



YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

STOCK CODE: 259

2023/24 INTERIM REPORT

CHAIRMAN STATEMENT

Dear Shareholders,

On behalf of the board of Directors (the “Board”) of Yeebo (International Holdings) Limited, (“Yeebo” or the “Company”), I present the results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2023 (the “period under review”).

The Group’s revenue decreased to HK\$515 million for the period under review from approximately HK\$735 million for the six months ended 30 September 2022 (the “same period last year”). Excluding a non-recurring gain on disposal of the Group’s partial equity stake in an associate for the same period last year, profit attributable to owners of the Company would have decreased by approximately 25% to HK\$113 million for the period under review from HK\$150 million for the same period last year.

Our team’s unwavering commitment to improving operational efficiency and cost control, and to raising the levels of automation and customer satisfaction has both (i) prepared the Company well against the potential challenges posed by the volatile and complicated economic landscape, and (ii) laid a strong foundation for the Group’s further development and success in the future.

In addition to the Group’s display business, its capacitor business, Nantong Jianghai Capacitor Co., Ltd. (“Nantong Jianghai”) delivered robust growth while its OLED business, Suzhou QingYue Optoelectronics Technology Co., Ltd. (“Suzhou QingYue”) recorded a loss for the period under review.

Despite the ever-challenging business environment, Nantong Jianghai has continued to deliver growth due to its comprehensive product portfolio, long-term customer base and dominant presence in the market. Its revenue increased to approximately RMB2.5 billion for the period under review from approximately RMB2.2 billion for the same period last year. It has actively invested in technological research and development which includes vertically integrating the aluminium electrolytic capacitor production chain, and leading the evolution in aluminium electrode foils, the main material employed in aluminium electrolytic capacitors. The Group’s share of profit of Nantong Jianghai was HK\$128 million for the period under view, which was similar to that of last year. As at 30 September 2023, the Group held 245,021,000 shares in Nantong Jianghai with a market value of HK\$4.5 billion.

Suzhou QingYue's revenue decreased to approximately RMB300 million for the period under review from approximately RMB570 million for the same period last year. The Group's share of loss of Suzhou QingYue was HK\$17 million for the period under review. The decrease in revenue was primarily attributable to the volatility faced across the consumer electronics demand, adversely impacting Suzhou QingYue's performance. During the period under review, Suzhou QingYue has continued its research and development investments in its three major business segments, PMOLED, micro-OLED and e-paper modules, further solidifying its leading positioning within each respective field. As at 30 September 2023, the Group held 126,345,600 shares in Suzhou QingYue with a market value of HK\$1.9 billion.

Our robust financial position, with virtually no debt, has positioned us well to take advantage of the comparatively softer mergers and acquisitions market, and to pursue our strategic expansion and transformation. During the period under review, the Group invested RMB100 million in a private company specializing in the design, research and development and sales of graphics processing unit chips. This significant investment marked the initial step toward the corporate transformation of the Group.

We anticipate the complicated geopolitical situation and the challenging commercial landscape will persist for an extended period. Nevertheless, we maintain our confidence in our long-term prospects, bolstered by our exceptional services, skilled management team and diversified strategy. Furthermore, we are committed to continuing the Group's transformation and strategic focus on industries centered on advanced technology-based manufacturing.

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

Fang Yan Tak, Douglas

Chairman

28 November 2023

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Operations

The Group's consolidated revenue for the six months ended 30 September 2023 (the "period under review") decreased by approximately 30% year on year to HK\$515 million as compared to that of HK\$735 million for the corresponding period of last year ("1H 2022"). Profit attributable to owners of the Company was HK\$113 million (1H 2022: HK\$298 million), representing a year-on-year decrease of approximately HK\$185 million. The significant decrease in profit was mainly due to a higher comparison base in the same period last year when a gain of approximately HK\$148 million on the disposal of certain shares in Nantong Jianghai Capacitor Co., Ltd. was recorded.

A post-COVID-19 pandemic recovery in the business sentiment was not as strong as had been expected. Customers remained cautious and adopted the destocking approach in view of high interest rates and intensifying geopolitical tensions. As a result, the Group's revenue declined. Revenue from the sales of liquid crystal displays ("LCD") decreased to HK\$75 million for the period under review from HK\$108 million in the same period of last year while that from the sales of liquid crystal display modules ("LCM") decreased to HK\$217 million for the period under review from HK\$297 million in the same period of last year. Revenue from the sales of thin film transistors modules ("TFT") dropped to HK\$93 million for the period under review from HK\$220 million in the same period of last year while that from the sales of capacitive touch panel modules ("CTP") increased to HK\$130 million for the period under review from HK\$111 million in the same period of last year.

Gross profit margin decreased to around 15.1% for the period under review from 16.5% in the same period of last year because of a decline in the utilisation rate of the production facilities.

Other income amounted to approximately HK\$14 million for the period under review (1H 2022: HK\$19 million). The drop was mainly due to the decrease in interest income from debt investments at amortised cost.

The Group recorded an allowance on credit loss for debt investments at amortised cost of HK\$20 million for the period under review (1H 2022: HK\$32 million) and loss on derecognition of debt investments at amortised cost of HK\$3 million for the period under review (1H 2022: nil). The Group had invested in notes (the "Greenland Notes") issued by Greenland Global Investment Limited (the "Issuer"). During the period under review, at the request of the Issuer, the bondholders approved to further extend the maturity of all the notes issued by the Issuer by four years. As at 30 September 2023, the Group held the Greenland Notes to the tune of a total face value of approximately US\$11 million and the investment was reflected in the condensed consolidated statement of financial position as a debt investment at amortised cost with a carrying value of approximately HK\$7 million. The directors of the Company are monitoring the situation closely and will take necessary actions where appropriate.

Selling and distribution expenses amounted to approximately HK\$42 million for the period under review (1H 2022: HK\$47 million). The decrease was mainly due to the drop in business promotion expenses, transportation expenditure and staff-related costs.

Administrative expenses amounted to approximately HK\$14 million for the period under review (1H 2022: HK\$21 million) which was mainly attributable to the decrease in legal and professional fees and staff-related costs.

