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YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 259)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2016

The Board of Directors of Yeebo (International Holdings) Limited (the “Company”) has pleasure in presenting the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30th September, 2016 which have been reviewed by the Company’s audit committee and the auditor.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30th September, 2016

		Six months ended	
		30.9.2016	30.9.2015
	<i>Notes</i>	HK\$’000	HK\$’000
		(unaudited)	(unaudited)
Revenue	3	473,743	513,416
Cost of sales		(392,346)	(433,752)
Gross profit		81,397	79,664
Other income		5,222	5,467
Interest income		136	195
Other gains and losses	4	158	1,052
Selling and distribution expenses		(35,077)	(34,202)
Administrative expenses		(14,378)	(13,076)
Finance costs		(241)	(223)
Share of results of associates		55,490	47,721
Share of results of a joint venture		–	127
Gain on deemed dilution of interests in an associate	5	323,713	–
Profit before income tax		416,420	86,725
Income tax expense	6	(44,983)	(11,069)
Profit for the period	7	371,437	75,656

	<i>Notes</i>	Six months ended	
		30.9.2016 HK\$'000 (unaudited)	30.9.2015 HK\$'000 (unaudited)
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss:			
Share of other comprehensive income of associates		(30,594)	(22,533)
Exchange differences on translation of foreign operations		(874)	(478)
		<hr/>	<hr/>
Total comprehensive income for the period		339,969	52,645
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Profit for the period attributable to:			
Owners of the Company		366,444	73,087
Non-controlling interests		4,993	2,569
		<hr/>	<hr/>
		371,437	75,656
		<hr/>	<hr/>
Total comprehensive income attributable to:			
Owners of the Company		336,286	51,225
Non-controlling interests		3,683	1,420
		<hr/>	<hr/>
		339,969	52,645
		<hr/>	<hr/>
Earnings per share			
Basic – HK cents	9	36.7	7.25
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September, 2016

	Notes	30.9.2016 HK\$'000 (unaudited)	31.3.2016 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment		264,100	268,036
Investment properties		1,157	1,207
Prepayment for acquisition of property, plant and equipment		16,353	5,672
Interests in associates	5	1,262,615	977,013
Available-for-sale investments		2,739	2,739
Intangible assets		1,459	1,459
Pledged bank deposit		45,896	45,896
		<u>1,594,319</u>	<u>1,302,022</u>
Current assets			
Inventories		126,893	95,545
Trade and other receivables	10	250,103	178,291
Bills receivables	10	34,603	22,316
Amounts due from associates		123	118
Held for trading investment		266	344
Bank balances and cash		56,194	43,591
		<u>468,182</u>	<u>340,205</u>
Current liabilities			
Trade and other payables	11	275,233	217,322
Bills payables	11	12,448	760
Bank borrowings		16,069	25,543
Dividend payable		99,964	—
Tax payable		31,576	32,106
		<u>435,290</u>	<u>275,731</u>
Net current assets		<u>32,892</u>	<u>64,474</u>
Total assets less current liabilities		1,627,211	1,366,496
Non-current liabilities			
Deferred tax liabilities		57,775	22,288
		<u>1,569,436</u>	<u>1,344,208</u>
Capital and reserves			
Share capital	12	199,928	199,928
Reserves		1,343,120	1,108,691
Equity attributable to owners of the Company		1,543,048	1,308,619
Non-controlling interests		26,388	35,589
Total equity		<u>1,569,436</u>	<u>1,344,208</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September, 2016

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 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.

Significant events and transactions in the current interim period

In current period, the listed associate of the Group, Nantong Jianghai Capacitor Company Ltd (“Nantong Jianghai”) issued additional 94,562,647 shares to other investors through non-public offering. Pursuant to this offering, the Group’s shareholding in Nantong Jianghai had been diluted from 37.5% to 31.84%. The difference of share of net assets by the Group due to such deemed dilution of interests is recognised as gain on deemed dilution of interest in the current period. The details have been disclosed in note 5.

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.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six-month period ended 30th September, 2016 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31st March, 2016.

