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YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 259)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH, 2018

The Board of Directors of Yeebo (International Holdings) Limited (the “Company”) announces that the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March, 2018 are summarised as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH, 2018

	<i>NOTES</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Revenue	3	953,600	906,175
Cost of sales		(815,825)	(755,330)
Gross profit		137,775	150,845
Other income	4	10,878	8,973
Other gains and losses		(376)	(3,198)
Selling and distribution expenses		(70,830)	(67,039)
Administrative expenses		(33,627)	(24,368)
Finance costs		(1,652)	(1,410)
Share of results of associates	5	99,376	120,101
Gain on deemed dilution of interest in an associate		–	323,713
Profit before income tax		141,544	507,617
Income tax expense	6	(13,823)	(54,192)
Profit for the year		127,721	453,425

	<i>NOTES</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on the translation of foreign operation:			
Subsidiaries		(4,951)	1,164
Associates		147,364	(76,776)
Share of other comprehensive income of an associate, net of related income tax		4,702	–
		<hr/>	<hr/>
Total comprehensive income for the year		274,836	377,813
		<hr/>	<hr/>
Profit for the year attributable to:			
Owners of the Company		120,598	442,408
Non-controlling interests		7,123	11,017
		<hr/>	<hr/>
		127,721	453,425
		<hr/>	<hr/>
Total comprehensive income attributable to:			
Owners of the Company		264,227	369,177
Non-controlling interests		10,609	8,636
		<hr/>	<hr/>
		274,836	377,813
		<hr/>	<hr/>
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share – basic and diluted	8	12.1	44.3
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH, 2018

	<i>NOTES</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		260,711	271,837
Investment properties		1,010	1,109
Prepayment for acquisition of plant and equipment		3,380	6,213
Interests in associates		1,504,227	1,269,215
Available-for-sale investments		2,739	2,739
Intangible assets		1,459	1,459
Pledged bank deposit		20,814	25,124
		1,794,340	1,577,696
Current assets			
Inventories	9	170,918	143,117
Trade and other receivables	10	249,394	215,398
Bills receivables		47,294	23,359
Amounts due from associates		90	105
Held for trading investments		111	289
Bank balances and cash		41,261	36,425
		509,068	418,693
Current liabilities			
Trade and other payables	11	332,393	270,045
Bank borrowings		57,008	46,971
Tax payable		15,541	15,040
		404,942	332,056
Net current assets		104,126	86,637
Total assets less current liabilities		1,898,466	1,664,333
Non-current liability			
Deferred tax liabilities		69,779	60,160
		1,828,687	1,604,173
Capital and reserves			
Share capital		199,928	199,928
Reserves		1,594,620	1,377,342
Equity attributable to owners of the Company		1,794,548	1,577,270
Non-controlling interests		34,139	26,903
Total equity		1,828,687	1,604,173

Notes:

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its parent company is Antrix Investment Limited (incorporated in the British Virgin Islands (the “BVI”)) and its ultimate holding company is Fang Brothers Holdings Limited (incorporated in the BVI). The addresses of the registered office and principal place of business of the Company are disclosed in the introduction to the annual report.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

The principal activities of the Company and its subsidiaries (“the Group”) are the manufacturing and sale of liquid crystal displays (“LCDs”) and liquid crystal displays modules (“LCMs”) products.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
HKFRS 16	Leases ²
HKFRS 17	Insurance Contracts ⁴
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ²
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ²
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle ¹
Amendments to HKAS 40	Transfers of Investment Property ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle ²

¹ Effective for annual periods beginning on or after 1st January, 2018

² Effective for annual periods beginning on or after 1st January, 2019

³ Effective for annual periods beginning on or after a date to be determined

⁴ Effective for annual periods beginning on or after 1st January, 2021

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes.

The Group is organised into four operating divisions according to the types of products sold, which are LCDs, LCMs, LCD-related products that are widely used in electronic consumer products and LCD-related optical products. The Group's operating segments are determined based on information reported to the chief operating decision maker ("CODM"), the executive directors and senior management, for the purposes of resource allocation and performance assessment. The division for LCD-related optical products, was under development stage and no revenue was generated for the year ended 31st March, 2017.

