



Bamboos Health Care Holdings Limited
百本醫護控股有限公司



Annual Report 2015 年報

(Incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立的有限公司)
Stock Code 股份代號 : 8216

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This report, for which the directors (the “Directors”) of Bamboos Health Care Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

Content

| | |
|---|----|
| Corporate Information | 2 |
| Chairman's Statement | 3 |
| Management Discussion and Analysis | 4 |
| Corporate Governance Report | 11 |
| Environmental, Social and Governance Report | 20 |
| Biographical Details of Directors and Senior Management | 24 |
| Directors' Report | 27 |
| Independent Auditor's Report | 35 |
| Consolidated Statement of Comprehensive Income | 37 |
| Consolidated Balance Sheet | 38 |
| Balance Sheet | 40 |
| Consolidated Statement of Changes in Equity | 41 |
| Consolidated Statement of Cash Flows | 42 |
| Notes to the Consolidated Financial Statements | 43 |
| Financial Summary | 77 |

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Kwan Chi Hong (*Chairman*)

Ms. Hai Hiu Chu (*Chief Executive Officer*)

Non-executive Director

Mr. Wong Kam Pui, JP

(appointed on 25 September 2014)

Independent Non-executive Directors

Mr. Lam Cheung Wai

Professor Chan Chi Fai, Andrew, BBS, JP

Dr. Luk Yim Fai

BOARD COMMITTEES

Audit Committee

Mr. Lam Cheung Wai (*Chairman*)

Professor Chan Chi Fai, Andrew

Dr. Luk Yim Fai

Remuneration Committee

Dr. Luk Yim Fai (*Chairman*)

Professor Chan Chi Fai, Andrew, BBS, JP

Mr. Lam Cheung Wai

Ms. Hai Hiu Chu

Nomination Committee

Mr. Lam Cheung Wai (*Chairman*)

Professor Chan Chi Fai, Andrew, BBS, JP

Dr. Luk Yim Fai

Mr. Kwan Chi Hong

Compliance Committee

Mr. Wong Kam Pui, JP (*Chairman*)

Professor Chan Chi Fai, Andrew, BBS, JP

Dr. Luk Yim Fai

COMPANY SECRETARY

Ms. Lam Yuen Ling Eva

COMPLIANCE OFFICER

Mr. Kwan Chi Hong

AUTHORISED REPRESENTATIVES

Mr. Kwan Chi Hong

Ms. Hai Hiu Chu

AUDITOR

PricewaterhouseCoopers

COMPLIANCE ADVISER

Halcyon Capital Limited

REGISTERED OFFICE

PO Box 309, Ugland House

Grand Cayman, KY1-1104

Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B and C, 16th Floor, E-Trade Plaza

24 Lee Chung Street

Chai Wan

Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited

PO Box 1093, Boundary Hall

Cricket Square, Grand Cayman

KY1-1102

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited

A18th Floor, Asia Orient Tower

Town Place, 33 Lockhart Road

Wanchai

Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

Bank of Communications Co., Ltd

Hong Kong Branch

STOCK CODE

8216

COMPANY WEBSITE

www.bamboos.com.hk

Chairman's Statement

Dear Shareholders,

On behalf of the board of directors (the "Board") of Bamboos Health Care Holdings Limited (our "Company", together with our subsidiaries, our "Group"), it is my pleasure and honor to present our Group's annual results for the financial year ended 30 June 2015 (the "Year").

2014/2015 is a fabulous year to us. Our Company was listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "Listing") on 8 July 2014 (the "Listing Date"). We have made steady and vigorous growth of revenue since the Listing. Our revenue of the Year is approximately HK\$46.5 million, representing an increase of approximately 27.4% comparing to the last financial year. We had also taken steps to continue to expand our pool of healthcare personnel, during the Year, there were over 1,500 new healthcare personnel registered with us, making the number of healthcare personnel registered with us to reach 15,000, which represents an increase, of approximately 11.1% from the last financial year.

We believe that good services shall always bring along with warmth but not worries. Day to day, we provide clients with timely healthcare staffing solution services, we wish our clients come to us with worries and go with smiles. Stepping into other's shoes and think is our motto: treat an elder with respect, save face for a man and be empathetic with a lady.

Not only for business growth, but for the wellness and sustainability of the community, during the Year, we spent continuous effort in empowering community and charitable activities. We actively participate and support various community campaigns concerning public health promotion, social diversity and inclusion, elderly care, and healthcare professional development. We believe that our persistence can put every small step into an impact.

In the coming year, we strive for serving our society with excellence, especially in the era of aging population, by continuously enhancing our services in order to create long-term and sustainable value to our clients and shareholders.

KWAN Chi Hong

Chairman

Hong Kong, 15 September 2015

Management Discussion and Analysis

BUSINESS REVIEW

We strive for building a healthy and sustainable community and advocating quality of life especially for the caring for the elderly. With the three core values, “Care. Competence. Commitment” in mind, we are dedicated to providing the most valued and customised healthcare staffing solution services to individuals and institutional clients in a timely manner. At the same time, we provide duty opportunities to self-employed healthcare personnel registered with us.

Consistent with the ageing population in Hong Kong, there has been an upward trend in the demand for healthcare and elderly services, as well as personal care, rehabilitation and home care services. Our Group has experienced a steady growth in demand for quality or individualised healthcare services.

The revenue of our Group for the year ended 30 June 2015 was approximately HK\$46.5 million (2014: HK\$36.5 million), representing an increase of approximately 27.4% as compared with that for the year ended 30 June 2014. Profit attributable to equity holders of our Company for the year ended 30 June 2015 was approximately HK\$22.4 million, representing an increase of approximately 157.5% as compared with approximately HK\$8.7 million for the year ended 30 June 2014.

To cope with the increasing demand for high quality services, we have been developing holistic supporting services to our clients of our private nursing staffing solution services. The case assessment related services were introduced in the second half of the Year. It provides nursing and rehabilitation assessment including assessment related services in health condition and nursing need, mobility and self-care ability, psychological, cognitive and behavioral status as well as living environment. We have also engaged ourselves in the future point-to-point pick-up services preparation, for bringing our clients peace of mind, enjoying professional healthcare services without boundary worries.

