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YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 259)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2012

The Board of Directors of Yeebo (International Holdings) Limited (the “Company”) has pleasure in presenting the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30th September, 2012 which have been reviewed by the Company’s audit committee and the auditor.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th September, 2012

		Six months ended	
		30.9.2012	30.9.2011
	<i>Notes</i>	HK\$’000	HK\$’000
		(unaudited)	(unaudited)
Revenue	3	411,147	387,936
Cost of sales		(350,344)	(321,423)
Gross profit		60,803	66,513
Other income		9,072	7,958
Interest income		231	221
Other gains and losses	4	549	(17,419)
Selling and distribution expenses		(24,333)	(23,838)
Administrative expenses		(19,337)	(14,383)
Finance costs		(377)	—
Share of results of associates		25,218	29,625
Profit before income tax		51,826	48,677
Income tax expense	5	(6,065)	(4,116)
Profit for the period	6	45,761	44,561

		Six months ended	
		30.9.2012	30.9.2011
<i>Notes</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Other comprehensive (expense) income:			
Exchange differences arising on translation of foreign operations		<u>(176)</u>	<u>39,098</u>
Total comprehensive income for the period		<u>45,585</u>	<u>83,659</u>
Profit (loss) for the period attributable to:			
Owners of the Company		<u>47,698</u>	<u>44,110</u>
Non-controlling interests		<u>(1,937)</u>	<u>451</u>
		<u>45,761</u>	<u>44,561</u>
Total comprehensive income attributable to:			
Owners of the Company		<u>47,648</u>	<u>83,197</u>
Non-controlling interests		<u>(2,063)</u>	<u>462</u>
		<u>45,585</u>	<u>83,659</u>
Earnings per share			
Basic – HK cents	8	<u>4.72</u>	<u>4.36</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September, 2012

	<i>Notes</i>	30.9.2012 HK\$'000 (unaudited)	31.3.2012 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment		174,130	166,093
Prepayment for acquisition of property, plant and equipment		3,815	1,936
Interests in associates		1,584,012	1,558,794
Available-for-sale investments		2,739	2,739
Intangible assets		1,459	1,459
		1,766,155	1,731,021
Current assets			
Inventories		110,351	80,386
Trade and other receivables	9	149,694	136,168
Bills receivable	9	13,803	2,556
Held-for-trading investments		37,932	48,536
Bank balances and cash		75,442	52,877
		387,222	320,523
Current liabilities			
Trade and other payables	10	207,654	186,242
Bills payable	10	5,664	4,076
Dividend payable		25,279	—
Amount due to an associate		119	311
Derivative financial instruments		298	452
Bank borrowings		28,690	—
Tax payable		16,779	13,136
		284,483	204,217
Net current assets		102,739	116,306
Total assets less current liabilities		1,868,894	1,847,327
Non-current liability			
Deferred tax liabilities		142,111	140,850
		1,726,783	1,706,477
Capital and reserves			
Share capital		202,231	202,231
Reserves		1,523,966	1,501,597
Equity attributable to owners of the Company		1,726,197	1,703,828
Non-controlling interests		586	2,649
Total equity		1,726,783	1,706,477

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September, 2012

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th September, 2012 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31st March, 2012.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA.

Amendments to HKFRS 7	<i>Disclosures – Transfers of Financial Assets</i>
Amendments to HKAS 12	<i>Deferred Tax: Recovery of Underlying Assets</i>

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

The Group’s operating segments, 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, focus on the types of products sold by the Group’s operating divisions, which are liquid crystal displays (“LCDs”), liquid crystal displays modules (“LCMs”) and LCD-related optical products.

In late 2011, the Group commenced to develop LCD-related optical products. During the period, the CODM consider these products as a separate operating and reporting segment for the purpose of resource allocation and assessment of segment performance.

Information regarding the above segments is reported below.

The following is an analysis of the Group's revenue and results by operating segment for the period under review:

Six months ended 30th September, 2012

	LCDs HK\$'000	LCMs HK\$'000	LCD-related optical product HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Revenue						
External sales	196,235	214,912	–	411,147	–	411,147
Inter-segment sales	67,458	–	–	67,458	(67,458)	–
Total	<u>263,693</u>	<u>214,912</u>	<u>–</u>	<u>478,605</u>	<u>(67,458)</u>	<u>411,147</u>
Segment profit (loss)	<u>25,373</u>	<u>5,432</u>	<u>(5,029)</u>			25,776
Interest income						231
Dividend income						1,415
Gain on fair value changes of held-for-trading investments						556
Unallocated administrative costs						(1,147)
Gain on fair value changes of derivative financial instruments						154
Financial costs						(377)
Share of results of associates						25,218
Profit before income tax						<u>51,826</u>

Six months ended 30th September, 2011

	LCDs HK\$'000	LCMs HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Revenue					
External sales	191,450	196,486	387,936	–	387,936
Inter-segment sales	53,062	–	53,062	(53,062)	–
Total	<u>244,512</u>	<u>196,486</u>	<u>440,998</u>	<u>(53,062)</u>	<u>387,936</u>
Segment profit	<u>23,778</u>	<u>12,965</u>			36,743
Interest income					221
Dividend income					849
Loss on fair value changes of held-for-trading investments					(12,790)
Unallocated administrative costs					(3,515)
Loss on fair value changes of derivative financial instruments					(2,456)
Share of results of associates					29,625
Profit before income tax					<u>48,677</u>

Segment profit (loss) represents the profit (loss) generated from/incurred by each segment, net of selling and distribution costs 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, finance costs and share of results of associates. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

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.

