



YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

STOCK CODE: 259

2021/22 INTERIM REPORT

CHAIRMAN'S STATEMENT

Dear Shareholders,

I take pleasure in presenting to our shareholders the results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30th September 2021.

The Group turnover increased from approximately HK\$436 million to HK\$619 million and recorded a rise in the profit attributable to owners of the Company from HK\$81 million to HK\$122 million.

In the period under review, the global economic activities have gradually resumed after the introduction of vaccination to safeguard infection and contain the spread of Covid-19. During the period, the Group have targeted at the high growth and high value product segments like measuring instruments, medical and health care instruments, white goods and smart home and office appliances and shy away from the low profit margin segment to boost the profitability. The Liquid Crystal Display ("LCD") and Liquid Crystal Display Modules ("LCM") business has registered an increase of 42% in sales and a higher utilization of the production capacity, which translated into an increase in both gross profit and gross profit margin.

The Group will continue to strengthen the product development in the modules-related products to capture more market share in the high-value market segment and generate a higher profitability. Furthermore, the recent upgrade and expansion of the production facilities have enhanced the production capacity of the Thin Film Transistor ("TFT"), Capacitive Touch Pane ("CTP") and TFT-CTP modules.

The share of profit from Nantong Jianghai Capacitor Company Ltd. ("Nantong Jianghai"), a 31.5% owned associate of the Group, for the period under review uplifted from HK\$63 million to HK\$92 million, representing a rise of HK\$29 million or 46%.

During the period, Nantong Jianghai's aluminium electrolytic, thin film and super capacitors made headway in the following areas:

1. Enhanced productivity and yield rate for electrolytic capacitors.
2. Successfully launched pilot production runs for Multi-layer Polymer Capacitor ("MLPC"), setting the stage for continued technological transformation and expansion.
3. Captured developing opportunities in the new energy and electric vehicle arena by improving Nantong Jianghai's technical capabilities, expanding production capacity, and vertically integrating internal production processes.

4. Continued to enhance its productivity by making improvements in its production processes and implementing automation and equipment maintenance programs which, in turn, has positioned Nantong Jianghai to make further headway into targeted industries such as wind power, smart meter systems, railroad transport systems, smart grid systems, and high powered energy storage systems.

The Group's share of profit in Suzhou QingYue Optoelectronics Technology Co Ltd. ("Suzhou QingYue"), a 35.1% owned associate of the Group, decreased by HK\$7 million, representing a decrease of 50% from approximately HK\$14 million recorded in the corresponding period of last year. The Organic Light Emitted Dioxide ("OLED") business growth pace slowed down after a remarkably strong performance in the medical equipment, medical and health care products last year.

In an aim to institute new source of business growth, Suzhou QingYue has made two strategic moves:

1. It has successfully developed and diversified into e-paper modules market. While energy saving display was still the primary target market, other new application areas were in active pursue as well. Mass production of e-paper is underway and the business segment is expected to provide promising contribution in the future.
2. With the backbone of a strong established technological background and production experience in OLED, Suzhou QingYue has started the research and development of Micro-OLED. The progress was encouraging and this new product was planned to launch into the fast growing Augmented Reality and Virtual Reality market.

While the Covid-19 pandemic will continue to cast uncertainties, the global economy is expected to gradually recover. The Group holds a prudent perspective in the second half of the financial year. Nevertheless, the Group pledges to enhance its profitability by adopting aggressive marketing strategy in high value market and production optimization plans.

On behalf of the board of Directors, I would like to take this opportunity to express our gratitude to our staff for their dedication and to our shareholders for their support.

Fang Hung, Kenneth
Chairman

26th November, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Operations

The Group recorded a consolidated turnover for the 6 months ended 30th September, 2021 of approximately HK\$619 million (2020: HK\$436 million), an increase of HK\$183 million or 42% as compared with the same period of last year. Profit attributable to owners of the Company was HK\$122 million (2020: HK\$81 million), representing an increase of approximately HK\$41 million as compared with the same period of last year.

The global business environment was mixed in the period under review. Signs of recovery from the Covid-19 pandemic have emerged, albeit slow. However, the unstable supply and mounting price of raw materials have posed critical challenges to the Group. With an aim to boost sales and profitability, the Group has focused on the high growth and high-value product market. Moreover, in order to satisfy customers' need on a timely manner and to maximize the utilization of the production plants, the Group has adopted agile inventory management and production policies. These included stocking up of raw materials and maintaining a stable labour force through wage increase. Thanks to its strong financial position, the Group was able to deploy financial resources to remain competitive in the market through the above policies. As a result, turnover increased by 42%, gross profit edged up from HK\$61 million to HK\$99 million and gross profit margin improved from 14% to 16%.

As revealed in the Group's revenue analysis, sales of the Liquid Crystal Display ("LCD") recorded an increase of 33% to HK\$126 million and sales of Liquid Crystal Display Modules ("LCM") increased by 34% to HK\$393 million, as a result of increase in demand of the white goods and industrial-use product segment. The other LCD-related products segment (Capacitive Touch Panel ("CTP") and TFT-CTP modules) registered a hike in sales growth of 112%, which was attributable to aggressive marketing in telecommunication and smart home and office arena.

