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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, 2021**

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, 2021 are summarised as follows:

#### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*FOR THE YEAR ENDED 31ST MARCH, 2021*

	<i>NOTE</i>	<b>2021 HK\$'000</b>	<b>2020 HK\$'000</b>
Revenue	3	<b>891,969</b>	813,153
Cost of sales		<b>(782,754)</b>	(707,383)
Gross profit		<b>109,215</b>	105,770
Other income		<b>24,271</b>	11,904
Other gains and losses		<b>630</b>	(16,069)
Selling and distribution expenses		<b>(73,820)</b>	(72,207)
Administrative expenses		<b>(27,477)</b>	(27,695)
Finance costs		<b>(510)</b>	(459)
		<b>32,309</b>	1,244
<b>Items that are relevant to associates:</b>			
– Share of results of associates	4	<b>182,357</b>	98,308
– Other income related to an associate	5	<b>–</b>	46,637
		<b>182,357</b>	144,945
Profit before income tax		<b>214,666</b>	146,189
Income tax expense	6	<b>(16,656)</b>	(8,647)
Profit for the year		<b>198,010</b>	137,542

	<i>NOTE</i>	<b>2021</b> <b><i>HK\$'000</i></b>	<b>2020</b> <b><i>HK\$'000</i></b>
<b>Other comprehensive income (expense)</b>			
<b>Item that will not be reclassified to profit or loss:</b>			
Share of other comprehensive income of an associate, net of related income tax		<b>12,269</b>	4,391
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences arising on the translation of foreign operations:			
Subsidiaries		<b>40,927</b>	3,522
Associates		<b>121,483</b>	(89,662)
Total comprehensive income for the year		<b><u>372,689</u></b>	<b><u>55,793</u></b>
Profit for the year attributable to:			
Owners of the Company		<b>187,734</b>	123,822
Non-controlling interests		<b>10,276</b>	13,720
		<b><u>198,010</u></b>	<b><u>137,542</u></b>
Total comprehensive income attributable to:			
Owners of the Company		<b>359,526</b>	43,549
Non-controlling interests		<b>13,163</b>	12,244
		<b><u>372,689</u></b>	<b><u>55,793</u></b>
		<b><i>HK cents</i></b>	<b><i>HK cents</i></b>
Earnings per share – basic	8	<b><u>19.1</u></b>	<b><u>12.5</u></b>
– diluted	8	<b><u>19.0</u></b>	<b><u>12.5</u></b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST MARCH, 2021**

	<i>NOTES</i>	<b>2021 HK\$'000</b>	<b>2020 HK\$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment		247,044	219,936
Right-of-use assets		10,064	9,164
Investment properties		1,177	1,378
Prepayments for acquisition of property, plant and equipment		9,347	14,412
Interests in associates		1,644,271	1,364,423
Financial assets at fair value through profit or loss ("FVTPL")		22,303	2,739
Intangible assets		1,459	1,459
		<u>1,935,665</u>	<u>1,613,511</u>
<b>Current assets</b>			
Inventories	9	197,492	111,450
Trade and other receivables	10	256,659	170,129
Amounts due from associates		—	31
Financial assets at FVTPL		—	5,662
Bank balances and cash		142,184	230,626
		<u>596,335</u>	<u>517,898</u>
<b>Current liabilities</b>			
Trade and other payables	11	252,110	203,318
Contract liabilities		14,938	7,487
Derivative financial instruments		1,043	—
Tax payable		16,359	10,071
Bank borrowings		4,205	4,022
Lease liabilities		4,458	3,928
		<u>293,113</u>	<u>228,826</u>
<b>Net current assets</b>		<u>303,222</u>	<u>289,072</u>
<b>Total assets less current liabilities</b>		<u>2,238,887</u>	<u>1,902,583</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		75,084	58,801
Lease liabilities		6,121	5,598
		<u>81,205</u>	<u>64,399</u>
		<u>2,157,682</u>	<u>1,838,184</u>
<b>Capital and reserves</b>			
Share capital		199,928	199,928
Reserves		1,903,457	1,605,532
<b>Equity attributable to owners of the Company</b>		<u>2,103,385</u>	<u>1,805,460</u>
<b>Non-controlling interests</b>		<u>54,297</u>	<u>32,724</u>
<b>Total equity</b>		<u>2,157,682</u>	<u>1,838,184</u>

*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 “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 NEW AND 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 *Amendments to References to the Conceptual Framework in HKFRS Standards* and 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 Group’s annual period beginning on 1st April, 2020 for the preparation of the financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

In addition, the Group has early applied the Amendment to HKFRS 16 *Covid-19-Related Rent Concessions*.