Investments in Associates

Investment in Nantong Jianghai Capacitor Co., Ltd. ("Nantong Jianghai")

Nantong Jianghai, the Group's 29.0%-owned associate, mainly engages in the manufacture and sales of aluminium electrolytic, thin-film and super capacitors, and the production and sales of aluminium foil for high-performance aluminium electrolytic capacitors.

The Group's share of Nantong Jianghai's profit was HK\$128 million, which was similar to 1H 2022. Although the electronic components industry experienced a downturn for the period under review, Nantong Jianghai's business continued to grow steadily on the back of its wide product variety and strong customer base.

Particularly, Nantong Jianghai enhanced its position in the major markets for the applications of its products in areas such as energy storage, electric vehicles, big data, and smart manufacturing. During the period under review, it continued its effort in adopting energy-conservation initiatives, conducting research and develop on new technologies, as well as enhancing cost effectiveness in production. All these measures enabled Nantong Jianghai to maintain its competitive advantage in the global market of aluminium electrolytic capacitors. During the period under review, Nantong Jianghai has also achieved breakthroughs in the development of multi-layer polymer capacitors ("MLPC"), a critical peripheral component in central processing unit and graphic processing unit, in terms of technological efficiency. Thin film capacitor business continued to deliver impressive growth amid a stronger foothold in the new energy and automotive industries. In the development of supercapacitors, Nantong Jianghai focuses on solidifying the business foundation, nurturing core technologies, and fostering the strengths and specialisation.

Investment in Suzhou QingYue Optoelectronics Technology Co. Ltd. ("Suzhou QingYue")

The Group's share of the loss from Suzhou QingYue, its 28.1%-owned associate, which engages in the sales of organic light-emitting diodes ("OLED"), e-paper modules and micro-OLED, amounted to approximately HK\$17 million during the period under review, in contrast to the share of the profit of HK\$13 million in 1H 2022. Factors such as global economic downturn, geopolitical tensions, and the oversaturation of the consumer electronics market led to unprecedented cyclical fluctuations in demand for various end-use applications. Both PMOLED and e-paper businesses were adversely affected. On the other hand, sales of micro-OLED in the near-eye display market were gaining momentum while augmented reality and virtual reality are the key target markets in the future.

Income Tax

Effective tax rate in relation to the Group's core business (income tax expenses excluding the withholding tax on undistributed profits at the associates as a percentage of the profit before income tax excluding share of the results of associates, loss on derecognition of debt investments at amortised cost and allowance on credit loss for debt investments at amortised cost) was 12% (1H 2022: 14%).

Prospects

The Group's business was weaker than expected for the period under review amid the headwinds such as the market's fragile sentiment and persistently high interest rates. However, the Group has taken proactive measures by developing new industrial and medicinal applications, focusing on the business segments of high-value and customised products, extending the range of its products from the small modules to medium and large-sized display modules, and trying to capture sizeable orders from leading customers. All these can strengthen and expand our business presence. Meanwhile, the Group believes that the share of the results of the associates will continue to represent a meaningful contribution to its profit.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2023, the Group's current ratio was 1.7 (31 March 2023: 2.3). The gearing ratio, as a ratio of bank borrowings to net worth, was 0.2% (31 March 2023: 0.2%). As at 30 September 2023, the Group had total assets of approximately HK\$2,937 million, which were financed by liabilities of HK\$489 million and total equity of HK\$2,448 million. As at 30 September 2023, the Group's banking facilities amounted to approximately HK\$186 million (31 March 2023: HK\$161 million), of which approximately HK\$4 million (31 March 2023: HK\$4 million) were utilised mainly for the issuance of letters of credit, short-term loans and bills payable.

Certain subsidiaries of the Group have assets and liabilities in foreign currencies, which expose the Group to foreign currency risk. The management monitors the foreign exchange risk and has taken appropriate hedging measures against significant foreign currency exposures.

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 30 September 2023.

EMPLOYMENT AND REMUNERATION POLICY

The remuneration package for the Group's employees is structured with reference to market terms and industry's practices. Discretionary bonus and other performance reward are based on the financial performance of the Group and the performance of individual staff members. 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 ("Shares") 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 serve as an incentive to retain the participants and encourage them to contribute to the continued operation and development of the Group.

SHARE AWARD SCHEME

The Board would like to provide further information in relation to the Scheme of the Company for the year ended 31 March 2023 as set out in the Company's 2023 annual report as follows:

- (i) the purpose of the Scheme is to recognise and motivate the contribution of certain qualifying persons and to provide incentives and help the Company in retaining and recruiting qualifying persons 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;
- (ii) the participants of the Scheme include any employee (whether full-time, part-time or on contractual basis) of any member of the Group (including without limitation any executive and non-executive director of any member of the Group) as well as any person who is engaged by any member of the Group in the position as a consultant or otherwise to provide service(s) to the Group;
- (iii) the maximum number of Shares which may be granted under the Scheme is 101,115,517 Shares, representing 10% of the issued Shares as at 24 October 2012, the date of adoption of the Scheme;
- (iv) the maximum entitlement of each participant under the Scheme is 10,111,551 Shares, representing 1% of the issued Shares as at the date of adoption of the Scheme;
- (v) under the rules of the Scheme, the Shares granted to each participant will be vested in batches from the sixth to tenth year of the respective grant, provided that all the grant Shares shall be deemed to be vested on the date of the grantee attains the normal retirement age or the date of death of the grantee;

- (vi) no purchase price is payable by the grantees for Shares awarded under the Scheme and the Shares to be granted are subject to acceptance by the grantees within a reasonable time as stipulated in the respective grant letter;
- (vii) the Shares to be granted under the Scheme will be purchased by the trustee of the Scheme from the open market out of cash contributed by the Company;
- (viii) the Scheme will expire on 23 October 2027 unless the Board determines to terminate the Scheme sooner by a 3 months' prior notice provided that the early termination shall not affect any subsisting rights of any participant of the Scheme.