The number of healthcare personnel registered with us has grown steadily. As at 30 June 2015, there were over 15,000 healthcare personnel registered with us, representing an increase of 11.1% comparing to over 13,500 healthcare personnel registered as at 30 June 2014.

Maintaining a close-knit relationship with healthcare personnel registered with us was one of our priorities. During the year ended 30 June 2015, we set up a member service center for handling registration of healthcare personnel, enhancing the delivery of information of our Group, and retailing a wide variety of beauty, health and personal care products at a special price to our members (including but not limited to our customers and healthcare personnel registered with our Group). We have been developing our first mobile application during the Year, which was launched in July 2015. With the mobile application, not only the clients can get the most updated service information from us, healthcare personnel registered with us can also enter into an online portal to communicate or share information with us in a more efficient manner. We believe these moves can enhance our Group's brand recognition, attract more potential customers to use our healthcare staffing solution services and more healthcare personnel to register with our Group, and bring our members closer to our Group.

Looking ahead, our management is optimistic towards expanding our healthcare personnel pool, enhancing our healthcare staffing solution services to our clients and maintaining the leading position as a pioneer healthcare staffing solution services provider in Hong Kong.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The revenue of our Group for the year ended 30 June 2015 comprises revenue from the provision of healthcare staffing solution and revenue from outreach case assessment related service, which was a new service developed in the Year. The revenue was approximately HK\$46.5 million, representing an increase of approximately 27.4% as compared with that of approximately HK\$36.5 million for the year ended 30 June 2014. The increase in revenue was mainly due to our effort in the improvement of differential rate earned and the increasing demand of healthcare personnel assignment from individual clients and social service organisations, slightly offset by the decrease of healthcare staffing service to hospitals.

Revenue from the provision of healthcare staffing solution services for the year ended 30 June 2015 was approximately HK\$46.2 million (2014: HK\$36.5 million). Among those, revenue from our institutional staffing solution services amounted to approximately HK\$18.3 million (2014: HK\$14.9 million), representing an increase of approximately 22.8%; and the revenue from our private nursing staffing service was approximately HK\$27.9 million (2014: HK\$21.6 million) representing an increase of approximately 29.2%. The increase was mainly attributed to the increase in business performance due to advertising effect from the internet as well as public transports. In particular, there was a huge increase (increased over 350%) in revenue from placing workmen, and a notable increase in revenue from placing physiotherapists (increased over 90%).

Our revenue from the provision of healthcare staffing solution services as a percentage of gross fee is determined with reference to the mark-up ratio between the charge-out rate to our clients and the pay-out rate to different ranks of healthcare personnel placed by us and the number of service hours performed by respective rank of healthcare personnel. Our revenue as a percentage of the gross fee increased from approximately 22.4% for the year ended 30 June 2014 to approximately 24.3% for the year ended 30 June 2015, mainly as a result of enhanced differences and mark-up ratios between the charge-out rates to our clients and pay-out rates to healthcare personnel placed by us, arisen from the upward price adjustment exercises in October 2014 for institutional clients and June 2015 for both individual and institutional clients.

Other income and gain

Other income mainly comprises advertising income, sales of goods, activity income and others. Advertising income mainly represents income from advertisements placed by advertisers in our BamBoOs! Life, a magazine edited and published by our Group for free distribution and income from sales of goods in our member service centre. The increase of other income from approximately HK\$1.9 million for the year ended 30 June 2014 to approximately HK\$2.8 million for the year ended 30 June 2015 was mainly driven by increase in administration fee in relation to registration and application matters received from healthcare personnel and our clients, income generated from healthcare related activities and sales of goods offered at our member services centre.

Other gain comprises gain on disposal of a motor vehicle.

Expenses

Our employee benefit expenses increased from approximately HK\$7.4 million for the year ended 30 June 2014 to approximately HK\$11.9 million for the year ended 30 June 2015, which was mainly attributable to the increase in key management compensation, average number of employees and discretionary bonus paid to our staff.

The operating lease rentals increased from approximately HK\$0.7 million for the year ended 30 June 2014 to approximately HK\$1.2 million for the year ended 30 June 2015. It was mainly resulted from the launch of our new member service centre in Wan Chai.

Depreciation expenses increased from approximately HK\$0.5 million for the year ended 30 June 2014 to approximately HK\$0.6 million for the year ended 2015. It was mainly arose from the purchase of motor vehicles during the Year.

Management Discussion and Analysis

Other operating expenses decreased from approximately HK\$16.4 million for the year ended 30 June 2014 to approximately HK\$8.2 million for the year ended 30 June 2015, which was mainly resulted from the offsetting effect of: (a) significant decrease in recognition during the Year of non-recurring professional fees for the preparation of the Listing; and (b) recognition of professional service fees and public relation fees incurred after the Listing.

Finance costs

Finance costs represented the interest expenses on bank borrowings offset by interest income on bank deposits. Finance costs were approximately HK\$0.2 million for the year ended 30 June 2015, representing a decrease of approximately HK\$0.2 million from approximately HK\$0.4 million for the year ended 30 June 2014. The decrease was primarily due to the repayment of the bank borrowing amounting to HK\$12 million drawn in September 2012 and the subsequent replacement of a new bank borrowing amounting to HK\$7 million drawn in July 2014.

Income tax expense

Income tax expense amounted to approximately HK\$4.9 million for the year ended 30 June 2015, representing an increase of approximately 11.4% as compared with that of approximately HK\$4.4 million for the year ended 30 June 2014. The increase is proportionately less than the increase in profit before income tax as a result of the decrease in non-recurring professional service fees incurred for the preparation of the Listing which is non-deductible for Hong Kong tax purposes from approximately HK\$12.2 million for the year ended 30 June 2014 to approximately HK\$0.2 million for the year ended 30 June 2015. Consequently, the Group's effective tax rate decreased from approximately 33.6% for the year ended 30 June 2014 to approximately 17.8% for the year ended 30 June 2015.

