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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, 2017

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, 2017 are summarised as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH, 2017

	<i>NOTES</i>	2017 HK\$'000	2016 HK\$'000
Revenue	3	906,175	910,654
Cost of sales		(755,330)	(787,643)
Gross profit		150,845	123,011
Other income	4	8,973	10,181
Other gains and losses		(3,198)	2,304
Selling and distribution expenses		(67,039)	(58,658)
Administrative expenses		(24,368)	(22,670)
Finance costs		(1,410)	(671)
Share of results of associates and reversal of impairment loss (<i>note</i>)	5	120,101	190,361
Gain on deemed dilution of interests in an associate		323,713	–
Share of result of a joint venture		–	127
Profit before income tax		507,617	243,985
Income tax expense	6	(54,192)	(20,440)
Profit for the year		453,425	223,545

note: This includes the share of results of associates of HK\$120,101,000 (2016: HK\$95,273,000).

	<i>NOTES</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Other comprehensive expense			
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income of associates		(76,776)	(30,545)
Exchange differences arising on the translation of foreign operation		1,164	(4,363)
		<hr/>	<hr/>
Total comprehensive income for the year		377,813	188,637
		<hr/>	<hr/>
Profit for the year attributable to:			
Owners of the Company		442,408	201,004
Non-controlling interests		11,017	22,541
		<hr/>	<hr/>
		453,425	223,545
		<hr/>	<hr/>
Total comprehensive income attributable to:			
Owners of the Company		369,177	173,514
Non-controlling interests		8,636	15,123
		<hr/>	<hr/>
		377,813	188,637
		<hr/>	<hr/>
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share – basic and diluted	8	44.3	20.0
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH, 2017

	<i>NOTES</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		271,837	268,036
Investment properties		1,109	1,207
Prepayment for acquisition of plant and equipment		6,213	5,672
Interests in associates		1,269,215	977,013
Available-for-sale investments		2,739	2,739
Intangible assets		1,459	1,459
Pledged bank deposit		25,124	45,896
		1,577,696	1,302,022
Current assets			
Inventories	9	143,117	95,545
Trade and other receivables	10	215,398	178,291
Bills receivables		23,359	22,316
Amounts due from associates		105	118
Held for trading investments		289	344
Bank balances and cash		36,425	43,591
		418,693	340,205
Current liabilities			
Trade and other payables	11	270,045	218,082
Bank borrowings		46,971	25,543
Tax payable		15,040	32,106
		332,056	275,731
Net current assets		86,637	64,474
Total assets less current liabilities		1,664,333	1,366,496
Non-current liability			
Deferred tax liabilities		60,160	22,288
		1,604,173	1,344,208
Capital and reserves			
Share capital		199,928	199,928
Reserves		1,377,342	1,108,691
Equity attributable to owners of the Company		1,577,270	1,308,619
Non-controlling interests		26,903	35,589
Total equity		1,604,173	1,344,208

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 introduction to 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”)

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle

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

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

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
HKFRS 16	Leases ²
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consolidation ¹
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 7	Disclosure Initiative ⁴
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ⁴
Amendments to HKAS 40	Transfers of Investment Property ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle ⁵

¹ Effective for annual periods beginning on or after 1st January, 2018

² Effective for annual periods beginning on or after 1st January, 2019

³ Effective for annual periods beginning on or after a date to be determined

⁴ Effective for annual periods beginning on or after 1st January, 2017

⁵ Effective for annual periods beginning on or after 1st January, 2017 or 1st January, 2018, as appropriate

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 four operating divisions according to the types of products sold, which are LCDs, LCMs, LCD-related products that are widely used in electronic consumer products and LCD-related optical products. The Group's operating segments are determined based on information reported to the chief operating decision maker ("CODM"), the executive directors and senior management, for the purposes of resource allocation and performance assessment. The division for LCD-related optical products, is under development stage and no revenue is generated for both year ended 31st March, 2017 and 2016.

