# YEEBO (INTERNATIONAL HOLDINGS) LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 259)**

## ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH, 2012

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, 2012 are summarized as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
*FOR THE YEAR ENDED 31ST MARCH, 2012*

| | *NOTES* | **2012** **HK$'000** | 2011 *HK$'000* |
|---|---|---|---|
| Revenue | *3* | **741,660** | 646,798 |
| Cost of sales | | **(619,604)** | (525,063) |
| Gross profit | | **122,056** | 121,735 |
| Other income | *4* | **13,978** | 10,570 |
| Other gains and losses | | **(7,591)** | 8,452 |
| Selling and distribution expenses | | **(43,597)** | (43,912) |
| Administrative expenses | | **(26,563)** | (26,790) |
| Share of results of associates, net of impairment on interests in associates | *5* | **45,898** | 3,075 |
| Share of result of a jointly controlled entity | | **–** | 27,397 |
| Profit before gain on deemed disposal of a jointly controlled entity | | **104,181** | 100,527 |
| Gain on deemed disposal of a jointly controlled entity | *6* | **–** | 1,213,828 |
| Profit before income tax | | **104,181** | 1,314,355 |
| Income tax expense | *7* | | |
| – Deferred tax relating to enterprise income tax on gain on deemed disposal of a jointly controlled entity | | **–** | (132,797) |
| – Others | | **(12,003)** | (9,081) |
| | | **(12,003)** | (141,878) |
| Profit for the year | | **92,178** | 1,172,477 |

| | *NOTES* | **2012** **HK$'000** | 2011 *HK$'000* |
|---|---|---|---|
| **Other comprehensive income** | | | |
| Exchange differences arising on the translation of foreign operations | | **55,322** | 39,622 |
| Reclassification adjustment of translation reserve upon deemed disposal of a jointly controlled entity | | **–** | (26,459) |
| Share of exchange difference of an associate | | **–** | (3,922) |
| | | **55,322** | 9,241 |
| Total comprehensive income for the year | | **147,500** | 1,181,718 |
| Profit for the year attributable to: | | | |
| Owners of the Company | | **92,946** | 1,170,562 |
| Non-controlling interests | | **(768)** | 1,915 |
| | | **92,178** | 1,172,477 |
| Total comprehensive income attributable to: | | | |
| Owners of the Company | | **148,227** | 1,179,661 |
| Non-controlling interests | | **(727)** | 2,057 |
| | | **147,500** | 1,181,718 |
| Earning per share – basic (expressed in HK$) | *9* | **0.09** | 1.16 |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*AS AT 31ST MARCH, 2012*

| | NOTES | 2012 HK$'000 | 2011 HK$'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | | **166,093** | 108,868 |
| Prepayment for acquisition of plant and equipment | | **1,936** | 36,380 |
| Interests in associates | 5 | **1,558,794** | 1,482,925 |
| Available-for-sale investments | | **2,739** | 2,739 |
| Intangible assets | | **1,459** | 1,459 |
| | | **1,731,021** | 1,632,371 |
| **Current assets** | | | |
| Inventories | 10 | **80,386** | 79,197 |
| Trade and other receivables | 11 | **136,168** | 109,437 |
| Bills receivable | | **2,556** | 4,075 |
| Held-for-trading investments | | **48,536** | 48,705 |
| Bank balances and cash | | **52,877** | 65,690 |
| | | **320,523** | 307,104 |
| **Current liabilities** | | | |
| Trade and other payables | 12 | **186,242** | 175,697 |
| Bills payable | 12 | **4,076** | 4,116 |
| Amount due to an associate | | **311** | 676 |
| Derivative financial instruments | | **452** | – |
| Tax payable | | **13,136** | 12,214 |
| | | **204,217** | 192,703 |
| **Net current assets** | | **116,306** | 114,401 |
| **Total assets less current liabilities** | | **1,847,327** | 1,746,772 |
| **Non-current liability** | | | |
| Deferred tax liabilities | | **140,850** | 138,556 |
| | | **1,706,477** | 1,608,216 |
| **Capital and reserves** | | | |
| Share capital | | **202,231** | 202,231 |
| Reserves | | **1,501,597** | 1,403,928 |
| **Equity attributable to owners of the Company** | | **1,703,828** | 1,606,159 |
| **Non-controlling interests** | | **2,649** | 2,057 |
| **Total equity** | | **1,706,477** | 1,608,216 |

*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 Island (the "BVI")) and its ultimate holding company is Esca Investment 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 ("HKD"), which is also the functional currency of the Company.

