I would like to present the annual report of Yeebo (International Holdings) Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31st March, 2003.

Mandatory Unconditional Cash Offer

As announced on 27th June, 2002, Antrix Investment Limited ("Antrix"), a private limited company controlled by Mr. Frankie Li and myself, entered into a share purchase agreement with Cando Corporation ("Cando") to acquire 350,000,000 shares in the Company from Cando at HK$0.25 per share for a total consideration of HK$87.5 million on 25th June, 2002. A mandatory unconditional cash offer to other shareholders was made on 17th July, 2002. Antrix acquired 219,600 shares in the Company from shareholders accepting the offer. As a consequence, the shareholding of Antrix, together with the personal shareholdings of Mr. Frankie Li and myself, in the Company increased to 70.35% immediately after the offer.

With effect from 7th August, 2002, Mr. Harry Ling, Ph.D., Mr. Chen Chin Tung, Daniel and Mr. Wong Kam Wah (as alternate Director to Mr. Harry Ling, Ph.D.) resigned from the Board.

Review of Operations and Prospect

The Group recorded a turnover of HK$273 million for the year ended 31st March 2003. Excluding approximately HK$5 million rental income generated from the investment properties, turnover for the Group maintained at HK$268 million. Gross profit from sales of LCD and other products decreased from HK$37 million to HK$22 million. Loss for the year amounted to HK$22 million (2002: profit of HK$6 million) out of which HK$17 million was unrealised loss in investments in trading securities.

The TN LCD market continued to shrink with increasing number of suppliers cutting their price to maintain their market share. This affirms that the Group made the right decision to divert its resources for the production of STN LCD and LCD modules.

The development of the STN and LCD modules business of the Group is still at preliminary stage and it requires more effort and time to build up to a meaningful business. The Group will continue to upgrade its manufacturing capability for STN and LCD modules. Expenditure incurred for this purpose is expected to be reduced when our production facilities are upgraded to a satisfactory level in the coming year.

Facing fierce competition and decreasing selling price of the LCD products, we will continue to increase our marketing effort and to control our costs.

On the marketing side, our customer service team was enhanced so as to provide better customer service and to diversify the customer base. This resulted in more frequent visits to existing customers and more participation in trade shows and exhibitions targetting new customers. Agents were also appointed to explore overseas market in Europe, the United States, Japan, South Korea and Taiwan.

On the cost control side, among other measures, our new ITO coating line, became fully operational during the year and has enabled all ITO coated glass for our products, one of our major production materials, to be produced internally. To further reduce our operating cost and to improve the production yield, more automated production equipment, particularly for the manufacturing of high end TN and STN products, has been acquired. We expect that this equipment would be fully functional in the last quarter of 2003.

Investment Alternatives

As at 31st March, 2002, the Group had available cash of HK$176 million. The surplus funds had been deposited with banks on short term basis before the Group identified other investment alternatives with better return.

During the year, the Group invested approximated HK$83 million in securities of Hong Kong blue-chips companies. Despite an unexpected downturn of the market resulting in an accounting loss in such investments at the end of the financial year, we believe that such investments would generate a satisfactory return in the foreseeable future. As a matter of fact, the market value of the relevant investments has increased by HK$12 million since the year end to date.

The Group also completed on 30th November, 2002 the acquisition of a commercial property ("the Property") at a total purchase price of HK$191.2 million. The transaction was structured in such a way that the Property was leased back to the vendor at a monthly rent of HK$1.2 million for a term of 3 years. A mortgage loan of HK$128.8 million from a bank was arranged to partly finance the transaction and the balance was funded by internal resources. The rent from the Property is more than adequate to cover the mortgage payments. The Property also provides a stable source of income. Net income after interest charge generated from the Property (excluding the revaluation increase) amounted to HK$3.8 million.

Liquidity and Capital Resources

During the year, the Group invested HK$83 million in listed securities and acquired investment properties and other fixed assets such as property, plant and equipment of HK$191 million and HK$53 million respectively. As a result, its bank balances and cash, including time deposits, decreased from HK$176 million to HK$16 million. The Group's current ratio and quick ratio were 2.2 times (2002: 6.3 times) and 1.5 times (2002: 4.9 times) respectively. A sound liquidity position was still maintained.

As at 31st March, 2003, the Group had total assets of HK$553 million which were financed by liabilities of HK$213 million, and shareholders' equity of HK$340 million.

The Group had banking facilities amounted to HK$211 million (2002: HK$43 million) of which HK$159 million (2002: HK$4 million) were utilized; HK$124 million were for financing the acquisition of the Property and balance of HK$35 million were for working capital of the Group.

The gearing ratio, as a ratio of bank borrowings to networth, stood at 46.7% at the end of the year.

The Group did not have any material exposure to fluctuation in exchange rates.

Major Customers and Suppliers

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

	2003	2002
Percentage of purchases from the Group's largest supplier	**13%**	12%
Percentage of purchases from the Group's five largest suppliers	**53%**	48%
Percentage of turnover to the Group's largest customer	**8%**	15%
Percentage of turnover to the Group's five largest customers	**28%**	36%

As a result of our customer diversification, the percentage of turnover to the Group's five largest customers are decreasing.

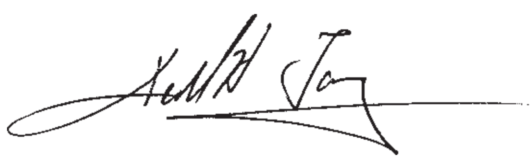
As at 31st March, 2003 none of the directors, their associates, or any shareholders which to the knowledge of the directors owned more than 5% of the Company's share capital had any beneficial interests in the Group's five largest customers and/or five largest suppliers.

Employment and Remuneration Policy

The remuneration policy and package of the Group's employees are structured by reference to market terms and industry's practice. In addition, discretionary bonus and other individual performance are awarded to staff with reference to the financial performance of the Group and the personal performance of individual staff. Staff benefit plans maintained by the Group include mandatory provident fund scheme, share option scheme and medical insurance.

Acknowledgement

On behalf of the Board, I would like to thank all staff members for their hard work and dedication to the Group during this difficult period of time, and the Shareholders for your continuous support.



Fang Hung, Kenneth
Chairman
17th July, 2003