4. OTHER GAINS AND LOSSES

	Six months ended	
	30.9.2012	30.9.2011
	HK\$'000	HK\$'000
(Loss) gain on disposal of property, plant and equipment	(26)	175
Net exchange loss	(135)	(2,348)
Gain (loss) on fair value changes of derivative financial instruments	154	(2,456)
Gain (loss) on fair value changes of held-for-trading investments	556	(12,790)
	<u>549</u>	<u>(17,419)</u>

5. INCOME TAX EXPENSE

	Six months ended	
	30.9.2012	30.9.2011
	HK\$'000	HK\$'000
The tax charge comprises:		
Current tax		
Hong Kong	2,109	152
Other jurisdictions	2,695	2,483
	<u>4,804</u>	<u>2,635</u>
Deferred taxation		
Current period	1,261	1,481
	<u>6,065</u>	<u>4,116</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods. Taxation arising in other jurisdictions is calculated at the rate prevailing in the relevant jurisdiction.

Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1st January, 2008 onwards.

Under the EIT Law, distributable profits earned by foreign investment enterprises since 1st January, 2008 is subject to withholding tax of 10% of profit distributed to non-resident investors. However, pursuant to the Arrangement between the Mainland and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion, the withholding tax aforementioned can be reduced to 5%, if the non-resident investor is a Hong Kong incorporated company, provided that the Hong Kong incorporated company beneficially owns no less than 25% of the PRC company.

Pursuant to the above-mentioned, the Group has recognised a deferred tax liability for the Group's share of distributable profits earned by an associate, Nantong Jianghai Capacitor Company Limited, since 1st January, 2008. No deferred tax liabilities have been recognised in respect of the PRC subsidiaries and the remaining associates as the subsidiaries and the remaining associates have no distributable profits since 1st January, 2008.

6. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended	
	30.9.2012	30.9.2011
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	13,292	9,248
Allowances for obsolete inventories (included in cost of sales)	1,425	2,267
Share of tax of associates (included in share of results of associates)	2,798	5,221
Allowances for doubtful debts	256	3,411
	<u>25,769</u>	<u>20,147</u>

7. DIVIDEND

	Six months ended	
	30.9.2012	30.9.2011
	HK\$'000	HK\$'000
Final dividend in respect of the year ended 31st March, 2012 of HK2.5 cents per share (2011: Final dividend in respect of the year ended 31st March, 2011 of HK2 cents per share)	25,279	20,223
Special dividend in respect of the year ended 31st March, 2012 of HK nil cent per share (2011: HK3 cents per share)	—	30,335
	<u>25,279</u>	<u>50,558</u>

8. EARNINGS PER SHARE

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

	Six months ended	
	30.9.2012	30.9.2011
Earnings attributable to the owners of the Company for the purpose of basic earnings per share (HK\$'000)	47,698	44,110
Number of ordinary shares for the purpose of basic earnings per share	1,011,155,171	1,011,155,171

No diluted earnings per share has been presented for both periods as there are no potential ordinary shares in issue.

9. TRADE AND OTHER RECEIVABLES/BILLS RECEIVABLES

The Group allows a credit period of 30-120 days to its trade customers.

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

	30.9.2012 HK\$'000	31.3.2012 HK\$'000
1 – 30 days	69,995	61,870
31 – 60 days	50,526	35,424
61 – 90 days	15,838	9,819
91 – 120 days	1,096	7,188
	<hr/>	<hr/>
	137,455	114,301
	<hr/> <hr/>	<hr/> <hr/>

All the Group's bills receivables as at 30th September, 2012 and 31st March, 2012 were due within 90 days.

10. TRADE AND OTHER PAYABLES/BILLS PAYABLES

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

	30.9.2012 HK\$'000	31.3.2012 HK\$'000
Up to 30 days	45,233	35,991
31 – 60 days	40,532	21,459
61 – 90 days	19,387	12,843
91 – 120 days	5,459	11,301
Over 120 days	4,063	7,483
	<hr/>	<hr/>
	114,674	89,077
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All the Group's bills payables as at 30th September, 2012 and 31st March, 2012 were due within 90 days.

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Operations

The Group recorded a consolidated turnover for the six months ended 30th September, 2012 of approximately HK\$411 million (2011: HK\$388 million), an increase of HK\$23 million or 6% as compared with the corresponding period of last year. Profit attributable to equity holders of the Group was HK\$48 million (2011: HK\$44 million), representing an increase of approximately HK\$4 million.