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

2017

	LCDs HK\$'000	LCMs HK\$'000	LCD- related products HK\$'000	LCD- related optical product HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Segment revenue							
External sales	307,098	551,268	47,809	-	906,175	-	906,175
Inter-segment sales	101,083	-	3,448	-	104,531	(104,531)	-
Total	408,181	551,268	51,257	-	1,010,706	(104,531)	906,175
Segment profit (loss)	27,466	49,580	(5,085)	(59)	71,902	-	71,902
Interest income							282
Dividend income							110
Gain on fair value changes of held for trading investments							23
Unallocated administrative costs							(4,449)
Net exchange loss							(2,655)
Finance costs							(1,410)
Share of results of associates and reversal of impairment loss							120,101
Gain on deemed dilution of interests in an associate							323,713
Profit before income tax							507,617

2016

	LCDs HK\$'000	LCMs HK\$'000	LCD- related products HK\$'000	LCD- related optical product HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Segment revenue							
External sales	323,618	577,324	9,712	–	910,654	–	910,654
Inter-segment sales	111,441	–	–	–	111,441	(111,441)	–
Total	435,059	577,324	9,712	–	1,022,095	(111,441)	910,654
Segment profit (loss)	26,113	47,222	(17,747)	(202)	55,386	–	55,386
Interest income							285
Dividend income							272
Loss on fair value changes of held for trading investments							(164)
Unallocated administrative costs							(3,745)
Net exchange gain							2,134
Finance costs							(671)
Share of results of associates and reversal of impairment loss							190,361
Share of result of a joint venture							127
Profit before income tax							243,985

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit generated (loss incurred) in 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, unallocated administrative costs, net exchange differences, finance costs, share of results of associates and reversal of impairment loss, share of results of a joint venture and gain on deemed dilution of interests in an associate. 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:

2017

	LCDs HK\$'000	LCMs HK\$'000	LCD- related products HK\$'000	Segment total HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Depreciation of property, plant and equipment	29,328	8,332	5,002	42,662	98	42,760
Depreciation of investment properties	–	–	–	–	98	98
Loss on disposal of property, plant and equipment	566	–	–	566	–	566
Allowance for doubtful debts	1,241	1,319	–	2,560	–	2,560
Allowance for (reversal of) inventories	3,284	(581)	369	3,072	–	3,072

2016

	LCDs HK\$'000	LCMs HK\$'000	LCD- related products HK\$'000	Segment total HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Depreciation of property, plant and equipment	28,683	5,875	4,864	39,422	181	39,603
Gain on disposal of property, plant and equipment	(196)	–	–	(196)	(2)	(198)
Allowance for (reversal of) doubtful debts	970	(708)	–	262	–	262
Allowance for inventories	4,275	7,070	159	11,504	24	11,528

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	
	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
Hong Kong	101,020	102,020	15,963	11,865
Other regions of the PRC	226,873	201,071	264,363	264,398
Japan	132,554	135,913	–	–
United States	102,999	109,291	–	–
Taiwan	37,976	44,497	–	–
Germany	64,651	74,931	–	–
Other European countries	181,891	178,814	292	111
Other Asian countries	47,624	54,484	–	–
Other countries	10,587	9,633	–	–
	906,175	910,654	280,618	276,374

Note: Non-current assets exclude interests in associates, available-for-sale investments and pledged bank deposit.

