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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, 2019

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, 2019 are summarised as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH, 2019

	NOTES	2019 HK\$'000	2018 HK\$'000
Revenue	3	934,152	953,600
Cost of sales		(790,232)	(815,825)
Gross profit		143,920	137,775
Other income	4	12,121	10,878
Other gains and losses		2,948	(376)
Selling and distribution expenses		(71,776)	(70,830)
Administrative expenses		(28,801)	(33,627)
Finance costs		(1,237)	(1,652)
		57,175	42,168
Items that relevant to associates:			
– Share of results of associates	5	123,788	99,376
– Gain on disposal of an associate		244,398	–
– Other expenses	6	(65,367)	–
		302,819	99,376
Profit before income tax		359,994	141,544
Income tax expense	7	(37,578)	(13,823)
Profit for the year		322,416	127,721

	<i>NOTES</i>	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on the translation of foreign operation:			
Subsidiaries		8,272	(4,951)
Associates		(107,190)	147,364
Share of other comprehensive income of an associate, net of related income tax		(8,206)	4,702
Release of translation reserve upon disposal of an associate		(6,927)	–
		<hr/>	<hr/>
Total comprehensive income for the year		208,365	274,836
		<hr/>	<hr/>
Profit for the year attributable to:			
Owners of the Company		288,747	120,598
Non-controlling interests		33,669	7,123
		<hr/>	<hr/>
		322,416	127,721
		<hr/>	<hr/>
Total comprehensive income attributable to:			
Owners of the Company		176,736	264,227
Non-controlling interests		31,629	10,609
		<hr/>	<hr/>
		208,365	274,836
		<hr/>	<hr/>
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share – basic and diluted	<i>9</i>	28.9	12.1
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH, 2019

	<i>NOTES</i>	2019 HK\$'000	2018 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		246,947	260,711
Investment properties		1,579	1,010
Prepayment for acquisition of plant and equipment		2,510	3,380
Interests in associates		1,403,259	1,504,227
Available-for-sale (“AFS”) investments		–	2,739
Financial assets at fair value through profit or loss (“FVTPL”)		2,739	–
Intangible assets		1,459	1,459
Pledged bank deposit		–	20,814
		1,658,493	1,794,340
Current assets			
Inventories	<i>10</i>	147,478	170,918
Trade and other receivables	<i>11</i>	200,691	249,394
Bills receivables		–	47,294
Amounts due from associates		51	90
Held for trading investments		–	111
Financial assets at FVTPL		1,962	–
Bank balances and cash		318,123	41,261
		668,305	509,068
Current liabilities			
Trade and other payables	<i>12</i>	290,386	332,393
Contract liabilities		13,411	–
Bank borrowings		–	57,008
Tax payable		20,907	15,541
		324,704	404,942
Net current assets		343,601	104,126
Total assets less current liabilities		2,002,094	1,898,466
Non-current liability			
Deferred tax liabilities		57,828	69,779
		1,944,266	1,828,687
Capital and reserves			
Share capital		199,928	199,928
Reserves		1,720,673	1,594,620
Equity attributable to owners of the Company		1,920,601	1,794,548
Non-controlling interests		23,665	34,139
Total equity		1,944,266	1,828,687

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”)

New and Amendments to HKFRSs that are mandatorily effective for the current year

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

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 - 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

The application of the new and 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.

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ⁴
HK(IFRIC) - Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 3	Definition of a Business ³
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to HKAS 1 and HKAS 8	Definition of Material ²
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 - 2017 Cycle ¹

