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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, 2022

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, 2022 are summarised as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH, 2022

	<i>NOTES</i>	2022 HK\$'000	2021 HK\$'000
Revenue	3	1,266,641	891,969
Cost of sales		(1,066,985)	(782,754)
Gross profit		199,656	109,215
Other income		16,624	24,271
Other gains and losses		(5,554)	(2,294)
Selling and distribution expenses		(81,923)	(70,896)
Administrative expenses		(32,420)	(27,477)
Share of results of associates	4	210,637	182,357
Finance costs		(632)	(510)
Profit before income tax		306,388	214,666
Income tax expense	5	(24,035)	(16,656)
Profit for the year		282,353	198,010

	<i>NOTES</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Share of other comprehensive income of associates, net of related income tax		3,786	12,269
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on the translation of foreign operations:			
Subsidiaries		24,939	40,927
Associates		70,497	121,483
		<hr/>	<hr/>
Total comprehensive income for the year		381,575	372,689
		<hr/> <hr/>	<hr/> <hr/>
Profit for the year attributable to:			
Owners of the Company		266,579	187,734
Non-controlling interests		15,774	10,276
		<hr/>	<hr/>
		282,353	198,010
		<hr/> <hr/>	<hr/> <hr/>
Total comprehensive income attributable to:			
Owners of the Company		363,010	359,526
Non-controlling interests		18,565	13,163
		<hr/>	<hr/>
		381,575	372,689
		<hr/> <hr/>	<hr/> <hr/>
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share – basic	7	27.3	19.1
		<hr/> <hr/>	<hr/> <hr/>
– diluted	7	27.1	19.0
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH, 2022

	<i>NOTES</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		267,548	247,044
Right-of-use assets		7,111	10,064
Investment properties		975	1,177
Interests in associates		1,893,409	1,644,271
Financial assets at fair value through profit or loss (“FVTPL”)		–	22,303
Intangible assets		1,459	1,459
Other receivables and prepayments		50,068	9,347
Debt investments at amortised cost		15,160	–
		<u>2,235,730</u>	<u>1,935,665</u>
Current assets			
Inventories	<i>8</i>	276,602	197,492
Trade and other receivables	<i>9</i>	337,662	256,659
Debt investments at amortised cost		23,884	–
Bank balances and cash		104,334	142,184
		<u>742,482</u>	<u>596,335</u>
Current liabilities			
Trade and other payables	<i>10</i>	319,461	252,110
Contract liabilities		47,742	14,938
Derivative financial instruments		73	1,043
Tax payable		13,141	16,359
Bank borrowings		12,033	4,205
Lease liabilities		4,477	4,458
		<u>396,927</u>	<u>293,113</u>
Net current assets		<u>345,555</u>	<u>303,222</u>
Total assets less current liabilities		<u>2,581,285</u>	<u>2,238,887</u>

	<i>NOTES</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Non-current liabilities			
Deferred tax liabilities		86,383	75,084
Lease liabilities		<u>2,938</u>	<u>6,121</u>
		<u>89,321</u>	<u>81,205</u>
		<u>2,491,964</u>	<u>2,157,682</u>
Capital and reserves			
Share capital		198,616	199,928
Reserves		<u>2,225,641</u>	<u>1,903,457</u>
Equity attributable to owners of the Company		2,424,257	2,103,385
Non-controlling interests		<u>67,707</u>	<u>54,297</u>
Total equity		<u>2,491,964</u>	<u>2,157,682</u>

Notes:

1. GENERAL INFORMATION

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 “Corporate Information” section of 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 AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1st April, 2021 for the preparation of the consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30th June, 2021
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the “Committee”) of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories.

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

Impacts on application of the agenda decision of the Committee – Cost necessary to sell inventories (HKAS 2 Inventories)

In June 2021, the Committee, through its agenda decision, clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories. In particular, whether such costs should be limited to those that are incremental to the sale. The Committee concluded that the estimated costs necessary to make the sale should not be limited to those that are incremental but should also include costs that an entity must incur to sell its inventories including those that are not incremental to a particular sale.

The Group’s accounting policy prior to the Committee’s agenda decision was to determine the net realisable value of inventories taking into consideration incremental costs only. Upon application of the Committee’s agenda decision, the Group changed its accounting policy to determine the net realisable value of inventories taking into consideration both incremental costs and promotion expenses. The new accounting policy has been applied retrospectively.

The application of the Committee’s agenda decision has had no material impact on the Group’s financial positions and performance.

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments ³
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ³
Amendments to HKAS 8	Definition of Accounting Estimates ³
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ³
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020 ²

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1st January, 2022.