Details of movements in the Scheme during the year ended 31 March 2023 are as follows:

Name or Category of Grantees	Date of Grant	Unvested Awards		Awards Granted During the Year	Awards Vested During the Year	Purchase Price	Weighted Average Closing Price of the Shares Immediately before the Date of Vesting (For Awards Vested During the Year)	Awards Cancelled During the Year	Awards Lapsed During the Year	Unvested Awards Outstanding as at 31 March 2023
		Outstanding as at 1 April 2022	Vesting Period							
Leung Tze Kuen (Executive Director)	27 Dec 2013	128,000	1 Apr 2019 to 31 Mar 2024	-	64,000	n/a	3.23	-	-	64,000
	25 Aug 2014	192,000	1 Apr 2020 to 31 Mar 2025	-	64,000	n/a	3.23	-	-	128,000
	25 Sept 2015	160,000	1 Apr 2021 to 31 Mar 2026	-	40,000	n/a	3.23	-	-	120,000
	27 Sept 2016	250,000	1 Apr 2022 to 31 Mar 2027	-	50,000	n/a	3.23	-	-	200,000
	29 Aug 2017	150,000	1 Apr 2023 to 31 Mar 2028	-	-	-	-	-	-	150,000
	10 Dec 2018	620,000	1 Apr 2024 to 31 Mar 2029	-	-	-	-	-	-	620,000
	03 Dec 2019	600,000	1 Apr 2025 to 31 Mar 2030	-	-	-	-	-	-	600,000
Sub-total		2,100,000		-	218,000			-	-	1,882,000

Name or Category of Grantees	Date of Grant	Unvested Awards Outstanding as at 1 April 2022		Vesting Period	Awards Granted During the Year	Awards Vested During the Year	Purchase Price	Weighted Average Closing Price of the Shares Immediately before the Date of Vesting (For Awards Vested During the Year)	Awards Cancelled During the Year	Awards Lapsed During the Year	Unvested Awards Outstanding as at 31 March 2023
Five highest paid employees <i>(Note)</i>	16 Aug 2013	-	-	1 Apr 2019 to 31 Mar 2024	-	-	-	-	-	-	-
	25 Aug 2014	-	-	1 Apr 2020 to 31 Mar 2025	-	-	-	-	-	-	-
	25 Sept 2015	-	-	1 Apr 2021 to 31 Mar 2026	-	-	-	-	-	-	-
	27 Sept 2016	-	-	1 Apr 2022 to 31 Mar 2027	-	-	-	-	-	-	-
	29 Aug 2017	-	-	1 Apr 2023 to 31 Mar 2028	-	-	-	-	-	-	-
	29 Oct 2018	-	-	1 Apr 2024 to 31 Mar 2029	-	-	-	-	-	-	-
	03 Dec 2019	-	-	1 Apr 2025 to 31 Mar 2030	-	-	-	-	-	-	-
Sub-total		-	-		-	-	-	-	-	-	-

Name or Category of Grantees	Date of Grant	Unvested Awards Outstanding as at 1 April 2022	Vesting Period	Awards Granted During the Year	Awards Vested During the Year	Purchase Price	Weighted Average Closing Price of the Shares Immediately before the Date of Vesting (For Awards Vested During the Year)	Awards Cancelled During the Year	Awards Lapsed During the Year	Unvested Awards Outstanding as at 31 March 2023
Other Employees	16 Aug 2013	456,000	1 Apr 2019 to 31 Mar 2024	-	228,000	n/a	3.23	20,000	-	208,000
	25 Aug 2014	740,400	1 Apr 2020 to 31 Mar 2025	-	246,800	n/a	3.23	64,000	-	429,600
	25 Sept 2015	686,400	1 Apr 2021 to 31 Mar 2026	-	171,600	n/a	3.23	52,800	-	462,000
	27 Sept 2016	970,000	1 Apr 2022 to 31 Mar 2027	-	194,000	n/a	3.23	48,000	-	728,000
	29 Aug 2017	980,000	1 Apr 2023 to 31 Mar 2028	-	-	-	-	60,000	-	920,000
	29 Oct 2018	1,300,000	1 Apr 2024 to 31 Mar 2029	-	-	-	-	60,000	-	1,240,000
	03 Dec 2019	2,060,000	1 Apr 2025 to 31 Mar 2030	-	-	-	-	100,000	-	1,960,000
Sub-total		7,192,800		-	840,400			404,800	-	5,947,600
Grand Total		9,292,800		-	1,058,400			404,800	-	7,829,600

Note: The five highest paid individuals included two executive Directors and three employees of the Group. The movements in this section only include the Shares granted to non-Director employees. Other than Mr. Leung Tze Kuen, no Shares have been granted to any other Directors under the Scheme.

The above supplemental information does not affect other information contained in the 2023 annual report.

Details of movements in the Scheme during the six months ended 30 September 2023 are as follows:

Name or Category of Grantees	Date of Grant	Unvested Awards Outstanding as at		Awards Granted During the Period	Awards Vested During the Period	Purchase Price	Weighted Average Closing Price of the Shares Immediately before the Date of Vesting (For Awards Vested During the Period)	Awards Cancelled During the Period	Awards Lapsed During the Period	Unvested Awards Outstanding as at 30 September 2023
		1 April 2023	Vesting Period							
Leung Tze Kuen (Executive Director)	27 Dec 2013	64,000	1 Apr 2019 to 31 Mar 2024	-	64,000	n/a	2.84	-	-	-
	25 Aug 2014	128,000	1 Apr 2020 to 31 Mar 2025	-	128,000	n/a	2.84	-	-	-
	25 Sep 2015	120,000	1 Apr 2021 to 31 Mar 2026	-	120,000	n/a	2.84	-	-	-
	27 Sep 2016	200,000	1 Apr 2022 to 31 Mar 2027	-	200,000	n/a	2.84	-	-	-
	29 Aug 2017	150,000	1 Apr 2023 to 31 Mar 2028	-	150,000	n/a	2.84	-	-	-
	10 Dec 2018	620,000	1 Apr 2024 to 31 Mar 2029	-	620,000	n/a	2.84	-	-	-
	03 Dec 2019	600,000	1 Apr 2025 to 31 Mar 2030	-	600,000	n/a	2.84	-	-	-
	18 Apr 2023	-	1 Apr 2026 to 31 Mar 2031	300,000	300,000	n/a	2.84	-	-	-
	18 Apr 2023	-	1 Apr 2027 to 31 Mar 2032	200,000	200,000	n/a	2.84	-	-	-
18 Apr 2023	-	1 Apr 2028 to 31 Mar 2033	150,000	150,000	n/a	2.84	-	-	-	
Sub-total		1,882,000		650,000	2,532,000*			-	-	-