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

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

| | |
|---|---|
| HKFRSs (Amendments) | Improvements to HKFRSs issued in 2010 |
| HKAS 24 (Revised 2009) | Related Party Disclosures |
| HK(IFRIC) – Int 14 (Amendments) | Prepayments of a Minimum Funding Requirement |
| HK(IFRIC) – Int 19 | Extinguishing Financial Liabilities with Equity Instruments |

The application of the new and revised 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 the consolidated financial statements.

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

| | |
|---|---|
| Amendments to HKFRSs | Annual Improvements to HKFRSs 2009-2011 Cycle[2] |
| HKFRS 7 (Amendments) | Disclosures – Transfers of Financial Assets[1] |
| HKFRS 7 (Amendments) | Disclosures – Offsetting Financial Assets and Financial Liabilities[2] |
| HKFRS 9 | Financial Instruments[3] |
| HKFRS 9 and HKFRS 7 (Amendments) | Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3] |
| HKFRS 10 | Consolidated Financial Statements[2] |
| HKFRS 11 | Joint Arrangements[2] |
| HKFRS 12 | Disclosure of Interests in Other Entities[2] |
| HKFRS 13 | Fair Value Measurement[2] |
| HKAS 1 (Amendments) | Presentation of Items of Other Comprehensive Income[5] |
| HKAS 12 (Amendments) | Deferred Tax – Recovery of Underlying Assets[4] |
| HKAS 32 (Amendments) | Offsetting Financial Assets and Financial Liabilities[6] |
| HKAS 19 (Revised 2011) | Employee Benefits[2] |
| HKAS 27 (Revised 2011) | Separate Financial Statements[2] |
| HKAS 28 (Revised 2011) | Investments in Associates and Joint Ventures[2] |
| HK(IFRIC) – Int 20 | Stripping costs in the Production Phase of a Surface Mine[2] |

1 Effective for annual periods beginning on or after 1st July, 2011
2 Effective for annual periods beginning on or after 1st January, 2013
3 Effective for annual periods beginning on or after 1st January, 2015
4 Effective for annual periods beginning on or after 1st January, 2012
5 Effective for annual periods beginning on or after 1st July, 2012
6 Effective for annual periods beginning on or after 1st January, 2014

**HKFRS 9 Financial Instruments**

HKFRS 9 *Financial Instruments* (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 *Financial Instruments* (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

- Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1st January, 2015, with earlier application permitted.

The directors anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning 1st April, 2015 and that the application of the new standard may have an impact on amounts reported in respect of the Groups' financial assets and financial liabilities, in particular the classification and measurement of the Group's available-for-sale investments. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

**HKFRS 13 Fair Value Measurement**

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 *Financial Investments: Disclosures* will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1st January, 2013, with earlier application permitted.

The directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1st April, 2013 and that the application of the new standard may result in more extensive disclosures in the consolidated financial statements.

The directors of the Company anticipate that the application of the other new and revised HKFRSs above will have no material impact on the results and the financial position of the Group.

## 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 two operating divisions according to the types of products sold, which are LCDs and LCMs that are widely used in electronic consumer 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 following is an analysis of the Group's revenue and results by reportable and operating segment.