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

² Effective for annual periods beginning on or after 1st January, 2020

³ Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1st January, 2020

⁴ Effective for annual periods beginning on or after 1st January, 2021

⁵ Effective for annual periods beginning on or after a date to be determined

3. SEGMENT INFORMATION

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

2019

	LCDs <i>HK\$'000</i>	LCMs <i>HK\$'000</i>	LCD- related products <i>HK\$'000</i>	LCD- related optical products <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue							
External sales	253,032	600,910	79,693	517	934,152	-	934,152
Inter-segment sales	95,381	35,180	-	-	130,561	(130,561)	-
Total	<u>348,413</u>	<u>636,090</u>	<u>79,693</u>	<u>517</u>	<u>1,064,713</u>	<u>(130,561)</u>	<u>934,152</u>
Segment profit (loss)	<u>12,466</u>	<u>45,534</u>	<u>(1,555)</u>	<u>(1,343)</u>	<u>55,102</u>		55,102
Interest income							1,138
Gain on fair value changes of financial assets at FVTPL							3
Unallocated administrative costs							(69,390)
Net exchange gain							6,192
Finance costs							(1,237)
Share of results of associates							123,788
Gain on disposal of an associate							244,398
Profit before income tax							<u>359,994</u>

2018

	LCDs <i>HK\$'000</i>	LCMs <i>HK\$'000</i>	LCD- related products <i>HK\$'000</i>	LCD- related optical products <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue							
External sales	270,627	629,696	53,152	125	953,600	-	953,600
Inter-segment sales	101,566	-	10,459	-	112,025	(112,025)	-
Total	<u>372,193</u>	<u>629,696</u>	<u>63,611</u>	<u>125</u>	<u>1,065,625</u>	<u>(112,025)</u>	<u>953,600</u>
Segment profit (loss)	<u>12,280</u>	<u>41,239</u>	<u>(3,432)</u>	<u>(1,062)</u>	<u>49,025</u>		49,025
Interest income							486
Dividend income							104
Gain on fair value changes of held for trading investments							12
Unallocated administrative costs							(5,004)
Net exchange loss							(803)
Finance costs							(1,652)
Share of results of associates							99,376
Profit before income tax							<u>141,544</u>

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 financial assets at FVTPL and held for trading investments, unallocated administrative costs, net exchange differences, finance costs, share of results of associates and gain on disposal of 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:

2019

	LCDs <i>HK\$'000</i>	LCMs <i>HK\$'000</i>	LCD-related products <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Depreciation of property, plant and equipment	32,879	13,193	5,344	51,416	116	51,532
Depreciation of investment properties	-	-	-	-	116	116
Loss on disposal of property, plant and equipment	1,623	1,624	-	3,247	-	3,247
Impairment loss on trade receivables recognised in profit or loss	452	794	-	1,246	-	1,246
Allowance for inventories, net of reversal	(502)	12,954	2,681	15,133	-	15,133

2018

	LCDs	LCMs	LCD-related products	Segment total	Unallocated	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	27,813	15,265	5,156	48,234	98	48,332
Depreciation of investment properties	-	-	-	-	99	99
Gain on disposal of property, plant and equipment	(415)	-	-	(415)	-	(415)
Allowance for doubtful debts	1,002	1,064	-	2,066	-	2,066
Allowance for inventories, net of reversal	3,220	6,722	139	10,081	-	10,081

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 Mainland China.

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	
	2019 HK\$'000	2018 HK\$'000	2019 HK\$'000	2018 HK\$'000
Hong Kong	81,537	78,667	13,162	13,904
Mainland China	162,232	219,369	1,642,462	1,756,693
Japan	172,349	153,908	-	-
United States	105,008	90,584	-	-
Taiwan	34,441	39,660	-	-
Germany	88,678	95,305	-	-
Spain	40,289	51,962	-	-
Other European countries	174,674	154,072	130	190
Other Asian countries	57,163	54,723	-	-
Other countries	17,781	15,350	-	-
	934,152	953,600	1,655,754	1,770,787

Note: Non-current assets exclude certain financial assets at FVTPL, AFS investments and pledged bank deposit.