Profit for the Year and net profit margin

Profit for the year ended 30 June 2015 amounted to approximately HK\$22.4 million, increased by approximately HK\$13.7 million, or 157.5%, from approximately HK\$8.7 million for the year ended 30 June 2014, mainly as a result of: (a) the increase in revenue by approximately 27.4% from approximately HK\$36.5 million for the year ended 30 June 2014 to approximately HK\$46.5 million for the year ended 30 June 2015 resulted from operating performance, with upward price adjustment exercises on 1 Oct 2014 for institutional clients and 1 June 2015 for both individual and institutional clients and for various ranks of healthcare personnel; and (b) the decrease of recognition of professional service fees in preparation for the Listing, of which approximately HK\$0.2 million and approximately HK\$12.2 million was recognised for the year ended 30 June 2015 and 30 June 2014 respectively. This also led to a rise in net profit margin from approximately 23.8% for the year ended 30 June 2014 to approximately 48.1% for the year ended 30 June 2015.

Trade receivables

Trade receivables increased to approximately HK\$18.9 million as at 30 June 2015 from approximately HK\$15.3 million as at 30 June 2014 which was mainly due to the increase in revenue generated from increased assignment of healthcare personnel for the year ended 30 June 2015. We generally do not grant credit terms to our clients and payment is immediately due upon presentation of invoices to customers. At 30 June 2015 and 2014, all trade receivables were past due but not considered to be impaired because these mainly relate to a number of customers with limited history of default. During the year ended 30 June 2015, we did not recognise any provision for trade receivables.

Trade payables

Trade payables increased to approximately HK\$12.3 million as at 30 June 2015 from approximately HK\$10.6 million as at 30 June 2014 which was mainly because of the increased costs payable to healthcare personnel placed by us along with the increased assignment during the year ended 30 June 2015.

Management Discussion and Analysis

COMPARISON BETWEEN BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as stated in the prospectus of the Company dated 30 June 2014 (the "Prospectus") with our Group's actual business progress for the period from the Listing Date to 30 June 2015 is set out below:

| Business objectives for the Reviewed Period as stated in the Prospectus | Actual business progress up to 30 June 2015 |
|--|---|
| <p>1. Enhancing business operation efficiency</p> <ul style="list-style-type: none">• Upgrade our accounting and financial system• Introduce experienced healthcare professional to our management team | <p>Our Group has taken steps in upgrading and modifying the function of the accounting and financial system, the first stage of modification is expected to be completed in October 2015. The payment for the first stage modification amounted to approximately HK\$0.2 million, of which HK\$0.1 million was settled during the Year. System maintenance and further upgrade are expected to be continuously carried out in the coming financial year.</p> <p>Our Group has introduced two experienced healthcare professional for enhancing healthcare knowledge of our staff, for which the staff cost incurred was amounted approximately to HK\$0.2 million.</p> |
| <p>2. Strengthening brand awareness and expanding healthcare personnel pool</p> <ul style="list-style-type: none">• Commence our advertising campaign• Expand our healthcare personnel pool | <p>Our Group had commenced advertising campaign which included launching advertisement through internet media and public transports, and sponsoring social and community events organised by non-government organisations.</p> <p>In addition, our Group has furnished a new corporate video for clients to better understand our services.</p> <p>As at 30 June 2015 and 30 June 2014, the number of healthcare personnel registered in our database were over 15,000 and 13,500 respectively, representing an increase of approximately 11.1%.</p> |
| <p>3. Enhancing healthcare staffing solution services</p> <ul style="list-style-type: none">• Strengthen our customer services department and other back office support• Introduce point-to-point pick-up service• Introduce an online client portal | <p>In line with the increase of clients and the expansion of healthcare personnel pool, our Group had strengthened our customer services department and other back office support by recruiting additional employees and enhancing remuneration package.</p> <p>For the years ended 30 June 2015 and 30 June 2014, the staff cost of our Group excluding directors' remunerations, salary paid to experienced healthcare professional introduced to the management team and outreach services sector were amounted to HK\$8.7 million and HK\$6.7 million respectively, representing an increase of approximately HK\$2 million.</p> <p>Our Group has purchased a motor vehicle for our engagement in point-to-point pick-up service. The relevant cost and expenses incurred for this motor vehicle during the Year amounted to approximately HK\$0.9 million. Currently the relevant hire car permit required for the service is under application and the service was not yet commenced.</p> |

Management Discussion and Analysis

Business objectives for the Reviewed Period as stated in the Prospectus

Actual business progress up to 30 June 2015

Our Group has been developing an online portal in the form of a mobile application during the Year and it was launched in July 2015. The relevant cost for this portal amounted to approximately HK\$0.2 million. The final payment of HK\$0.1 million will be settled subsequent to the Year upon the completion of the trial process of the portal.

4. Developing outreach services team

Our Group has commenced provision of outreach case assessment related services and the related cost of service of approximately HK\$0.2 million was paid during the Year.

USE OF PROCEEDS

The net proceeds from the placing of a total of 100,000,000 new shares in our Company at the placing price of HK\$0.5 each (the "Placing") were approximately HK\$39.8 million. During the Year, the net proceeds from the Placing had been applied as follows:

| | Planned use of proceeds as stated in the Prospectus for the Year | Actual use of proceeds during the Year |
|---|---|---|
| | HK\$'million | HK\$'million |
| • Enhancing business operation efficiency (Note 1) | 1.1 | 0.3 |
| • Strengthening brand awareness and expanding healthcare personnel pool | 1.7 | 1.7 |
| • Enhancing healthcare staffing solution services | 2.9 | 2.9 |
| • Developing outreach services team (Note 2) | 1.1 | 0.2 |
| | 6.8 | 5.1 |

Note:

1. The actual cost of the first stage upgrade and modification on the function of the accounting and financial system amounted to approximately HK\$0.2 million; it costed less than the budgeted as compared to the planned use of proceeds. The process was carried out in the Year with HK\$0.1 million settled during the Year. The first stage of modification is expected to be completed in October 2015, and system maintenance and further upgrade are expected to be continuously carried out in the coming financial year.
2. The actual use of proceeds for developing outreach services team amounted to approximately HK\$0.2 million, which was less than the planned use of proceeds of HK\$1.1 million. This is mainly because the market for outreach assessment related services takes time to develop and generate more demand.