The application of the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the amendments to HKFRSs in the current year 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.

### ***New and amendments to HKFRSs issued 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 <sup>4</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>3</sup>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 <sup>1</sup>
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>5</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>4</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>4</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>4</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>4</sup>
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use <sup>3</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>3</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020 <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1st January, 2021

<sup>2</sup> Effective for annual periods beginning on or after 1st April, 2021

<sup>3</sup> Effective for annual periods beginning on or after 1st January, 2022

<sup>4</sup> Effective for annual periods beginning on or after 1st January, 2023

<sup>5</sup> Effective for annual periods beginning on or after a date to be determined

The directors of the Company anticipate that the application of the 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.

Prior to current year, the Group was organised into four operating divisions by type of product sold including LCDs, LCMs, LCD-related optical products and LCM-related products. In the current year, the Group reorganised its internal reporting structure by combining the four operating divisions into one operating segment on LCDs & LCMs products. Prior year disclosures have been represented to conform with the current year’s presentation.

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

	<b>2021</b> <b>HK\$’000</b>	2020 <b>HK\$’000</b> (Restated)
Revenue – LCDs & LCMs	<b>891,969</b>	813,153
Segment profit – LCDs & LCMs	<b>34,834</b>	14,037
Interest income	<b>1,832</b>	2,493
Net exchange loss	<b>(18,449)</b>	(11,211)
Gain (loss) on fair value changes of financial assets at FVTPL	<b>19,564</b>	(60)
Loss on fair value changes of derivative financial instruments	<b>(1,043)</b>	–
Unallocated administrative expenses	<b>(3,919)</b>	(3,556)
Finance costs	<b>(510)</b>	(459)
Share of results of associates	<b>182,357</b>	98,308
Other income related to an associate	<b>–</b>	46,637
Profit before income tax	<b>214,666</b>	146,189

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, gain (loss) on fair value changes of financial assets and derivative financial instruments, unallocated administrative expenses, net exchange differences, finance costs, share of results of associates and other income related to an associate. 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:

	<b>2021</b> <b>HK\$’000</b>	2020 <b>HK\$’000</b>
LCDs	<b>191,811</b>	172,342
LCMs	<b>582,737</b>	543,030
LCM – other related products	<b>117,336</b>	97,670
LCD – related optical products	<b>85</b>	111
	<b>891,969</b>	813,153

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	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Hong Kong	85,820	85,168	9,299	11,361
Mainland China	186,190	139,337	1,899,150	1,594,012
Japan	121,648	133,645	–	–
United States	75,457	78,266	–	–
Taiwan	45,105	30,494	–	–
Germany	110,779	93,520	–	–
Spain	56,576	46,509	–	–
Other European countries	168,750	165,258	4,913	5,399
Other Asian countries	24,757	32,393	–	–
Other countries	16,887	8,563	–	–
	<b>891,969</b>	<b>813,153</b>	<b>1,913,362</b>	<b>1,610,772</b>

*Note:* Non-current assets exclude financial assets at FVTPL.

#### 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

	2021 HK\$'000	2020 HK\$'000
Listed in the PRC:		
Share of profit	153,961	80,969
Unlisted associates:		
Share of profit	28,396	17,339
	<b>182,357</b>	<b>98,308</b>

#### 5. OTHER INCOME RELATED TO AN ASSOCIATE

	2021 HK\$'000	2020 HK\$'000
Reversal of bonus awarded to the management of an associate	–	61,140
Exchange gain on accrued bonus awarded to the management of an associate	–	4,227
Waiver of dividend from an associate	–	(18,730)
	<b>–</b>	<b>46,637</b>

