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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, 2013

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, 2013 are summarized as follows:

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH, 2013

	NOTES	2013 HK\$'000	2012 HK\$'000
Revenue	3	816,489	741,660
Cost of sales		<u>(703,319)</u>	<u>(619,604)</u>
Gross profit		113,170	122,056
Other income	4	15,883	13,978
Other gains and losses		3,328	(7,591)
Selling and distribution expenses		(47,589)	(43,597)
Administrative expenses		(34,502)	(26,563)
Finance costs		(486)	–
Share of results of associates		<u>45,528</u>	<u>45,898</u>
Profit before income tax		95,332	104,181
Income tax expense	5	<u>(10,844)</u>	<u>(12,003)</u>
Profit for the year		<u><u>84,488</u></u>	<u><u>92,178</u></u>

	<i>NOTE</i>	<b>2013</b> <b><i>HK\$'000</i></b>	2012 <i>HK\$'000</i> (restated)
<b>Other comprehensive income</b>			
Exchange differences arising on the translation of foreign operations		<u>8,278</u>	<u>19,245</u>
Total comprehensive income for the year		<u>92,766</u>	<u>111,423</u>
Profit for the year attributable to:			
Owners of the Company		<b>89,742</b>	93,139
Non-controlling interests		<b>(5,254)</b>	(961)
		<u>84,488</u>	<u>92,178</u>
Total comprehensive income attributable to:			
Owners of the Company		<b>98,264</b>	112,343
Non-controlling interests		<b>(5,498)</b>	(920)
		<u>92,766</u>	<u>111,423</u>
		<b><i>HK cents</i></b>	<b><i>HK cents</i></b>
Earning per share – basic	7	<u><u>8.9</u></u>	<u><u>9.2</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST MARCH, 2013**

	<i>NOTES</i>	<b>2013.3.31</b> <i>HK\$'000</i>	2012.3.31 <i>HK\$'000</i> (restated)	2011.4.1 <i>HK\$'000</i> (restated)
<b>Non-current assets</b>				
Property, plant and equipment		<b>175,147</b>	166,093	108,868
Prepayment for acquisition of plant and equipment		<b>11,940</b>	1,936	36,380
Interests in associates		<b>646,166</b>	597,016	557,224
Available-for-sale investments		<b>2,739</b>	2,739	2,739
Intangible assets		<b>1,459</b>	1,459	1,459
		<b>837,451</b>	769,243	706,670
<b>Current assets</b>				
Inventories	8	<b>95,071</b>	80,386	79,197
Trade and other receivables	9	<b>131,821</b>	136,168	109,437
Bills receivable		<b>13,487</b>	2,556	4,075
Held-for-trading investments		<b>3,804</b>	48,536	48,705
Amounts due from associates		<b>68</b>	–	–
Bank balances and cash		<b>84,545</b>	52,877	65,690
		<b>328,796</b>	320,523	307,104
<b>Current liabilities</b>				
Trade and other payables	10	<b>190,434</b>	185,872	175,692
Bills payable	10	<b>4,268</b>	4,076	4,116
Derivative financial instruments		–	452	–
Tax payable		<b>15,402</b>	13,136	12,214
		<b>210,104</b>	203,536	192,022
<b>Net current assets</b>		<b>118,692</b>	116,987	115,082
<b>Total assets less current liabilities</b>		<b>956,143</b>	886,230	821,752
<b>Non-current liability</b>				
Deferred tax liabilities		<b>10,076</b>	8,053	5,759
		<b>946,067</b>	878,177	815,993
<b>Capital and reserves</b>				
Share capital		<b>202,231</b>	202,231	202,231
Reserves		<b>746,308</b>	673,323	611,538
<b>Equity attributable to owners of the Company</b>		<b>948,539</b>	875,554	813,769
<b>Non-controlling interests</b>		<b>(2,472)</b>	2,623	2,224
<b>Total equity</b>		<b>946,067</b>	878,177	815,993