As disclosed in the Prospectus, to the extent that the net proceeds from the Placing are not immediately required for the above purposes, they had been placed on short-term interest bearing deposits with authorized financial institutions in Hong Kong.

In the event that any part of the business plans of our Group does not materialise or proceed as planned, our Directors will carefully evaluate the situation and may reallocate the intended funding to other business plans and/or to new projects of our Group and/or to hold the funds as short-term interest bearing deposits so long as our Directors consider it to be in the best interest of our Company and our shareholders taken as a whole.

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

Our Group remained in a healthy and sound liquidity position as at 30 June 2015. Our working capital needs and other capital requirements have been met through a combination of shareholders' equity, cash generated from operations and bank borrowings. Going forward, we intend to finance our future operations and capital expenditures with cash flow from operating activities, banking facilities made available to us and the net proceeds from the Placing. Our primary uses of cash have been and are expected to continue to be operating costs and capital expenditure.

Our current assets primarily comprise cash and cash equivalents, trade receivables, prepayments, deposits and other receivables, inventories and amount due from a related company.

Our current liabilities primarily comprise trade payables, tax payable, bank borrowings, accruals and other payables.

As at 30 June 2015, our Group maintained cash and cash equivalents amounting to approximately HK\$66.9 million (2014: HK\$19.1 million). Net current assets increased to approximately HK\$61.7 million as at 30 June 2015 from approximately HK\$5.9 million as at 30 June 2014, which was mainly due to the receipt of net placing proceeds after the Listing on 8 July 2014 and net cash generated from operating activities.

As at 30 June 2015, our Group's total bank borrowings, all being denominated in Hong Kong dollars, amounted to approximately HK\$5.1 million (2014: HK\$8.1 million) and are at a weighted average effective interest rate of 3.92%. For more details on the Group's bank borrowings, including their maturity profile, please refer to note 29 to the financial statements..

CAPITAL STRUCTURE

During the Year, the Group mainly relied on its equity, bank borrowings and internally generated cash flows to finance its operations.

FOREIGN EXCHANGE EXPOSURE RISKS

Our Group's exposure to currency risk is insignificant as our Group operates in Hong Kong with all of our transactions denominated and settled in Hong Kong dollars. During the Year, our Group has not used any derivative financial instruments to hedge foreign exchange risk (2014: Nil).

GEARING RATIO

Gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as "equity" (as shown in the consolidated balance sheet) plus net debt. As at 30 June 2015 and 30 June 2014, the Group had a net cash position as its cash and cash equivalents exceeded the total balance of borrowings by approximately HK\$61.9 million and HK\$11.0 million, respectively.

CAPITAL COMMITMENTS

Details of the capital commitments as at 30 June 2015 are set out in note 31 to the consolidated financial statements disclosed in this annual report.

PLEDGE OF ASSETS

As at 30 June 2015, there was no significant pledge on our Group's assets (2014: Nil).

CONTINGENT LIABILITIES

As at 30 June 2015, our Group had no significant contingent liabilities (2014: Nil).

Management Discussion and Analysis

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Our Group did not have other plans for material investments or capital assets as at 30 June 2015.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

During the year ended 30 June 2015, our Group did not hold any significant investment in equity interest in any other company and there were no material acquisitions and disposal of subsidiaries and affiliated companies by our Group.

EMPLOYEES, REMUNERATION POLICIES AND RETIREMENT BENEFIT

The remuneration package of our staff includes salary and discretionary bonus. Employees' remuneration is determined based on the individual's qualifications, experience, position, job responsibilities and market conditions. Salary adjustments and staff promotion are based on evaluation of staff performance by way of annual review, and discretionary bonuses are paid to staff with reference to our financial performance of the preceding financial year and performance of individual staff.

As at 30 June 2015, our Group engaged a total of 32 employees (2014: 30). Total staff costs including Directors' remuneration for the year ended 30 June 2015 amounted to approximately HK\$11.9 million (2014: HK\$7.4 million). Our Group's remuneration policies are in line with the prevailing market practices.

Our Company has conditionally adopted a share option scheme on 24 June 2014 (the "Share Option Scheme") under which eligible participants (including, among others, full-time employees) may be granted options to subscribe for shares in the Company. As at 30 June 2015, no options had been granted under the share option scheme.

Our Group operates a defined contribution mandatory provident fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all of our employees in Hong Kong in accordance with the rules of the MPF Scheme.

Corporate Governance Report

The Board is committed to ensuring and upholding a high standard of corporate governance, transparency and business practices, which are fundamental to achieving our Group's vision of becoming or continuing to be a leading, most respected and fast growing provider of healthcare staffing solution services in Hong Kong and protecting the overall interests of our Company and our shareholders (the "Shareholders").

Our Company's corporate governance practices are based on the principles of the Corporate Governance Code (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules. Since the Listing Date and up to the date of this Corporate Governance Report, our Company had complied with the applicable code provisions (the "Code Provisions") set out in the CG Code.

BOARD OF DIRECTORS

Our Board is responsible for leadership and control of our Company and overseeing the management of the business and affairs of our Company. Our Directors are accountable for making decisions objectively in the best interests of our Company and our Shareholders as a whole.

The day-to-day management, administration and operation of our Company are delegated to our executive Directors. Our non-executive Director is primarily responsible for advising on business opportunities for investment, development and expansion. Our independent non-executive Directors are responsible for participating in Board meetings of our Company to make an independent judgment on issues of strategy, performance, resources and standards of conducts of our Group, taking the lead where potential conflicts of interest arise and serving on the audit, remuneration and/or other governance committees.

Our Board is responsible for making decisions on all major aspects of our Company's affairs, including the approval and monitoring of key policy matters, overall strategies, business plans and annual budgets, internal control and risk management systems, material transactions, major capital expenditure, appointment of Directors and other significant financial and operational matters. Our senior management is mainly responsible for the execution or implementation of the policy, strategies, business plans, budgets, internal control and risk management practices as may be formulated or adopted by the Board from time to time.

