 cents per share), totalling HK\$22,001,056 (2001: HK\$18,858,048).

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 24 to the accounts.

董事會謹此呈利民實業有限公司(「本公司」)及其附屬公司(「本集團」)截至二零零二年十二月三十一日止年度之董事會報告及經審核財務報告。

主要業務及營運地區之分析

本公司及附屬公司之主要業務是投資控股及製造及在北美、澳洲、歐洲及中華人民共和國(「中國」)銷售家用電器及在中國製造和銷售煙紙。

本年度按地區及業務分類之本集團業績表現分析載於賬目附註3。

本集團之總部設在香港，所有產品均在中國製造。本集團附屬公司之主要業務及詳情載於賬目附註14。

業績與分配

本集團本年度之業績載於第24頁之綜合損益表內。

董事會已宣佈中期股息每股港元二仙(二零零一年：每股港元二仙)，合共港元六百二十八萬六千零一十六元(二零零一年：港元六百二十八萬六千零一十六元)，已於二零零二年十月二十三日派發。

董事會現建議派發末期股息每股港元七仙(二零零一年：每股港元六仙)，合共港元二千二百萬零一千零五十六元(二零零一年：港元一千八百八十五萬八千零四十八元)。

儲備

本集團及本公司在本年度之儲備變動載於賬目附註24。

DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$624,320.

FIXED ASSETS

Details of the movements in fixed assets of the Group and the Company are set out in note 13 to the accounts.

PRINCIPAL PROPERTIES

Details of the principal properties held for investment purposes are set out in page 86.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 23 to the accounts.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 December 2002, calculated under section 79B of the Companies Ordinance, amounted to HK\$57,508,650 (2001: HK\$48,777,022).

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association and there was no restriction against such rights under the laws of Hong Kong.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 84 and 85.

捐款

本集團在本年度作出之慈善及其他捐款合共港元六十二萬四千三百二十元。

固定資產

本集團及本公司之固定資產變動詳情載於賬目附註13。

主要物業

用作投資之主要物業詳情載於第86頁。

股本

本公司之股本變動詳情載於賬目附註23。

可供分派儲備

按照公司條例第七十九節B，本公司在二零零二年十二月三十一日之可供分派儲備為港元五千七百五十七萬八千六百五十元（二零零一年：港元四千八百七十七萬七千零二十二元）。

股本優先購買權

本公司之組織章程並無設立股本優先購買權之條文，而在香港之法例下亦沒有限制行使此權限。

五年財政摘要

本集團上五個財政年度之業績及資產負債摘要載於第84及85頁。

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's shares during the year.

SHARE OPTIONS

The share option scheme adopted by the Company was expired in previous years. No option was granted during the year and there were no options outstanding at 31 December 2002.

DIRECTORS

The directors during the year were:

Executive directors:

Mr. Wilson Wong Kin Lae
Mr. Yang Zhengqing (resigned on 1 July 2002)
Mr. John Wong Ying Man
Mr. Kennedy Wong Ying Ho
Mr. Raymond Wong Man Hin (appointed on 19 April 2002)

Non-executive directors:

Dr. Philip Wong Kin Hang
Mr. Qi Yuan (resigned on 1 August 2002)
Mr. Raymond Wong Man Hin (resigned on 19 April 2002)
Mr. Yang Zhengqing (appointed on 1 July 2002 and resigned on 1 April 2003)
Mr. Huang Zhouchang (appointed on 1 August 2002)
Mr. Qiang Wenyu (appointed on 1 April 2003)

購買、出售或贖回股份

本公司於年內並無贖回本身之股份。本公司及其任何附屬公司於年內亦無購買或出售本公司之股份。

認股權

本公司採用之認股權計劃已於去年期滿。本公司於年內沒有批出認股權並在二零零二年十二月三十一日沒有未行使之認股權。

董事

本年度內在任之董事如下：

執行董事：

黃乾利先生
楊正清先生 (於二零零二年七月一日辭任)
黃英敏先生
黃英豪先生
黃文顯先生 (於二零零二年四月十九日委任)