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

4. OTHER INCOME

	2017 HK\$'000	2016 HK\$'000
Dividend income from available-for-sale investment	110	272
Interest on bank deposits	282	285
Scrap sales	1,985	1,419
Tooling income	3,859	5,667
Others	2,737	2,538
	<u>8,973</u>	<u>10,181</u>

5. SHARE OF RESULTS OF ASSOCIATES AND REVERSAL OF IMPAIRMENT LOSS

	2017 HK\$'000	2016 HK\$'000
Listed in the PRC:		
Share of profit	<u>61,437</u>	<u>57,979</u>
Unlisted associates:		
Share of profit	58,664	37,294
Reversal of impairment loss	<u>–</u>	<u>95,088</u>
	<u>58,664</u>	<u>132,382</u>
	<u>120,101</u>	<u>190,361</u>

In prior years, the business of Kunshan Visionox Display Company Limited (“Kunshan Visionox Display”), an unlisted associate principally engaged in the development, manufacturing and selling of Organic Light Emitting Diode (“OLED”) products, was affected by the slower than expected development of the OLED markets and the Group had assessed the recoverable amount of its interests in Kunshan Visionox Display. The recoverable amount had been determined on the basis of a value in use calculation. That calculation used cash flow forecasts derived from the then most recent financial budgets and forecast over a five-year period, approved by the management. The directors reviewed the anticipated profitability and the anticipated future operating cash flows of Kunshan Visionox Display and determined the recoverable amount of the interest in Kunshan Visionox Display at that time was nil.

Starting from the year ended 31st March, 2015, as Kunshan Visionox Display commenced to making profit due to the unexpected rapid growth in the development of the OLED markets and the completion of the restructuring of Kunshan Visionox Display, the directors of the Company have considered that there is objective evidence of a reversal of impairment at the end of the reporting period. As at 31st March, 2016, the Group has assessed the recoverable amount of the entire carrying amount of its interest in the unlisted associate based on a value in use calculation which uses cash flow forecasts derived from the most recent financial budgets and forecast over the five-year period, approved by the management using a discount rate of 18.62%. The recoverable amount of the interest in the unlisted associate was higher than its carrying amount, and accordingly the balance of the impairment loss on interest in the unlisted associate was fully reversed as at 31st March, 2016.

6. INCOME TAX EXPENSE

	2017 HK\$'000	2016 HK\$'000
The income tax expense comprises:		
Current tax		
Hong Kong	5,532	11,228
Other jurisdictions	9,667	4,459
	<u>15,199</u>	<u>15,687</u>
(Over) underprovision in prior years		
Hong Kong	(369)	871
Other jurisdictions	–	(1,952)
	<u>(369)</u>	<u>(1,081)</u>
	14,830	14,606
Deferred taxation		
Charge for the year	39,362	5,834
	<u>54,192</u>	<u>20,440</u>

7. DIVIDENDS

Dividends recognised as distributions during the year:

	2017 HK\$'000	2016 HK\$'000
Final – HK5.0 cents (2016: HK4.0 cents) per share	49,982	40,102
Special – HK5.0 cents (2016: nil) per share	49,982	–
	<u>99,964</u>	<u>40,102</u>

Proposed dividend:

	2017 HK\$'000	2016 HK\$'000
Final – HK6.0 cents (2016: HK5.0 cents) per share	59,978	49,982
Special – Nil (2016: HK5.0 cents) per share	–	49,982
	<u>59,978</u>	<u>99,964</u>

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

8. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit attributable to the owners of the Company for the year and 999,641,171 (2016: 1,004,889,269) weighted average number of ordinary shares in issue.

The directors of the Company consider that dilutive impact arising from share awards is insignificant for both years.

9. INVENTORIES

	2017 HK\$'000	2016 HK\$'000
Raw materials	50,298	34,094
Work in progress	24,473	17,727
Finished goods	68,346	43,724
	<u>143,117</u>	<u>95,545</u>

10. TRADE AND OTHER RECEIVABLES

	2017 HK\$'000	2016 HK\$'000
Trade receivables	183,105	152,566
Other receivables	23,844	14,982
Deposits	1,387	6,733
Prepayments	7,062	4,010
	<u>215,398</u>	<u>178,291</u>

The Group has a policy of allowing credit periods ranging from 30 days to 120 days. Trade receivables that were neither past due nor impaired are related to a number of independent customers that have a good track record with the Group.