The Group awarded a discretionary bonus of RMB55,908,000 (equivalent to approximately HK\$65,367,000) to the management of Suzhou Qing Yue in 2019 to show the appreciation to the management of Suzhou Qing Yue for the contribution to the satisfactory performance and the continual support to Suzhou Qing Yue in the future. During the year ended 31st March, 2020, due to the remittance restriction in the PRC, the Group had limitation to distribute the discretionary bonus to the management of Suzhou Qing Yue after consulted with legal counsel. With the agreement with the management of Suzhou Qing Yue, the Group cancelled the discretionary bonus and accordingly, recognised a reversal of the discretionary bonus of RMB55,908,000 (equivalent to approximately HK\$61,140,000) for the year ended 31st March, 2020. Exchange gain of HK\$4,227,000 was recognised upon reversal of the accrued bonus for the year ended 31st March, 2020.

During the year ended 31st March, 2020, Suzhou Qing Yue distributed RMB48,800,000 dividend to its shareholders. Crown Capital, a non-wholly owned subsidiary of the Group, and Faith Crown International Limited, a wholly owned subsidiary of the Group, decided to assign the entitlement to the proposed dividend amounting to RMB17,128,000 (equivalent to approximately HK\$18,730,000) to the major shareholder of Suzhou Qing Yue. This was to maintain a good relationship with the major shareholder of Suzhou Qing Yue and to facilitate a capital restructuring plan of Suzhou Qing Yue, which would be beneficial to the long-term development of Suzhou Qing Yue. There was no assignment of dividend for the year ended 31st March, 2021.

## 6. INCOME TAX EXPENSE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
The income tax expense comprises:		
Current tax expense (credit)		
Hong Kong	1,271	1,410
The People's Republic of China, other than Hong Kong, Macau and Taiwan	5,315	3,928
Other jurisdictions	(80)	1,112
	<u>6,506</u>	<u>6,450</u>
Under (over) provision in prior years	111	(2,425)
	<u>6,617</u>	<u>4,025</u>
Deferred taxation		
Charge for the year	10,039	4,622
	<u>16,656</u>	<u>8,647</u>



## 7. DIVIDENDS

Dividends recognised as distributions during the year:

	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>
2020 Final dividend of HK5.0 cents per share (2020: 2019 Final dividend of HK\$5.0 cents per share)	<b>49,982</b>	49,982
2019 Special dividend of HK10.0 cents per share	<u>–</u>	<u>99,964</u>
	<b><u>49,982</u></b>	<b><u>149,946</u></b>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31st March, 2021 of HK2.0 cents (2020: HK\$5 cents) per ordinary share, in an amount of HK\$19,993,000 (2020: 49,982,000), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

## 8. EARNINGS PER SHARE

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

	<b>2021</b> <b>HK\$'000</b>	2020 <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	<b><u>187,734</u></b>	<b><u>123,822</u></b>
	<b>Number of shares '000</b>	Number of shares '000
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>983,240</b>	987,033
Effect of dilutive potential ordinary shares in respect of outstanding share awards	<u>5,360</u>	<u>3,920</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b><u>988,600</u></b>	<b><u>990,953</u></b>

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.

## 9. INVENTORIES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Raw materials	96,822	40,649
Work in progress	34,168	25,915
Finished goods	66,502	44,886
	<u>197,492</u>	<u>111,450</u>

## 10. 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.

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
1 – 30 days	101,440	67,057
31 – 60 days	37,857	30,104
61 – 90 days	28,311	13,402
91 – 120 days	5,775	6,881
Over 120 days	2,135	6,181
	<u>175,518</u>	<u>123,625</u>

## 11. TRADE AND OTHER PAYABLES

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Up to 30 days	107,971	42,083
31 – 60 days	23,054	12,086
61 – 90 days	3,344	18,498
91 – 120 days	3,650	15,357
Over 120 days	23,187	18,394
	<u>161,206</u>	<u>106,418</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Review of Operations

The Group recorded a consolidated revenue for the year ended 31st March, 2021 of approximately HK\$892 million (2020: HK\$813 million), an increase of \$79 million or 10% as compared with last year. Profit attributable to owners of the Company was HK\$188 million (2020: HK\$124 million), representing an increase of approximately HK\$64 million. The increase in profit was mainly due to the increase in the share of profits of associates from \$98 million to \$182 million, a rise of 86% from last year.