Name or Category of Grantees	Date of Grant	Unvested Awards Outstanding as at		Awards Granted During the Period	Awards Vested During the Period	Purchase Price	Weighted Average Closing Price of the Shares Immediately before the Date of Vesting (For Awards Vested During the Period)	Awards Cancelled During the Period	Awards Lapsed During the Period	Unvested Awards Outstanding as at 30 September 2023
		1 April 2023	Vesting Period							
Five highest paid employees <i>(Note)</i>	16 Aug 2013	-	1 Apr 2019 to 31 Mar 2024	-	-	n/a	-	-	-	-
	25 Aug 2014	-	1 Apr 2020 to 31 Mar 2025	-	-	n/a	-	-	-	-
	25 Sep 2015	-	1 Apr 2021 to 31 Mar 2026	-	-	n/a	-	-	-	-
	27 Sep 2016	-	1 Apr 2022 to 31 Mar 2027	-	-	n/a	-	-	-	-
	29 Aug 2017	-	1 Apr 2023 to 31 Mar 2028	-	-	n/a	-	-	-	-
	29 Oct 2018	-	1 Apr 2024 to 31 Mar 2029	-	-	n/a	-	-	-	-
	03 Dec 2019	-	1 Apr 2025 to 31 Mar 2030	-	-	n/a	-	-	-	-
	18 Apr 2023	-	1 Apr 2026 to 31 Mar 2031	-	-	n/a	-	-	-	-
	18 Apr 2023	-	1 Apr 2027 to 31 Mar 2032	-	-	n/a	-	-	-	-
18 Apr 2023	-	1 Apr 2028 to 31 Mar 2033	-	-	n/a	-	-	-	-	
Sub-total		-		-	-			-	-	-

Name or Category of Grantees	Date of Grant	Unvested Awards Outstanding as at		Awards Granted During the Period	Awards Vested During the Period	Purchase Price	Weighted Average Closing Price of the Shares Immediately before the Date of Vesting (For Awards Vested During the Period)	Awards Cancelled During the Period	Awards Lapsed During the Period	Unvested Awards Outstanding as at 30 September 2023
		1 April 2023	Vesting Period							
Other Employees	16 Aug 2013	208,000	1 Apr 2019 to 31 Mar 2024	-	208,000	n/a	2.84	-	-	-
	25 Aug 2014	429,600	1 Apr 2020 to 31 Mar 2025	-	214,800	n/a	2.84	-	-	214,800
	25 Sep 2015	462,000	1 Apr 2021 to 31 Mar 2026	-	154,000	n/a	2.84	-	-	308,000
	27 Sep 2016	728,000	1 Apr 2022 to 31 Mar 2027	-	182,000	n/a	2.84	-	-	546,000
	29 Aug 2017	920,000	1 Apr 2023 to 31 Mar 2028	-	184,000	n/a	2.84	-	-	736,000
	29 Oct 2018	1,240,000	1 Apr 2024 to 31 Mar 2029	-	-	n/a	-	-	-	1,240,000
	03 Dec 2019	1,960,000	1 Apr 2025 to 31 Mar 2030	-	-	n/a	-	-	-	1,960,000
	18 Apr 2023	-	1 Apr 2026 to 31 Mar 2031	240,000	20,000*	n/a	2.84	-	-	220,000
	18 Apr 2023	-	1 Apr 2027 to 31 Mar 2032	250,000	20,000*	n/a	2.84	-	-	230,000
	18 Apr 2023	-	1 Apr 2028 to 31 Mar 2033	1,340,000	190,000*	n/a	2.84	-	-	1,150,000
Sub-total		5,947,600		1,830,000	1,172,800			-	-	6,604,800
Grand Total		7,829,600		2,480,000	3,704,800			-	-	6,604,800

* Awards vested when retirement age reached.

Note: The five highest paid individuals included two executive Directors and three employees of the Group. The movements in this section only include the Shares granted to non-Director employees. Other than Mr. Leung Tze Kuen, no Shares have been granted to any other Directors under the Scheme.

DIVIDEND

The board of directors has resolved not to recommend the payment of an interim dividend for the six months ended 30 September 2023.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SECURITIES

At 30 September 2023, the interests and short positions of the directors and chief executive 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. Li Kwok Wai, Frankie	108,504,000		108,504,000	11.30%
Mr. Leung Tze Kuen	3,110,000		3,110,000	0.32%

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

(1) Antrix Investment Limited (“Antrix”) (Note(i))

	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%

(2) Fang Brothers Holdings Limited (“Fang Brothers”) (Note(ii))

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

Notes:

- (i) As at 30 September 2023, Antrix held 570,000,000 shares of the Company.
- (ii) As at 30 September 2023, Fang Brothers beneficially owned 60.88% of the issued share capital of Antrix.

Save as disclosed above, as at 30 September 2023, none of the directors, the chief executive 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 30 September 2023, 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	59.37%
Esca Investment Limited <i>(Note)</i>	Indirectly beneficially owned	570,000,000	59.37%
Fang Brothers <i>(Note)</i>	Indirectly beneficially owned	570,000,000	59.37%

Note: As at 30 September 2023, Antrix 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 30 September 2023, 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 Corporate Governance 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 30 September 2023.

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 30 September 2023.

CHANGES IN DIRECTORS' BIOGRAPHICAL DETAILS

Changes in directors' biographical details which are required to be disclosed pursuant to Rule 13.51B of the Listing Rules are set out below:

On 21 November 2023, Mr. Li Kwok Wai, Frankie and Mr. Leung Tze Kuen, both executive directors of the Company, retired as directors of Nantong Jianghai Capacitor Co., Ltd., an associate of the Group which shares are listed in the Shenzhen Stock Exchange.