During the period, other income amounted to approximately HK\$7 million (2020: HK\$15 million). Other income mainly comprised interest income, rental income, tooling income and government subsidies. The decrease was due to the significant reduction in government grant and subsidies received during the current period.

Net gain from other gains and losses amounted to approximately HK\$0.5 million as compared to a net loss of approximately HK\$6.3 million of last year. It was mainly attributable to the decrease in the foreign exchange loss as the Group has managed the foreign exchange risk through various means, including entering into foreign currency forward contracts, during the period.

Selling and distribution expenses amounted to approximately HK\$43 million (2020: HK\$36 million) or up by 19% which was mainly due to the increase in allowance for credit losses on trade receivables, sales promotion expenses and staff-related costs.

Administrative expenses maintained at 3% of revenue (2020: 3%) in the period under review.

Investments in Associates

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

Nantong Jianghai, a 31.5%-owned associate of the Group, is mainly engaged in the manufacture and sales of aluminum electrolytic, thin film and super capacitors, and the production and sales of aluminum formed foil for high-performance aluminum electrolytic capacitors.

The Group’s share of Nantong Jianghai’s profit uplifted from HK\$63 million to HK\$92 million. The encouraging results were largely contributed by the following in the period under review:

1. The overall sales has registered remarkable growth. Benefiting from the strong demand in the aluminum electrolytic capacitors sector, its business continued to exhibit an impressive growth both in the overseas and PRC market. Through production optimization, thin film capacitors business has been developing progressively and made positive profit contribution. On the other hand, the super capacitor business unit is actively opening up new markets segments like electrical tools, exploration equipment and port facilities and equipment in addition to its market penetration in the new energy arena.
2. Nantong Jianghai has managed to maintain a stable profit margin even under a tight material supply and mounting material price scenario. Thanks to the vertical integration into production of aluminum formed foil, Nantong Jianghai was able to secure reliable supply at manageable costs of critical materials for production. This enabled Nantong Jianghai to possess a highly competitive edge in the capacitors industry.

Investment in Suzhou QingYue Optoelectronics Technology Co., Ltd. (“Suzhou QingYue”)

The Group’s share of profit from Suzhou QingYue, a 35.1%-owned associate engaged in the sales of organic light-emitting diodes (“OLED”), amounted to approximately HK\$7 million, representing a decrease of 50% from approximately HK\$14 million recorded in the corresponding period of last year.

The reduction in profit was mainly due to the following reasons:

1. There has been a decrease in demand in OLED, especially in the medical and healthcare segment after its high growth phase in last year, as customers in overseas pandemic regions revised their purchase plans. As a market diversification move, Suzhou QingYue has targeted the uprending white goods and smart home appliances market to regain its sales momentum.
2. Suzhou QingYue has successfully completed the development of its e-paper modules and entered into the mass production phase. However, it experienced a tight supply and mounting costs in key materials which, to certain extent, affected its planned growth pace.

On the other hand, in order to enhance its profitability, Suzhou QingYue is engaging in research and development as well as building out infrastructure for the production of Micro-OLED which targeted at the fast developing Augmented Reality ("AR") and Virtual Reality ("VR") market.

Investment in Zaozhuang Reinno Electronic Technology Co., Limited ("Zaozhuang Reinno")

Zaozhuang Reinno, a 40%-owned associate of the Group, is principally engaged in the manufacture and sales of flexible printed circuit boards and OLED-related materials.

During the period, the Group's share of Zaozhuang Reinno's loss amounted to approximately HK\$0.6million, representing a decrease of approximately HK\$0.6 million from the corresponding period of year. The operating loss was mainly due to the fact that Zaozhuang Reinno has experienced a slower-than-expected product development progress.

Income Tax

Effective tax rate in relation to the Group's core business (income tax expenses excluding withholding tax on undistributed profits in associates as a percentage of profit before income tax excluding share of results of associates) was 19% (2020: 24%).

PROSPECTS

Looking forward, the profit margin of the Group would be under pressure due to the mounting material and labour costs. By committing our strategy to target at the high value market segment and to optimize our productivity by upgrading the production equipment and facilities, we strongly believe we will continue to be a very competitive player in the display market. On the other hand, we expect our associates will continue to make significant contribution to the Group's results.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30th September, 2021, the Group's current ratio was 1.8 (31st March, 2021: 2.0). The gearing ratio, as a ratio of bank borrowings to net worth, was 0.4% (31st March, 2021: 0.2%).

As at 30th September, 2021, the Group had total assets of approximately HK\$2,775 million, which were financed by liabilities of approximately HK\$494 million and total equity of approximately HK\$2,281 million.

As at 30th September, 2021, the Group's banking facilities amounted to approximately HK\$152million (31st March, 2021: HK\$189 million) of which approximately HK\$8 million (31st March, 2021: HK\$4 million) were utilized mainly for issuance of letters of credit, short term loan and bills payable.