*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 (i) the amendments to HKFRSs that have become effective and (ii) certain new and revised HKFRSs in advance of their effective date issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), as follows:

**HKFRSs that have become effective for the year**

Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets
Amendments to HKFRS 7	Disclosures – Transfer of Financial Assets

**HKFRSs that have been early applied for the year**

Amendments to HKAS 1	As part of the annual improvements to HKFRSs 2009 – 2011 Cycle issued in 2012
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures

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

**Amendments to HKAS 1 Presentation of financial statements (as part of the Annual Improvement to HKFRSs 2009 – 2011 Cycle issued in June 2012)**

Various amendments to HKFRSs were issued in June 2012, the title of which is *Annual Improvements to HKFRSs (2009 – 2011 Cycle)*. In current year, the Group has applied for the first time the amendments to HKAS 1 in advance of the effective date (annual periods beginning on or after 1st April, 2013).

HKAS 1 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to HKAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

In the current year, the Group has applied HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011), which has resulted in a material effect on the information in consolidated statement of financial position as at 1st April, 2011. In accordance with the amendments to HKAS 1, the Group has therefore presented a third statement of financial position as at 1st April, 2011 without related notes.

### **New and revised standards on consolidation, joint arrangements, associates and disclosures**

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued comprising HKFRS 10 *Consolidated Financial Statements*, HKFRS 11 *Joint Arrangements*, HKFRS 12 *Disclosure of Interests in Other Entities*, HKAS 27 (as revised in 2011) *Separate Financial Statements* and HKAS 28 (as revised in 2011) *Investments in Associates and Joint Ventures*. Subsequent to the issue of these standards, amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the first-time application of the standards.

In the current year, the Group has applied for the first time HKFRS 10, HKFRS 11, HKFRS 12 and HKAS 28 (as revised in 2011) together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding the transitional guidance. HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

### **HKFRS 10 Consolidated Financial Statements**

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and HK(SIC)-Int 12 *Consolidation – Special Purpose Entities*. HKFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in HKFRS 10, all of the three criteria, including (a) an investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its involvement with the investee, and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns, must be met. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Much more guidance has been included in HKFRS 10 to illustrate when an investor has control over an investee. In particular, guidance in HKFRS 10 that deals with whether or not an investor that owns less than 50% of the voting shares in an investee has control over the investee is relevant to the Group. In assessing whether or not an investor with less than a majority of the voting rights in an investee has a sufficiently dominant voting interest to meet the power criterion, HKFRS 10 requires the investor to take into account all relevant facts and circumstances, particularly, the size of the investor's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.

The adoption of HKFRS 10 has affected the Group's accounting for the interest in Crown Capital Holdings Limited ("Crown Capital").

The Group acquired a 47.05% ownership interest in Crown Capital from the date of incorporation and there has been no change in the Group's ownership in Crown Capital since then. The Group's 47.05% ownership interest in Crown Capital gives the Group the same percentage of the voting rights in Crown Capital. The remaining 52.95% of the ordinary shares of Crown Capital are owned by seven shareholders, none individually holding more than 18%.

The directors of the Company made an assessment as at the date of initial application of HKFRS 10 as to whether or not the Group has control over Crown Capital in accordance with the new definition of control and the related guidance set out in HKFRS 10. The directors concluded that it has had control over Crown Capital since the date of incorporation on the basis of the Group's absolute size of holding in Crown Capital and the relative size of and dispersion of the shareholdings owned by the other shareholders. Therefore, in accordance with the requirements of HKFRS 10, Crown Capital has been a subsidiary of the Company since the date of incorporation. Previously, Crown Capital was treated as an associate of the Group and accounted for using the equity method of accounting.

The directors concluded that the adoption of HKFRS 10 had no significant impact on the profit for the year and earning per share for the year ended 31st March, 2012. Comparative amounts for the year ended 31st March, 2012 and the related balances as at 1st April, 2011 on the financial positions of the Group have been restated in accordance with the relevant transitional provisions.