非執行董事：

黃乾亨博士
齊元先生 (於二零零二年八月一日辭任)
黃文顯先生 (於二零零二年四月十九日辭任)
楊正清先生 (於二零零二年七月一日委任，於二零零三年四月一日辭任)
黃宙昌先生 (於二零零二年八月一日委任)
強文郁先生 (於二零零三年四月一日委任)

DIRECTORS (Continued)

Independent non-executive directors:

Mr. Michael Leung Kai Hung

Mr. Anthony Fan Ren Da

Alternate director:

Mr. Li Dong (resigned on 30 April 2002)

Mr. Zhou Xiaoming (appointed on 30 April 2002 and resigned on 1 April 2003)

Mr. Xiong Zhengfeng (appointed on 1 April 2003)

In accordance with Articles 95 and 112 of the Company's Articles of Association, Mr. Wilson Wong Kin Lae, Mr. Huang Zhouchang and Mr. Fan Ren Da will retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election. The remaining directors will continue in office.

DIRECTORS' SERVICE CONTRACTS

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or its subsidiaries which is not terminable within one year without payment of compensation, other than statutory compensation.

The non-executive directors do not have specific terms of appointment but are subject to retirement by rotation in accordance with the above articles.

董事 (續)

獨立非執行董事:

梁啟雄先生

范仁達先生

代董事:

李冬先生 (於二零零二年四月三十日辭任)

周曉鳴先生 (於二零零二年四月三十日委任，
於二零零三年四月一日辭任)

熊正峰先生 (於二零零三年四月一日委任)

按照本公司組織章程第九十五及一百一十二條，黃乾利先生、黃宙昌先生和范仁達先生三位董事將於應屆股東週年大會輪值告休。惟他們願應選連任。其餘各董事繼續留任。

董事之服務合約

有意於應屆股東週年大會上連任之董事均無與本公司或其附屬公司簽訂任何不可於一年內終止而必須賠償之服務合約(除法定賠償外)。

非執行董事沒有特定的任期期限，但須根據以上條款輪任。

DIRECTORS' INTERESTS IN CONTRACTS

A sales representation and consultation agreement dated 11 October 2000 was entered into between the Company and Silverstream Group L.L.C. ("Silverstream") for the provision of management and sales representation services to the Company at a monthly service fee of HK\$97,500 for a term of one year commencing on 1 November 2000 with an option to renew for another year.

Silverstream is a connected person of the Company under Chapter 14 of the Listing Rules for the reason that Mr. Raymond Wong Man Hin, an executive director of the Company, controls 50% of the voting power and is the managing director of Silverstream.

The independent non-executive directors have reviewed the above transactions and confirmed that these transactions have been entered into by the Group in the ordinary and usual course of its business and on normal commercial terms which are fair and reasonable so far as the shareholders of the Company are concerned.

On 31 March 2002, the Company and Silverstream agreed to terminate the above sales representation and consultation agreement.

Except for the transaction disclosed above and those disclosed in note 30 to the accounts, no contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事之合約權益

於二零零零年十月十一日，本公司與Silverstream Group L.L.C.（「Silverstream」）簽訂了管理及銷售代理服務協議，由二零零零年十一月一日起向本公司提供管理及銷售代理服務，費用為每月港元九萬七千五百元，為期一年，並可選擇續簽一年。

根據上市條例第十四章，Silverstream屬本公司關連人士，原因是本公司之執行董事黃文顯先生是Silverstream之總裁並持有該公司50%投票權。

獨立非執行董事已審閱以上交易，並確認該交易是本集團在正常及普通的商業過程中以正常的交易條件達成的，對於本公司股東而言是公平合理的。

於二零零二年三月三十一日，本公司與Silverstream同意終止以上管理及銷售代理服務協議。

除上述列出項目及賬目附註30外，在年終或本年度任何時間內，均無訂立與本公司業務有關、及由本公司及其附屬公司參與而本公司董事直接或間接擁有重大利益之重要合約。

DIRECTORS' INTERESTS IN EQUITY SECURITIES

At 31 December 2002, the interests of the directors and chief executives in the shares of the Company and its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance")), as recorded in the register maintained by the Company under Section 29 of the SDI Ordinance or as notified to the Company were as follows:

Name of director 董事姓名	Number of shares 持有本公司股數量					Total 合計
	Personal interests 個人	Family interests 家屬	Corporate interests 團體	Other interests 其他		
Mr. Wilson Wong Kin Lae 黃乾利先生	333,000	–	25,111,610 ^(a)	77,881,760 ^(b)	103,326,370	
Mr. John Wong Ying Man 黃英敏先生	1,121,440	–	–	–	1,121,440	
Dr. Philip Wong Kin Hang 黃乾亨博士	–	821,000	44,971,013 ^(c)	1,306,000 ^(d)	47,098,013	
Mr. Kennedy Wong Ying Ho 黃英豪先生	–	–	11,815,820 ^(e)	–	11,815,820	
Mr. Raymond Wong Man Hin 黃文顯先生	974,964	–	–	–	974,964	

(a) These shares were held through Broadbridge Enterprises Limited, a company beneficially owned by Mr. Wilson Wong Kin Lae.

(b) These shares were held through Haylee Trust, the beneficiaries of which include the children of Mr. Wilson Wong Kin Lae.

(c) These shares were held through Ho Kit Man Inc., a company beneficially owned by Dr. Philip Wong Kin Hang.

(d) These shares were held through Philip Wong Kin Hang Foundation.

董事之股本證券

於二零零二年十二月三十一日，各董事及高級行政人員在本公司及其相聯法團（釋義見證券（披露權益）條例（「證券披露權益條例」））之股本中，擁有根據本公司依證券披露權益條例第二十九節而設置之登記冊所載記錄，須知會本公司之權益如下：

Number of shares

持有本公司股數量

Name of director 董事姓名	Number of shares 持有本公司股數量					Total 合計
	Personal interests 個人	Family interests 家屬	Corporate interests 團體	Other interests 其他		
Mr. Wilson Wong Kin Lae 黃乾利先生	333,000	–	25,111,610 ^(a)	77,881,760 ^(b)	103,326,370	
Mr. John Wong Ying Man 黃英敏先生	1,121,440	–	–	–	1,121,440	
Dr. Philip Wong Kin Hang 黃乾亨博士	–	821,000	44,971,013 ^(c)	1,306,000 ^(d)	47,098,013	
Mr. Kennedy Wong Ying Ho 黃英豪先生	–	–	11,815,820 ^(e)	–	11,815,820	
Mr. Raymond Wong Man Hin 黃文顯先生	974,964	–	–	–	974,964	

(a) 該等股份乃透過黃乾利先生實益擁有之 Broadbridge Enterprises Limited 持有。

(b) 該等股份乃透過由包括黃乾利先生之子女實益擁有之 Haylee Trust 持有。

(c) 該等股份乃透過由黃乾亨博士實益擁有之 Ho Kit Man Inc. 持有。

(d) 該等股份乃透過黃乾亨基金持有。

DIRECTORS' INTERESTS IN EQUITY SECURITIES

(Continued)

(e) These shares were held through Limin Corporation, a company beneficially owned by Mr. Kennedy Wong Ying Ho.

At no time during the year the Company or its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained under Section 16(1) of SDI Ordinance shows that at 31 December 2002, the Company had been notified of the following substantial shareholders' interests, being 10% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the directors and chief executive.

Name of shareholder

股東名稱

Silver Talent Development Limited

銀立發展有限公司

MANAGEMENT CONTRACTS

Other than the management contract disclosed under "Directors' interests in contracts" above in respect of a director, no other substantial contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

董事之股本證券 (續)

(e) 該等股份乃透過由黃英豪先生實益擁有之 Limin Corporation 持有。

在本年度內，本公司及其附屬公司並沒有參與任何協定，使公司董事可藉收購本公司或其他法人集團之股份或債券而取得利益。

主要股東

於二零零二年十二月三十一日，根據證券(披露權益)條例第十六(一)條而設置之主要股東登記冊，已申報擁有公司發行股本10%或以上的股東。這些權益是附加在上述之董事及高級行政人員之權益。

Number of shares

持股數量

61,080,800

管理合約

除上述「董事之合約權益」與某位董事有關的管理合約外，本集團於年內沒有簽署其他任何關於全部或任何主要業務之管理及行政的合約。

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

Purchases

- | | |
|-----------------------------------|-----|
| – the largest supplier | 6% |
| – five largest suppliers combined | 20% |