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):

	2017 HK\$'000	2016 HK\$'000
1 – 30 days	85,437	79,843
31 – 60 days	43,186	25,228
61 – 90 days	21,018	34,747
91 – 120 days	20,652	12,748
Over 120 days	12,812	–
	<u>183,105</u>	<u>152,566</u>

11. TRADE AND OTHER PAYABLES

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Trade payables	155,793	96,476
Accrued charges	83,023	76,959
Other payables	19,495	36,793
Deposits received from customers	10,522	7,094
Bills payables	1,212	760
	<u>270,045</u>	<u>218,082</u>

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Up to 30 days	57,058	31,155
31 – 60 days	24,970	13,025
61 – 90 days	23,722	22,346
91 – 120 days	20,557	13,370
Over 120 days	29,486	16,580
	<u>155,793</u>	<u>96,476</u>

All the Group's bills payables as at 31st March, 2017 and 2016 were due within 90 days.

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Operations

The Group recorded a consolidated turnover for the year ended 31st March 2017 of approximately HK\$906 million (2016: HK\$911 million), decrease of HK\$5 million or 1% as compared with last year. Profit attributable to owners of the Company was HK\$442 million (2016: HK\$201 million), representing an increase of approximately HK\$241 million. The significant increase was mainly due to the gain on deemed dilution of the Group's interest in Nantong Jianghai Capacitor Company Limited, a listed associate, of HK\$324 million, the details of which are set out in the section "Investments in Associates" below. This is partly offset by the non-recurrence of the reversal of impairment loss in the Group's investment in Kunshan Visionox Display, Co., Ltd. an unlisted associate, of HK\$95 million recorded in last year.

External sales of the Liquid Crystal Displays ("LCD") decreased by HK\$17 million, from HK\$324 million to HK\$307 million. Such decrease was mainly attributable to the fall in demand in LCD. The LCD segment recorded a segment profit of HK\$27 million, up by HK\$1 million from last year. The turnover of the Liquid Crystal Display Modules ("LCM") decreased by HK\$26 million, from HK\$577 million to HK\$551 million. The LCM segment recorded an increase in segment profit of HK\$3 million from HK\$47 million for the last year to HK\$50 million this year. The growth in segment profit of LCM is mainly due to the increase in Thin Film Transistor ("TFT") module which commands a higher sales value and the gain in market share in the Mainland China market. The LCD-related products segment was related to Capacitive Touch Panel ("CTP"), which recorded a segment loss of HK\$5 million (2016: HK\$18 million). The CTP business started to flourish after the product and customer development undertaken in previous years. With the increase in sales, the segment loss has narrowed.

The core display business experienced a keen price competition this year. Nevertheless, gross profit in current year increased to approximately HK\$151 million (2016: HK\$123 million) and gross profit margin increased to 16.6% (2016: 13.5%). During the year, sales of TFT and CTP modules with higher sales value continued to increase, which contributed partly in the increase of overall gross profit margin. In addition, the Group's effort in improving production yield via production automation has transformed into higher gross profit margin this year.

During the year, other income amounted to approximately HK\$9 million (2016: HK\$10 million). The other income mainly comprised tooling income and scrap sales.

Net loss from other gains and losses for current year was mainly attributable to exchange loss as a result of the depreciation of Renminbi.

Selling and distribution expenses amounted to approximately HK\$67 million (2016: HK\$59 million) and accounted for 7.4% of turnover (2016: 6.4%). The increase was mainly due to the promotional expenses and the increase in doubtful debt provision which was in line with the increase in accounts receivable.

Administrative expenses amounted to HK\$24 million (2016: HK\$23 million) and maintained at about 2.7% of sales. (2016: 2.5%). The increase was mainly due to the staff-related costs.