³ Effective for annual periods beginning on or after 1st January, 2023.

The directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. SEGMENT INFORMATION

Information reported to the executive directors of the Group, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. The Group has only one reportable and operating segment as LCDs and LCMs (“LCDs & LCMs”) products.

The management of the Group assesses the performance of the reportable segment based on the revenue and segment profit. The accounting policies of the reportable segment are the same as the Group’s accounting policies.

The following is an analysis of Group’s revenue and results by reportable and operating segment:

	2022 HK\$’000	2021 <i>HK\$’000</i>
Revenue – LCDs & LCMs	<u>1,266,641</u>	<u>891,969</u>
Segment profit – LCDs & LCMs	<u>99,020</u>	<u>33,737</u>
Interest income	6,427	1,832
Rental income from investment properties	1,217	1,097
Net exchange loss	(4,949)	(18,449)
Gain on fair value changes of financial assets at FVTPL	2,574	19,564
Gain (loss) on fair value changes of derivative financial instruments	970	(1,043)
Allowance on credit losses on other receivables	(1,310)	–
Allowance on credit losses on debt investments at amortised cost	(1,256)	–
Unallocated administrative expenses	(6,310)	(3,919)
Finance costs	(632)	(510)
Share of results of associates	<u>210,637</u>	<u>182,357</u>
Profit before income tax	<u>306,388</u>	<u>214,666</u>

Segment profit represents the gross profit generated in operating segment and certain items of other income, other gains and losses, net of selling and distribution expenses and administrative expenses directly attributable to the segment without allocation of interest income, rental income from investment properties, allowances on credit losses on other receivables and debt investments at amortised cost, gain (loss) on fair value changes of financial assets at FVTPL and derivative financial instruments, unallocated administrative expenses, net exchange differences, finance costs and share of results of associates. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The following is an analysis of the Group’s revenue by type of products:

	2022 HK\$’000	2021 <i>HK\$’000</i>
LCDs	236,241	191,811
LCMs	825,042	582,737
LCM – other related products	203,914	117,336
LCD – related optical products	<u>1,444</u>	<u>85</u>
	<u>1,266,641</u>	<u>891,969</u>

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	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Hong Kong	122,120	85,820	7,904	9,299
Mainland China	274,759	186,190	2,180,976	1,899,150
Japan	102,681	121,648	–	–
United States	108,041	75,457	–	–
Taiwan	111,882	45,105	–	–
Germany	188,910	110,779	–	–
Spain	67,284	56,576	–	–
Other European countries	209,640	168,750	1,317	4,913
Other Asian countries	56,523	24,757	–	–
Other countries	24,801	16,887	–	–
	<u>1,266,641</u>	<u>891,969</u>	<u>2,190,197</u>	<u>1,913,362</u>

Note: Non-current assets exclude financial assets at FVTPL, loan receivables and debt investments at amortised cost.

Information about major customers

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

4. SHARE OF RESULTS OF ASSOCIATES

	2022 HK\$'000	2021 HK\$'000
Listed in the PRC:		
Share of profits	193,533	153,961
Unlisted associates:		
Share of profits	<u>17,104</u>	<u>28,396</u>
	<u>210,637</u>	<u>182,357</u>

5. INCOME TAX EXPENSE

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
The income tax expense (credit) comprises:		
Current tax		
Hong Kong	4,783	1,271
The People's Republic of China, other than Hong Kong, Macau and Taiwan	9,612	5,315
Other jurisdictions	2,194	(80)
	<u>16,589</u>	<u>6,506</u>
Underprovision in prior years	–	111
	<u>16,589</u>	6,617
Deferred taxation		
Charge for the year	7,446	10,039
	<u>24,035</u>	<u>16,656</u>

6. DIVIDENDS

Dividends recognised as distributions during the year:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
2021 Final dividend of HK2.0 cents per share (2021: 2020 Final dividend of HK\$5.0 cents per share)	<u>19,862</u>	<u>49,982</u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31st March, 2022 of HK5.0 cents (2021: final dividend in respect of the year ended 31st March, 2021 of HK2.0 cents) per ordinary share, in an aggregate amount of HK\$49,654,000 (2021: HK\$19,862,000), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

For the year ended 31st March, 2022, the Group distributed dividends amounting to HK\$19,862,000 (2021: HK\$49,982,000). The difference between dividends recognised as a distribution disclosed in consolidated statement of changes in equity represented the dividends paid to the shares held for the share award scheme trust.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<u>Earnings</u>		
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	<u>266,579</u>	<u>187,734</u>
	Number of shares '000	Number of shares '000
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	977,797	983,240
Effect of dilutive potential ordinary shares in respect of outstanding share awards	<u>7,276</u>	<u>5,360</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>985,073</u>	<u>988,600</u>

The weighted average number of ordinary shares for the purpose of basic earnings per share shown above have been arrived at after deducting shares held by the share award scheme trust.