**2012**

| | **LCDs** | **LCMs** | **Segment total** | **Eliminations** | **Consolidated** |
|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| *Segment revenue* | | | | | |
| External sales | **366,419** | **375,241** | **741,660** | **–** | **741,660** |
| Inter-segment sales | **105,180** | **–** | **105,180** | **(105,180)** | **–** |
| Total | **471,599** | **375,241** | **846,840** | **(105,180)** | **741,660** |
| Segment profit | **43,670** | **21,976** | **65,646** | **–** | **65,646** |
| Interest income | | | | | **349** |
| Dividend income | | | | | **1,985** |
| Loss on fair value changes of held-for-trading investments | | | | | **(6,067)** |
| Loss on fair value changes of derivative financial instruments | | | | | **(452)** |
| Unallocated administrative costs | | | | | **(1,882)** |
| Net exchange loss | | | | | **(1,296)** |
| Share of results of associates | | | | | **45,898** |
| Profit before income tax | | | | | **104,181** |

2011

| | LCDs | LCMs | Segment total | Eliminations | Consolidated |
|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Segment revenue | | | | | |
| External sales | 334,092 | 312,706 | 646,798 | – | 646,798 |
| Inter-segment sales | 64,093 | – | 64,093 | (64,093) | – |
| Total | 398,185 | 312,706 | 710,891 | (64,093) | 646,798 |
| Segment profit | 33,773 | 28,257 | 62,030 | – | 62,030 |
| Interest income | | | | | 362 |
| Dividend income | | | | | 1,888 |
| Gain on fair value changes of held-for-trading investments | | | | | 9,529 |
| Unallocated administrative costs | | | | | (2,522) |
| Net exchange loss | | | | | (1,232) |
| Share of result of associates, net of impairment on interests in associates | | | | | 3,075 |
| Share of result of a jointly controlled entity | | | | | 27,397 |
| Gain on deemed disposal of a jointly controlled entity | | | | | 1,213,828 |
| Profit before income tax | | | | | 1,314,355 |

Segment profit represents the profit generated from 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 and derivative financial instruments, unallocated administrative costs, net exchange differences, gain on deemed disposal of a jointly controlled entity and share of results of a jointly controlled entity and share of results of associates, net of impairment on interests in associates. 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:

**2012**

| | **LCDs** | **LCMs** | **Segment total** | **Unallocated** | **Consolidated** |
|---|---|---|---|---|---|
| | ***HK$'000*** | ***HK$'000*** | ***HK$'000*** | ***HK$'000*** | ***HK$'000*** |
| Depreciation | **10,782** | **2,868** | **13,650** | **178** | **13,828** |
| Gain on disposal of property, plant and equipment | **(188)** | **(36)** | **(224)** | **–** | **(224)** |
| Allowance for doubtful debts | **191** | **481** | **672** | **–** | **672** |
| Allowance for obsolete inventories | **2,167** | **2,219** | **4,386** | **–** | **4,386** |

2011

| | LCDs HK$'000 | LCMs HK$'000 | Segment total HK$'000 | Unallocated HK$'000 | Consolidated HK$'000 |
|---|---|---|---|---|---|
| Depreciation | 18,041 | 5,035 | 23,076 | 179 | 23,255 |
| Gain on disposal of property, plant and equipment | (155) | – | (155) | – | (155) |
| Allowance for doubtful debts | 2,202 | 1,777 | 3,979 | – | 3,979 |
| Allowance (reversal of allowance) for obsolete inventories | 7,170 | (3,048) | 4,122 | – | 4,122 |

**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** | |
|---|---|---|---|---|
| | **2012** | 2011 | **2012** | 2011 |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| Hong Kong | **175,616** | 183,595 | **7,668** | 7,048 |
| Other regions of the PRC | **116,100** | 88,277 | **161,623** | 139,356 |
| Japan | **82,112** | 78,032 | **–** | – |
| United States | **77,869** | 71,508 | **–** | – |
| Taiwan | **80,593** | 59,772 | **–** | – |
| Germany | **59,318** | 47,623 | **–** | – |
| Other European countries | **106,365** | 82,675 | **197** | 303 |
| Other Asian countries | **39,721** | 30,737 | **–** | – |
| Other countries | **3,966** | 4,579 | **–** | – |
| | **741,660** | 646,798 | **169,488** | 146,707 |

*Note:* Non-current assets excluded interests in associates and available-for-sale investments.