Information about major customers

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

4. OTHER INCOME

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Dividend income from AFS investments	–	104
Interest on bank deposits	1,138	486
Scrap sales	2,366	1,622
Tooling income	2,580	3,346
Government grant	1,155	714
Others	4,882	4,606
	<u>12,121</u>	<u>10,878</u>

5. SHARE OF RESULTS OF ASSOCIATES

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Listed in the People's Republic of China ("PRC"): Share of profit	<u>88,623</u>	<u>76,466</u>
Unlisted associates: Share of profit	<u>35,165</u>	<u>22,910</u>
	<u>123,788</u>	<u>99,376</u>

6. OTHER EXPENSES

The Group's other expense for the year ended 31st March 2019 is an amount of HK\$65,367,000 which relates to the Group's discretionary bonus awarded to the management of Kunshan Visionox Technology Ltd. ("Kunshan Technology"), an associate of the Group.

To show the appreciation of the management of Kunshan Technology for their contribution to good performance of and continued support to Kunshan Technology, the Group awarded bonus to the management of Kunshan Technology.

7. INCOME TAX EXPENSE

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
The income tax expense comprises:		
Current tax		
Hong Kong	6,530	4,181
Other jurisdictions	37,792	5,982
	<u>44,322</u>	<u>10,163</u>
Under provision in prior years		
Hong Kong	4	36
	<u>44,326</u>	<u>10,199</u>
Deferred taxation (Credit)/Charge for the year	<u>(6,748)</u>	<u>3,624</u>
	<u>37,578</u>	<u>13,823</u>

8. DIVIDENDS

Dividends recognised as distributions during the year:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Final dividend for the year ended 31st March, 2018 of – HK5.0 cents (31st March, 2017: HK6.0 cents) per share	<u>49,982</u>	<u>59,978</u>

After the end of the year, the Directors declared a special dividend in respect of the year ended 31st March, 2019 of HK10 cents (2018: nil) per share, a total distribution of approximately HK\$99,964,000, which has been paid to the shareholders whose names appeared on the register of members of the Company on 30th April 2019.

The board of directors have resolved to recommend the payment of a final dividend in respect of the year ended 31st March, 2019 of HK5 cents (2018: HK5 cents) per share, a total distribution of approximately HK\$49,982,000 (2018: HK\$49,982,000). The proposed final dividend for the year is subject to the approval by shareholders in the forthcoming annual general meeting.

9. 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 (2018: 999,641,171) 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.

10. INVENTORIES

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Raw materials	48,137	61,251
Work in progress	27,369	30,815
Finished goods	71,972	78,852
	<u>147,478</u>	<u>170,918</u>

11. TRADE AND OTHER RECEIVABLES

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Trade receivables	160,105	192,591
Less: Allowance for credit losses	(11,402)	(10,809)
	<u>148,703</u>	<u>181,782</u>
Other receivables	43,253	55,014
Deposits	3,253	1,835
Prepayments	5,482	10,763
	<u>200,691</u>	<u>249,394</u>

The Group has a policy of allowing credit periods ranging from 30 days to 120 days.

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date.

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
1 – 30 days	81,838	76,856
31 – 60 days	30,785	38,331
61 – 90 days	25,209	32,733
91 – 120 days	4,169	8,315
Over 120 days	6,702	25,547
	148,703	181,782

12. TRADE AND OTHER PAYABLES

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Trade payables	115,436	186,947
Accrued charges	74,662	83,919
Other payables	100,128	45,220
Deposits received from customers	–	10,032
Bills payables	160	6,275
	290,386	332,393

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

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Up to 30 days	49,272	73,084
31 – 60 days	14,115	19,519
61 – 90 days	20,762	29,815
91 – 120 days	14,711	26,771
Over 120 days	16,576	37,758
	115,436	186,947

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Operations

The Group recorded a consolidated turnover for the year ended 31st March, 2019 of approximately HK\$934 million (2018: HK\$954 million), a decrease of HK\$20 million or 2% as compared with last year. Profit attributable to owners of the Company was HK\$289 million (2018: HK\$121 million), representing an increase of approximately HK\$168 million. The increase in profit was mainly due to the gain on disposal before taxation of the Group's entire equity interest in Kunshan Visionox Display Co. Ltd., a formerly an 43.87% owned associate, of HK\$244 million. After deducting the relevant amount of taxation and non-controlling interests, the portion of such gain attributable to owners of the Company was HK\$194 million. If the above-mentioned one-off gain was excluded, the profit attributable to owners of the Company would have been HK\$95 million, representing a decrease of 21% over last year.