The following is an analysis of the Group's revenue and results by reportable and operating segment.

2018

	LCDs HK\$'000	LCMs HK\$'000	LCD- related products HK\$'000	LCD- related optical product HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Segment revenue							
External sales	270,627	629,696	53,152	125	953,600	-	953,600
Inter-segment sales	101,566	-	10,459	-	112,025	(112,025)	-
Total	<u>372,193</u>	<u>629,696</u>	<u>63,611</u>	<u>125</u>	<u>1,065,625</u>	<u>(112,025)</u>	<u>953,600</u>
Segment profit (loss)	<u>12,280</u>	<u>41,239</u>	<u>(3,432)</u>	<u>(1,062)</u>	<u>49,025</u>	-	49,025
Interest income							486
Dividend income							104
Gain on fair value changes of held for trading investments							12
Unallocated administrative costs							(5,004)
Net exchange loss							(803)
Finance costs							(1,652)
Share of results of associates							99,376
Profit before income tax							<u>141,544</u>

2017

	LCDs HK\$'000	LCMs HK\$'000	LCD- related products HK\$'000	LCD- related optical product HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Segment revenue							
External sales	307,098	551,268	47,809	–	906,175	–	906,175
Inter-segment sales	101,083	–	3,448	–	104,531	(104,531)	–
Total	408,181	551,268	51,257	–	1,010,706	(104,531)	906,175
Segment profit (loss)	27,466	49,580	(5,085)	(59)	71,902	–	71,902
Interest income							282
Dividend income							110
Gain on fair value changes of held for trading investments							23
Unallocated administrative costs							(4,449)
Net exchange loss							(2,655)
Finance costs							(1,410)
Share of results of associates							120,101
Gain on deemed dilution of interest in an associate							323,713
Profit before income tax							507,617

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit generated (loss incurred) in each segment, net of selling and distribution expenses and administrative costs directly attributable to each segment without allocation of interest income, dividend income, fair value changes of held for trading investments, unallocated administrative costs, net exchange differences, finance costs, share of results of associates and reversal of impairment loss, and gain on deemed dilution of interest in an associate. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at cost or cost plus a percentage of mark-up.

Other segment information

The following other segment information is included in the measure of segment profit:

2018

	LCDs HK\$'000	LCMs HK\$'000	LCD- related products HK\$'000	Segment total HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Depreciation of property, plant and equipment	27,813	15,265	5,156	48,234	98	48,332
Depreciation of investment properties	–	–	–	–	99	99
Gain on disposal of property, plant and equipment	(415)	–	–	(415)	–	(415)
Allowance for doubtful debts	1,002	1,064	–	2,066	–	2,066
Allowance for inventories	3,220	6,722	139	10,081	–	10,081

2017

	LCDs <i>HK\$'000</i>	LCMs <i>HK\$'000</i>	LCD- related products <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Depreciation of property, plant and equipment	29,328	8,332	5,002	42,662	98	42,760
Depreciation of investment properties	–	–	–	–	98	98
Loss on disposal of property, plant and equipment	566	–	–	566	–	566
Allowance for doubtful debts	1,241	1,319	–	2,560	–	2,560
Allowance for (reversal of) inventories	3,284	(581)	369	3,072	–	3,072

Segment assets and liabilities

As the CODM reviews the Group's assets and liabilities for the Group as a whole on a consolidated basis, no assets or liabilities are allocated to the operating segments. Therefore, no analysis of segment assets and liabilities is presented.

Geographical information

The Group operates in two principal geographical areas, including Hong Kong and other regions in the People's Republic of China ("PRC").

Information about the Group's revenue from external customers and information about its non-current assets by geographical location of the customers and assets respectively, are detailed below:

	Revenue from external customers		Non-current assets	
	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Hong Kong	78,667	101,020	13,904	15,963
Other regions in the PRC	219,369	226,873	252,466	264,363
Japan	153,908	132,554	–	–
United States	90,584	102,999	–	–
Taiwan	39,660	37,976	–	–
Germany	95,305	64,651	–	–
Spain	51,962	37,791	–	–
Other European countries	154,072	144,100	190	292
Other Asian countries	54,723	47,624	–	–
Other countries	15,350	10,587	–	–
	953,600	906,175	266,560	280,618

Note: Non-current assets exclude interests in associates, available-for-sale investments and pledged bank deposit.