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

## 4. OTHER INCOME

| | **2012** | 2011 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Interest on bank deposits | **349** | 362 |
| Dividend income from investments held-for-trading | **1,985** | 1,888 |
| Tooling income | **4,837** | 3,969 |
| Scrap sales | **3,837** | 2,388 |
| Others | **2,970** | 1,963 |
| | **13,978** | 10,570 |

## 5. ASSOCIATES

### Interests in associates

| | **2012** | 2011 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Cost of investment in associates | | |
| Listed in the PRC | **1,423,811** | 1,423,811 |
| Unlisted | **245,410** | 245,410 |
| Share of post-acquisition results, other comprehensive income and impairment loss recognised, net of dividends received | **(110,427)** | (186,296) |
| | **1,558,794** | 1,482,925 |
| Fair value of listed investments | **1,223,873** | 1,923,458 |

### Share of results of associates, net of impairment on interests in associates:

| | **2012** | 2011 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Share of profit of associates, net of impairment loss on interests in associates | **45,898** | 28,473 |
| Group's contribution to the pension fund for the employees of an associate *(note)* | **–** | (25,398) |
| | **45,898** | 3,075 |

*Note:* Included in the Group's share of results of associates, net of impairment on interests in associates, for the year ended 31st March, 2011 was an amount of HK$25,398,000 which related to the Group's contribution to the pension fund (the "Fund") for the retired and retiring employees of Nantong Jianghai Capacitor Company Limited ("Nantong Jianghai") to show their appreciation of the retired and retiring employees of Nantong Jianghai for their contribution to the successful listing of Nantong Jianghai on the Shenzhen Stock Exchange, the Group together with the other pre-IPO shareholders of Nantong Jianghai made a one-off contribution to the Fund. The Fund is held by a trustee who is independent from the Group and the associate and it is to be used solely for the retirement benefits of the retired and retiring employees of Nantong Jianghai.

## 6. GAIN ON DEEMED DISPOSAL OF A JOINTLY CONTROLLED ENTITY

In September 2010, pursuant to the initial public offering ("IPO") of Nantong Jianghai whose shares were then listed on the Shenzhen Stock Exchange, the Group's shareholding in Nantong Jianghai had been diluted from 50% to 37.5%, resulting in a change of status from a jointly controlled entity to an associate.

The Group retained a 37.5% interest and recognised it as its fair value, calculated at IPO offering price RMB20.5 per share, as interest in an associate. This transaction resulted in the recognition of a gain on deemed disposal of interest in a jointly controlled entity in profit or loss which was calculated as follows:

| | 2011 |
|---|---|
| | *HK$'000* |
| Fair value of investment retained | 1,423,811 |
| Less: carrying amount of investment on the date of change of status from a jointly controlled entity to an associate | (236,442) |
| Add: reclassification adjustment of translation reserve | 26,459 |
| Gain on deemed disposal | 1,213,828 |

The Group undertook not to dispose of any part or whole of its interests in Nantong Jianghai within three years of its listing.

## 7. INCOME TAX EXPENSE

| | **2012** | 2011 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| The income tax expense comprises: | | |
| Current tax | | |
| Hong Kong | **3,660** | 1,866 |
| Other jurisdictions | **6,049** | 4,626 |
| | **9,709** | 6,492 |
| Underprovision in prior years | | |
| Hong Kong | **–** | 5 |
| Deferred taxation | | |
| Charge for the year | **2,294** | 135,381 |
| | **12,003** | 141,878 |

## 8. DIVIDENDS

Dividends recognised as distributions during the year:

| | **2012** | 2011 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Final dividend in respect of the year ended 31st March, 2011 of HK2 cents per share (2010: final dividend in respect of the year ended 31st March, 2010 of HK1 cent per share) | **20,223** | 10,112 |
| Special dividend in respect of the year ended 31st March, 2011 of HK 3 cents per share (2010: Nil) | **30,335** | – |
| | **50,558** | 10,112 |

Proposed final and special dividends:

| | **2012** | 2011 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Final – HK2.5 cents (2011: HK2 cents) per share | **25,279** | 20,223 |
| Special – Nil (2011: HK3 cents) per share | **–** | 30,335 |
| | **25,279** | 50,558 |

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

## 9. EARNING PER SHARE

The calculation of the basic earning per share is based on the profit attributable to the owners of the Company for the year and 1,011,155,171 (2011: 1,011,155,171) ordinary shares in issue.