8. INVENTORIES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Raw materials	84,324	96,822
Work in progress	40,441	34,168
Finished goods	<u>151,837</u>	<u>66,502</u>
	<u>276,602</u>	<u>197,492</u>

9. TRADE AND OTHER RECEIVABLES

The Group has a policy of allowing credit periods ranging from 30 days to 150 days.

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
1 – 30 days	142,367	101,440
31 – 60 days	55,079	37,857
61 – 90 days	42,889	28,311
91 – 120 days	14,981	5,775
Over 120 days	<u>8,885</u>	<u>2,135</u>
	<u>264,201</u>	<u>175,518</u>

10. TRADE AND OTHER PAYABLES

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
1 – 30 days	115,754	107,971
31 – 60 days	29,969	23,054
61 – 90 days	22,634	3,344
91 – 120 days	11,856	3,650
Over 120 days	16,338	23,187
	<hr/> 196,551 <hr/> <hr/>	<hr/> 161,206 <hr/> <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Operations

The Group recorded a consolidated turnover for the year ended 31st March, 2022 of approximately HK\$1.3 billion (2021: HK\$892 million), an increase of 42% as compared with last year. Profit attributable to owners of the Company was HK\$267 million (2021: HK\$188 million), representing an increase of approximately HK\$79 million. The increase in profit was mainly due to the increase earnings from the core business.

COVID-19 has continued to impact the global supply chain causing disruptions to many companies, logistics and the flow of supplies and products. The Group has taken extra effort (i) to maintain a stable yet agile supply of raw materials in meeting the production requirements, and (ii) to preserve a committed and skilled labour force through reasonable wage increases.

Furthermore, through vertical integration, the Group is able to sustain its cost competitiveness and safeguard the supply of quality raw materials internally. Production facilities have been upgraded and expanded to accommodate the increase in business volume and to provide further agility in meeting the dynamic needs of today's customers.

The Group's concerted effort in its marketing and product development has boosted its success in capturing market share in many of the higher growth product markets, such as industrial control devices, smart home and office appliances, internet protocol phones, medical equipment and medical care devices. The Group has strengthened its product development capabilities across the Liquid Crystal Display module ("LCM"), Thin Film Transistor ("TFT") and Thin Film Transistor – Capacitive Touch Panel module ("TFT-CTP") products. Such product expansion helped the Group in further growing its well-diversified customer portfolio including many world leading brands.

As a result, the Group registered a turnover of HK\$1.3 billion, an increase of 42% over last year. Optimized operational efficiency, together with an enhanced sales-mix, with higher modules-related sales, facilitated such improvement in profitability. Gross profit margin improved to a healthy level of 16% against 12% in last year.

In the year under review, other income amounted to approximately HK\$17 million, a decrease by HK\$7 million (2021: HK\$24 million). The drop was mainly due to the reduction of government subsidy in current year, partly offset by the increase in interest income from debt investments.

Net loss of other gains and losses for year increased from HK\$2 million to HK\$6 million. The increase in loss was mainly attributable to the decrease in fair value gain in financial assets at FVTPL, partly offset by the reduction of exchange loss.

Selling and distribution expenses amounted to approximately HK\$82 million (2021: HK\$71 million). The increase was mainly due to the increase in promotional expenses and staff-related costs.

Administrative expenses amounted to approximately HK\$32 million. (2021: HK\$27 million), mainly attributable to the increase in legal and professional fee and staff-related cost.

Investments in Associates

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

Nantong Jianghai, a 31.07% owned associate of the Group, is mainly engaged in the manufacture and sales of aluminum electrolytic, thin film and super capacitors, and the production and sales of aluminum formed foil for high-performance aluminum electrolytic capacitors.

Nantong Jianghai continued to deliver a remarkable financial performance against the headwind of rising manufacturing costs, from the raw materials to electricity. The Group’s share of profit from Nantong Jianghai increased from HK\$154 million to HK\$194 million, representing an increase of HK\$40 million or 26%. Nantong Jianghai is the leading provider of capacitors and energy storage in China. Its main products can be categorized into 3 groups: (i) aluminium electrolytic capacitors, (ii) thin film capacitors and (iii) supercapacitors. It has achieved sustainable growth through long term commitment in investing in research and development of new technology in materials, product development and manufacturing processing.