Certain subsidiaries of the Group have foreign currency assets and liabilities, which expose the Group to foreign currency risk. The management monitors and mitigates the foreign exchange risk through various means, including entering into foreign currency forward contracts, 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 30th September, 2021.

EMPLOYMENT AND REMUNERATION POLICY

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

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

DIVIDEND

The directors have resolved not to recommend the payment of an interim dividend for the six months ended 30th September, 2021.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES IN SECURITIES

At 30th September, 2021, the interests and short positions of the directors and chief executives and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

(A) Long position in the shares of the Company

	Number of shares and nature of interests		Percentage of Company's issued capital
	Personal interests	Total	
Mr Fang Hung, Kenneth	20,130,000	20,130,000	2.03%
Mr Li Kwok Wai, Frankie	144,402,381	144,402,381	14.54%
Mr Leung Tze Kuen (Note (i))	2,460,000	2,460,000	0.25%

(B) Long position in the shares of associated corporations of the Company

(1) Antrix Investment Limited ("Antrix") (Note(ii))

	Number of shares and nature of interests			Percentage of issued capital of Antrix
	Personal interests	Through controlled corporations	Total	
Mr. Li Kwok Wai, Frankie	–	1,740	1,740	30.53%
Mr. Chen Shuang	490	–	490	8.59%

(2) Fang Brothers Holdings Limited ("Fang Brothers") (Note(iii))

	Number of shares and nature of interests			Percentage of issued capital of Fang Brothers
	Personal interests	Spouse interests	Total	
Mr. Fang Hung, Kenneth	800,000	15,200,000	16,000,000	20.00%
Mr. Fang Yan Tak, Douglas	16,000,000	–	16,000,000	20.00%

Notes:

- (i) The 2,460,000 shares represent shares granted under the share award scheme of the Company. They are subject to the satisfactory fulfilment of vesting conditions and 360,000 shares were vested.
- (ii) As at 30th September, 2021, Antrix Investment Limited held 570,000,000 shares of the Company.
- (iii) As at 30th September, 2021, Fang Brothers beneficially owned 60.88% of the issued share capital of Antrix.

Save as disclosed above, as at 30th September, 2021, none of the directors, the chief executives nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As at 30th September, 2021, the following interests and short position of 5% or more in the shares and underlying shares of the Company were recorded in register maintained by the Company pursuant to Section 336 of the SFO.

Long position in the shares of the Company

	Capacity and nature of interest	Number of shares held	% of the Company's issued share capital
Antrix <i>(Note)</i>	Directly beneficially owned	570,000,000	57.40%
Esca Investment Limited <i>(Note)</i>	Indirectly beneficially owned	570,000,000	57.40%
Fang Brothers <i>(Note)</i>	Indirectly beneficially owned	570,000,000	57.40%

Note: As at 30th September, 2021, Antrix Investment Limited was held as to 60.88% by Esca Investment Limited (a company wholly-owned by Fang Brothers in which none of its shareholders holds more than 20% of its issued share capital). The shares held by Esca Investment Limited and Fang Brothers represent the same interest held by Antrix.

Save as disclosed above, as at 30th September, 2021, the Company was not notified by any persons who had interests or short positions of 5% or more in the shares and underlying shares of the Company which is required to be recorded under Section 336 of the SFO.

CORPORATE GOVERNANCE

None of the directors of the Company is aware of any information that would reasonably indicate that the Company has not complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30th September, 2021.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiries of all Directors, they have confirmed their compliance with the required standard as set out in the Model Code throughout the six months ended 30th September, 2021.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company repurchased 6,560,000 shares on The Stock Exchange of Hong Kong Limited from 29th June, 2021 to 10th August, 2021. Details of which are follows:

Month of repurchase	Number of shares repurchased	Highest price paid (HK\$)	Lowest price paid (HK\$)	Total amount paid (HK\$)
June 2021	1,100,000	2.83	2.64	3,009,920
July 2021	3,300,000	3.31	2.77	10,079,820
August 2021	2,160,000	3.23	3.08	6,858,540
Total	6,560,000			19,948,280

Save as disclosed above, no repurchase has been made by the Company or any of its subsidiaries on The Stock Exchange of Hong Kong Limited of any listed securities of the Company for the six months ended 30th September, 2021.