No diluted earning per share is presented as there was no potential ordinary shares outstanding during both years and as at the end of the reporting period.

## 10. INVENTORIES

| | **2012** | 2011 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Raw materials | **35,161** | 38,349 |
| Work in progress | **14,750** | 14,696 |
| Finished goods | **30,475** | 26,152 |
| | **80,386** | 79,197 |

## 11. TRADE AND OTHER RECEIVABLES

| | **2012** | 2011 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Trade receivables | **114,301** | 93,316 |
| Other receivables | **3,296** | 2,868 |
| Deposits | **7,640** | 8,359 |
| Prepayments | **10,931** | 4,894 |
| | **136,168** | 109,437 |

The following is an aged analysis of trade receivables, net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period:

| | **2012** | 2011 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| 1 – 30 days | **61,870** | 48,375 |
| 31 – 60 days | **35,424** | 21,199 |
| 61 – 90 days | **9,819** | 17,389 |
| 91 – 120 days | **7,188** | 6,353 |
| | **114,301** | 93,316 |

## 12. TRADE AND OTHER PAYABLES AND BILLS PAYABLE

| | **2012** | 2011 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Trade payables | **89,077** | 71,810 |
| Accrued charges | **65,602** | 57,708 |
| Other payables | **35,639** | 50,295 |
| | **190,318** | 179,813 |
| Amount analysed for reporting purposes as: | | |
| Trade and other payables | **186,242** | 175,697 |
| Bills payable | **4,076** | 4,116 |
| | **190,318** | 179,813 |

Included in other payables at 31st March, 2011 was an amount of payable to the pension fund for the employees of an associate amounting to HK$25,398,000 as described in note 5.

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

| | **2012** | 2011 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Up to 30 days | **35,991** | 25,059 |
| 31 – 60 days | **21,459** | 14,953 |
| 61 – 90 days | **12,843** | 17,506 |
| 91 – 120 days | **11,301** | 6,659 |
| Over 120 days | **7,483** | 7,633 |
| | **89,077** | 71,810 |

All the Group's bills payables as at 31st March, 2012 and 2011 were due within 90 days.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Review of Operations

The Group recorded a consolidated turnover for year ended 31st March, 2012 of approximately HK$742 million (2011: HK$647 million), an increase of HK$95 million or 15% as compared with last year. Profit attributable to owners of the Company was HK$93 million (2011: HK$1,171 million), representing a decrease of approximately HK$1,078 million. Included in the 2011 annual results was a one-off after-tax gain from the deemed disposal of Nantong Jianghai Capacitor Company Limited ("Nantong Jianghai") of HK$1,081 million as a result of the initial public offer ("IPO") of its A shares in Shenzhen Stock Exchange in September 2010. If the said gain was excluded, profit attributable to owners of the Company for this year would have been increased by approximately HK$3 million as compared with last year.

In our core display business, external sales of the Liquid Crystal Display ("LCD") increased by HK$32 million, from HK$334 million to HK$366 million, and external sales of the Liquid Crystal Display Module ("LCM") increased by HK$62 million, from HK$313 million to HK$375 million. Encountering the slow down of the global economy, shortage of labour in PRC as well as rising labour costs and prices of certain materials during the year, the Group responded proactively thereto by formulating a well-defined business strategy, focusing on new product development, continuously optimizing product mix and providing one-stop service to our customers. By leveraging on our reliable product supply and high product quality, the Group had gained support from customers, resulting in a further increase in sales. As shown in the segment results, the overall segment profit increased by approximately HK$4 million from HK$62 million for the last year to HK$66 million this year. Meanwhile, there were some changes in cost allocation between the segments. The LCD segment recorded an increase in segment profit of approximately HK$10 million from HK$34 million for the last year to HK$44 million this year, and the LCM segment recorded a decrease in segment profit of approximately HK$6 million from HK$28 million of last year to HK$22 million this year.