Aluminium electrolytic capacitors continued to deliver an impressive year-on-year sales growth. Industrial-grade capacitors accounted for over 75% of sales and captured a remarkable market share in the large-size aluminium electrolytic capacitors market. Thin film capacitors also registered exciting sales growth, boosted by strong demand in the new energy and electrical vehicle markets. Supercapacitors were also well positioned and offered some of the most exciting potential growth in the smart meter, rail transportation, port infrastructure and power grid markets.

Investment in Suzhou QingYue Optoelectronics Technology Co. Ltd. (“Suzhou QingYue”)

Suzhou QingYue was a 35.1% owned associate, which is engaged in the research and development, sales and production of OLED, e-paper modules and micro-OLED. The share of profit from Suzhou QingYue decreased from HK\$31 million to HK\$18 million in the year under review.

Suzhou QingYue is one of the global leaders in PMOLED. It posted strong sales growth, driven by the increase in sales of its e-paper modules. PMOLED sales declined slightly year-on-year, against extraordinary sales achieved in the medical equipment, medical and health care product sales in the previous year.

Strong sales momentum on the e-paper modules, well received among retailers, is expected to continue. Micro-OLED has also commenced pilot production in small quantity during the year. Its main applications include the “near-eye” display and the projection display market, augmented reality (“AR”) and virtual reality (“VR”) markets.

To support with its robust business expansion, Suzhou QingYue has plan to have its shares listed in The Shanghai Stock Exchange (“SSE”) and has submitted the relevant application to SSE for approval. The Group firmly believes that the proposed listing plan will bring meaningful returns to the Group in the future.

Income Tax

Effective tax rate in relation to the Group's core business (income tax expenses excluding withholding tax on undistributed profits in associates as a percentage of profit before income tax excluding share of results of associates) was 13% (2021: 18%).

Events after the Reporting Period

(A) Postponement of repayment of debt investments at amortised cost

On 27th May, 2022, the issuer (the "Issuer") of the debt investments at amortised cost announced that, subject to the consent of the holders (which has subsequently been obtained), the maturity date of certain notes issued by the Issuer will be extended from June 2022 to June 2023. As at the date of this report, the Group is holding a total face value of US\$12,760,000 of notes issued by the Issuer (collectively the "Notes") at a cost of approximately US\$9,906,000 (equivalent to approximately HK\$77,752,000), including Notes with a total face value of US\$5,260,000 (equivalent to approximately HK\$41,285,000) acquired prior to 31st March, 2022 and reflected in the consolidated statement of financial position as debt investments at amortised cost at a carrying value of HK\$39,044,000. It is the intention of the Group to hold the Notes to maturity.

(B) Disposal of partial equity interest in a significant associate

Subsequent to the reporting period, the Group disposed of a total of 10,463,000 equity shares of Nantong Jianghai at a consideration ranging from RMB20 to RMB20.33 each, totally amounted to RMB210,403,000 (equivalent to approximately HK\$247,960,000) through block trade transactions on the Shenzhen Stock Exchange. Upon completion of the disposal, Nantong Jianghai continues to be an associate of the Group, and the results of Nantong Jianghai continue to be equity accounted for in the Group's consolidated financial statements. The management of the Company is in the process of assessing the financial impact of the disposal transaction to the Group's consolidated financial statements.

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, amidst the outbreak of Covid-19 as well as the continuous tension between China and United States. 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, 2022 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 in due course.

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

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.

The Group has developed long-standing relationships with a number of suppliers and taken great care to ensure that they shared the Group's commitment to quality and ethics. The Group also carefully selects its suppliers and requires them to satisfy certain assessment criteria including track records, experience, financial strength, reputation, ability to produce high-quality products and quality control effectiveness.

The Group is committed to offer a broad and diverse range of value-for-money, good-quality products to its customers.

Management believes that the above objectives will help enhancing the value of the Company for its shareholders.

PROSPECTS

As the global economy gradually recovers, the demand for our products is expected to be stronger in the coming year. The Group is committed to develop the LCM, TFT and CTP markets which will bring in higher amount and quality of earnings to the Group. We will allocate resources to enhance the new product development and upgrade the production facilities to cope with the strategy of focusing on the high-end market. In view of the promising future prospect of high-value electronic component market, it is the target of the Group to become a leader in the advanced technology-based manufacturing industry. We will also continue to explore any investment or acquisition opportunities in companies with high technological advantages which can generate higher growth and higher profit margins, while it is expected that Nantong Jianghai and Suzhou QingYue will continue to deliver robust results and make meaningful profit contribution to the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st March 2022, the Group's current ratio was 1.9 (31st March, 2021: 2.0). The gearing ratio, as a ratio of bank borrowings to net worth, was 0.5% (31st March, 2021: 0.2%).