### HKFRS 12 Disclosure of Interests in Other Entities

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

### HKAS 28 (as revised in 2011) Investments in Associates and Joint Ventures

HKAS 28 (as revised in 2011) sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. Specifically, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

During the year ended 31st March, 2011, there was a deemed partial disposal of the Group's interest in Nantong Jianghai Capacitor Company Limited ("Nantong Jianghai"), then a jointly controlled entity of the Group accounted for under the equity method, which subsequently became an associate of the Group. The amount of HK\$1,213,828,000, being the difference between the carrying amount of the investment on the date of change of status from a jointly controlled entity to an associate and fair value of the interest retained in Nantong Jianghai, adjusted for reclassification adjustment of translation reserve, has been recognised as a gain on the deemed disposal of the jointly controlled entity in profit or loss.

As a result of the application of HKAS 28 (as revised in 2011), part of the previously recognised gain on the deemed disposal of Nantong Jianghai, as well as the reclassification adjustment of translation reserve and the deferred tax liability, for the year ended 31st March, 2011 has been reversed. Comparative amounts for the year ended 31st March, 2012 and the related amounts as at 1st April, 2011 have been restated in accordance with the relevant transitional provisions. For the year ended 31st March, 2012, the adoption of HKAS 28 (as revised in 2011) has had no impact on the profit for the year and earning per share.

### Summary of the effects of the above changes in accounting policies

The effects of the above changes in accounting policies on the financial positions of the Group as at 1st April, 2011 and 31st March, 2012 is as follows:

	As at 1st April, 2011 (originally stated) HK\$'000	HKFRS 10 adjustments HK\$'000	HKAS 28 (As revised in 2011) adjustments HK\$'000	As at 1st April, 2011 (restated) HK\$'000	As at 31st March, 2012 (originally stated) HK\$'000	HKFRS 10 adjustments HK\$'000	HKAS 28 (As revised in 2011) adjustments HK\$'000	As at 31st March, 2012 (restated) HK\$'000
Interests in associates	1,482,925	-	(925,701)	557,224	1,558,794	-	(961,778)	597,016
Trade and other payables	(175,697)	5	-	(175,692)	(186,242)	370	-	(185,872)
Amount due to an associate	(676)	676	-	-	(311)	311	-	-
Deferred tax liabilities	(138,556)	-	132,797	(5,759)	(140,850)	-	132,797	(8,053)
<b>Total effects</b>	<b>1,167,996</b>	<b>681</b>	<b>(792,904)</b>	<b>375,773</b>	<b>1,231,391</b>	<b>681</b>	<b>(828,981)</b>	<b>403,091</b>
Translation reserve	63,389	-	(159)	63,230	118,670	-	(36,236)	82,434
Retained profits	1,203,822	514	(792,745)	411,591	1,246,210	707	(792,745)	454,172
Non-controlling interests	2,057	167	-	2,224	2,649	(26)	-	2,623
<b>Total effects</b>	<b>1,269,268</b>	<b>681</b>	<b>(792,904)</b>	<b>477,045</b>	<b>1,367,529</b>	<b>681</b>	<b>(828,981)</b>	<b>539,229</b>

Impact on assets, liabilities and equity as at 31st March, 2013 of the application of the amendments to HKAS 28 (as revised in 2011):

	HKAS 28 HK\$'000
Decrease in interests in associates	(976,649)
Decrease in deferred tax liabilities	132,797
	<hr/>
Decrease in net assets	(843,852)
	<hr/> <hr/>
Decrease in translation reserve	(51,107)
Decrease in retained profits	(792,745)
	<hr/>
Decrease in equity	(843,852)
	<hr/> <hr/>

The application of the above new and revised standards has no material impact on cash flows of the Group for the prior years.