The Group recorded a gross profit of approximately HK$122 million (2011: HK$122 million) and a gross profit margin of 16% (2011: 19%) for the year ended 31st March, 2012. Despite the higher turnover, the gross profit did not show an obvious increase. Even though the Group had strengthened its operational management and made corresponding adjustments to its pricing and production strategies, this was still not adequate to cover the increase in manufacturing costs. As a result, gross margin decreased as compared to last year. The projects newly invested by the Group for expanding production capacity and improving the quality of its products have not yet been able to make contribution to the Group during the year.

During the year, other income amounted to approximately HK$14 million (2011: HK$11 million). The other income mainly composed tooling income, scrap sales and dividend income from investment held-for-trading.

Net losses from other gains and losses amounted to approximately HK$8 million (2011: net gains of HK$8 million), which were mainly attributable to the losses from adverse fair value changes of held-for-trading investments and derivative financial instruments of approximately HK$6 million (2011: gains of HK$9 million) and exchange losses arising from operations of HK$1 million (2011: HK$1 million).

The selling and distribution expenses amounted to approximately HK$44 million (2011: HK$44 million), accounting for 6% (2011: 7%) of the Group's sales. During the year, the Group incurred additional expenditure in expanding the sales network in overseas market to capture more business opportunities. This was offset by the reduction of provision of doubtful debts, reflecting an improvement in the quality of receivables as a result of better credit control.

Despite the increase in turnover, we managed to maintain total administrative expenses at approximately HK$27 million which was the same level as last year.

## Investments in Associates

### *Investment in Nantong Jianghai Capacitor Company Ltd ("Nantong Jianghai")*

Nantong Jianghai is mainly engaged in the manufacture and sales of aluminium electrolytic capacitors and related components, and the production and sales of aluminium formed foil for high-performance aluminium electrolytic capacitors.

During the year, the Group's share of profit of Nantong Jianghai was approximately HK$46 million (2011: HK$27 million), representing an increase of HK$19 million as compared with last year. The Group's share of profit for last year was arrived at after netting off the Group's contribution to the pension fund of the retired and retiring employees of Nantong Jianghai (the "Fund") of approximately HK$25 million. To show their appreciation of the contribution of the retired and retiring employees of Nantong Jianghai to the success of its IPO in September, 2010, the Group together with the other pre-IPO shareholders of Nantong Jianghai made a one-off contribution to the Fund for the benefits of the retired and retiring employees of Nantong Jianghai. The change in the Group's share of profit of Nantong Jianghai for this year has reflected the full year's dilution effect of the Group's shareholding in Nantong Jianghai from 50% to 37.5% pursuant to the IPO.

During the year, there was a sustained increase in the turnover of Nantong Jianghai. By enhancing the technical and production capability, there was an increase in the sale of industrial capacitors. However, the continuous downturn in global economy and increase in production costs has affected Nantong Jianghai's performance in the first quarter of the 2012, resulting in a decrease in its profit attributable to owners of Nantong Jianghai as compared with the corresponding period of the previous year. Facing the challenges of market changes ahead, in addition to enhancing its research and development capabilities to further improve its market competitiveness, Nantong Jianghai has devoted resources to expand the production capacity of high-value products and broaden its product range to expand its sources of sales and profit.

### *Investment in Kunshan Visionox Display Co. Ltd. (Kunshan Visionox)*

Kunshan Visionox Display Co. Ltd. (Kunshan Visionox), an associate of the Company, is a manufacturer of organic light emitted display ("OLED") products. The Group has provided for impairment loss in its investments in Kunshan Visionox and the carrying value has been written down to zero in previous years. Kunshan Visionox's performance has since improved, but the Group has not reversed any impairment loss previously recognised. The Group will continuously monitor the development of Kunshan Visionox to consider whether the impairment loss could be partly or fully written-back.