Information about major customers

No customer has contributed over 10% of the total revenue of the Group for both years.

4. OTHER INCOME

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Dividend income from available-for-sale investments	104	110
Interest on bank deposits	486	282
Scrap sales	1,622	1,985
Tooling income	3,346	3,859
Others	5,320	2,737
	<u>10,878</u>	<u>8,973</u>

5. SHARE OF RESULTS OF ASSOCIATES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Listed in the PRC: Share of profit	<u>76,466</u>	<u>61,437</u>
Unlisted associates: Share of profit	<u>22,910</u>	<u>58,664</u>
	<u>99,376</u>	<u>120,101</u>

6. INCOME TAX EXPENSE

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
The income tax expense comprises:		
Current tax		
Hong Kong	4,181	5,532
Other jurisdictions	5,982	9,667
	<u>10,163</u>	<u>15,199</u>
Under (over) provision in prior years		
Hong Kong	<u>36</u>	<u>(369)</u>
	10,199	14,830
Deferred taxation		
Charge for the year	<u>3,624</u>	<u>39,362</u>
	<u>13,823</u>	<u>54,192</u>

7. DIVIDENDS

Dividends recognised as distributions during the year:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Final dividend for the year ended 31st March, 2017 of HK6.0 cents per share	59,978	–
Final dividend for the year ended 31st March, 2016 of HK5.0 cents per share	–	49,982
Special dividend for the year ended 31st March, 2016 of HK5.0 cents per share	–	49,982
	59,978	99,964

Proposed dividend:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Final dividend for the year ended 31st March, 2018 of HK5.0 cents (2017: HK6.0 cents) per share	49,982	59,978

The proposed final dividend for the year is subject to approval by the shareholders in the forthcoming annual general meeting.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit attributable to the owners of the Company for the year and 999,641,171 (2017: 999,641,171) weighted average number of ordinary shares in issue.

The directors of the Company consider that dilutive impact arising from share awards is insignificant for both years.

9. INVENTORIES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Raw materials	61,251	50,298
Work in progress	30,815	24,473
Finished goods	78,852	68,346
	170,918	143,117

10. TRADE AND OTHER RECEIVABLES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Trade receivables	181,782	183,105
Other receivables	55,014	23,844
Deposits	1,835	1,387
Prepayments	10,763	7,062
	<u>249,394</u>	<u>215,398</u>

The Group has a policy of allowing credit periods ranging from 30 days to 120 days. Trade receivables that were neither past due nor impaired are related to a number of independent customers that have a good track record with the Group.

The following is an aged analysis of trade receivables, net of allowance for doubtful debts, at the end of the reporting period presented based on the invoice date (which approximated the respective revenue recognition dates):

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
1 – 30 days	76,856	85,437
31 – 60 days	38,331	43,186
61 – 90 days	32,733	21,018
91 – 120 days	8,315	20,652
Over 120 days	25,547	12,812
	<u>181,782</u>	<u>183,105</u>

11. TRADE AND OTHER PAYABLES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Trade payables	186,947	155,793
Accrued charges	83,919	83,023
Other payables	45,220	19,495
Deposits received from customers	10,032	10,522
Bills payables	6,275	1,212
	<u>332,393</u>	<u>270,045</u>

The following is an aged analysis by invoice date of trade payables at the end of the reporting period:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Up to 30 days	73,084	57,058
31 – 60 days	19,519	24,970
61 – 90 days	29,815	23,722
91 – 120 days	26,771	20,557
Over 120 days	37,758	29,486
	<u>186,947</u>	<u>155,793</u>

All the Group's bills payables as at 31st March, 2018 and 2017 were due within 90 days.