External sales of the Liquid Crystal Displays ("LCD") decreased by HK\$18 million, from HK\$271 million to HK\$253 million. Such decrease was mainly attributable to the fall in demand in LCD and tightening of credit policy. The LCD segment recorded a profit of HK\$12 million which was kept at the same level as last year. Turnover of Liquid Crystal Display Modules ("LCM") decreased by HK\$29 million, from HK\$630 million to HK\$601 million, and the LCM segment recorded a segment profit of HK\$46 million as compared with HK\$41 million of last year. The growth in profit was mainly contributed by the strong Thin Film Transistor ("TFT") module business and the improvement in the production yield and reduction of the material cost. The LCD-related products segment was related to Capacitive Touch Panel ("CTP") and CTP modules, which recorded a segment sales of HK\$80 million (2018: HK\$53 million) and loss of HK\$2 million (2018: HK\$3 million). The sales of CTP were boosted up by the TFT-CTP modules which commanded a high sales value and led to the decrease of segment loss from HK\$3 million to HK\$2 million, despite the performance of CTP line of business has been affected by the increase in provision of slow-moving stock.

In the year under review, despite the decrease in sales, the gross profit increased to HK\$144 million (2018: HK\$138 million), up by approximately HK\$6 million whereas the gross profit margin improved from 14% to 15%. The increase in gross profit margin was mainly due to multiple reasons: (1) the cost control measures implemented has reduced the overhead cost; (2) the production automation programs which has increased the labour efficiency and (3) the enhancement in the efficiency in production process which has uplifted the production yield.

During the year, other income amounted to approximately HK\$12 million (2018: HK\$11 million). The other income mainly comprised tooling income, scrap sales, interest income and government grant.

Net gain from other gains and losses for current year was mainly attributable to exchange gain.

Selling and distribution expenses amounted to approximately HK\$72 million (2018: HK\$71 million) representing at 8% of turnover (2018: 7%). The increase was mainly due to the increase in staff costs and promotion expense.

Administrative expenses amounted to HK\$29 million (2018: HK\$34 million), which decreased by HK\$5 million from last year and represented 3% of sales (2018: 4%). The reduction was mainly due to the decrease in costs related to the vesting of shares under the restricted shares award scheme.

Investments in Associates

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

Nantong Jianghai, a 31.84% associate of the Group, is mainly engaged in the manufacture and sales of aluminium electrolytic, thin film and super capacitors, and the production and sales of aluminium formed foil for high-performance aluminium electrolytic capacitors. The share of profit from Nantong Jianghai for the current year increased from HK\$76 million to HK\$89 million, representing an increase of HK\$13 million or 17%.

By leveraging on its well-established brand image, technology prowess and a comprehensive product chain, Nantong Jianghai capitalized on the business opportunities of conventional high-voltage large capacitor market as well as increased its market share and coverage in thin film and super capacitor market.

During the year, the aluminium electrolytic capacitor competitive advantage was further strengthened by optimizing its product performance. This was realized by two remarkable achievements in the aluminium foil etching and forming capabilities. Firstly, by adopting the latest technology, a new etching foil production line was installed which possesses the ability to target at the high efficient high-voltage aluminium electrolytic capacitor. Secondly, the production facilities of the aluminium foiling were expanded and upgraded to produce highly reliable and high voltage aluminium foil.

During the year, the thin film capacitor business segment grew progressively. To further uplift its profitability, systematic production cost reduction measures were implemented. At the same time, continued research and development in new energy, power grids, electric vehicles and military applications have facilitated the business development progress.