In the current interim period, the Group has applied, for the first time, the following new amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarifications of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle

The application of the new amendments to HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

The Group’s operating segments, based on information reported to the chief operating decision maker (“CODM”), the executive directors and senior management, for the purposes of resource allocation and performance assessment, focus on the types of products sold by the Group’s operating divisions, which are liquid crystal displays (“LCDs”), liquid crystal display modules (“LCMs”), LCD-related optical products and LCD-related products.

The following is an analysis of the Group’s revenue and results by operating segment for the period under review:

Six months ended 30th September, 2016

	LCDs HK\$'000	LCMs HK\$'000	LCD-related optical products HK\$'000	LCD-related products HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Revenue							
External sales	168,834	288,125	–	16,784	473,743	–	473,743
Inter-segment sales	56,410	–	–	2,060	58,470	(58,470)	–
Total	<u>225,244</u>	<u>288,125</u>	<u>–</u>	<u>18,844</u>	<u>532,213</u>	<u>(58,470)</u>	<u>473,743</u>
Segment profit (loss)	<u>17,100</u>	<u>25,562</u>	<u>(31)</u>	<u>(3,178)</u>			39,453
Interest income							136
Dividend income							110
Unallocated administrative costs							(2,241)
Finance costs							(241)
Share of results of associates							55,490
Gain on deemed dilution of interests in an associate							<u>323,713</u>
Profit before income tax							<u>416,420</u>

Six months ended 30th September, 2015

	LCDs HK\$'000	LCMs HK\$'000	LCD-related optical products HK\$'000	LCD-related products HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Revenue							
External sales	182,252	328,016	–	3,148	513,416	–	513,416
Inter-segment sales	75,704	–	–	1,647	77,351	(77,351)	–
Total	<u>257,956</u>	<u>328,016</u>	<u>–</u>	<u>4,795</u>	<u>590,767</u>	<u>(77,351)</u>	<u>513,416</u>
Segment profit (loss)	<u>17,008</u>	<u>33,080</u>	<u>(150)</u>	<u>(10,342)</u>			39,596
Interest income							195
Dividend income							272
Unallocated administrative costs							(1,099)
Finance costs							(223)
Share of results of associates							47,721
Gain on bargain purchase							136
Share of results of a joint venture							<u>127</u>
Profit before income tax							<u>86,725</u>

Segment profit (loss) represents the profit (loss) generated from/incurred by each segment, net of selling and distribution costs and administrative costs directly attributable to each segment without allocation of interest income, dividend income, unallocated administrative costs, finance costs, gain on bargain purchase, share of results of associates and a joint venture and gain on deemed dilution of interests in an associate. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

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.

4. OTHER GAINS AND LOSSES

	Six months ended	
	30.9.2016	30.9.2015
	HK\$'000	HK\$'000
(Loss) gain on disposal of property, plant and equipment	(226)	93
Net exchange gain	384	823
Gain on bargain purchase	—	136
	<u>158</u>	<u>1,052</u>

5. INTERESTS IN ASSOCIATES/GAIN ON DEEMED DILUTION OF INTERESTS IN AN ASSOCIATE

	30.9.2016	31.3.2016
	HK\$'000	HK\$'000
Share of net assets		
Listed associate	1,085,793	768,676
Unlisted associates	<u>176,822</u>	<u>208,337</u>
	<u>1,262,615</u>	<u>977,013</u>
Fair value of listed investments	<u>3,148,351</u>	<u>2,786,569</u>

At 31st March, 2016, the Group held a 37.5% interest in Nantong Jianghai and accounted for the investment as an associate. During the period, pursuant to the non-public offering of shares of Nantong Jianghai to other investors, the Group's shareholding in Nantong Jianghai had been diluted from 37.5% to 31.84%.