Investments in Associates

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

Nantong Jianghai, an associate of the Group, is mainly engaged in the manufacture and sales of aluminum electrolytic, thin film and super capacitors, and the production and sales of aluminum formed foil for high-performance aluminum electrolytic capacitors. Nantong Jianghai has completed a non-public new issue of A shares in September 2016 (the “Allotment”). Pursuant to the Allotment, Nantong Jianghai issued 94,562,647 A shares to independent investors at RMB12.69 per A share for a proceeds, net of incidental expenses, of approximately RMB1,180 million. Immediately after the Allotment, the Group’s shareholding in Nantong Jianghai has decreased from 37.50% to 31.84%. Pursuant to the Allotment, the Group recorded a gain on deemed dilution of approximately HK\$324 million (which is an accounting profit and has no cash flow effect to the Group) in the current year. The new funding was for the business development of the thin film and super capacitors.

Excluding the gain on deemed dilution, the share of profit from Nantong Jianghai for the year under review amounted to HK\$61 million (2016: HK\$58 million), which was HK\$3 million or 5% more than last year. The growth in sales of aluminium electrolytic capacitors maintained at a promising pace. Benefitting from the market growth in the electric vehicle, electric vehicle pile, inverter air-conditioning, white goods market and the industry use segment, the sales and gross profit improved. On the other hand, a strong technical foundation has been established on the thin film and super capacitors which is expected to result in the growth in the related business.

In order to strengthen its leading position in capacitors market in Mainland China, Nantong Jianghai recently has the following strategic moves:

- 1) setting up a new manufacturing plant in Hubei Province to develop and produce small size aluminium electrolytic capacitors;
- 2) acquiring a thin film capacitors manufacturer in Suzhou to widen the product range in the thin film capacitor arena; and
- 3) investing in ELNA Co., Ltd. (“ELNA”), a listed company in Japan engaging in the manufacture and sales of capacitors and printed circuited boards, and exploring opportunity of co-investing with ELNA in Mainland China to expand its market share in the automotive markets.

Investment in Kunshan Visionox Display Co. Ltd. (Visionox Display) and Kunshan Visionox Technology Co. Ltd. (Visionox Technology)

As at 31st March, 2016, Visionox Display, a 43.9% owned associate of the Company, owned 80% of Visionox Technology which was engaged in the sales and manufacture of Organic Light Emitting Diode (“OLED”) products. During the year Visionox Display underwent a re-organization pursuant to which its equity owners (including the Group) now directly hold Visionox Technology. Moreover, Visionox Display repaid part of its paid-up capital to its equity owners. After the re-organization, our Group’s effective interest in Visionox Display (in which the business activities had decreased) remained at 43.9% and that in Visionox Technology was 35.1%.

The share of profit in Visionox Display and Visionox Technology amounted to HK\$59 million as compared to HK\$37 million in last year. This was largely due to the gain on disposal of a subsidiary of Visionox Technology in late 2016 in which the Group reported a share of profit of HK\$31 million. Excluding the extra-ordinary gain of such disposal, the share of the operating profit in Visionox Display and Visionox Technology amounted to HK\$28 million. The decrease as compared to last year was mainly due to the dilution of the Group's interest in Visionox Technology which took place towards the end of last financial year. With its well-established technical platform, Visionox Technology continue to target at high-margin market segment. As a vertical integration move, Visionox Technology has recently set up a factory for processing slim glasses for OLED product, thereby enhancing the profit margin.

Income Tax

Effective tax rate in relation to the Group's core business (income tax expense as a percentage of profit before income tax excluding share of results of associates and gain on deemed dilution of interests in an associate, withholding tax on undistributed profits in associates of HK\$9 million and deferred tax on gain on deemed dilution of interests in an associate of HK\$32 million) was 20% (2016: 27%). The decrease in the Group's core business effective tax rate was mainly due to the decrease in the loss incurred in the CTP segment.

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, especially after Britain's decision to leave the European Union. 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 2017 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 by the end of October 2017.