The Covid-19 pandemic has given rise to unprecedented challenge in the business operating environment. Due to the worldwide protective measures implemented against the pandemic like social distancing and travel restriction, the global supply chain was unavoidably disrupted to a certain extent, The Group has taken swift and effective measures to resume our production in the shortest possible time frame and focus the marketing effort in the high growth market segment like medical equipment and electric meter. Sales of the Liquid Crystal Displays (“LCD”) recorded an increase of 11% to HK\$192 million. Sales of the Liquid Crystal Display Modules (“LCM”) edged up from HK\$543 million to HK\$582 million mainly contributed by the increase in the sales of Thin Film Transistor modules (“TFT”). As a result of aggressive marketing, sales of Capacitive Touch Panel (“CTP”) and TFT-CTP modules increased from HK\$98 to \$117 million. Nevertheless, the profitability was lower due to (1) keen price competition arising from the oversupply situation; (2) the appreciation of RMB which increased the manufacturing costs; (3) underutilization of production capacity leading to under-absorption of factory overheads; and (4) the surge in certain material costs, in particular TFT panels and integrated circuits. Although the gross profit increased by 3% which was mainly contributed by the increase in revenue, the gross profit margin slid from 13% to 12%.

In the year under review, other income amounted to approximately HK\$24 million (2020: HK\$12 million) which mainly comprised the government subsidy of HK\$11 million (2020: HK\$1 million) and tooling income of HK\$3 million (2020: HK\$2 million).

Net gain of HK\$1 million from other gains and losses for year was mainly attributable to the net effect of exchange loss of HK\$18 million and the increase in fair value of financial assets at fair value through profit or loss (“FVTPL”) of HK\$20 million.

Selling and distribution expenses amounted to approximately HK\$74 million (2020: HK\$72 million). The increase of HK\$2 million was mainly due to the increase in staff costs.

Administrative expenses was HK\$27 million (2020: HK\$28 million). The decrease of approximately HK\$1 million was mainly due to the drop in traveling expense.

### Investments in Associates

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

Nantong Jianghai, a 31.5% 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 electrode foil for high-performance aluminum electrolytic capacitors.

The share of profit from Nantong Jianghai increased from HK\$81 million to HK\$154 million, representing an increase of HK\$73 million or 90%. In the year under review, Nantong Jianghai delivered a remarkable financial performance mainly attributable to the following reasons:

1. The aluminium electrolytic capacitors exhibited a strong business growth with an increase in market share in the industrial-use segment which accounts for approximately 70% of its turnover. Aggressive marketing strategy targeting at high growth markets like medical equipment, telecommunication, new energy markets has borne fruits and enables Nantong Jianghai to strengthen its foothold in both the local and overseas market.
2. The thin film capacitors business underwent an optimization of production resulting in clear market positioning and product strategy. It has resulted in a solid progress in higher production capacity utilization, enhancement in production efficiency and market development.
3. The supercapacitor business has entered into a fast growth track. With the expansion of the production capacity in the new plant, its competitive advantage has enhanced and hence facilitates it to increase its market penetration in potential high growth markets like new energy, rail transportation and power grid, port equipment and machinery and electrical vehicle.
4. The plant in Hubei Province enables Nantong Jianghai to complement its market coverage from large size to small size capacitors and multilayer polymer capacitors (“MLPC”). Although the market development progress had been slowed down by the pandemic, the testing and customer approval process has resumed swiftly. The pilot run was smooth and the production volume was scaling up progressively. Alongside with the encouraging secular trends across its market coverage, the small size capacitors and MLPC will deliver promising organic business growth to Nantong Jianghai.
5. During the year Nantong Jianghai acquired a Japanese manufacturer which has provided a well-established research and development manufacturing base in high-end products overseas, and contributed positive financial results to Nantong Jianghai.