The Group has retained the remaining 31.84% interest as interest in an associate. This transaction has resulted in the recognition of a gain on deemed dilution of interests in an associate in profit or loss and calculated as follows:

	HK\$'000
Share of net assets after dilution	1,080,578
Less: share of net assets before dilution	<u>(756,865)</u>
Gain on deemed dilution of interest	<u>323,713</u>

6. INCOME TAX EXPENSE

	Six months ended	
	30.9.2016	30.9.2015
	HK\$'000	HK\$'000
The tax charge comprises:		
Current tax		
Hong Kong	5,128	7,911
Other jurisdictions	4,368	984
	<u>9,496</u>	<u>8,895</u>
Deferred taxation		
Current period	35,487	2,174
	<u>44,983</u>	<u>11,069</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods. Taxation arising in other jurisdictions is calculated at the rate prevailing in the relevant jurisdiction.

Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1st January, 2008 onwards.

Pursuant to the relevant law and regulations in the PRC, one of the Company's PRC subsidiaries was approved as a HiTech Enterprise and entitled to 15% PRC enterprise income tax for three years from 2015 to 2017. The PRC subsidiary was granted the status of a Hi-Tech Enterprise in 2015 by the relevant government and accordingly, PRC Enterprise Income Tax is provided at 15% for the period ended 30th September, 2016.

Under the EIT Law, distributable profits earned by foreign investment enterprises since 1st January, 2008 are subject to withholding tax of 10% of profit distributed to non-resident investors. However, pursuant to the Arrangement between the Mainland and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (the "Arrangement"), the withholding tax aforementioned can be reduced to 5%, if the non-resident investor is a Hong Kong incorporated company, provided that the Hong Kong incorporated company beneficially owns no less than 25% of the PRC company.

Pursuant to the above-mentioned Arrangement, the Group has recognised deferred tax liabilities for the Group's share of distributable profits earned by its PRC associates since 1st January, 2008. No deferred tax liabilities have been recognised in respect of the PRC subsidiaries as the Group is able to control the timing of the reversal of temporary differences of the subsidiaries and it is probable that the temporary differences will not reverse in the foreseeable future.

7. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended	
	30.9.2016	30.9.2015
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	21,054	19,539
Share of tax of associates (included in share of results of associates)	6,014	4,867
Allowances for doubtful debts	2,486	4,205
Allowances for obsolete inventories (included in cost of sales)	5,296	4,674
	<u>34,850</u>	<u>29,285</u>

8. DIVIDEND

	Six months ended	
	30.9.2016	30.9.2015
	HK\$'000	HK\$'000
Final dividend in respect of the year ended 31st March, 2016 of HK5 cents per share (2015: Final dividend in respect of the year ended 31st March, 2015 of HK4 cents per share)	49,982	40,102
Special dividend in respect of the year ended 31st March, 2016 of HK5 cents per share (2015: nil)	49,982	—
	<u>99,964</u>	<u>40,102</u>

9. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	Six months ended	
	30.9.2016	30.9.2015
Earnings attributable to the owners of the Company for the purpose of basic earnings per share (HK\$'000)	366,444	73,087
Weighted average number of ordinary shares for the purpose of basic earnings per share	999,641,171	1,008,279,433

No diluted earnings per share has been presented as there was no significant potential ordinary shares outstanding during both periods and as at the end of the reporting period.

10. TRADE AND OTHER RECEIVABLES/BILLS RECEIVABLES

The Group allows a credit period of 30-120 days to its trade customers.

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

	30.9.2016 HK\$'000	31.3.2016 HK\$'000
1 – 30 days	81,776	79,843
31 – 60 days	64,467	25,228
61 – 90 days	36,407	34,747
91 – 120 days	19,055	12,748
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	201,705	152,566
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All the Group's bills receivables as at 30th September, 2016 and 31st March, 2016 were due within 180 days.

11. TRADE AND OTHER PAYABLES/BILLS PAYABLES

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

	30.9.2016 HK\$'000	31.3.2016 HK\$'000
Up to 30 days	66,449	31,155
31 – 60 days	32,369	13,025
61 – 90 days	28,826	22,346
91 – 120 days	19,972	13,370
Over 120 days	17,444	16,580
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	165,060	96,476
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All the Group's bills payables as at 30th September, 2016 and 31st March, 2016 were due within 90 days.

12. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Authorised		
2,000 million ordinary shares of HK\$0.2 each	2,000,000	400,000
Issued and fully paid		
At 1st April, 2015	1,011,155	202,231
Repurchase of shares	(8,608)	(1,722)
At 30th September, 2015	1,002,547	200,509
Repurchase of shares	(2,906)	(581)
At 31st March, 2016 and 30th September, 2016	999,641	199,928

During the period ended 30th September, 2015 and year ended 31st March, 2016, the Company repurchased its own shares through the Hong Kong Stock Exchange as follows:

Month of repurchase	No. of ordinary shares at HK\$0.20 each	Price per share		Aggregate consideration paid HK\$'000
		Highest HK\$	Lowest HK\$	
July 2015	6,398,000	1.35	1.05	7,692
September 2015	2,210,000	1.45	1.31	3,030
January 2016	2,906,000	1.85	1.74	5,291
	11,514,000			16,013

The above shares were cancelled upon repurchase.

None of the Company's subsidiaries repurchased, sold or redeemed any of the Company's shares during the period.

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Operations

The Group recorded a consolidated turnover for the 6 months ended 30th September, 2016 of approximately HK\$474 million (2015: HK\$513 million), a decrease of HK\$39 million or 8% as compared with the corresponding period of last year. Profit attributable to owners of the Company was HK\$366 million (2015: HK\$73 million), representing an increase of approximately HK\$293 million.

External sales of the Liquid Crystal Displays (“LCD”) decreased by approximately HK\$13 million, from HK\$182 million to HK\$169 million. Turnover of the Liquid Crystal Display Modules (“LCM”) decreased by HK\$40 million, from HK\$328 million to HK\$288 million. Such decreases were largely attributable to the fall in demand as a result of uncertainty in worldwide economic condition. The LCD segment recorded a segment profit of HK\$17 million which was more or less the same as last year, and the LCM segment recorded a decrease in segment profit of HK\$7 million from HK\$33 million for the last year to HK\$26 million this year largely due to the decrease in sales. The LCD-related products segment was related to Capacitive Touch Panel (“CTP”), which recorded a segment loss of HK\$3 million (2015: HK\$10 million). Sales in this segment started to pick up as the product development work in previous years started to materialize into revenue in current period and the loss situation has improved. However, we do not expect the CTP business will provide significant contribution to the Group this year.

Despite a drop in turnover, gross profit in the period under review increased to approximately HK\$81 million (2015: HK\$80 million) and gross profit margin increased to 17% (2015: 16%). The increase in profitability stemmed from the following reasons: (1) the increase in TFT module sales which contributed a higher profit margin; (2) the investment in production automation in previous years that resulted in higher production yield; and (3) the stability of the labour force in Guangxi province which provided a manageable wage base and higher labour efficiency.

During the period, other income amounted to approximately HK\$5 million (2015: HK\$5 million). The other income mainly comprised tooling income and scrap sales.

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

Selling and distribution expenses amounted to approximately HK\$35 million (2015: HK\$34 million) and maintained at 7% of turnover (2015: 7%). The increase in the absolute amount was mainly due to the promotional expenses and depreciation.

Administrative expenses amounted to HK\$14 million (2015: HK\$13 million) and maintained at about 3% of sales. (2015: 3%). The increase was mainly due to the staff-related costs.

Investments in Associates

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

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

Excluding the gain on deemed dilution, the share of profit from Nantong Jianghai for the period under review amounted to HK\$34 million (2015: HK\$36 million), which was HK\$2 million or 6% lower than last year. Overall speaking, the sales grew but the Group’s share of its profit in Hong Kong dollar term dropped, mainly due to the decrease in the non-recurring income and depreciation of Renminbi during the period. Benefitting from the market growth in the electric vehicle, electric vehicle pile, inverter air-conditioning, white goods market and the industry use segment, the sales and gross profit improved. Nevertheless, the profit margin was under pressure due to the keen price competition. While the thin film capacitor’s sales momentum is building up as new customers’ approvals are progressively obtained, more marketing effort would be devoted to boost the sales. On the other hand, higher sales volume of super capacitors is expected to incur in the second half of the year after new customers’ approval for the products has been secured.