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

- (i) 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.
- (ii) The Group has developed long-standing relationships with a number of suppliers and take great care to ensure that they share the Group's commitment to quality and ethics. The Group also carefully selects its suppliers of manufacturing and require them to satisfy certain assessment criteria including track record, experience, financial strength, reputation, ability to produce high-quality products and quality control effectiveness.
- (iii) The Group is committed to offer a broad and diverse range of value-for-money, good-quality products to its customers.

PROSPECTS

Looking forward, we expect that the LCM (including the TFT module) business will maintain a solid growth from our well diversified customer base. With the new LCD production line to be installed in 2017, we are equipped with greater production capacity for the high end market segment. The improving performance of our CTP segment will continue to improve the Group's profitability and also strengthen our position as a one-stop displays supplier for our existing and potential customers. The pressure on profit margin is always a challenge to the industry. By adopting a strategy of targetting the high market segment and improving productivity through automation, we strongly believe that we will continue to be a very competitive player in the LCD and LCM market. On the other hand, both Nantong Jianghai and Visionox Technology will continue to make decent profit contribution to the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st March, 2017, the Group's current ratio was 1.3 (31st March, 2016: 1.2). The gearing ratio, as a ratio of bank borrowings to total equity, was 2.9% (31st March, 2016: 1.9%).

As at 31st March, 2017, the Group had total assets of approximately HK\$1,996 million, which were financed by liabilities of HK\$392 million and total equity of HK\$1,604 million.

As at 31st March, 2017, the Group's banking facilities amounted to approximately HK\$222 million (31st March, 2016: HK\$195 million) of which approximately HK\$50 million (31st March, 2016: HK\$29 million) were utilized mainly for issuance of letters of credit, bills payable and bank borrowings.

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

As at 31st March, 2017, the Group pledged bank deposits of approximately HK\$25 million (2016: 46 million) with a financial institution for a banking facility granted to the senior management of Visionox Display to finance their acquisition of shares in Visionox Technology. Other than the above, the Group did not have any significant contingent liabilities and there were no significant charges or pledges on any of the Group's assets.

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 talents 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:

	2017	2016
Percentage of purchases from the Group's largest supplier	5%	5%
Percentage of purchases from the Group's five largest suppliers	23%	20%
Percentage of turnover to the Group's largest customer	5%	7%
Percentage of turnover to the Group's five largest customers	16%	19%

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, 2017, 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 has resolved to recommend the payment of a final dividend of HK6 cents per share (2016: HK5 cents per share) and no special dividend (2016: HK5 cents per share) for the year ended 31st March, 2017 subject to the approval of the shareholders of the Company (the "Shareholders") at the forthcoming annual general meeting. The final dividend will be paid on or about Monday, 9th October, 2017 to Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 15th September, 2017.

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on Thursday, 7th September, 2017 (“Annual General Meeting”). For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Monday, 4th September, 2017 to Thursday, 7th September, 2017, 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 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 1st September, 2017.

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, 13th September, 2017 to Friday, 15th September, 2017, 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, 12th September, 2017.

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

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, 2017.

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, 2017, 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, 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 independent 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.

Under Code provisions A.6.7 and E.1.2, independent non-executive directors and chairmen of board committees should attend annual general meetings. Due to pre-arranged commitments, Mr. Tien Pei Chun, James, independent non-executive director and chairman of the nomination committee, was not able to attend the Company’s annual general meeting held on 9th September, 2016. However, Mr. Chu Chi Wai, Allan and Mr. Lau Yuen Sun, Adrian, the other independent non-executive directors and members of the nomination committee, were both present at the said annual general meeting to ensure effective communication with 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, 2017.

AUDIT COMMITTEE

The Audit Committee comprises all of the three independent non-executive Directors, namely Mr. Tien Pei Chun, James, Mr. Chu Chi Wai, Allan and Mr. Lau Yuen Sun, Adrian; as well as Mr. Fang Yan Tak, Douglas, non-executive Director. 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, 2017.

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 2017 as set out in this 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 this 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, 30th June, 2017

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