## PROSPECTS

Looking forward, the economy in Europe and USA is expected to stay sluggish, inflation and labor cost in PRC will continue to maintain at a high level. Facing the challenges ahead, the management will react proactively by taking various management initiatives which include: (1) In respect of marketing, we will expand our distribution network and continue to promote high-end and high value-added products. (2) In respect of product offerings, in line with our market expansion, we will strengthen our product development effort to broaden our product range so as to increase the sources of revenues and improve our profit margins. (3) In respect of production, the newly added high-end production equipment will improve the production capacity of high-end products and increase our total output. At the same time, we will continue to take effective measures to improve our production efficiency and enhance the production yield to mitigate the pressure of rising production costs. (4) In respect of human resources, we will continue to adopt competitive packages to ensure that we will have adequate and competent human resources for the business growth of the Group. (5) In respect of financial management, we will continue to adhere to our prudent fiscal policy and maintain healthy liquidity.

In view of the uncertainty of external economic environment and the increase of operating cost, the management maintains a cautious view towards the sales and profit growth for next year.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 31st March, 2012, the Group's current ratio was 1.6 (31st March, 2011:1.6). The gearing ratio, as a ratio of bank borrowings to total equity, was nil (31st March, 2011: nil). As at 31st March, 2012, the Group had total assets of approximately HK$2,052 million, which were financed by liabilities of HK$345 million and total equity of HK$1,707 million.

As at 31st March, 2012, the Group's banking facilities amounted to approximately HK$167 million (31st March, 2011: HK$148 million) of which approximately HK$9 million (31st March, 2011: HK$6 million) were utilized for issuance of letters of credit, bills payable and securities trading.

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

## CONTINGENT LIABILITIES AND CHARGES OF ASSETS

As at 31st March, 2012, the Group's held-for-trading investments of approximately HK$11 million (31st March, 2011: nil) have been charged to a financial institution for securities trading facilities granted to the Group.

## MAJOR CUSTOMERS AND SUPPLIERS

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

| | **2012** | 2011 |
|---|---|---|
| Percentage of purchases from the Group's largest supplier | **4%** | 6% |
| Percentage of purchases from the Group's five largest suppliers | **20%** | 24% |
| Percentage of turnover to the Group's largest customer | **6%** | 7% |
| Percentage of turnover to the Group's five largest customers | **21%** | 21% |

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, 2012, to the best knowledge of the Directors, none of the Directors and their close associates or any shareholders holding 5% of the Group's share capital had any beneficial interest in the Group's five largest customers and/or five largest suppliers.

## 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.

## DIVIDEND

The Board of Directors has resolved to recommend the payment of a final dividend of HK2.5 cents per share (2011: final dividend of HK2 cents and a special dividend of HK3 cents) for the year ended 31st March, 2012 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 Monday, 8th October, 2012 to Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 21st September, 2012.

## CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on Wednesday, 12th September, 2012 ("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 Monday, 10th September, 2012 to Wednesday, 12th September, 2012, 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 7th September, 2012.

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 Tuesday, 18th September, 2012 to Friday, 21st September, 2012, 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 Monday, 17th September, 2012.

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

There was no purchase, sale or redemption of shares or other listed securities of the Company or by any of its subsidiaries during the year.

## 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, 2012, 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 of Hong Kong Limited (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 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, 2012.

## AUDIT COMMITTEE

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, 2012.

## PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the website of the Stock Exchange (http://www.hkexnews.hk) and the Company's website (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
**Lau Siu Ki, Kevin**
*Company Secretary*

Hong Kong, 15 June 2012

*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 and Mr. Tien Pei Chun, James, GBS, JP, Mr. Chu Chi Wai, Allan and Mr. Lau Yuen Sun, Adrian as independent non-executive directors.*