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Operations

The Group recorded a consolidated turnover for the year ended 31st March, 2018 of approximately HK\$954 million (2017: HK\$906 million), an increase of HK\$48 million or 5% as compared with last year. Profit attributable to owners of the Company was HK\$121 million (2017: HK\$442 million), representing a decrease of approximately HK\$321 million. The decrease in profit was mainly due to the non-recurrence of the gain on deemed dilution of the Group's shareholdings in Nantong Jianghai Capacitor Company Ltd ("Nantong Jianghai") from 37.5% to 31.84%, which amounted to approximately HK\$291 million (after netting off the related deferred tax) and the share of the gain on disposal of a subsidiary by Kunshan Visionox Technology Limited, an associate, of HK\$31 million, recorded in last year. If the above-mentioned non-recurring gains were excluded, the profit attributable to owners of the Company would be more or less the same as in last year.

External sales of the Liquid Crystal Displays ("LCD") decreased by HK\$36 million, from HK\$307 million to HK\$271 million. Such decrease was mainly attributable to the fall in the demand of LCD in certain market segments and tightening of credit policy which inevitably affected the business volume. The LCD segment recorded a segment profit of HK\$12 million which represented a decrease of HK\$15 million as compared with last year. The fall in LCD segment profit was partly due to the decrease in both sales volume and selling price and partly due to the increase in depreciation of the new LCD production line. Turnover of Liquid Crystal Display Modules ("LCM") increased by HK\$79 million, from HK\$551 million to HK\$630 million, and the LCM segment recorded a segment profit of HK\$41 million as compared with HK\$50 million of last year. The growth in turnover was mainly contributed by the continuous growth in Thin Film Transistor ("TFT") module which commands a higher sales value. However, price competition in the modules market affected the profit margin in current year. The LCD-related products segment was related to Capacitive Touch Panel ("CTP"), which recorded a segment loss of HK\$3 million (2017: HK\$5 million). The performance of CTP line of business was partly affected by a minor interruption of production for the purpose of upgrading the production process and equipment and partly by imposing a more stringent credit control over customers.

In the year under review, despite the increase in sales, gross profit decreased to HK\$138 million (2017: HK\$151 million), down by approximately HK\$13 million and the gross profit margin dropped from 17% to 14%. The drop in gross profit margin was largely due to the following reasons: (1) the fall in sales of LCD and lower absorption of the fixed overhead as a result of lower production volume; (2) keen price competition in both the LCD and LCM segment; (3) increase in slow moving stock provision.

During the year, other income amounted to approximately HK\$11 million (2017: HK\$9 million). Other income mainly comprised tooling income and scrap sales.

Net gain from other gains and losses for current year was mainly attributable to exchange loss.

Selling and distribution expenses amounted to approximately HK\$71 million (2017: HK\$67 million) representing 7% of turnover (2017: 7%). The rise was mainly due to the increase in promotional expenses and staff costs.

Administrative expenses amounted to HK\$34 million (2017: HK\$24 million) and maintained at about 4% of sales (2017: 3%). The increase in amount was mainly due to the increase in staff costs which in turn was due to the vesting of shares under the restricted shares award scheme.

Investments in Associates

Investment in Nantong Jianghai Capacitor Company Ltd (“Nantong Jianghai”)

Nantong Jianghai, an associate of the Group, is mainly engaged in the manufacture and sales of aluminium electrolytic, thin film and super capacitors, and the production and sales of aluminium formed foil for high-performance aluminium electrolytic capacitors. Nantong Jianghai has completed a non-public new issue of A shares in September 2016 (the “Allotment”). Pursuant to the Allotment, the Group recorded a gain on deemed dilution of approximately HK\$291 million (after netting off the related deferred tax) in last year, and its shareholding in Nantong Jianghai has decreased from 37.50% to 31.84%.

Excluding the gain on deemed dilution and taking into account the dilution effect after the Allotment in the financial year of 2017, the share of profit from Nantong Jianghai for the current year increased from HK\$61 million to HK\$76 million, representing an increase of HK\$15 million or 25%. The sales of aluminium electrolytic capacitors surged under the backdrop of an increase in demand during the year. The market share had increased in a broad range of market arena including white goods, inverters, uninterrupted power supply and new energy.

The thin film capacitors segment commenced volume production and embarked on a highly automation process to enhance productivity. The newly acquired thin film capacitor plant in Suzhou entailed a synergetic effect on expanding the market covering both the consumer and industrial segment; as well as cross fertilization in technical support and production process to enhance the product quality.