Supercapacitors have made positive strides in several major fields such as automotive, wind power, data centers, elevators, smart grids, power tools, consumer electronics, and military industries. The new supercapacitor production factory is under construction, which is expected to complete in 2019.

The construction of the new factory in Hubei province which manufactures small-sized aluminium electrolytic capacitors, polymer capacitors and multi-layer polymer capacitors was on schedule and pilot production has commenced.

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

In recent years, Kunshan Display has transferred its business in the development, manufacturing and selling of Organic Light Emitting Diodes (“OLED”) products to Kunshan Technology and possessed a number of knowhow, patents and trademarks.

On 10 August 2018, Faith Crown International Limited and Crown Capital Holdings Limited (both subsidiaries of the Company) respectively entered into agreement with Kunshan Govisionox Optoelectronics Co., Ltd (the then largest shareholder of Kunshan Display) to sell an aggregate of 43.87% equity interest in Kunshan Display (representing the Group’s entire equity interest therein) for a consideration of approximately RMB220 million. The disposal has been completed, and the Group has recorded a gain on disposal, before taxation, of approximately HK\$244 million. Kunshan Display has ceased to be an associate of the Group in the later period of the second half year.

The share of profit in Kunshan Display and Kunshan Technology which is mainly engaged in sales and manufacture of OLED, amounted to HK\$27 million as compared to HK\$20 million in last year. The OLED business performance fared well this year. The continuous effort in enhancing the production efficiency and yield has led to an increase in profit margin and production volume in the year under review. Thanks to the diversification strategy, the market coverage is well spread including the white-goods market, industrial instrument, medical equipment, telecommunication equipment, mobile payment device, security lock and smart home devices, and wearables. In the year under review, an other expense representing a bonus of approximately HK\$65 million was awarded to the management of Kunshan Technology for their contribution to the satisfactory performance of and their continual support to Kunshan Technology in the future.

Investment in Zaozhuang Visionox Electronic Technology Company Ltd (Zaozhuang Electronic)

Zaozhuang Electronic, a 40% associate of the Group, is situated in the Shandong Province. It is mainly engaged in the manufacture and sales of flexible printed circuits (“FPC”) and OLED related materials. In the year under review, the Group’s share of profit amounted to HK\$8 million, an increase of HK\$5 million, which were contributed by subcontracting income and government grant. The new FPC factory is in the process of setting up and is expected to be completed in early 2020.

Income Tax

Effective tax rate in relation to the Group’s core business (income tax expense excluding the portion related to gain on disposal of an associate and withholding tax on undistributed profits in associates as a percentage of profit before income tax excluding results relevant to associates (comprising the share of results of associates, gain on disposal of an associate and other expenses)) was 26% (2018: 18%). The increase was mainly due to a Hi-tech Enterprise status of a PRC subsidiary of the Group has not been approved during the year resulting in revising the enterprise income tax rate from 15% to 25%.

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 and the continuous trade disputes between the United States and China. 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 2019 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 2019.

Compliance with Relevant Laws and Regulations

The Group's operations are mainly carried out in Mainland China and Hong Kong, and the Company was incorporated in Bermuda and its shares listed on the Stock Exchange. During the year under review, the Group has complied with all the laws and regulations in the above-mentioned jurisdictions.

Relationship with Key Stakeholders

Human resources are one of the greatest assets of the Group and the Group regards the personal development of its employees as utmost important. It is the objective of the Group to continue to be an attractive employer for committed employees. The Group strives to motivate its employees with a clear career path and opportunities for advancement and improvement of their skills. In addition, the Group offers competitive remuneration packages to the employees. The Group has also adopted a share award scheme to recognise and reward the contribution of the employees to the growth and development of the Group.

The Group has developed long-standing relationships with a number of suppliers and 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.

The Group is committed to offer a broad and diverse range of value-for-money, good-quality products to its customers.