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

The Company repurchased 15,112,000 shares on The Stock Exchange of Hong Kong Limited from 1 April 2023 to 30 September 2023, details of which are follows:

Month of repurchase	Number of shares repurchased	Highest price paid HK\$	Lowest price paid HK\$	Total amount paid HK\$
April 2023	2,174,000	2.92	2.82	6,256,880
June 2023	1,830,000	2.89	2.84	5,259,980
July 2023	4,454,000	2.97	2.82	12,915,800
August 2023	5,108,000	3.00	2.89	15,084,480
September 2023	1,546,000	2.94	2.80	4,444,760
Total	15,112,000			43,961,900

Save as disclosed above, no repurchase has been made by the Company or any of its subsidiaries of any listed securities of the Company for the six months ended 30 September 2023.

AUDIT COMMITTEE

The Audit Committee comprises Mr. Lau Yuen Sun, Adrian, Mr. Chu Chi Wai, Allan and Professor Lau Kei May, all being 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 30 September 2023.

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 17 to 38, which comprise the condensed consolidated statement of financial position as of 30 September 2023 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
28 November 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2023

	Notes	Six months ended	
		30.9.2023 HK\$'000 (unaudited)	30.9.2022 HK\$'000 (unaudited)
Revenue	3	514,760	734,965
Cost of sales		(437,223)	(613,427)
Gross profit		77,537	121,538
Other income	4	13,881	19,402
Other gains and losses	5	7,535	5,976
Loss on derecognition of debt investments at amortised cost	12	(3,407)	–
Reversal of (allowances on) credit losses, net			
– trade receivables		4,503	(3,625)
– debt investments at amortised cost	12	(20,142)	(31,852)
Selling and distribution expenses		(41,814)	(46,881)
Administrative expenses		(14,480)	(20,800)
Finance costs		(573)	(526)
Gain on disposal of equity interests of an associate	11	–	169,146
Share of results of associates		106,483	141,640
Profit before income tax		129,523	354,018
Income tax expense	6	(9,869)	(42,210)
Profit for the period	7	119,654	311,808
Other comprehensive (expense) income:			
Item that will not be reclassified to profit or loss:			
Share of other comprehensive expense of associates, net of related income tax		(4,738)	(893)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations:			
Subsidiaries		(34,284)	(56,177)
Associates		(133,972)	(198,866)
Reclassification of cumulative translation reserve upon disposal of equity interests of an associate		–	(845)
Total comprehensive (expense) income for the period		(53,340)	55,027

	Six months ended	
	30.9.2023	30.9.2022
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Profit for the period attributable to:		
Owners of the Company	113,363	297,869
Non-controlling interests	6,291	13,939
	119,654	311,808
Total comprehensive (expense) income for the period attributable to:		
Owners of the Company	(55,555)	45,776
Non-controlling interests	2,215	9,251
	(53,340)	55,027
	<i>HK cents</i>	<i>HK cents</i>
Earnings per share		
– basic	9	11.9
– diluted	9	11.9

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

		30.9.2023	31.3.2023
	<i>Notes</i>	HK\$'000	HK\$'000
		(unaudited)	(audited)
Non-current assets			
Property, plant and equipment	10	187,494	215,851
Right-of-use assets		14,132	16,430
Investment properties		674	774
Interests in associates	11	1,978,317	2,061,371
Debt investments at amortised cost	12	6,940	32,878
Intangible assets		1,459	1,459
Other receivables and prepayment		4,732	4,892
Financial assets at fair value through profit or loss ("FVTPL")	14	107,240	–
		2,300,988	2,333,655
Current assets			
Inventories		139,846	184,683
Trade and other receivables	13	244,810	295,419
Cash and cash equivalents		251,247	300,313
		635,903	780,415
Current liabilities			
Trade and other payables	15	227,575	271,437
Dividend payables		94,298	–
Contract liabilities		29,928	39,303
Derivative financial instruments		–	3,262
Tax payable		17,794	13,903
Bank borrowings	16	4,256	4,284
Lease liabilities		2,249	4,750
		376,100	336,939
Net current assets		259,803	443,476
Total assets less current liabilities		2,560,791	2,777,131

	30.9.2023	31.3.2023
	<i>Note</i> HK\$'000	<i>HK\$'000</i>
	(unaudited)	(audited)
Non-current liabilities		
Deferred tax liabilities	100,968	106,327
Lease liabilities	12,248	11,947
	113,216	118,274
	2,447,575	2,658,857
Capital and reserves		
Share capital	<i>17</i> 192,023	195,236
Reserves	2,163,500	2,356,549
Equity attributable to owners of the Company	2,355,523	2,551,785
Non-controlling interests	92,052	107,072
Total equity	2,447,575	2,658,857

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023

	Attributable to owners of the Company												
	Share capital	Share premium	Capital reserve	Capital redemption reserve	Translation reserve	Share award reserve	Shares held for award scheme	PRC statutory reserve	Other reserve	Retained profits	Total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000 <i>(Note 1)</i>	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000 <i>(Note 2)</i>	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2022 (audited)	198,616	110,750	2,125	11,444	192,898	11,682	(27,712)	17,923	14,404	1,910,935	2,424,257	67,707	2,491,964
Profit for the period	-	-	-	-	-	-	-	-	-	297,869	297,869	13,939	311,808
Other comprehensive income for the period													
Share of other comprehensive expense of associates	-	-	-	-	-	-	-	-	(893)	-	(893)	-	(893)
Exchange differences on translation of foreign operations	-	-	-	-	(250,355)	-	-	-	-	-	(250,355)	(4,688)	(255,043)
Reclassification of cumulative translate reserve upon disposal of equity interests of an associate	-	-	-	-	(845)	-	-	-	-	-	(845)	-	(845)
Total comprehensive (expense) income for the period	-	-	-	-	(251,200)	-	-	-	(893)	297,869	45,776	9,251	55,027
Repurchase and cancellation of ordinary shares <i>(Note 17)</i>	(1,280)	-	-	1,280	-	-	-	-	-	(26,185)	(26,185)	-	(26,185)
Shares purchased for share award scheme	-	-	-	-	-	-	(4,675)	-	-	-	(4,675)	-	(4,675)
Recognition of equity-settled share-based payment expenses under share award scheme	-	-	-	-	-	1,071	-	-	-	-	1,071	-	1,071
Share vested under share award scheme	-	-	-	-	-	(1,776)	3,408	-	-	(1,632)	-	-	-
Dividends payable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(4,764)	(4,764)
Dividends – declared <i>(Note 8)</i>	-	-	-	-	-	-	-	-	-	(48,446)	(48,446)	-	(48,446)
At 30 September 2022 (unaudited)	197,336	110,750	2,125	12,724	(58,302)	10,977	(28,979)	17,923	(5,297)	2,132,541	2,391,798	72,194	2,463,992