The product launch of the super capacitors was successful and very encouraging progress was made in a wide range of markets including the automotive, new energy, data centre, lift and smart grid. This provides a promising platform to roll out the product in full swing when the construction of the new plant is completed which is expected to be in the near future.

Moreover, Nantong Jianghai is set to broaden its product range by setting up a new plant engaging in the manufacture of small-sized aluminium electrolytic capacitors in Huibei province.

Investment in Kunshan Visionox Display Co. Ltd. (Kunshan Visionox Display) and Kunshan Visionox Technology Co. Ltd. (Kunshan Visionox Technology)

In June 2018, Black Cow Food Co. Ltd., an independent third party, announced that, through its indirect subsidiary, Kunshan Govisionox Optoelectronics Co. Ltd. intended to acquire from the Group 43.87% interests in Kunshan Visionox Display. In recent years, Kunshan Visionox Display has transferred its business in the development, manufacturing and selling of organic light-emitting diode display (“OLED”) products to Kunshan Visionox Technology. Kunshan Visionox Display and its subsidiary currently possess a number of know-how, patents and trademarks. As of the report date, no legally binding agreement in relation to the above transaction has been entered into by the Group.

The share of profit in Kunshan Visionox Display and Kunshan Visionox Technology, which is mainly engaged in sales and manufacture of OLED, amounted to HK\$20 million as compared to HK\$59 million in last year. The decrease was mainly due to the disposal of a subsidiary by Kunshan Visionox Technology in late 2016 which has resulted in a one-time off disposal gain of HK\$31 million recorded in last year and the discontinuance of the sharing of the disposed subsidiary’s results in current year.

Excluding the aforesaid non-recurring disposal gain, the Group's combined share of profit in Kunshan Visionox Display and Kunshan Visionox Technology decreased by HK\$8 million as compared to last year which was mainly due to the discontinuation of the sharing of the aforesaid disposed subsidiary's results in current year and decrease in gain on disposal of fixed assets. In current year, the OLED market has become even more price competitive and the exchange rate fluctuation in RMB against US\$ has also affected the overseas sales. With its strong technical expertise in OLED and continued adoption of market diversification strategy, Kunshan Visionox Technology is well equipped to tap into the new market growth segment with higher profit margin like telecommunication equipment, mobile payment device; security lock and smart home devices.

Investment in Zaozhuang Visionox Electronic Technology Company Ltd (Zaozhuang Visionox)

Zaozhuang Visionox, a 40%-owned associate of the Group, is mainly engaged in the manufacture and sales of flexible printed circuits and OLED related materials. The investment cost was RMB16 million. In the first year of its operation, the Group's share of profit in the current year amounted to HK\$3 million.

Income Tax

Effective tax rate in relation to the Group's core business (income tax expenses as a percentage of profit before income tax excluding share of results of associates and gain on deemed dilution of interests in an associate, withholding tax on undistributed profits in associates and deferred tax on gain on deemed dilution of interests in an associate) was 18% (2017: 20%).

Principal Risks and Uncertainties

There are a number of factors affecting the results and business operations of the Group. The most significant risk is the uncertainty in the economic environment, both globally and in Mainland China, especially the uncertainty over the possibility of trade wars between the United States and other countries. Intense competition in the displays market will also affect the profitability of the Group. Moreover, the shortage of labour and increase in wage rate may also have an impact on the cost structure of the Group.

Environmental Policies and Performance

The Group takes corporate social responsibility to heart, and environmental sustainability is one of its top priorities. The Group has put in place a systematic approach towards integrating green and sustainable practices in its operations, implementing measures in the areas of environmentally-friendly product design, carbon emission reduction, process management, energy and resource management and supply chain management to minimize the negative impact of the Group's operations on the environment. Environmental protection facilities in the Group's manufacturing plants have been upgraded, enhancing the processing and management of wastewater, gas emissions, general waste and recycled materials.

Details of the Group's strategies, efforts and performance with respect to environment, social and governance ("ESG") for the year ended 31st March 2018 are set out in the Group's ESG Report, which will be uploaded onto the websites of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Company by the end of October 2018.

Compliance with Relevant Laws and Regulations

The Group's operations are mainly carried out in Mainland China and Hong Kong, and the Company was incorporated in Bermuda and its shares listed on the Stock Exchange. During the year under review, the Group has complied with all the laws and regulations in the above-mentioned jurisdictions.