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

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

The share of profit in Visionox Display and Visionox Technology amounted to HK\$22 million as compared to HK\$11 million in last year. The increase is due partly to better business performance and partly to the recognition of disposal gain of fixed assets. The profit margin has continued to increase as Visionox Technology adopted the strategy of targeting at the high-margin market segment and devoted much efforts in enhancing the productivity.

Income Tax

Effective tax rate in relation to the Group's core business (income tax expense as a percentage of profit before income tax excluding share of results of associates and gain on deemed dilution of interests in an associate, withholding tax on undistributed profits in associates of HK\$4 million and deferred tax on gain on deemed dilution of interests in an associate of HK\$32 million) was 24% (2015: 21%).

PROSPECTS

Looking forward, the operating environment of LCD and LCM business is full of challenges which include stagnant demand and keen price competition. Inevitably, the profit margin will continue to be under severe pressure. By committing our strategy to target at the high value and high margin market segment and to adopt production automation to improve the productivity, we strongly believe we will continue to be a very competitive player in the LCD and LCM market. On the other hand, both Nantong Jianghai and Visionox Technology will continue to make positive profit contribution to the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30th September, 2016, the Group's current ratio was 1.1 (31st March, 2016: 1.2). The gearing ratio, as a ratio of bank borrowings to net worth, was 1.0% (31st March, 2016: 1.9%).

As at 30th September, 2016, the Group had total assets of approximately HK\$2,062 million, which were financed by liabilities of HK\$493 million and total equity of HK\$1,569 million.

As at 30th September, 2016, the Group's banking facilities amounted to approximately HK\$195 million (31st March, 2016: HK\$195 million) of which approximately HK\$30 million (31st March, 2016: HK\$29 million) were utilized mainly for issuance of letters of credit, short term loan and bills payable.

Certain subsidiaries of the Group have foreign currency assets and liabilities, which expose the Group to foreign currency risk. The management monitors the foreign exchange risk and will consider hedging significant foreign currency exposure should the need arise.

CONTINGENT LIABILITIES AND CHARGES OF ASSETS

As at 30th September, 2016, the Group did not have any significant contingent liabilities and there were no significant charges or pledges on any of the Group's assets (2015: nil).

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, 2016.

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"), except for the following deviation:

Under Code provision A.4.1, non-executive directors should be appointed for a specific term and subject to re-election. The existing independent non-executive Directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision of the bye-laws of the Company. The Board does not believe that arbitrary term limits on the Directors' services are appropriate given that Directors ought to be committed to representing the long-term interests of the shareholders.

The board is reviewing the situation and will, where appropriate, take necessary steps including amendment of the Company's bye laws to ensure compliance with the Code.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiries of all Directors, they have confirmed their compliance with the required standard as set out in the Model Code throughout the six months ended 30th September, 2016.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of securities of the Company or by any of its subsidiaries during the six months ended 30th September, 2016.

AUDIT COMMITTEE

The Audit Committee comprises all of the three independent non-executive Directors, namely Mr Tien Pei Chun, James, Mr Chu Chi Wai, Allan and Mr Lau Yuen Sun, Adrian; as well as Mr Fang Yan Tak, Douglas, non-executive Director. The Audit Committee has reviewed 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, 2016.

PUBLICATION OF INTERIM REPORT

The interim results announcement is published on the websites of The Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.yeebo.com.hk>). The interim report will be dispatched to the shareholders and will be available at the websites of The Hong Kong Exchanges and Clearing Limited and the Company in due course.

By order of the Board
Lau Siu Ki, Kevin
Company Secretary

Hong Kong, 29th November, 2016

As at the date of this announcement, the board of directors of the Company comprises Mr Fang Hung, Kenneth, GBS, JP, Mr Li Kwok Wai, Frankie and Mr Leung Tze Kuen as executive directors; Mr Fang Yan Tak, Douglas as non-executive director and Mr Tien Pei Chun, James, GBS, JP, Mr Chu Chi Wai, Allan and Mr Lau Yuen Sun, Adrian as independent non-executive directors.