As at 31st March 2022, the Group had total assets of approximately HK\$2,978 million, which were financed by liabilities of HK\$486 million and total equity of HK\$2,492 million.

As at 31st March 2022, the Group's banking facilities amounted to approximately HK\$160 million (31st March, 2021: HK\$189 million) of which approximately HK\$12 million (31st March, 2021: HK\$4 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 has taken appropriate hedging measures against significant foreign currency exposures.

CONTINGENT LIABILITIES AND CHARGES OF ASSETS

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, 2022.

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:

	2022	2021
Percentage of purchases from the Group's largest supplier	9%	6%
Percentage of purchases from the Group's five largest suppliers	23%	18%
Percentage of turnover to the Group's largest customer	3%	4%
Percentage of turnover to the Group's five largest customers	11%	12%

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, 2022, 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 of the Company (the "Board") has resolved to recommend the payment of a final dividend of HK5 cents (2021: HK2 cents) per share for the year ended 31st March, 2022 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, 7th October, 2022 to Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 16th September, 2022.

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on Tuesday, 6th September, 2022 (“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 Thursday, 1st September, 2022 to Tuesday 6th September 2022, 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 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 31st August, 2022.

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 Wednesday, 14th September, 2022 to Friday, 16th September, 2022, 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 Tuesday, 13th September, 2022.

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

As the Board is of the view that the current trading price of the shares of the Company does not reflect their intrinsic value, it intends to exercise its powers to buy back the shares (the “Share Buy-back”) in the open market under the general mandate (the “Repurchase Mandate”) to buy back shares granted by the shareholders of the Company at the annual general meeting held on 10th September, 2021 (the “2021 AGM”). According to the Repurchase Mandate, the Company is allowed to buy back a maximum of 99,964,117 shares, being 10% of the total number of issued shares as at the date of the 2021 AGM. The Board believes the Share Buy-back and subsequent cancellation of the repurchased shares can enhance the value of the shares and lead to an enhancement of the return to shareholders of the Company. In addition, the Board believes that the Share Buy-back reflects the Company’s confidence in its long term business prospects for the benefit of the Company and its shareholders as a whole.

The exercise of the Repurchase Mandate by the Company will be subject to market conditions and will be at the absolute discretion of the Board. Accordingly, there is no assurance of the timing, quantity or price of any buy backs. In any event, as disclosed in the explanatory statement in respect of the Repurchase Mandate included in the Company’s circular dated 28th July 2021, the Board does not intend to exercise the Repurchase Mandate to the extent that would (i) have a material adverse impact on the working capital requirements or gearing ratio of the Company; or (ii) give rise to any obligation to make any mandatory offer under the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs; or (iii) result in the number of shares held by the public falling below the minimum percentage prescribed by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

During the year ended 31st March, 2022, the Company repurchased a total of 6,560,000 shares of the Company. Details of the repurchases are as follows:

Month of repurchase	Number of shares repurchased	Highest price paid (HK\$)	Lowest price paid (HK\$)	Total amount paid (HK\$)
June 2021	1,100,000	2.83	2.64	3,009,920
July 2021	3,300,000	3.31	2.77	10,079,820
August 2021	2,160,000	3.23	3.08	6,858,540
Total	6,560,000			19,948,280

Save as disclosed above, no repurchase has been made by the Company or any of its subsidiaries of any listed securities of the Company for the year ended 31st March, 2022.

CORPORATE GOVERNANCE PRACTICES

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, 2022, the Company has applied the principles and complied with the requirements of the Corporate Governance Code (the “Code”) listed out in Appendix 14 of the Listing Rules.

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, 2022.

AUDIT COMMITTEE

The Audit Committee comprises Mr. Fang Yan Tak, Douglas, non-executive Director and vice chairman; and Mr. Chu Chi Wai, Allan and Mr. Lau Yuen Sun, Adrian, both independent non-executive Directors. 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, 2022.

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, 2022 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 approved by the Board of Directors on 28th June, 2022. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or 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, 28th June, 2022

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 and Mr. Chen Shuang, JP as non-executive Directors; and Mr. Chu Chi Wai, Allan, Mr. Lau Yuen Sun, Adrian and Professor Lau Kei May as independent non-executive Directors.