	Attributable to owners of the Company												
	Share capital	Share premium	Capital reserve	Capital redemption reserve	Translation reserve	Share award reserve	Shares held for award scheme	PRC statutory reserve	Other reserve	Retained profits	Total	Non-controlling interests	Total
	HK\$'000	HK\$'000	(Note 1) HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	(Note 2) HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2023 (audited)	195,236	110,750	2,125	15,275	16,112	11,444	(33,474)	23,006	(9,259)	2,220,570	2,551,785	107,072	2,658,857
Profit for the period	-	-	-	-	-	-	-	-	-	113,363	113,363	6,291	119,654
Other comprehensive income for the period													
Share of other comprehensive expense of associates	-	-	-	-	-	-	-	-	(4,738)	-	(4,738)	-	(4,738)
Exchange differences on translation of foreign operations	-	-	-	-	(164,180)	-	-	-	-	-	(164,180)	(4,076)	(168,256)
Total comprehensive (expense) income for the period	-	-	-	-	(164,180)	-	-	-	(4,738)	113,363	(55,555)	2,215	(53,340)
Repurchase and cancellation of ordinary shares (Note 17)	(3,213)	-	-	3,022	-	-	-	-	191	(43,962)	(43,962)	-	(43,962)
Shares purchased for share award scheme	-	-	-	-	-	-	(4,680)	-	-	-	(4,680)	-	(4,680)
Recognition of equity-settled share-based payment expenses under share award scheme	-	-	-	-	-	2,233	-	-	-	-	2,233	-	2,233
Share vested under share award scheme	-	-	-	-	-	(7,719)	10,744	-	-	(3,025)	-	-	-
Dividends payable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(17,235)	(17,235)
Dividends – declared (Note 8)	-	-	-	-	-	-	-	-	-	(94,298)	(94,298)	-	(94,298)
At 30 September 2023 (unaudited)	192,023	110,750	2,125	18,297	(148,068)	5,958	(27,410)	23,006	(13,806)	2,192,648	2,355,523	92,052	2,447,575

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 years.

Note 2: The other reserve of the Group represented: (a) the share of other comprehensive income from the interests in associates and (b) the difference between the amount by which the non-controlling interests were adjusted and the consideration paid arising from the acquisition of additional interests in subsidiaries in previous years.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the six months ended 30 September 2023*

	Six months ended	
	30.9.2023	30.9.2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Operating activities		
Operating cash flow before movements in working capital	29,636	89,915
Decrease in inventories	44,244	43,162
Decrease (increase) in trade and other receivables	32,513	(19,331)
Decrease in trade and other payables	(39,228)	(7,974)
Decrease in contract liabilities	(9,052)	(21,107)
Other operating cash flows	–	(310)
Cash generated from operating activities	58,113	84,355
Income tax paid	(1,526)	(4,936)
Net cash from operating activities	56,587	79,419
Investing activities		
Purchase of property, plant and equipment	(9,586)	(2,428)
Prepayment for acquisition of property, plant and equipment	(5,044)	(8,881)
Purchase of debt investments at amortised cost	–	(39,320)
Repayment of debt investments at amortised cost	3,707	8,656
Proceeds on disposal of equity interests of an associate, net of tax	–	210,965
Dividend received from the associates, net of withholding tax	46,767	34,511
Acquisition of financial assets at FVTPL	(107,240)	–
Interest income received	7,838	4,006
Proceeds on disposals of property, plant and equipment	22	98
Repayment of loan receivables	27,769	1,706
Advances of loan receivables	(10,923)	–
Net cash (used in) from investing activities	(46,690)	209,313

	Six months ended	
	30.9.2023	30.9.2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Financing activities		
Repayment of lease liabilities	(2,874)	(2,592)
Interest paid	(573)	(526)
Dividends paid to non-controlling interests	(2,162)	(4,764)
Payment for repurchase of ordinary shares	(43,962)	(26,185)
Payment of purchase of shares for share award scheme	(4,680)	(4,675)
New bank borrowings raised	15,666	63,339
Repayment of bank borrowings	(15,604)	(67,091)
Net cash used in financing activities	(54,189)	(42,494)
Net (decrease) increase in cash and cash equivalents	(44,292)	246,238
Cash and cash equivalents at beginning of the period	300,313	104,334
Effect of change in foreign exchange rates	(4,774)	(6,000)
Cash and cash equivalents at end of the period, represented by bank balances and cash	251,247	344,572

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

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”).

The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

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/change in accounting policies resulting from application of new and 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 30 September 2023 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 March 2023.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual periods beginning on 1 April 2023 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contract
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

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 ("LCDs"), liquid crystal display modules ("LCMs"), thin film transistor modules ("TFTs") and capacitive touch panel modules ("CTPs") (collectively "Displays") 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	
	30.9.2023	30.9.2022
	HK\$'000	HK\$'000
Revenue – Displays	514,760	734,965
Segment profit – Displays	33,200	59,816
Net exchange gain	5,294	8,800
Interest income	8,640	13,371
Rental income	562	607
Gain (loss) on fair value changes of derivative financial instruments	3,154	(2,718)
Loss on derecognition of debt investments at amortised cost	(3,407)	–
Allowance on credit loss for debt investments at amortised cost	(20,142)	(31,852)
Gain on disposal of equity interests of an associate	–	169,146
Loss on deemed disposal of equity interests of an associate	(867)	–
Unallocated administrative expenses	(2,821)	(4,266)
Finance costs	(573)	(526)
Share of results of associates	106,483	141,640
Profit before income tax	129,523	354,018

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 net exchange differences, interest income, rental income, fair value changes of derivative financial instruments, loss on derecognition of debt investments at amortised cost, allowance on credit losses on debt investments at amortised cost, gain on disposal of equity interests of an associate, loss on deemed disposal of equity interests of an associate, unallocated administrative expenses, 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	
	30.9.2023	30.9.2022
	HK\$'000	HK\$'000
LCDs	74,741	107,639
LCMs	216,976	296,693
TFTs	92,699	219,679
CTPs	130,344	110,954
	514,760	734,965