### **New and revised HKFRSs issued but not yet effective**

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 except for amendments to HKAS 1 <sup>1</sup>
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures <sup>2</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities <sup>3</sup>
HKFRS 9	Financial Instruments <sup>2</sup>
HKFRS 13	Fair Value Measurement <sup>1</sup>
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income <sup>4</sup>
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities <sup>3</sup>
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets <sup>3</sup>
HKAS 19 (Revised 2011)	Employee benefits <sup>1</sup>
HK(IFRIC) - Int 20	Stripping Costs in the Production Phase of a Surface Mine <sup>1</sup>
HK(IFRIC) - Int 21	Levies <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1st January, 2013.

<sup>2</sup> Effective for annual periods beginning on or after 1st January, 2015.

<sup>3</sup> Effective for annual periods beginning on or after 1st January, 2014.

<sup>4</sup> Effective for annual periods beginning on or after 1st July, 2012.

### **HKFRS 9 Financial Instruments**

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows 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 addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that 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 recognition 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 of financial liabilities attributable to changes in the 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 the Group for annual period beginning on or after 1st April, 2015, with earlier application permitted.

The directors anticipate that the adoption of HKFRS 9 in the future may impact 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 HKFRS13 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 HKFRS13 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 Instruments: Disclosures* will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for the Group for annual periods beginning on or after 1st April, 2013.

The directors anticipate that the application of the new standard may result in more extensive disclosures in the consolidated financial statements.

### **Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income**

The amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income* introduce new terminology for the statement of comprehensive income and income statement. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 are effective for the Group for annual periods beginning on 1st April, 2013. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.



### 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 three operating divisions according to the types of products sold, which are LCDs, LCMs and LCD – related optical products 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.

In late 2011, the Group commenced to develop LCD – related optical products. During the current year, the CODM considers these products as a separate operating and reporting segment for the purpose of resource allocation and assessment of segment performance. Comparatives have been restated to conform with current year presentation.

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

#### 2013

	LCDs <i>HK\$'000</i>	LCMs <i>HK\$'000</i>	LCD-related optical product <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>Segment revenue</b>						
External sales	378,062	438,427	–	816,489	–	816,489
Inter-segment sales	128,308	–	–	128,308	(128,308)	–
Total	<u>506,370</u>	<u>438,427</u>	<u>–</u>	<u>944,797</u>	<u>(128,308)</u>	<u>816,489</u>
Segment profit (loss)	<u>46,933</u>	<u>14,702</u>	<u>(14,165)</u>	<u>47,470</u>	–	47,470
Interest income						865
Dividend income						1,459
Gain on fair value changes of held-for-trading investments						3,223
Gain on fair value changes of derivative financial instruments						452
Unallocated administrative costs						(2,377)
Net exchange loss						(802)
Financial costs						(486)
Share of results of associates						45,528
Profit before income tax						<u>95,332</u>

2012

	LCDs <i>HK\$'000</i>	LCMs <i>HK\$'000</i>	LCD-related optical product <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>Segment revenue</b>						
External sales	366,419	375,241	–	741,660	–	741,660
Inter-segment sales	105,180	–	–	105,180	(105,180)	–
Total	<u>471,599</u>	<u>375,241</u>	<u>–</u>	<u>846,840</u>	<u>(105,180)</u>	<u>741,660</u>
Segment profit (loss)	<u>48,161</u>	<u>21,976</u>	<u>(4,491)</u>	<u>65,646</u>	–	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						<u>104,181</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. 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, finance costs and share of results of associates. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

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:

2013

	LCDs <i>HK\$'000</i>	LCMs <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Depreciation	23,360	3,075	26,435	178	26,613
Gain on disposal of property, plant and equipment	(384)	(71)	(455)	–	(455)
Reversal of allowance for doubtful debts	(503)	(343)	(846)	–	(846)
(Reversal of) allowance for obsolete inventories	(51)	8,155	8,104	–	8,104