Sales

- | | |
|-----------------------------------|-----|
| – the largest customer | 39% |
| – five largest customers combined | 72% |

None of the directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

CONNECTED TRANSACTIONS

- (a) Significant related party transactions entered into by the Group during the year, which do not constitute connected transactions under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Main Board") ("Listing Rules"), are disclosed in note 30 to the accounts.
- (b) One related party transaction as disclosed in "Directors' interests in contracts" above, which also constitute connected transactions under the Listing Rules, required to be disclosed in accordance with Chapter 14 of the Listing Rules.

主要客戶及供應商

本集團主要供應商和客戶佔本集團是年度之採購額及銷售額百分比如下：

採購額

- | | |
|-----------|-----|
| – 最大供應商 | 6% |
| – 五大供應商合計 | 20% |

銷售額

- | | |
|----------|-----|
| – 最大客戶 | 39% |
| – 五大客戶合計 | 72% |

董事、彼等之聯繫人士或任何股東（指據董事所知持有本公司百分之五以上股本權益之股東）並無於上述主要供應商或客戶中擁有任何權益。

關連交易

- (a) 本集團於年內進行之重要關連交易（即根據香港聯合交易所有限公司（證券上市規則（「上市規則」））不構成關連交易者）乃載於賬目附註30。
- (b) 於上列「董事之合約權益」披露之關連交易亦構成上市規則中之關連交易，並已按照上市規則第十四章披露。

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the directors, the Company was in compliance with the Code of Best Practice as set out in the Listing Rules throughout the year, except that the independent non-executive directors of the Company are not appointed for specific terms. Independent non-executive directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Articles of Association.

AUDIT COMMITTEE

The written 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 Society of 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 audit. It also reviews the effectiveness of both the external and internal audit and internal controls and risk evaluation. The Committee comprises all independent non-executive directors. Two meetings were held during the current financial year.

SUBSEQUENT EVENTS

On 5 March 2003, the Company set up a new wholly-owned company in the PRC. The principal activity of the new company is manufacturing and trading of electrical home appliance. The registered share capital of the new company is US\$2,500,000. At the date of this report, no share capital has been paid up and the new company has not yet commenced operations.

On 23 April 2003, the directors proposed a final dividend of HK\$22,001,056 (7 cents per share) which is not reflected as a dividend payable in the accounts.

符合上市規則之「最佳應用守則」

董事認為於本年內，除並無指定獨立非執行董事任期外，本公司一直遵守香港聯合交易所有限公司證券上市規則之最佳應用守則規定。根據公司獨立非執行董事需在應屆股東大會輪值告休。惟他們願應選連任。

審核委員會

審核委員會之職權和責任是參考和採用香港會計師公會所發出之「成立審核委員會指引」作為藍本。

在本集團審計工作中，審核委員會擔任董事局和公司核數師之間的重要橋樑。委員會審閱包括對外、內部審計、內部控制及評估風險。委員會包括所有獨立非執行董事。委員會於本財政年度共召開兩次會議。

結算日後事項

在二零零三年三月五日，本公司於中國設立一間全資擁有公司。其主要業務是製造及銷售家用電器。該新公司之註冊資本為美元二百五十萬元。在此報告日，該新公司仍未注資及投產。

在二零零三年四月二十三日，董事會建議派發末期股息港元二千二百萬零一千零五十六元（每股港元七仙）。擬派末期股息並無於本賬目列作應付股利。

AUDITORS

The accounts have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment. PricewaterhouseCoopers replaced Arthur Andersen & Co when it did not stand for reappointment at the annual general meeting in June 2002.

On behalf of the Board



Wilson Wong Kin Lae
Director

Hong Kong, 23 April 2003

核數師

本賬目已由羅兵咸永道會計師事務所審核，該核數師任滿告退，但表示願意應聘連任。羅兵咸永道會計師事務所在二零零二年六月取代於股東週年大會上不應聘之安達信公司。

承董事會命



黃乾利
董事

香港，二零零三年四月二十三日