Board Composition

Our Board comprises six Directors and their respective roles are set out as follows:

Executive Directors:

Mr. Kwan Chi Hong (*Chairman*)

Ms. Hai Hiu Chu (*Chief Executive Officer*)

Non-executive Director:

Mr. Mok Gar Lon, Francis (*resigned on 25 September 2014*) (*Note*)

Mr. Wong Kam Pui (*appointed on 25 September 2014*)

Independent non-executive Directors:

Mr. Lam Cheung Wai

Professor Chan Chi Fai, Andrew

Dr. Luk Yim Fai

Save as the relationships in the companies disclosed in the Prospectus and summarised below, there are no financial, business, family or other material/relevant relationships among our Directors.

Corporate Governance Report

| Name of company | Principal business | Nature of relationship |
|---|---|---|
| Bamboos Limited | Principally engaged in property investment and is the owner of the head office and principal place of business of the Company in Hong Kong (namely, Units B and C, 16th Floor, E-Trade Plaza, 24 Lee Chung Street, Chai Wan, Hong Kong) | Business relationship – Mr. Kwan Chi Hong and Ms. Hai Hiu Chu are directors of Bamboos Limited (which is wholly-owned by Ms. Hai Hiu Chu). |
| Bamboos Education – School for Talents Limited (“BEST”) | Principally engaged in the provision of healthcare related training service in Hong Kong | Business relationship – BEST is directly owned as to 90% and 10% by Ms. Hai Hiu Chu and Mr. Kwan Chi Hong respectively, both of whom are directors of BEST. |

Note: Mr. Mok Gar Lon, Francis was appointed as a Director on 8 May 2013 and redesignated as a non-executive Director on 28 March 2014. Mr. Mok resigned as non-executive Director on 25 September 2014.

A description of our Directors is set out in the section headed “Biographical Details of Directors and Senior Management” on pages 24 to 26 in this annual report.

Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer are separate and are not performed by the same individual. Mr. Kwan Chi Hong holds the position of the Chairman of our Group and performs a leadership role in monitoring and evaluating our Group’s business, strategic planning and major decision making of our Group. Ms. Hai Hiu Chu holds the position of the Chief Executive Officer of our Group and is responsible for the overall management, strategic development and major decision making for our Group.

Director’s Appointments, Re-election and Removal

Each of the executive Directors and the non-executive Director has entered into a service agreement with our Company for an initial term of three years commencing from the Listing Date, and will continue thereafter until terminated by not less than three months’ written notice or subject to the terms and conditions thereunder.

Independent non-executive Directors are appointed for an initial fixed term of three years commencing from the Listing Date and may be terminated by not less than three months’ written notice.

All our Directors, including non-executive and independent non-executive Directors, are subject to retirement by rotation and eligible for re-election in accordance with our Company’s articles of association. At each annual general meeting, not less than one third of the Directors then in office shall retire and every Director is subject to retirement by rotation at least once every three years.

Confirmation of Independence

Each of the independent non-executive Directors had made a confirmation of independence by reference to Rule 5.09 of the GEM Listing Rules and the Board is satisfied that all the independent non-executive Directors were independent and met the independent guidelines set out in Rule 5.09 of the GEM Listing Rules since the date of their respective appointments, up to the date of this annual report.

Corporate Governance Report

Number of Meetings and Directors' Attendance

Our Board meets regularly for considering, reviewing and/or approving matters relating to, among others, the financial and operating performance, as well as, the overall strategies and policies of our Company. Additional meetings are held when significant events or important issues are required to be discussed and resolved.

As regards the meeting of the Shareholders and to comply with the requirement under Code Provision E.1.2 of the CG Code, the chairman of our Board, as well as the chairman of each of our audit, nomination and compliance committees and the duly appointed delegate of the chairman of our remuneration committee attended the annual general meeting of our Company held on 30 October 2014 (the "2014 AGM") to answer questions at the 2014 AGM.

The attendance records of each Director at the meetings of the Board and the Shareholders held during the year ended 30 June 2015 are set out as follows:

| | Board | 2014 AGM |
|---|-------|----------|
| <i>Executive Directors:</i> | | |
| Mr. Kwan Chi Hong | 5/5 | 1/1 |
| Ms. Hai Hiu Chu | 5/5 | 1/1 |
| <i>Non-executive Director:</i> | | |
| Mr. Mok Gar Lon, Francis (Note 1) | 1/1 | – |
| Mr. Wong Kam Pui (Note 2) | 4/4 | 1/1 |
| <i>Independent non-executive Directors:</i> | | |
| Mr. Lam Cheung Wai | 5/5 | 1/1 |
| Professor Chan Chi Fai, Andrew | 5/5 | 1/1 |
| Dr. Luk Yim Fai | 5/5 | 0/1 |

Note:

1. Mr. Mok Gar Lon, Francis resigned as non-executive Director on 25 September 2014. Only one Board meeting was held during the period from 1 July 2014 to 25 September 2014.
2. Mr. Wong Kam Pui was appointed as non-executive Director on 25 September 2014. From 25 September 2014 to 30 June 2015, 4 Board meetings were held.

Practice and Conduct of Meetings

The schedule and agenda of each meeting are made available to the Directors in advance such that each Director is given an opportunity to provide his/her input to the agenda items. Advance notice of at least 14 days is given for a regular Board meeting. For other Board and committee meetings, reasonable notices are generally given.

Minutes of all Board meetings recording sufficient details of matters considered and decisions reached are circulated to our Directors and open for inspection by our Directors.

Our Company's articles of association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

Corporate Governance Report

Board papers together with all appropriate, complete and reliable information are sent to all Directors well in advance before each Board meeting or Board committee meeting to keep our Directors apprised of the latest developments and financial position of our Company and to enable them to make informed decisions.

BOARD COMMITTEES

Audit committee

Our Board established the audit committee on 24 June 2014 with written terms of reference which are of no less exacting terms than those set out in the CG Code. The full terms of reference setting out details of duties of our audit committee are available on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.bamboos.com.hk.

Our audit committee comprises three independent non-executive Directors, namely Mr. Lam Cheung Wai, Professor Chan Chi Fai, Andrew and Dr. Luk Yim Fai. Mr. Lam Cheung Wai is the chairman of our audit committee.

The primary duties of our audit committee are to review and supervise the financial reporting process and internal control system of our Company, nominate and monitor external auditors, meet with external auditor regularly and provide advice and comments to our Board.