Relationship with Key Stakeholders

The Group is committed to maintain excellent relationship with its key stakeholders namely employees, suppliers, customers and shareholders. The key policies are as follows:

- (i) Human resources are one of the greatest assets of the Group and the Group regards the personal development of its employees as utmost important. It is the objective of the Group to continue to be an attractive employer for committed employees. The Group strives to motivate its employees with a clear career path and opportunities for advancement and improvement of their skills. In addition, the Group offers competitive remuneration packages to the employees. The Group has also adopted a share award scheme to recognise and reward the contribution of the employees to the growth and development of the Group.
- (ii) The Group has developed long-standing relationships with a number of suppliers and take great care to ensure that they share the Group's commitment to quality and ethics. The Group also carefully selects its suppliers of manufacturing and require them to satisfy certain assessment criteria including track record, experience, financial strength, reputation, ability to produce high-quality products and quality control effectiveness.
- (iii) The Group is committed to offer a broad and diverse range of value-for-money, good-quality products to its customers.
- (iv) Management encourages the shareholders of the Company to actively participate in the business of the Group through attending general meetings and/or communicating with management through mails or emails.

PROSPECTS

Looking forward, we expect the monochrome display and the TFT modules market will continue to be very challenging, mainly due to keen price competition. With the newly installed LCD production line and the continued automation plan in production, the Group has expanded its production capacity and strived to enhance the product efficiency to improve profitability. The Group will continue to adopt its diversified market strategy to develop new market segments. On the other hand, Nantong Jianghai and Kunshan Visionox Technology will continue to make lucrative contribution to the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st March 2018, the Group's current ratio was 1.3 (2017: 1.3). The gearing ratio, as a ratio of bank borrowings to net worth, was 3.2% (2017: 2.9%).

As at 31st March, 2018, the Group had total assets of approximately HK\$2,303 million, which were financed by liabilities of HK\$475 million and total equity of HK\$1,828 million.

As at 31st March, 2018, the Group's banking facilities amounted to approximately HK\$222 million (2017: HK\$222 million) of which approximately HK\$59 million (2017: HK\$50 million) were utilized mainly for issuance of letters of credit, short term loan and bills payable.

Certain subsidiaries of the Group have foreign currency assets and liabilities, which expose the Group to foreign currency risk. The management monitors the foreign exchange risk and will consider hedging significant foreign currency exposure should the need arise.

CONTINGENT LIABILITIES AND CHARGES OF ASSETS

Jiangmen Yeebo Semiconductor Co., Ltd. (江門億都半導體有限公司) ("Jiangmen Yeebo Semiconductor"), a wholly-owned subsidiary of the Company incorporated in the PRC, is involved in two litigation cases in the court of Jiangmen City, Guangdong Province, PRC as follows:

- (1) Being sued by a contractor for outstanding contract sum of RMB274,000 and accrued interest of RMB169,000 (totalling RMB443,000 equivalent to HK\$520,000) plus incidental legal and court fees. Jiangmen Yeebo Semiconductor lost in the first trial and is in the process of appeal.
- (2) Being sued by another contractor for outstanding contract sum of RMB1.5 million (equivalent to HK\$1.8 million) and accrued interest plus incidental legal and court fees.

In both of the above court cases, the management is of the opinion that they are of no merit and will vigorously defend Jiangmen Yeebo Semiconductor's position in legal proceeding. Management is also of the opinion that any potential financial impact would not be significant to the result and financial position of the Group.

As at 31st March 2018, bank deposit of HK\$21 million (2017: HK\$25 million) has been pledged to secure the banking facilities granted to a PRC entity, which is owned by certain management personnel of Kunshan Visionox Technology. The banking facilities have a term of three years starting from March 2016. The pledged bank deposit will be released upon the full settlement of the relevant bank borrowings.

Other than the above, the Group did not have any significant contingent liabilities and there were no significant charges or pledges on any of the Group's assets as at 31st March, 2017 and 2018.