AUDIT COMMITTEE

The Audit Committee comprises Mr. Fang Yan Tak, Douglas, non-executive director and vice chairman; and Mr. Chu Chi Wai, Allan and Mr. Lau Yuen Sun, Adrian, both independent non-executive directors. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed financial reporting matters, including a review of the unaudited condensed accounts for the six months ended 30th September, 2021.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF YEEBO (INTERNATIONAL HOLDINGS) LIMITED

Introduction

We have reviewed the condensed consolidated financial statements of Yeebo (International Holdings) Limited (the "Company") and its subsidiaries set out on pages 11 to 32, which comprise the condensed consolidated statement of financial position as of 30th September, 2021 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

26th November, 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30th September, 2021

	Notes	Six months ended	
		30.9.2021 HK\$'000 (unaudited)	30.9.2020 HK\$'000 (unaudited)
Revenue	3	618,606	435,593
Cost of sales		(519,602)	(374,215)
Gross profit		99,004	61,378
Other income	4	6,969	14,507
Other gains and losses	5	450	(6,320)
Selling and distribution expenses		(42,693)	(36,007)
Administrative expenses		(15,796)	(13,953)
Finance costs		(301)	(233)
Share of results of associates		98,644	75,546
Profit before income tax		146,277	94,918
Income tax expense	6	(14,481)	(9,226)
Profit for the period	7	131,796	85,692
Other comprehensive income:			
Item that will not be reclassified to profit or loss:			
Share of other comprehensive income of associates, net of related income tax		4,442	2,187
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations			
Subsidiaries		8,976	19,559
Associates		26,841	57,976
Total comprehensive income for the period		172,055	165,414

		Six months ended	
	<i>Notes</i>	30.9.2021	30.9.2020
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Profit for the period attributable to:			
Owners of the Company		121,718	81,277
Non-controlling interests		10,078	4,415
		131,796	85,692
Total comprehensive income for the period attributable to:			
Owners of the Company		161,540	158,866
Non-controlling interests		10,515	6,548
		172,055	165,414
		HK cents	HK cents
Earnings per share			
– basic	9	12.4	8.3
– diluted	9	12.4	8.2

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September, 2021

	Notes	30.9.2021 HK\$'000 (unaudited)	31.3.2021 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	10	253,110	247,044
Right-of-use assets		8,736	10,064
Investment properties		1,076	1,177
Prepayment for acquisition of plant and equipment		12,529	9,347
Interests in associates	11	1,736,691	1,644,271
Financial assets at fair value through profit or loss ("FVTPL")		–	22,303
Debt investments at amortised cost	12	23,321	–
Intangible assets		1,459	1,459
		2,036,922	1,935,665
Current assets			
Inventories		263,121	197,492
Trade and other receivables	13	355,045	256,659
Debt investments at amortised cost	12	23,187	–
Derivative financial instruments		178	–
Bank balances and cash		96,934	142,184
		738,465	596,335
Current liabilities			
Trade and other payables	14	338,487	252,110
Dividend payable		19,517	–
Contract liabilities		15,640	14,938
Derivative financial instruments		–	1,043
Tax payable		24,154	16,359
Bank borrowings	15	8,038	4,205
Lease liabilities		4,855	4,458
		410,691	293,113
Net current assets		327,774	303,222
Total assets less current liabilities		2,364,696	2,238,887

	<i>Note</i>	30.9.2021 HK\$'000 (unaudited)	31.3.2021 HK\$'000 (audited)
Non-current liabilities			
Deferred tax liabilities		79,028	75,084
Lease liabilities		4,188	6,121
		83,216	81,205
		2,281,480	2,157,682
Capital and reserves			
Share capital	<i>16</i>	198,616	199,928
Reserves		2,023,207	1,903,457
Equity attributable to owners of the Company		2,221,823	2,103,385
Non-controlling interests		59,657	54,297
Total equity		2,281,480	2,157,682

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September, 2021

	Attributable to owners of the Company												
	Share capital	Share premium	Capital reserve (Note 1) HK\$'000	Capital redemption reserve HK\$'000	Translation reserve HK\$'000	Share award reserve HK\$'000	Shares held for award scheme HK\$'000	PRC statutory reserve HK\$'000	Other reserve (Note 2) HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1st April, 2020 (audited)	199,928	110,750	2,125	10,132	(61,199)	9,085	(22,450)	12,831	(8,859)	1,553,117	1,805,460	32,724	1,838,184
Profit for the period	-	-	-	-	-	-	-	-	-	81,277	81,277	4,415	85,692
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of associates	-	-	-	-	-	-	-	-	2,108	-	2,108	79	2,187
Exchange differences on translation of foreign operations	-	-	-	-	75,481	-	-	-	-	-	75,481	2,054	77,535
Total comprehensive income for the period	-	-	-	-	75,481	-	-	-	2,108	81,277	158,866	6,548	165,414
Shares purchased for share scheme	-	-	-	-	-	-	(4,677)	-	-	-	(4,677)	-	(4,677)
Recognition of equity-settled share-based payment expenses under share award scheme	-	-	-	-	-	1,250	-	-	-	-	1,250	-	1,250
Dividends payable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(808)	(808)
Dividend – declared (Note 8)	-	-	-	-	-	-	-	-	-	(49,131)	(49,131)	-	(49,131)
Share of other equity movement in interest in associates	-	-	-	-	-	-	-	-	1,429	-	1,429	-	1,429
At 30th September, 2020 (unaudited)	199,928	110,750	2,125	10,132	14,282	10,335	(27,127)	12,831	(5,322)	1,585,263	1,913,197	38,464	1,951,661
At 1st April, 2021 (audited)	199,928	110,750	2,125	10,132	99,012	11,219	(27,269)	14,966	(6,949)	1,689,471	2,103,385	54,297	2,157,682
Profit for the period	-	-	-	-	-	-	-	-	-	121,718	121,718	10,078	131,796
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of associates	-	-	-	-	-	-	-	-	4,442	-	4,442	-	4,442
Exchange differences on translation of foreign operations	-	-	-	-	35,380	-	-	-	-	-	35,380	437	35,817
Total comprehensive income for the period	-	-	-	-	35,380	-	-	-	4,442	121,718	161,540	10,515	172,055