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	
	30.9.2023	30.9.2022
	HK\$'000	HK\$'000
Germany	96,328	109,812
The PRC	88,891	120,930
United States	49,453	90,859
Hong Kong	43,139	56,104
Switzerland	41,453	63,768
Japan	38,395	63,495
Taiwan	36,544	57,868
Spain	28,500	30,574
Other European countries	63,455	85,032
Other Asian countries	24,564	41,367
Other countries	4,038	15,156
	514,760	734,965

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	
	30.9.2023 HK\$'000	30.9.2022 HK\$'000
Government grants <i>(Note)</i>	854	1,723
Tooling income	910	1,068
Scrap sales	433	401
Rental income	562	607
Interest income		
– debt instruments at amortised cost	4,160	11,672
– others	4,480	1,699
Compensation income	11	251
Others	2,471	1,981
	13,881	19,402

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	
	30.9.2023 HK\$'000	30.9.2022 HK\$'000
Gain (loss) on fair value changes of derivative financial instruments	3,154	(2,718)
Loss on disposal of property, plant and equipment	(46)	(106)
Net exchange gain	5,294	8,800
Loss on deemed disposal of equity interests of an associate	(867)	–
	7,535	5,976

6. INCOME TAX EXPENSE

	Six months ended	
	30.9.2023	30.9.2022
	HK\$'000	HK\$'000
The tax charge comprises:		
Current tax		
Hong Kong	1,185	1,419
PRC	4,679	34,343
Other jurisdictions	2,496	3,720
	8,360	39,482
Deferred taxation	1,509	2,728
	9,869	42,210

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2,000,000 of profits of the qualifying companies will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of companies not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the condensed consolidated financial statements.

Current tax in the PRC represented PRC Enterprise Income Tax and PRC Enterprise Withholding Tax. Under the EIT Law and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. In addition, the EIT Law requires withholding tax to be levied on distribution of profits earned by the PRC entities for profits generated after 1 January 2008 and at rate of 5% or 10% for Hong Kong and non-Hong Kong resident companies respectively. During the previous interim period, PRC Enterprise Withholding Tax of HK\$24,342,000 was incurred and settled by the Group for the gain of disposal of equity interests of an associate.

Pursuant to the relevant law and regulations in the PRC, one of the Company's PRC subsidiaries was approved as Hi-Tech Enterprise and entitled to 15% PRC Enterprise Income Tax rate. Accordingly, the PRC Enterprise Income Tax of that PRC subsidiary was provided at 15% (2022: 15%) for the six months ended 30 September 2023.

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 (crediting):

	Six months ended	
	30.9.2023 <i>HK\$'000</i>	30.9.2022 <i>HK\$'000</i>
Depreciation of property, plant and equipment	21,250	24,874
Depreciation of right-of-use assets	2,674	2,466
Depreciation of investment properties	100	100
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Total depreciation	24,024	27,440
Interest expense for lease liabilities	299	127
Interest expense for bank borrowings	274	399
Reversal of allowance for inventories	(7,269)	(524)
Share of tax of associates (included in share of results of associates)	9,537	17,777

8. DIVIDENDS

	Six months ended	
	30.9.2023 <i>HK\$'000</i>	30.9.2022 <i>HK\$'000</i>
Final dividend in respect of the year ended 31 March 2023 of HK5 cents per share (six months ended 30 September 2022: HK5 cents per share for the year ended 31 March 2022)	48,006	49,334
Second special dividend in respect of the year ended 31 March 2023 of HK5 cents per share (six months ended 30 September 2022: nil)	48,005	–
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	96,011	49,334

For the six months ended 30 September 2023, the Company declared to distribute final dividend and a second special dividend in respect of the year ended 31 March 2023 of HK5 cents and HK5 cents, respectively (2022: final dividend in respect of the year ended 31 March 2022 of HK5 cents) per ordinary share, in an aggregate amount of HK\$96,011,000 (2022: HK\$49,334,000). The difference between this amount and the amount of dividends recognised as a distribution disclosed in the condensed consolidated statements of changes in equity represented the dividends payable 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	
	30.9.2023	30.9.2022
	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	113,363	297,869
	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	951,086	973,004
Effect of dilutive potential ordinary shares in respect of unvested shares awarded under the share award scheme	4,158	6,734
Weighted average number of ordinary shares for the purpose of diluted earnings per share	955,244	979,738

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 incurred HK\$5,464,000 (six months ended 30 September 2022: HK\$18,095,000) on additions to the property, plant and equipment, which are mainly for the production of Displays products in the manufacturing plants in the PRC.

11. INTERESTS IN ASSOCIATES

	30.9.2023	31.3.2023
	HK\$'000	HK\$'000
Cost of investments in associates		
Listed in the PRC	653,963	653,963
Unlisted	18,038	18,038
Share of post-acquisition results and other comprehensive income, net of dividends received		
Listed in PRC	1,475,549	1,420,110
Unlisted	4,707	9,228
Exchange adjustments	(173,940)	(39,968)
	1,978,317	2,061,371
Fair value of listed associate <i>(Note ii)</i>	6,395,241	7,880,427

Notes:

- (i) During the previous interim period, the Group disposed of a total of 10,463,000 equity shares (representing approximately 1.3% equity interest) of Nantong Jianghai Capacitor Co., Ltd. ("Nantong Jianghai") at a consideration of RMB210,403,000 (equivalent to HK\$248,170,000) through block trade transactions on the Shenzhen Stock Exchange. The transaction was completed in June 2022 and a pre-tax gain on disposal of equity interest of an associate of HK\$169,146,000 was recognised in the condensed consolidated statement of profit or loss.
- (ii) The fair value of the listed investments is determined based on the quoted market bid price multiplied by the quantity of shares held by the Group.

12. DEBT INVESTMENTS AT AMORTISED COST

At the end of both reporting periods, the Group's debt investments at amortised cost mainly comprise listed bonds that are graded as speculative credit risk investments (Caa3 in Moody's Rating Scale) as per globally understood definitions.