During the Year, our audit committee had approved the nature and scope of the statutory audits, and reviewed the quarterly, interim and annual financial statements of the Group, and was satisfied that the accounting policies and standards of the Group complied with the applicable accounting standards and requirements and that adequate disclosures have been made. Our audit committee also initiated internal control measures and reviewed the quarterly internal audit reports conducted by our Company's internal audit officer.

Four audit committee meetings were held during the Year. The attendance records of individual committee members are set out below:

| | Number of Meetings attended/eligible to attend |
|--------------------------------|---|
| Mr. Lam Cheung Wai | 4/4 |
| Professor Chan Chi Fai, Andrew | 4/4 |
| Dr. Luk Yim Fai | 4/4 |

Remuneration committee

Our Board established the remuneration committee on 24 June 2014 with written terms of reference which are of no less exacting terms than those set out in the CG Code. The full terms of reference setting out details of duties of our Remuneration Committee are available on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.bamboos.com.hk.

Our remuneration committee comprises all the independent non-executive Directors, namely Mr. Lam Cheung Wai, Professor Chan Chi Fai, Andrew and Dr. Luk Yim Fai, and our executive Director and Chief Executive Officer, Ms. Hai Hiu Chu. Dr. Luk Yim Fai is the chairman of our remuneration committee.

The primary duties of our remuneration committee are to make recommendations to our Board on the overall remuneration policy and structure relating to all Directors and senior management of our Group, review and approve the management's remuneration proposals, and ensure that none of our Directors determine his/her own remuneration.

Corporate Governance Report

Our remuneration committee determines Directors' remuneration by reference to the benchmarking of the market. Our Company also looks into individual Director's competence, duties, responsibilities, performance and the results of our Group in determining the exact level of remuneration for each Director. During the Year, our remuneration committee had reviewed the remuneration packages of our Directors; and initiated the review on our Group's remuneration policy with reference to the market practice and benchmark.

Details of the remuneration of our Directors and the five highest paid individuals pursuant to Rules 18.28 to 18.30 of the GEM Listing Rules are set out in note 10 to the consolidated financial statements.

One remuneration committee meeting was held during the Year. The attendance records of individual committee members are set out below:

| | Number of Meetings attended/eligible to attend |
|--------------------------------|---|
| Dr. Luk Yim Fai | 1/1 |
| Professor Chan Chi Fai, Andrew | 1/1 |
| Mr. Lam Cheung Wai | 1/1 |
| Ms. Hai Hiu Chu | 1/1 |

Nomination committee

Our Board established the nomination committee on 24 June 2014 with written terms of reference which are of no less exacting terms than those set out in the CG Code. The full terms of reference setting out details of duties of the Nomination Committee are available on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.bamboos.com.hk.

Our nomination committee comprises one executive Director, namely Mr. Kwan Chi Hong, and three independent non-executive Directors, namely Mr. Lam Cheung Wai, Professor Chan Chi Fai, Andrew and Dr. Luk Yim Fai. Mr. Lam Cheung Wai is the chairman of our nomination committee.

The primary function of our nomination committee is to make recommendations to our Board regarding appointment of Directors and candidates to fill vacancies on our Board.

Our Board adopted the board diversity policy in accordance with the requirement as set out in the CG Code. Our Board recognises the benefits of having a diverse Board and considers a number of factors which include but are not limited to age, gender, professional experience, cultural and education background as to its composition. Our nomination committee regularly monitors and reviews the implementation and the effectiveness or appropriateness of the Board diversity policy.

During the Year, our nomination committee had reviewed the structure, size and composition of our Board, the independence of independent non-executive Directors and the appointment of Directors of our Company. Our nominations committee recommended to the Board the appointment of Mr. Wong Kam Pui as a non-executive Director of our Company during the Year.

Corporate Governance Report

One nomination committee meeting was held during the Year. The attendance records of individual committee members are set out below:

| | Number of Meetings attended/eligible to attend |
|--------------------------------|---|
| Mr. Lam Cheung Wai | 1/1 |
| Professor Chan Chi Fai, Andrew | 1/1 |
| Dr. Luk Yim Fai | 1/1 |
| Mr. Kwan Chi Hong | 1/1 |

Compliance Committee

Our Board established the compliance committee on 24 June 2014. Currently it comprises one non-executive Director, namely Mr. Wong Kam Pui, and two independent non-executive Directors, Dr. Luk Yim Fai and Professor Chan Chi Fai, Andrew; Mr. Wong Kam Pui is the chairman of our compliance committee. Mr. Wong Kam Pui succeeded Mr. Mok Gar Lon, Francis as the chairman of the nomination committee since 25 September 2014.

The primary functions of our compliance committee include, among others, reviewing and making recommendations to our Board in respect of the compliance of the Group's policies and practices with any requirement, direction and regulation as may be prescribed by our Board from time to time, contained in any constitutional documents applicable to our Group, or imposed by the applicable laws, regulations, rules and codes (including but not limited to the GEM Listing Rules), and ensuring that appropriate monitoring systems are in place to ensure compliance against the relevant internal control systems, processes and policies, and monitoring the implementation of our Group's plan to maintain high compliance with own risk management standards.

During the Year, our compliance committee had reviewed the compliance with the GEM Listing Rules, Companies Ordinance and other applicable laws, regulations, rules and codes of our Company. Our committee also reviewed the policies and practices regarding the training and continuous professional development, as well as the code of conduct and compliance of our Directors regarding securities transaction.

One compliance committee meeting was held during the Year. The attendance records of individual committee members are set out below:

| | Number of Meetings attended/eligible to attend |
|-----------------------------------|---|
| Mr. Mok Gar Lon, Francis (Note 1) | – |
| Mr. Wong Kam Pui | 1/1 |
| Professor Chan Chi Fai, Andrew | 1/1 |
| Dr. Luk Yim Fai | 1/1 |

Note:

1. Mr. Mok Gar Lon, Francis resigned as non-executive Director on 25 September 2014. No nomination committee meeting was held during the period from 1 July 2014 to 25 September 2014.