Attributable to owners of the Company

	Share capital	Share premium	Capital reserve (Note 1)	Capital redemption reserve	Translation reserve	Share award reserve	Shares held for award scheme	PRC statutory reserve	Other reserve (Note 2)	Retained profits	Total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Repurchase and cancellation of ordinary shares (Note 16)	(1,312)	(19,948)	-	1,312	-	-	-	-	-	-	(19,948)	-	(19,948)
Shares purchased for share scheme	-	-	-	-	-	-	(4,680)	-	-	-	(4,680)	-	(4,680)
Recognition of equity-settled share-based payment expenses under share award scheme	-	-	-	-	-	1,043	-	-	-	-	1,043	-	1,043
Share vested under share award scheme	-	-	-	-	-	(1,908)	4,580	-	-	(2,672)	-	-	-
Dividends payable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(5,155)	(5,155)
Dividend – declared (Note 8)	-	-	-	-	-	-	-	-	-	(19,517)	(19,517)	-	(19,517)
At 30th September, 2021 (unaudited)	198,616	90,802	2,125	11,444	134,392	10,354	(27,369)	14,966	(2,507)	1,789,000	2,221,823	59,657	2,281,480

Note 1: The capital reserve of the Group represents the difference between the aggregate nominal value of the share capital of acquired subsidiaries and the aggregate nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1993, and after the reclassification of the amounts related to the share premium arising from issue of shares of a subsidiary prior to the group reorganisation to the capital reserve and after reserve movements at the time of the capital reduction in previous year.

Note 2: The other reserve of the Group represented: (a) the share of fair value change on financial assets at fair value through other comprehensive income from the interests in associates; and (b) the difference between the amount by which the non-controlling interests are adjusted and the consideration paid arising from the acquisition of additional interests in subsidiaries.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the six months ended 30th September, 2021*

	Six months ended	
	30.9.2021	30.9.2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Operating activities		
Operating cash flow before movements in working capital	82,474	47,960
Increase in inventories	(67,167)	(14,366)
Increase in trade and other receivables	(103,160)	(24,981)
Increase in trade and other payables	77,397	40,663
Other operating cash flows	1,851	189
Cash (used in) generated from operating activities	(8,605)	49,465
Income tax refunded (paid)	991	(1,859)
Net cash (used in) from operating activities	(7,614)	47,606
Investing activities		
Purchase of property, plant and equipment	(3,244)	(9,009)
Prepayment for acquisition of property, plant and equipment	(22,576)	(19,859)
Purchase of debt investments at amortised costs	(45,671)	-
Dividend received from the associates, net of withholding tax	35,968	21,429
Proceeds on disposal of financial assets at FVTPL, net of withholding tax	22,606	-
Interest income received	1,960	482
Proceeds from disposals of property, plant and equipment	104	182
Advance of loan receivables	-	(28,465)
Repayment of loan receivables	1,776	-
Net cash used in investing activities	(9,077)	(35,240)
Financing activities		
New bank loan raised	3,787	-
Repayment of lease liabilities	(2,591)	(2,575)
Interest paid	(301)	(233)
Dividend paid to non-controlling interests	(3,654)	-
Payment for repurchase for ordinary shares	(19,948)	-
Payment for purchase of shares for share award scheme	(4,680)	(4,677)
Net cash used in financing activities	(27,387)	(7,485)
Net (decrease) increase in cash and cash equivalents	(44,078)	4,881
Cash and cash equivalents at beginning of the period	142,184	230,626
Effect of change in foreign exchange rates	(1,172)	2,115
Cash and cash equivalents at end of the period, represented by bank balances and cash	96,934	237,622

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September, 2021

1. BASIS OF PREPARATION

The condensed consolidated financial statements of Yeebo (International Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("SEHK").

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th September, 2021 are the same as those presented in the Group's annual financial statements for the year ended 31st March, 2021.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1st April, 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, Interest Rate Benchmark Reform – Phase 2
HKFRS 4 and HKFRS 16

2.1 Impacts and accounting policies on application of Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 "Interest Rate Benchmark Reform – Phase 2"

2.1.1 Accounting policies

Financial instruments

Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform

For changes in the basis for determining the contractual cash flows of a financial asset or financial liability to which the amortised cost measurement applies as a result of interest rate benchmark reform, the Group applies the practical expedient to account for these changes by updating the effective interest rate, such change in effective interest rate normally has no significant effect on the carrying amount of the relevant financial asset or financial liability.