Management believes that the above objectives will help in enhancing the value of the Company for its shareholders (the "Shareholders").

PROSPECTS

Looking forward, the display market will be over casted by Sino-US trade dispute. Customers' inventory policy will continue to be cautious and prudent. It will prompt the market players to adopt an aggressive pricing to capture sales. To combat the anticipated market conditions, we have adopted measures to position as a competitive player. We have upgraded our LCD production line to enhance the production capacity and yield. Cost reduction measures will be implemented to reduce the raw material purchase cost and operating costs. The Group will promote products with high added-value feature and strengthen new product development to increase both the turnover and the profit margin. On the other hand, Nantong Jianghai and Kunshan Technology will continue to make lucrative contribution to the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st March 2019, the Group's current ratio was 2.1 (2018: 1.3). The gearing ratio, as a ratio of bank borrowings to net worth, was nil (2018: 3.2%).

As at 31st March, 2019, the Group had total assets of approximately HK\$2,327 million, which were financed by liabilities of HK\$383 million and total equity of HK\$1,944 million.

As at 31st March, 2019, the Group's banking facilities amounted to approximately HK\$163 million (2018: HK\$222 million) of which approximately HK\$0.2 million (2018: HK\$59 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

The Group did not have any significant contingent liabilities and there were no significant charges or pledges on any of the Group's assets as at 31st March, 2019.

EMPLOYMENT AND REMUNERATION POLICY

The remuneration package for the Group's employees is structured by reference to market terms and industry's practice. Discretionary bonus and other performance reward are based on the financial performance of the Group and the performance of individual staff. Staff benefit plans maintained by the Group include mandatory and voluntary provident fund scheme and medical insurance.

The Company has adopted a restricted share award scheme (the "Scheme") pursuant to which shares of the Company will be purchased by an independent trustee from the market and held in trust for the participants of the Scheme, including employees or consultants engaged by any member of the Group, until such shares are vested with the relevant participants in accordance with the provisions of the Scheme. The purpose of the Scheme is to act as an incentive to retain and encourage the participants for the continual operation and development of the Group.

MAJOR CUSTOMERS AND SUPPLIERS

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

	2019	2018
Percentage of purchases from the Group's largest supplier	6%	5%
Percentage of purchases from the Group's five largest suppliers	21%	19%
Percentage of turnover to the Group's largest customer	4%	4%
Percentage of turnover to the Group's five largest customers	15%	15%

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, 2019, 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

After the end of the year, on 8th April, 2019 the Directors declared a special dividend of HK10 cents per share (2018: nil) for the year ended 31st March, 2019, a total distribution of approximately HK\$99,964,000, which has been paid to the Shareholders whose names appeared on the register of members of the Company on 30th April, 2019.

The Board of Directors has resolved to recommend the payment of a final dividend of HK5 cents per share (2018: HK5 cents per share) for the year ended 31st March, 2019 subject to the approval of the Shareholders at the forthcoming annual general meeting. The final dividend will be paid on or about Friday, 11th October, 2019 to Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 4th October, 2019.

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on Tuesday, 24th September, 2019 ("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 Thursday, 19th September, 2019 to Tuesday, 24th September, 2019, 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 (which address will be changed to Level 54, Hopewell Center, 183 Queen's Road East, Hong Kong with effect from 11th July, 2019) for registration not later than 4:30 p.m. on Wednesday, 18th September, 2019.

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, 2nd October, 2019 to Friday, 4th October, 2019, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, for registration not later than 4:30 p.m. on Monday, 30th September, 2019.

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, 2019.

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, 2019, 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.

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, 2019.

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, 2019.

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, 2019 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.yeebo.com.hk>). The annual report will be dispatched to the Shareholders and will be available on websites of the Stock Exchange and the Company in due course.

By order of the Board
Yeebo (International Holdings) Limited
Lau Siu Ki, Kevin
Company Secretary

Hong Kong, 28th June, 2019

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.