Corporate Governance Report

SENIOR MANAGEMENT'S REMUNERATION

Senior management's remuneration payment of our Group for the year ended 30 June 2015 falls within the following band:

| | Number of individuals |
|----------------------|------------------------------|
| Nil to HK\$1,000,000 | 3 |

CORPORATE GOVERNANCE FUNCTIONS

Our Board is responsible for performing the functions specified in Code Provision D.3.1 of the CG Code, which include reviewing our Company's corporate governance policies and practices, the continuous professional development of the Directors and senior management, our Company's policies and practices on compliance with legal and regulatory requirements (including the GEM Listing Rules) and our Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

During the Year, our Board had reviewed the Company's policies and practices on corporate governance.

DIRECTORS' CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT

Pursuant to Code Provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to our Board remains informed and relevant.

During the Year, all Directors participated in the continuous professional developments regarding the duties and responsibility of our Directors under the relevant legal and regulatory requirement which included reading materials in relation to Environmental, Social and Governance reporting and other legal or regulatory update. Up to the date of this annual report, all Directors have participated in training regarding GEM Listing Rules and CG code updates conducted by our Company Secretary.

SECURITIES TRANSACTIONS BY DIRECTORS

Our Company had adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct (the "Code of Conduct") regarding securities transactions by our Directors. All Directors, after specific enquiries by our Company, confirmed to our Company their compliance with the Code of Conduct since the Listing Date and up to the date of this annual report.

CONSTITUTIONAL DOCUMENTS

There was no change to our Company's constitutional documents during the Year. A consolidated version of our Company's constitutional documents is available on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.bamboos.com.hk.

AUDITOR'S REMUNERATION

The remuneration paid/payable to the auditor of our Company during the Year is set out as follows:

| Services rendered during the Year | K\$'000 |
|--|----------------|
| Statutory audit services | 1,000 |

Corporate Governance Report

DIRECTORS' RESPONSIBILITY STATEMENT

Our Board is responsible for the preparation of the financial statements. In preparing the financial statements, the generally accepted accounting standards in Hong Kong have been adopted, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. Having made appropriate enquiries, our Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over our Group's ability to continue as a going concern. Accordingly, our Board has continued to adopt the going concern basis in preparing the financial statements.

INTERNAL CONTROLS

Our Board has overall responsibility for the internal control system of our Group. Our Board has developed its systems of internal control and risk management and is also responsible for reviewing and maintaining an adequate internal control system to safeguard the interests of our Shareholders and the assets of our Group. During the Year, our Board had conducted a review of the effectiveness of the internal control system which covered all material controls, including financial, operational and compliance controls and risk managements functions of our Group.

COMPANY SECRETARY

All Directors have access to the advice and services of our Company Secretary to ensure that the Board procedures and all applicable laws are followed. Moreover, our Company Secretary is responsible for facilitating communications among Directors as well as with the management. Ms. Lam Yuen Ling Eva is the current Company Secretary of our Company. Ms. Lam was appointed as the Company Secretary of our Company on 1 October 2014, following the resignation of Mr. Cheng Chin Wing who served as our Company as Company Secretary in the period of 1 July 2014 to 30 September 2014. The biographical details of Ms. Lam are set out under the section headed "Biographical Details of Directors and Senior Management." Ms. Lam has confirmed that she has undertaken no less than 15 hours of professional training to update her skills and knowledge.

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

According to article 12.3 of our Company's articles of association, two or more Shareholders (or a Shareholder who is a recognised clearing house (or its nominee(s)) (the "Requisitionists"), holding not less than 10% of the paid-up capital of our Company can convene an extraordinary general meeting (the "EGM") by depositing a requisition (the "Requisition") in writing to our Directors or our Company Secretary for the purpose of requiring the convening of the EGM. The written requisition shall be deposited to the Company's principal place of business at Units B and C, 16th Floor, E-Trade Plaza, 24 Lee Chung Street, Chai Wan, Hong Kong or through email at the e-mail address designated by our Company from time to time and marked for the attention of our Board of Directors/Company Secretary.

If our Board does not within 21 days from the date of deposit of the Requisition proceed duly to convene the meeting to be held, within a further 21 days, the Requisitionists themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by our Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the Requisition, and all reasonable expenses incurred by the Requisitionists as a result of the failure of our Board in convening the meeting shall be reimbursed to them by our Company.

Corporate Governance Report

PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

To put forward proposals at a general meeting of our Company, a Shareholder should lodge a written notice of his/her/its proposal (the "Proposal") with his/her/its detailed contact information at our Company's office at Units B and C, 16th Floor, E-Trade Plaza, 24 Lee Chung Street, Chai Wan, Hong Kong.

Upon confirming the Proposal is proper and in order by our Company's branch share registrar in Hong Kong, our Board will determine in its own discretion whether the Proposal may be included in the agenda for general meeting. The notice period to be given to all the Shareholders for consideration of the Proposal at the general meeting varies from 14 to 21 clear days and not less than 10 or 20 clear business days depending on the nature of the Proposal and the nature of the general meeting (annual or extraordinary).

COMMUNICATION WITH SHAREHOLDERS

Our Company endeavors to maintain an on-going dialogue with our Shareholders and in particular, through annual general meetings or other Shareholders' meetings to communicate with the Shareholders and encourage their participation. Our Company updates our Shareholders on its latest business developments and financial performance through its annual, interim and quarterly reports. The corporate website of our Company (<http://www.bamboos.com.hk>) has provided an effective communication platform to the public and our Shareholders through regularly updating its "Investor Relations" section.

Our Company will ensure that there are separate resolutions for separate issues proposed at all the Shareholders' meetings.

Our Company will continue to maintain an open and effective investor communication policy and to update investors on relevant information on our Group's business in a timely manner, subject to relevant regulatory requirements.

Shareholders should direct their questions about their shareholdings, share transfer, registration and payment of dividend to our Company's branch share registrar in Hong Kong, details of which are as follows:

Attention: Union Registrars Limited
Address: A18th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong
Telephone no.: (852) 2849 3399
Fax no.: (852) 2849 3319

Shareholders are encouraged to communicate with our Company for requesting publicly available information and any enquiries in relation to our Group:

Attention: The Company Secretary
Address: Units B and C, 16th Floor, E-Trade Plaza, 24 Lee Chung Street, Chai Wan, Hong Kong
Email: financial@bamboos.com.hk
Telephone no.: (852) 2575 5617
Fax no.: (852) 2575 5836

Detailed procedures for Shareholders to propose a person for election as a Director are available on our Company's website.