On 4 September 2023, the issuer of the debt investments at amortised cost (the "Issuer") announced the plan to seek for the consent of the bondholders for the further extension of the maturity date of all debt investments issued by the Issuer (which extended matured date were originally during June 2024 to September 2025) by four years to June 2028 and September 2029. The consent of the bondholders were obtained by the Issuer for the extension of maturity date of debt investments during September 2023.

Since the revised terms have resulted in a substantial modification from the original terms, the carrying amount of the debt investments of HK\$10,347,000 was derecognised and the fair value of the modified debt investments of HK\$6,940,000 was recognised at the date of modification. This resulted in a loss on derecognition of HK\$3,407,000 which was recognised in the profit or loss during the current interim period. During the current interim period, an allowance on credit losses of debt investments at amortised cost amounted to HK\$20,142,000 (six months ended 30 September 2022: HK\$31,852,000) was recognised.

12. DEBT INVESTMENTS AT AMORTISED COST *(continued)*

As at 30 September 2023, the credit-impaired effective interest rates (six months ended 30 September 2022: effective interest rate) of the modified debt investments ranged from 1.1% to 4.6% per annum (six months ended 30 September 2022: 5.7% to 7.0% per annum).

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:

	30.9.2023	31.3.2023
	HK\$'000	HK\$'000
1 – 30 days	86,564	108,488
31 – 60 days	56,417	66,899
61 – 90 days	30,533	23,374
91 – 120 days	13,037	14,335
Over 120 days	4,015	4,920
	190,566	218,016

As at 30 September 2023, included in the Group's trade receivables balance are debtors with carrying amount of HK\$69,641,000 (31 March 2023: HK\$77,158,000) which has been past due 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:

- (i) the principal of the loan to a shareholder of Suzhou QingYue Optoelectronics Technology Co., Limited, an associate of the Group, amounting to RMB24,000,000 (equivalent to HK\$27,430,000) which was repayable in August 2023. The loan receivable carried interests at fixed rate of 4.35% per annum. The loan was fully settled during the current interim period.
- (ii) the principal of the loan to a shareholder of Zaozhuang Reinno Electronics Technology Co., Limited, an associate of the Group, amounting to RMB14,000,000 (equivalent to HK\$15,014,000) (31 March 2023: RMB14,000,000 (equivalent to HK\$16,002,000)) which is repayable on demand. The loan receivable carries interests at fixed rate of 2% (31 March 2023: 2%) per annum.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVTPL”)

	30.9.2023	31.3.2023
	HK\$'000	HK\$'000
Unlisted equity investment	107,240	–

During the current interim period, the Group invested RMB100,000,000 (equivalent to HK\$107,240,000) for approximately 1.2% equity interests in a private company, which is established in the PRC and principally engaged in the design, research and development and sales of graphics processing unit chips. These investments are not held for trading but for long-term strategic purposes.

15. TRADE AND OTHER PAYABLES

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

	30.9.2023	31.3.2023
	HK\$'000	HK\$'000
1 – 30 days	46,226	81,451
31 – 60 days	24,133	27,544
61 – 90 days	15,610	12,767
91 – 120 days	11,371	15,831
Over 120 days	9,958	15,882
	107,298	153,475

16. BANK BORROWINGS

During the current interim period, the Group obtained new bank borrowings amounting to HK\$15,666,000 (six months ended 30 September 2022: HK\$63,339,000) and repaid bank borrowings amounting to HK\$15,604,000 (six months ended 30 September 2022: HK\$67,091,000). The loans carry interest at market rates range from 2.51% to 4.36% (six months ended 30 September 2022: fixed market rates range from 1.76% to 3.65%) per annum and are repayable within 1 year.

17. 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 1 April 2022 (Audited)	993,081	198,616
Share repurchased and cancelled	(6,400)	(1,280)
At 30 September 2022 (Unaudited)	986,681	197,336
Share repurchased and cancelled	(10,499)	(2,100)
At 1 April 2023 (Audited)	976,182	195,236
Share repurchased and cancelled	(16,068)	(3,213)
At 30 September 2023 (Unaudited)	960,114	192,023

During the current interim 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\$	
April 2023	2,174,000	2.92	2.82	6,256,880
June 2023	1,830,000	2.89	2.84	5,259,980
July 2023	4,454,000	2.97	2.82	12,915,800
August 2023	5,108,000	3.00	2.89	15,084,480
September 2023	1,546,000	2.94	2.80	4,444,760
Total	15,112,000			43,961,900

Out of 15,112,000 ordinary shares repurchased, 13,812,000 ordinary shares were cancelled during the current interim period, while the remaining 1,300,000 repurchased ordinary shares were cancelled subsequent to reporting period. In addition, 2,256,000 ordinary shares repurchased in March 2023 were cancelled in June 2023.

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

18. 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 24 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. 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\$2,233,000 (30 September 2022: HK\$1,071,000).

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

	Six months ended	
	30.9.2023	30.9.2022
	Number	Number
	of shares	of shares
At 1 April	7,829,600	9,292,800
Awarded	2,480,000	–
Vested	(3,704,800)	(1,058,400)
	<hr/>	<hr/>
At 30 September	6,604,800	8,234,400

19. 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)
	30 September 2023 HK\$'000	31 March 2023 HK\$'000		
Derivative financial instruments				
- Foreign currency forward contracts	-	(3,262)	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.
Non-derivative financial instruments				
- Financial assets at FVTPL	107,240	-	Level 2	Recent transaction

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.

20. CAPITAL COMMITMENTS

	30.9.2023 <i>HK\$'000</i>	31.3.2023 <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	696	1,588
	<hr/>	<hr/>

21. RELATED PARTY TRANSACTIONS**21a. Transactions with related parties**

	Six months ended	
	30.9.2023 <i>HK\$'000</i>	30.9.2022 <i>HK\$'000</i>
Interest income from loans to shareholders of associates	690	775
	<hr/>	<hr/>

21b. 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	
	30.9.2023 <i>HK\$'000</i>	30.9.2022 <i>HK\$'000</i>
Short-term benefits	6,322	5,297
Share-based payments	943	239
Post-employment benefits	286	199
	<hr/>	<hr/>
	7,551	5,735
	<hr/>	<hr/>