2012

	LCDs HK\$'000	LCMs HK\$'000	Segment total HK\$'000	Unallocated HK\$'000	Consolidated 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

#### 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	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Hong Kong	172,065	175,616	7,044	7,668
Other regions of the PRC	165,639	116,100	180,502	161,623
Japan	99,821	82,112	–	–
United States	77,514	77,869	–	–
Taiwan	99,734	80,593	–	–
Germany	51,974	59,318	–	–
Other European countries	110,028	106,365	1,000	197
Other Asian countries	32,060	39,721	–	–
Other countries	7,654	3,966	–	–
	<b>816,489</b>	<b>741,660</b>	<b>188,546</b>	<b>169,488</b>

*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

	2013 HK\$'000	2012 HK\$'000
Interest on bank deposits	865	349
Dividend income from investments held-for-trading	1,459	1,985
Tooling income	8,188	4,837
Scrap sales	2,219	3,837
Others	3,152	2,970
	<b>15,883</b>	<b>13,978</b>

## 5. INCOME TAX EXPENSE

	<b>2013</b> <i>HK\$'000</i>	2012 <i>HK\$'000</i>
The income tax expense comprises:		
Current tax		
Hong Kong	<b>4,201</b>	3,660
Other jurisdictions	<b>5,730</b>	6,049
	<u><b>9,931</b></u>	<u>9,709</u>
Overprovision in prior years		
Hong Kong	<u><b>(1,110)</b></u>	<u>–</u>
Deferred taxation		
Charge for the year	<u><b>2,023</b></u>	<u>2,294</u>
	<u><b>10,844</b></u>	<u>12,003</u>

## 6. DIVIDENDS

Dividends recognised as distributions during the year:

	<b>2013</b> <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Final dividend in respect of the year ended 31st March, 2012 of HK2.5 cents per share (2012: Final dividend in respect of the year ended 31st March, 2011 of HK2 cents per share)	<b>25,279</b>	20,223
Special dividend in respect of the year ended 31st March, 2012 of Nil (2012: Special dividend in respect of the year ended 31st March, 2011 of HK3 cents per share)	<u>–</u>	<u>30,335</u>
	<u><b>25,279</b></u>	<u>50,558</u>

Proposed final dividend:

	<b>2013</b> <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Final – HK2.5 cents (2012: HK2.5 cents) per share	<u><b>25,279</b></u>	<u>25,279</u>

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

## 7. 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 (2012: 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.

## 8. INVENTORIES

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Raw materials	41,382	35,161
Work in progress	21,789	14,750
Finished goods	31,900	30,475
	<u>95,071</u>	<u>80,386</u>

## 9. TRADE AND OTHER RECEIVABLES

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Trade receivables	116,921	114,301
Other receivables	6,789	3,296
Deposits	1,067	7,640
Prepayments	7,044	10,931
	<u>131,821</u>	<u>136,168</u>

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

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
1 – 30 days	61,986	61,870
31 – 60 days	26,913	35,424
61 – 90 days	21,700	9,819
91 – 120 days	6,322	7,188
	<u>116,921</u>	<u>114,301</u>

## 10. TRADE AND OTHER PAYABLES AND BILLS PAYABLE

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i> (restated)	2011 <i>HK\$'000</i> (restated)
Trade payables	93,488	89,077	71,810
Accrued charges	59,547	65,962	58,068
Other payables	37,399	30,833	45,814
Bills payable	4,268	4,076	4,116
	<u>194,702</u>	<u>189,948</u>	<u>179,808</u>
Amount analysed for reporting purposes as:			
Trade and other payables	190,434	185,872	175,692
Bills payable	4,268	4,076	4,116
	<u>194,702</u>	<u>189,948</u>	<u>179,808</u>

Trade and other payables are restated due to the application of certain new and revised HKFRSs as detailed in note 2.