Turnover of the Liquid Crystal Displays (“LCD”) increased by HK\$5 million, from HK\$191 million to HK\$196 million, and turnover of the Liquid Crystal Display Modules (“LCM”) increased by HK\$19 million, from HK\$196 million to HK\$215 million. In the segment results, the LCD segment recorded an increase in segment profit of HK\$1 million from HK\$24 million for the last year to HK\$25 million this year, and the LCM segment recorded a decrease in segment profit of HK\$8 million from HK\$13 million for the last year to HK\$5 million this year.

The Group recorded a gross profit of approximately HK\$61 million (2011: HK\$67 million) and a gross profit margin of 15% (2011: 17%) for the six months ended 30th September, 2012. The reasons for the decrease in gross profit margin were three folded: (1) the trend of rising wages in PRC persisted; (2) the production yield of the new production line was in the learning curve stage; and (3) keen price competition.

During the period, other income amounted to approximately HK\$9 million (2011: HK\$8 million). The other income mainly composed tooling income, scrap sales and dividend received.

Net gain from other gains and losses amounted to approximately HK\$1 million (2011: net loss of HK\$17 million), which was mainly attributable to the gain from fair value changes of held-for-trading investments and derivative financial instruments of approximately HK\$1 million (2011: loss of HK\$15 million).

Selling and distribution expenses amounted to approximately HK\$24 million (2011: HK\$24 million), and maintained at 6% of turnover (2011: 6%).

Administrative expenses for the six months ended 30th September, 2012 amounted to HK\$19 million (2011: HK\$14 million), representing an increase of HK\$5 million, which was mainly due to the additional costs incurred by the Group’s new line of business engaging in the development and sales of LCD related optical products. The related results were incorporated in a new segment in the segment information.

Investments in Associates

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

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

During the period under review, the weakening global economy affected the business performance of Nantong Jianghai. The turnover and operating profit of Nantong Jianghai declined as compared with the previous year. There was a fall in demand of aluminum electrolytic capacitors from overseas and PRC markets as “de-inventory” measures were adopted by the customers. The sales of aluminum formed foil, which is one of the major materials of aluminum electrolytic capacitor, was inevitably affected as well. The share of profit from Nantong Jianghai dropped from HK\$30 million to HK\$25 million in the period under review.

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 OLED products. Impairment loss has been provided in previous years to write down the carrying amount of the Group’s investment in Kunshan Visionox to zero. As a result, the Group did not share any profit or loss of Kunshan Visionox during the period. The Group will continue to monitor the development of Kunshan Visionox to consider whether the impairment loss could partly or fully be reversed.

PROSPECTS

Looking forward, the global economy remains unstable. In China, the labour cost will continue to maintain at high level. The profit margin of the Group is expected to remain under pressure. We will continue to expand the market share in the high end market and adopt measures to streamline the operation and enhance the production efficiency.

The management maintains a cautious view towards the results of the Group for the latter half of the financial year.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30th September, 2012, the Group’s current ratio was 1.4 (31st March, 2012: 1.6). The gearing ratio, as a ratio of bank borrowings to net worth, was 1.7% (31st March, 2012: nil).

As at 30th September, 2012, the Group had total assets of approximately HK\$2,153 million, which were financed by liabilities of HK\$427 million and total equity of HK\$1,726 million.

As at 30th September, 2012, the Group’s banking facilities amounted to approximately HK\$167 million (31st March, 2012: HK\$167 million) of which approximately HK\$40 million (31st March, 2012: HK\$9 million) were utilized mainly for issuance of letters of credit, short term loan and bills payable.

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

CONTINGENT LIABILITIES AND CHARGES OF ASSETS

At 30th September, 2012, securities trading facility in respect of investment in derivative financial instruments was secured by the held-for-trading investments of the Group of approximately HK\$5.7 million (31st March, 2012: HK\$11 million). As at 30th September, 2012, the Group has available unutilised facility of approximately HK\$19.1 million (31st March, 2012: HK\$18.8 million).

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.

In October 2012, the Company 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. Details of the Scheme have been set out in an announcement dated 25th October, 2012.

DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30th September, 2012.

CORPORATE GOVERNANCE

None of the Directors of the Company is aware of any information that would reasonably indicate that the Company has not complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for the 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.

CHANGES IN INFORMATION OF DIRECTORS

The changes in information of Directors, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, are as follows:

The Hon. Tien Pei Chun, James has been elected as a Legislative Council member for a term of four years effective 1st October, 2012.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) 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 six months ended 30th September, 2012.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of securities of the Company or by any of its subsidiaries during the six months ended 30th September, 2012.

AUDIT COMMITTEE

The Audit Committee comprises all of the three independent non-executive Directors, namely The Hon. Tien Pei Chun, James, Mr Chu Chi Wai, Allan and Mr Lau Yuen Sun, Adrian. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed financial reporting matters, including a review of the unaudited condensed accounts for the six months ended 30th September, 2012.

PUBLICATION OF INTERIM REPORT

The interim results announcement is published on the websites of The Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.yeebo.com.hk>). The interim report will be dispatched to the shareholders and will be available at the websites of The Hong Kong Exchanges and Clearing Limited and the Company in due course.

By order of the Board
Lau Siu Ki, Kevin
Company Secretary

Hong Kong, 30th November, 2012

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