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RAYMOND Industrial Ltd

利 民 實 業 有 限 公 司

(Incorporated in Hong Kong with limited liability)

(Stock code: 0229)

As at 31st March, 2004, Raymond Industrial Limited (the “Company”) and its subsidiaries (the “Group”) had provided guarantees to the affiliated companies of the Company in aggregate exceeding 8% of the Total Assets and of the Market Capitalisation. Such guarantees are required to be disclosed under Rule 13.16 of the Listing Rules.

The failure to release such an announcement at that time constitutes a breach of Rule 13.16 of the Listing Rules and the Stock Exchange has indicated that it reserves the rights to take appropriate actions against the Company and/or its directors in relation to the breach.

Guarantees given for Affiliated Companies as at 31st March, 2004

Details of the guarantees given for affiliated companies of the Company as at 31st March, 2004, which in aggregate exceeded 8% of the Total Assets and of the Market Capitalisation are required to be disclosed under Rule 13.16 of the Listing Rules, are as follows:

Name of Affiliated Companies	Attributable interest held by the Company	Guarantee given HK\$ million*	Guaranteed loan drawn HK\$ million*
Sichuan Jinfeng Innovation Industry Company Limited	24.8%#	99.53	99.53
Sichuan Jinfeng Spike Paper Products Company Limited	26.17%##	61.27	51.84
	Total:	<u>160.80</u>	<u>151.37</u>

The aforesaid guarantees were given between the period from 30th March, 2003 to 10th December, 2003 to secure repayment of loans/bank facilities provided to the affiliated companies and the Company did not receive any interests or monetary returns from the affiliated companies in consideration for the guarantees.

As at 31st March, 2004, the total amount of guarantees for the affiliated companies of the Company provided by the Group in the aggregate of HK\$160.80 million represented approximately 13.23% of the consolidated total assets of the Group as shown in the interim report of the Company for the period ended 30th June, 2003, approximately 15.33% of the market capitalisation of the Company as at 31st March, 2004 which is based on the average closing price of the Company’s listed shares for the five business days immediately preceding 31st March, 2004.

As from 31st March, 2004 to 21st April, 2004, three more guarantees in an aggregate amount of HK\$25.03 million were given for the aforesaid affiliated companies. As of 21st April, 2004, the date when the last guarantee was given, the total amount of guarantees for the affiliated companies of the Company provided by the Group represented approximately 13.32% of the consolidated total assets of the Group as shown in the annual report of the Company for the year ended 31st December, 2003, approximately 17.84% of the market capitalisation of the Company as at 21st April, 2004 which is based on the average closing price of the Company’s listed shares for the five business days immediately preceding 21st April, 2004.

The Company should have made the announcement at the earliest reasonably practicable time when it was aware of the existence of those guarantees the aggregated amount of which has exceeded the 8% threshold in April, 2004. Although the Company has alerted its subsidiary giving the relevant guarantees of the disclosure requirements under the Listing Rules, the subsidiary, however, overlooked the facts that the disclosure obligation has arisen in April 2004. It was until the compliance division was formed within the Group in June 2004 and training sessions were conducted for the management staff of the subsidiary in August 2004, the subsidiary began to look into the matter in relation to guarantees given to the its affiliated companies.

The Company will include the information on the above guarantees given for affiliated companies in subsequent interim and annual reports in accordance with the continuing disclosure requirements under Rule 13.22 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Save for disclosures in this announcement, no other obligations arise under Rules 13.13 to 13.19 of the Listing Rules.

The failure to release such an announcement at that time constitutes a breach of Rule 13.16 of the Listing Rules and the Stock Exchange has indicated that it reserves the rights to take appropriate actions against the Company and/or its directors in relation to the breach.

As at the date of this announcement, the Board comprises the following directors: (1) Executive directors: Mr. Wilson Wong Kin Lae, Mr. Kennedy Wong Ying Ho, Mr. John Wong Ying Man and Mr. Raymond Wong Man Hin; (2) Non-executive directors: Dr. Philip Wong Kin Hang, GBS, JP, LLD, DH, Mr. Huang Zhouchang, Mr. Qiang Wenyu and Mr. Xiong Zhengfeng (alternate to Mr. Huang Zhouchang); (3) Independent non-executive directors: Mr. Michael Leung Kai Hung, Mr. Anthony Fan Ren Da and Mr. Ng Yiu Ming.

- * *The figures are translated from Renminbi to Hong Kong dollars by reference to the exchange rate of Rmb1.00 = HK\$0.9426*
- # Sichuan Jinfeng Innovation Industry Company Limited is owned as to 81.51% by Sichuan Jinfeng Paper Company Limited, which is a subsidiary of the Company and the Company has an attributable interest of 30.42% in Sichuan Jinfeng Paper Company Limited.
- ## Sichuan Jinfeng Spike Paper Products Company Limited is owned as to 86% by Sichuan Jinfeng Paper Company Limited, which is a subsidiary of the Company and the Company has an attributable interest of 30.42% in Sichuan Jinfeng Paper Company Limited.

By Order of the Board
MICHAEL S W WONG
Company Secretary

Hong Kong, 1st November, 2004

“Please also refer to the published version of this announcement in South China Morning Post.”