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

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Up to 30 days	31,699	35,991
31 – 60 days	17,928	21,459
61 – 90 days	22,370	12,843
91 – 120 days	14,440	11,301
Over 120 days	7,051	7,483
	<u>93,488</u>	<u>89,077</u>

All the Group's bills payables as at 31st March, 2013 and 2012 were due within 90 days.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Review of Operations

The Group recorded a consolidated turnover for the year ended 31st March, 2013 of approximately HK\$816 million (2012: HK\$742 million), an increase of HK\$74 million or 10% as compared with last year. Profit attributable to equity holders of the Group was HK\$90 million (2012: HK\$93 million), representing a decrease of approximately HK\$3 million.

Turnover of the Liquid Crystal Displays (“LCD”) increased by HK\$12 million, from HK\$366 million to HK\$378 million. This was mainly due to the increase in the sales of high value products. Turnover of the Liquid Crystal Display Modules (“LCM”) increased by HK\$63 million, from HK\$375 million to HK\$438 million. The increase in LCM turnover was largely attributable to the business growth in PRC. In the segment results, the LCD segment recorded a drop in segment profit of HK\$1 million from HK\$48 million for the last year to HK\$47 million this year, and the LCM segment recorded a decrease in segment profit of HK\$7 million from HK\$22 million for the last year to HK\$15 million this year.

The Group recorded a gross profit of approximately HK\$113 million (2012: HK\$122 million) and a gross profit margin of 14% (2012: 16%) for the year ended 31st March, 2013. The reasons for the decrease in gross profit margin were four folded: (1) continuous rising in wages in PRC; (2) increase in depreciation of property, plant and machinery; (3) below full utilization of the existing production capacity; and (4) keen price competition.

During the year, other income amounted to approximately HK\$16 million (2012: HK\$14 million). The other income mainly composed tooling income, scrap sales and dividend received.

Net gain from other gains and losses amounted to approximately HK\$3 million (2012: net loss of HK\$8 million), which was mainly attributable to the gain of HK\$3 million from fair value changes of held-for-trading investments (2012: loss of HK\$6 million).

Selling and distribution expenses amounted to approximately HK\$48 million (2012: HK\$44 million), an increase of HK\$4 million and maintained at 6% of turnover (2012: 6%). The increase was mainly due to the expansion cost of the marketing team to increase the market coverage.

Administrative expenses amounted to HK\$35 million (2012: HK\$27 million), representing an increase of HK\$8 million, which was mainly due to the additional costs of approximately HK\$9 million incurred by the Group’s new line of business engaging in the development of LCD-related optical products. Due to unforeseeable difficulties, the product development phase was longer than expected. At present, it is still uncertain when the product would be successfully developed and become marketable. Meanwhile, the management had adopted measures to monitor and control the development expenditure at a manageable level. 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.

The share of profit from Nantong Jianghai amounted to HK\$46 million (2012: HK\$46 million) The weakening global economy affected the business performance of Nantong Jianghai in the first nine months of the current year under review. The business was mostly affected by a fall in demand of aluminum electrolytic capacitors from overseas and PRC markets. The sales of aluminum formed foil, which is one of the major materials of aluminum electrolytic capacitor, was inevitably affected as well. Nantong Jianghai's profitability for the year under review was affected by the overcapacity and the rising manufacturing costs. Thanks for the rebound of business in the first quarter of 2013, Nantong Jianghai managed to maintain the same level of operating profit for the year ended 31st March, 2013 as last year.