EMPLOYMENT AND REMUNERATION POLICY

The remuneration package for the Group's employees is structured by reference to market terms and industry's practice. Discretionary bonus and other performance reward are based on the financial performance of the Group and the performance of individual staff. Staff benefit plans maintained by the Group include mandatory and voluntary provident fund scheme and medical insurance.

The Company has adopted a restricted share award scheme (the "Scheme") pursuant to which shares of the Company will be purchased by an independent trustee from the market and held in trust for the participants of the Scheme, including employees or consultants engaged by any member of the Group, until such shares are vested with the relevant participants in accordance with the provisions of the Scheme. The purpose of the Scheme is to act as an incentive to retain and encourage the participants for the continual operation and development of the Group.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of the Group's turnover and purchase attributable to major customers and suppliers were as follows:

	2018	2017
Percentage of purchases from the Group's largest supplier	5%	5%
Percentage of purchases from the Group's five largest suppliers	19%	23%
Percentage of turnover to the Group's largest customer	4%	5%
Percentage of turnover to the Group's five largest customers	15%	16%

As a result of the diversification in both customers and suppliers, the Group had no material concentration risk in both sales and sourcing.

As at 31st March, 2018, to the best knowledge of the Directors, none of the Directors or any shareholders holding more than 5% of the Group's share capital and their respective associates had any beneficial interest in the Group's five largest customers and/or five largest suppliers.

DIVIDEND

The Board of Directors has resolved to recommend the payment of a final dividend of HK5.0 cents per share (2017: HK6 cents per share) for the year ended 31st March, 2018 subject to the approval of the shareholders of the Company (the "Shareholders") at the forthcoming annual general meeting. The final dividend will be paid on or about Friday, 5th October, 2018 to Shareholders whose names appear on the register of members of the Company at the close of business on Monday, 17th September, 2018.

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on Friday, 7th September, 2018 ("Annual General Meeting"). For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 4th September, 2018 to Friday, 7th September, 2018, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 3rd September, 2018.

The proposed final dividend is subject to the approval of the Shareholders at the Annual General Meeting. For determining the entitlement to the proposed final dividend the register of members of the Company will be closed on Thursday, 13th September, 2018 to Monday, 17th September, 2018, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, for registration not later than 4:30 p.m. on Wednesday, 12th September, 2018.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31st March, 2018.

CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company (the "Board") believes that corporate governance is essential to the success of the Company and has adopted various measures to ensure that a high standard of corporate governance is maintained. Throughout the year ended 31st March, 2018, the Company has applied the principles and complied with the requirements of the Code on Corporate Governance Practices (the "Code") listed out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange, except for following deviation:

Under Code provision A.4.1, non-executive directors should be appointed for a specific term and subject to re-election. The existing independent non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision of the bye-laws of the Company. The Board does not believe that arbitrary term limits on the directors' services are appropriate given that directors ought to be committed to representing the long-term interests of the shareholders.

The Board is reviewing the situation and will, where appropriate, take necessary steps including amendment of the Company's bye laws to ensure compliance with the Code.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiries of all Directors, they have confirmed their compliance with the required standard as set out in the Model Code throughout the year ended 31st March, 2018.

AUDIT COMMITTEE

The Audit Committee comprises all of the three independent non-executive Directors, namely Mr. Tien Pei Chun, James, Mr. Chu Chi Wai, Allan and Mr. Lau Yuen Sun, Adrian; as well as Mr. Fang Yan Tak, Douglas, non-executive Director. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the review of the financial statements of the Group for the year ended 31st March, 2018.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31st March 2018 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.yeebo.com.hk>). The annual report will be dispatched to the Shareholders and will be available on websites of the Stock Exchange and the Company in due course.

By order of the Board
Yeebo (International Holdings) Limited
Lau Siu Ki, Kevin
Company Secretary

Hong Kong, 29th June, 2018

As at the date of this announcement, the Board comprises Mr. Fang Hung, Kenneth, GBS, JP, Mr. Li Kwok Wai, Frankie and Mr. Leung Tze Kuen as executive directors; Mr. Fang Yan Tak, Douglas as non-executive director; and Mr. Tien Pei Chun, James, GBS, JP, Mr. Chu Chi Wai, Allan and Mr. Lau Yuen Sun, Adrian as independent non-executive directors.