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

2.1 Impacts and accounting policies on application of Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 "Interest Rate Benchmark Reform – Phase 2" *(continued)*

2.1.1 Accounting policies *(continued)*

Financial instruments (continued)

Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform *(continued)*

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if and only if, both these conditions are met:

- the change is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately preceding the change).

2.1.2 Transition and summary of effects

As at 1st April, 2021, the Group has several financial liabilities, the interest of which are indexed to benchmark rates that will or may be subject to interest rate benchmark reform.

The following table shows the total amounts of outstanding contracts. The amounts of financial liabilities are shown at their carrying amounts.

HK\$'000

Financial liabilities

Bank borrowings (interest rate indexed to London Interbank Offer Rate)	4,205
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The Group intends to apply the practical expedient in relation to the changes in contractual cash flows resulting from the interest rate benchmark reform for bank borrowings measured at amortised cost. The amendments have had no impact on the condensed consolidated financial statements as none of the above contracts has been transitioned to the relevant replacement rates during the interim period. The impacts on application of the amendments, if any, including additional disclosures, will be reflected in the Group's consolidated financial statements for the year ending 31st March, 2022.

3. REVENUE/SEGMENT INFORMATION

Information reported to the executive directors of the Group, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. The Group has only one reportable and operating segment as liquid crystal displays ("LCD") and liquid crystal display modules ("LCM") products.

The management of the Group assesses the performance of the reportable segment based on the revenue and segment profit. 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. The accounting policies of the reportable segment are the same as the Group's accounting policies.

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

	Six months ended	
	30.9.2021 <i>HK\$'000</i>	30.9.2020 <i>HK\$'000</i>
Revenue – LCD & LCM	618,606	435,593
Segment profit – LCD & LCM	46,731	26,250
Interest income	2,752	482
Net exchange loss	(2,504)	(8,683)
Rental income	610	518
Gain on fair value changes of financial assets at FVTPL	2,574	2,876
Gain on fair value changes of derivative financial instruments	1,235	–
Unallocated administrative expenses	(3,464)	(1,838)
Finance costs	(301)	(233)
Share of results of associates	98,644	75,546
Profit before income tax	146,277	94,918

Segment profit represents the gross profit generated in operating segment and certain items of other income, other gains and losses, net of selling and distribution expenses and administrative expenses directly attributable to the segment without allocation of interest income, rental income, gain on fair value changes of financial assets at FVTPL, gain on fair value changes of derivative financing instruments, unallocated administrative expenses, 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.

3. REVENUE/SEGMENT INFORMATION *(continued)*

The following is an analysis of the Group's revenue by type of products:

	Six months ended	
	30.9.2021	30.9.2020
	HK\$'000	HK\$'000
LCD	125,721	94,378
LCM	393,068	294,055
LCD – related optical products	57	85
Other LCD – related products	99,760	47,075
	618,606	435,593

The Group operates in two principal geographical areas, including Hong Kong and The People's Republic of China, other than Hong Kong, Macau and Taiwan ("PRC" for the purpose of these condensed consolidated financial statements).

Information about the Group's revenue from external customers by geographical location are detailed below:

	Six months ended	
	30.9.2021	30.9.2020
	HK\$'000	HK\$'000
PRC	134,696	86,964
Germany	84,203	52,806
Hong Kong	66,853	41,402
Japan	52,754	56,553
Taiwan	49,306	21,847
United States	49,251	39,171
Spain	41,468	26,583
Other European countries	109,982	91,884
Other Asian countries	21,461	15,360
Other countries	8,632	3,023
	618,606	435,593

Due to the diversification in customers, the Group has no single customer contributing over 10% of the total revenue of the Group under the periods of review.

4. OTHER INCOME

	Six months ended	
	30.9.2021 HK\$'000	30.9.2020 HK\$'000
Government grant <i>(note)</i>	849	9,893
Tooling income	1,559	1,830
Scrap sales	569	674
Rental income	610	518
Interest income		
– debt instruments at amortised cost	1,938	–
– others	814	482
Compensation income	1	499
Others	629	611
	6,969	14,507

Note: It represented cash received from unconditional grants by the respective local governments in the PRC and Hong Kong.

5. OTHER GAINS AND LOSSES

	Six months ended	
	30.9.2021 HK\$'000	30.9.2020 HK\$'000
Gain on fair value changes of financial assets at FVTPL	2,574	2,876
Gain on fair value change of derivative financial instruments	1,235	–
(Loss) gain on disposal of property, plant and equipment	(365)	64
Net exchange loss	(2,504)	(8,683)
Allowances for credit losses on debt investments at amortised costs	(610)	–
Others	120	(577)
	450	(6,320)

6. INCOME TAX EXPENSE

	Six months ended	
	30.9.2021 HK\$'000	30.9.2020 HK\$'000
The tax charge comprises:		
Current tax		
Hong Kong	2,223	2,184
PRC	8,799	3,537
Other jurisdictions	953	235
	11,975	5,956
Deferred taxation	2,506	3,270
	14,481	9,226

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods, except one of the Company's PRC subsidiaries is entitled to 15% for both periods.