As set out in Note 2 to the financial statements, in the current year, the Group has early applied Hong Kong Accounting Standard 28 ("HKAS 28") (as revised in 2011) which prescribes the accounting for investments in associates. According to the revised HKAS 28, if an investment in a joint venture becomes an investment in an associate (which was the case when Nantong Jianghai was listed in the Shenzhen Stock Exchange in 2010 and the Group's interests therein diluted from 50% to 37.5%), the entity continues to apply the equity method and does not remeasure the retained interest. As a result of the application of the revised HKAS 28, the gain on deemed disposal previously recognised in the year ended 31st March, 2011, net of the related deferred taxation, has been decreased by HK\$793 million from HK\$1,081 million to HK\$288 million. Including a reduction in the balance in the translation reserve by HK\$36 million, the overall impact to the equity attributable to owners of the Company is a decrease of HK\$829 million as at 31st March, 2012. The change in accounting policy has no impact on the cashflows of the Group. The market value of the Group's holding of Nantong Jianghai shares as at 31st March, 2013 (as measured by the market price of Nantong Jianghai's shares) amounted to approximately HK\$1,216 million as compared to the carrying value of HK\$646 million as recorded in the Group's consolidated statement of financial position.

#### ***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. Kunshan Visionox's performance has since improved, but the Group has not reversed any impairment loss previously recognised. The Group will continue to monitor the development of Kunshan Visionox to consider whether the impairment loss could partly or fully be reversed.

#### **PROSPECTS**

The global economy is expected to be overcast by difficult trading conditions. The global demand of LCDs and LCMs is not expected to recover strongly. In China, the rising trend of labour cost will continue, which will put pressure on the profit margin of the Group. We will continue to expand the market share in the high end market segment with an aim of lifting the turnover and increasing the utilization of the production capacity of the high-end production machinery and equipment. The Group will also broaden the product range to increase the sources of revenue. To deal with the rising labour costs in PRC, the Group had committed resources and adopted measures to streamline the operation and enhance the production efficiency. In respect of financial management, we will continue to adhere to our prudent fiscal policy and maintain healthy liquidity.

Looking forward, the management maintains a cautious view towards the results of the Group in the forthcoming financial year.



## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31st March, 2013, the Group's current ratio was 1.6 (31st March, 2012: 1.6). The gearing ratio, as a ratio of bank borrowings to net worth, was nil (31st March, 2012: nil).

As at 31st March, 2013, the Group had total assets of approximately HK\$1,166 million, which were financed by liabilities of HK\$220 million and total equity of HK\$946 million.

As at 31st March, 2013, the Group's banking facilities amounted to approximately HK\$167 million (31st March, 2012: HK\$167 million) of which approximately HK\$8 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**

Securities trading facility in respect of investment in derivative financial instruments is secured by the held-for-trading investments of the Group of nil (2012: approximately HK\$11 million) at the end of the reporting period.

During the year, Nantong Jianghai in which the Group has a 37.5% interest has been involved in a legal proceeding in respect of breach of contractual agreement for an amount of approximately HK\$24,490,000. Nantong Jianghai and its legal counsel are strongly resisting this claim and, accordingly, no provision for any potential liability has been made in these consolidated financial statements.

## **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.

## MAJOR CUSTOMERS AND SUPPLIERS

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

	2013	2012
Percentage of purchases from the Group's largest supplier	5%	4%
Percentage of purchases from the Group's five largest suppliers	22%	20%
Percentage of turnover to the Group's largest customer	5%	6%
Percentage of turnover to the Group's five largest customers	20%	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, 2013, 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.

## DIVIDEND

The Board of Directors has resolved to recommend the payment of a final dividend of HK2.5 cents per share (2012: final dividend of HK2.5 cents) for the year ended 31st March, 2013 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, 4th October, 2013 to Shareholders whose names appear on the register of members of the Company at the close of business on Monday, 23rd September, 2013.

## CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on Thursday, 12th September, 2013 ("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, 10th September, 2013 to Thursday, 12th September, 2013, 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 Monday, 9th September, 2013.

The proposed final dividend is subject to the approval of the Shareholders at the Annual General Meeting. For determining the entitlement to the proposed final dividend the register of members of the Company will be closed on Wednesday, 18th September, 2013 to Monday, 23rd September, 2013, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, for registration not later than 4:30 p.m. on Tuesday, 17th September, 2013.

## 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, 2013, 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, 2013.

## **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, 2013.

## **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, 26 June 2013

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