***Investment in QingYue Optoelectronics Technology Co. Ltd. (“Suzhou QingYue”, formerly known as Kunshan Visionox Technology Co. Ltd.)***

The share of profit of Suzhou QingYue, a 35.1% owned associate engaged in the sales and production of Organic Light Emitting Diode (“OLED”), was approximately HK\$31 million, an increase of HK\$13 million from last year. Suzhou QingYue registered a strong sales growth largely because it has successfully captured a significant share in the medical and health care product to compensate for the shrinkage of the wearable markets. During the year, QingYue successfully opened up the e-paper modules market, which is expected to generate growth momentum in the future.

***Investment in Zaozhuang Reinno Electronics Technology Co Ltd (“Zaozhuang Reinno”, formerly known as Zaozhuang Visionox Electronics Technology Co. Ltd)***

Zaozhuang Reinno, a 40% associate of the Group, is situated in the Shandong Province. It is mainly engaged in the manufacture and sales of flexible printed circuits (“FPC”) and OLED related materials. The Group’s share of loss in the current period amounted to HK\$3 million (2020: HK\$0.2 million), mainly due to a drop in government income. The business operation experienced a longer than expected product and market development progress which was the main reason of the operating loss incurred in current year.

## **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 18% (2020: 228%). The decrease in effective tax rate was largely due to the losses incurred by certain subsidiaries (in which no deferred tax assets have been recognized) and exchange losses incurred which were not deductible for tax purposes in last year.

## **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, 2021 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**

Amidst the uncertainties in the recovery from the pandemic alongside with the continuous tension between China and United States, the Group is committed to face and tackle with the upcoming challenges. The Group will accentuate the product and market development of LCM, TFT and TFT-CTP module. With the installation of new TFT modules production line, not only will our production capacity be expanded but also the product quality be upgraded to well position ourselves to capture more market shares in the high end market segment. On the other hand, it is expected that Nantong Jianghai and Suzhou QingYue will continue to yield solid financial results and deliver promising profit contribution to the Group.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31st March 2021, the Group's current ratio was 2.0 (31st March, 2020: 2.3). The gearing ratio, as a ratio of bank borrowings to net worth, was 0.2% (31st March, 2020: 0.2%).

As at 31st March 2021, the Group had total assets of approximately HK\$2,532 million, which were financed by liabilities of HK\$374 million and total equity of HK\$2,158 million.

As at 31st March 2021, the Group's banking facilities amounted to approximately HK\$189 million (31st March, 2020: HK\$163 million) of which approximately HK\$4 million (31st March, 2020: 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, 2021.

## **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:

	<b>2021</b>	<b>2020</b>
Percentage of purchases from the Group’s largest supplier	<b>6%</b>	6%
Percentage of purchases from the Group’s five largest suppliers	<b>18%</b>	19%
Percentage of turnover to the Group’s largest customer	<b>4%</b>	3%
Percentage of turnover to the Group’s five largest customers	<b>12%</b>	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, 2021, 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 HK2 cents (2020: HK5 cents) per share for the year ended 31st March, 2021 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, 8th October, 2021 to Shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 21st September, 2021.

## **CLOSURE OF REGISTER OF MEMBERS**

The annual general meeting of the Company is scheduled to be held on Friday, 10th September, 2021 (“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, 7 September, 2021 to Friday, 10th September, 2021, 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 Monday, 6 September, 2021.



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 Friday, 17 September, 2021 to Tuesday, 21 September, 2021, 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 Thursday, 16 September, 2021.

## **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 (the "**Shares**") 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 10 September 2020 (the "**2020 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 2020 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 30 July 2020, 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**").

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, 2021.

## **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, 2021, 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 Listing Rules, 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. Previously Mr. Chu Chi Wai, Allan and Mr. Lau Yuen Sun, Adrian, both independent non-executive Directors of the Company, were not appointed for a specific term but were 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. On 29th March, 2021, each of Mr. Chu Chi Wai, Allan and Mr. Lau Yuen Sun, Adrian, entered into a letter of appointment with the Company, pursuant to which each of them was appointed as an independent non-executive Director for a term of three years ending on 28th March, 2024, subject to retirement by rotation. Code provision A.4.1. has since been fully complied with.

## **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, 2021.

## **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, 2021.

## **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, 2021 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, 28th June, 2021

*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.*