Taxation arising in other jurisdictions is calculated at the rate prevailing in the relevant jurisdictions.

7. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended	
	30.9.2021	30.9.2020
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	24,983	23,370
Depreciation of right-of-use assets	2,413	2,148
Depreciation of investment properties	101	101
	<hr/>	<hr/>
Total depreciation	27,497	25,619
	<hr/>	<hr/>
Interest expense for lease liabilities	223	172
Interest expense for bank borrowings	78	61
Recognition of allowance for inventories	5,497	2,272
Allowances for credit losses, net of reversal		
– trade receivables	4,430	1,926
– debt investments at amortised costs	610	–
Share of tax of associates (included in share of results of associates)	15,915	9,751
	<hr/>	<hr/>

8. DIVIDENDS

	Six months ended	
	30.9.2021	30.9.2020
	HK\$'000	HK\$'000
Final dividend in respect of the year ended 31st March, 2021 of HK2 cents per share (six months ended 30th September, 2020:		
HK5 cents per share for the year ended 31st March, 2020)	19,862	49,982
	<hr/>	<hr/>

For the six months ended 30th September, 2021, the Group distributed dividends amounting to HK\$19,862,000. The difference between this amount and the amount of dividends recognised as a distribution disclosed in the condensed consolidated statement of changes in equity represented the dividends to be paid to the Group's share award scheme.

9. EARNINGS PER SHARE

The calculation of earnings per share attributable to owners of the Group is based on the following data:

	Six months ended	
	30.9.2021	30.9.2020
	HK\$'000	HK\$'000
<u>Earnings</u>		
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	121,718	81,277
	Number of shares '000	Number of shares '000
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	979,792	984,259
Effect of dilutive potential ordinary shares in respect of unvested shares awarded under the share award scheme	5,247	5,275
Weighted average number of ordinary shares for the purpose of diluted earnings per share	985,039	989,534

The weighted average number of ordinary shares for the purpose of basic earnings per share shown above have been arrived at after deducting shares held by the share award scheme trust.

10. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

The Group spent HK\$27,641,000 (six-month period ended 30th September, 2020: HK\$26,076,000) on additions to the property, plant and equipment, which are mainly for the production of LCDs, LCMs and other LCD-related products in the manufacturing plants in the PRC.

11. INTERESTS IN ASSOCIATES

	30.9.2021 <i>HK\$'000</i>	31.3.2021 <i>HK\$'000</i>
Cost of investments in associates		
Listed in the PRC	518,114	518,114
Unlisted	183,052	183,052
Share of post-acquisition results and other comprehensive income, net of dividends received		
Listed in the PRC	1,009,376	926,202
Unlisted	26,149	16,903
	1,736,691	1,644,271
Fair value of listed associate	5,597,482	4,482,103

12. DEBT INVESTMENTS AT AMORTISED COST

During the current interim period, the Group purchased debt investments at PRC's real estate entity with face value of US\$6,260,000 (equivalent to HK\$48,747,000) at a consideration of US\$5,882,000 (equivalent to HK\$45,671,000). Such bonds carry coupon rate ranged from 5.6% to 7.25% per annum. The effective interest rate of such bonds ranged from 8.3% to 11.8% per annum. The bonds will be matured during March 2022 to September 2023.

13. TRADE AND OTHER RECEIVABLES

The Group has a policy of allowing credit periods ranging from 30 days to 150 days.

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

	30.9.2021 <i>HK\$'000</i>	31.3.2021 <i>HK\$'000</i>
1 – 30 days	141,268	101,440
31 – 60 days	65,601	37,857
61 – 90 days	41,666	28,311
91 – 120 days	12,069	5,775
Over 120 days	4,560	2,135
	265,164	175,518

As at 30th September, 2021, included in the Group's trade receivables balance are debtors with carrying amount of HK\$12,418,000 (31st March, 2021: HK\$10,127,000) which has been past due 90 days or more and is not considered as in default as the directors assessed that the balances will be recovered after considering aging, repayment history and/or past due status and forward-looking information of respective trade receivables. The Group does not hold any collateral over these balances.

Other receivables mainly include loans to the shareholders of Suzhou QingYue Optoelectronics Technology Co., Limited and Zaozhuang Reinno Electronics Technology Co., Limited, associates of the Group, amounting to RMB38,000,000 (equivalent to HK\$45,828,000) (31st March, 2021: RMB39,000,000 (equivalent to HK\$46,300,000)) in aggregate which carries interests at fixed rates with a weighted average interest rate of 2.33% and repayable within one year.

14. TRADE AND OTHER PAYABLES

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

	30.9.2021 <i>HK\$'000</i>	31.3.2021 <i>HK\$'000</i>
Up to 30 days	170,700	107,971
31 – 60 days	27,777	23,054
61 – 90 days	7,566	3,344
91 – 120 days	2,997	3,650
Over 120 days	11,384	23,187
	220,424	161,206

15. BANK BORROWINGS

During the current interim period, the Group obtained new bank loans amounting to HK\$3,787,000 (six months ended 30th September, 2020: nil). The loan carries interest at fixed market rates of 2.66% and is repayable within 1 year.

16. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Authorised ordinary shares of HK\$0.2 each	2,000,000	400,000
Issued and fully paid		
At 1st April, 2020, 30th September, 2020 and 1st April, 2021	999,641	199,928
Share repurchased and cancelled during the six months ended 30th September, 2021	(6,560)	(1,312)
At 30th September, 2021	993,081	198,616

During the current period, the Company repurchased its own ordinary shares through SEHK as follows:

Month of repurchase	Number of ordinary shares of HK\$0.2 each	Price per share		Aggregate consideration paid HK\$'000
		Highest HK\$	Lowest HK\$	
June 2021	1,100,000	2.83	2.64	3,010
July 2021	3,300,000	3.31	2.77	10,080
August 2021	2,160,000	3.23	3.08	6,858
Total	6,560,000			19,948

The above ordinary shares were cancelled upon repurchase.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the current period.

17. SHARE AWARD SCHEME

The purpose of the share award scheme is to recognise and motivate the contribution of certain qualifying person and to provide incentives and help the Group in retaining its existing qualifying person and recruiting additional qualifying person for the continual operation and development of the Group and to provide them with a direct economic interest in attaining the long-term business objectives of the Company.

The share award scheme of the Company was adopted by the board of directors on 24th October, 2012. Pursuant to the share award scheme, existing shares will be purchased by the trustee from the market out of cash contributed by the Group and be held in trust for the relevant selected participants until such shares are vested with the relevant selected participants in accordance with the provisions of the scheme, whichever is earlier. When the selected participant has satisfied all vesting conditions specified by the board at the time of making the award and become entitled to the shares forming the subject of the award, the trustee shall transfer the relevant vested shares to that qualifying person.

Recognition of equity-settled share-based payment expenses under share award scheme during the period was approximately HK\$1,043,000 (30th September, 2020: HK\$1,250,000).

Movements in the number of unvested awarded shares were as follows:

	2021	2020
	Number	Number
	of shares	of shares
At 1st April	10,930,000	11,552,000
Vested <i>(Note)</i>	(1,434,000)	–
Forfeited	(203,200)	(244,000)
	<hr/>	<hr/>
At 30th September	9,292,800	11,308,000

Note: This represents awarded shares vested during the period.

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair value of the financial assets and financial liabilities are determined.

	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	30th September, 2021 HK\$'000	31st March, 2021 HK\$'000			
Financial assets at FVTPL					
- unlisted equity investment	-	22,303	Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of this investee, based on an appropriate discount rate and adjusted by discount on lack of marketability	Discount rate, taking into account weighted average cost of capital (WACC) determined using a Capital Asset Pricing Model at 14.56% for the year ended 31st March, 2021 Discount for lack of marketability taking into account the external valuer's estimate on the length of time and effort required by the management to dispose of the equity interest which was determined at 30% for the year ended 31st March, 2021
Derivative financial instruments					
- foreign currency forward contracts	178	(1,043)	Level 2	Future cash flows were estimated based on forward exchange (from observable forward exchange at the end of the reporting period) and contracted forward rates, discounted at rates that reflect the credit risk of various counterparties.	N/A

The higher the discount rate, the lower the fair value.

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(continued)*

Except as detailed in the above table, the fair value of the Group's financial assets and financial liabilities are not measured at fair value on a recurring basis:

- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.
- The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

Reconciliation of Level 3 fair value measurements of financial assets

	<i>HK\$'000</i>
Unlisted equity investment	
At 1st April, 2021 (audited)	22,303
Total gains:	
- in profit or loss	2,574
Disposals	(24,877)
<hr/>	
At 30th September, 2021 (unaudited)	-

During the current period, there were no transfer between Level 1 and Level 2, or transfer into or out of Level 3.

19. CAPITAL COMMITMENTS

	30.9.2021	31.3.2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Expenditure contracted for but not provided in the condensed consolidated financial statements in respect of:		
- acquisition of property, plant and equipment	15,738	11,696
<hr/>		

20. RELATED PARTY TRANSACTIONS

20a. Transactions with related parties

	Six months ended	
	30.9.2021	30.9.2020
	HK\$'000	HK\$'000
Interest income from loans to shareholders of associates	687	267

During the current interim period, unlisted equity investment was disposed of at a consideration of approximately RMB20,600,000 (equivalent to approximately HK\$24,877,000) to Nantong Jianghai Capacitor Company Ltd., an associate of the Group.

20b. Compensation of key management personnel

During the current interim period, the Group's remuneration paid to the directors who represent the key management personnel of the Group was as follows:

	Six months ended	
	30.9.2021	30.9.2020
	HK\$'000	HK\$'000
Short-term benefits	4,247	3,977
Share-based payments	359	377
Post-employment benefits	139	133
	4,745	4,487