Hong Kong, 15 September 2015

Environmental, Social and Governance Report

INTRODUCTION

Our Group is committed to the long-term sustainability of our business and the community. As a pioneer in the healthcare staffing solution service industry of Hong Kong, our Group has committed to maintaining high standards of service quality, care for the community and the environment.

OUR CORE VALUES

Care

We care each person in our community with compassion, understanding and high respect. We also seek to build a professional team with a positive contribution to society, our business and future success will depend.

Competence

We uphold professional integrity and insist on high standards of services. We strive to be “the best of the best”.

Commitment

We genuinely care about our clients. We are committed to our standards of service excellence and dedicated to exceeding the expectations of those we serve.

Our Group is aware of the community needs and we have been actively participating in community care events, supporting charitable organisations in community campaigns, and engaging our employees in social care activities. We hope to bring more values to our stakeholders along with our service provision of healthcare staffing solution services besides business growth, and to achieve a high level in social responsibility, environmental protection and governance.

Several subject areas of our Group’s business practices and relevant implemented policies and strategies to our Group’s (i) operational practices, (ii) working environment, (iii) environmental protection and (iv) community engagement for the year ended 30 June 2015 (the “Year”) are summarized in this section.

OPERATIONAL PRACTICES

Quality Assurance and Service Responsibility

Our Group strives to quality excellence and recognises continual improvements are vital to enhancing competitiveness as well as clients’ satisfaction. We aim at the delivery of quality services through establishment of quality management system certified with ISO 9001:2008 and complaint handling management system certified with ISO 10002:2004.

ISO 9001:2008 Quality Management System

A management representative is assigned for system implementation and development. Quality objectives and internal review are set up and reviewed annually to assess opportunities for improvement and review the quality policy and quality objectives. We conduct customer survey and phone interview to collect client satisfaction on a regular basis.

Environmental, Social and Governance Report

ISO 10002:2004 Complaints Handling Management System

Our Directors believe that clients' comments drive us to achieve higher quality service. We value customer's feedback and implement the ISO 10002:2004 Complaints Handling Management System in order to manage our client's feedback and complaints efficiently.

Depending on the nature of the complaints, the relevant department records, tracks, assesses and investigates the relevant complaints lodged until the complaints are resolved. When a complaint reached us, its details including the description of the complaints, requested remedy, due date for response and immediate action taken will be recorded by our handling staff. We will acknowledge the receipt of a complaint within 24 hours of receipt and we will check whether, among others, the complaint is valid or a repeated complaint. A complaint will be tracked by senior staff or management until it was resolved and the complainant may contact us anytime to update its status. After investigation, we will respond to the complainant either by letter, fax, email or phone before we close the file and keep record. Previous complaint cases are studied to improve our service standards. Training for staff is held regularly to ensure their knowledge in complaint handling and the compliance with our policy. Requirements in complaint handling, such as response timing and recording are clearly established. Compliance with the system requirements and client satisfaction are reviewed annually during our internal review.

Intellectual Property Rights

Our Group respects and protects intellectual property rights. Our Group has taken active steps to protect our trademarks and other intellectual property rights by making the necessary filing or registration. We have maintained registration of our logos and filed registration for our representing cartoon characters.

Protection of Personal Data

We recognise the importance of keeping personal information of the healthcare personnel and our clients in strict confidence. We have engaged an independent information technology consultant under a service agreement which specifies that information and data must be managed with strict care and all necessary steps to avoid and restrict any unauthorised access and careless leakage must be taken.

The use of internal server system and the system for managing our Group's interactions with clients and healthcare personnel registered with us (the "CRM system") are restricted with different access levels, staff is only granted with authority access to certain data on a "need-to-know" basis.

The employment contracts signed with all our staff contain clauses to ensure that confidential information is protected and the information of our Group will be kept in strict confidence and our staff will not disclose any information which are protected against disclosure and have come to their possession as a result of their employment with us to any person without the prior approval of the designated officer(s) of our Group.

Anti-corruption

Our Group is well aware of the importance of honesty, integrity and fairness, and has included anti-corruption policy such as giving and taking interests and declaration of conflicts of interests in our staff manual. Through the establishment of these policies, we encourage all employees discharge their duties with integrity and comply with relevant laws and regulations.

Environmental, Social and Governance Report

WORKING ENVIRONMENT

Our management believes that full support and contribution of our employees is the key to continued business success. We provide equal opportunities for our staff including in recruitment, promotion, compensation and benefits. Our Group also observes diversity as one of the important values in our staff team composition and we maintain an open, motivating and energetic working environment for our employees. During the Year, our Group was engaged in the “Talent-Wise Employment Charter”, which advocate enhancing the employment opportunities of persons with disabilities and creating an Inclusive workplace.

Training and Development

We provide numerous training opportunities for further develop our employees’ competency. During the Year, internal training on management system of ISO9001 implementation, complaint handling procedures, branding and customer service, healthcare and nursing knowledge, word processing and application were delivered to our staff members.

Employee Engagement

Considerate employee benefits and engagement activities enhances productivity. It is our Group’s tradition to have all employees gathered for lunch every Thursday. In addition, our staff enjoys free tea meal once every week. Large supply of snacks and drink are provided to our staff in the office, it is always an exciting day for our staff when snacks shopping and ordering were done in every month. Besides Christmas and spring dinners, we also initiate seafood fest and health seminars to encourage work-life balance among our employees.

Our Group was awarded for 2 consecutive years in the Family-Friendly Employers Scheme initiated by the Family Council. We were named as one of the “Distinguished Family-Friendly Employers” in the 2013/14 scheme and the “Family-Friendly Employers” in the 2011 scheme.

ENVIRONMENTAL PROTECTION

Our Group advocates environmental protection in our daily business operation. We adopt a variety of environmental friendly practices in our office premises. Staff is encouraged to minimize paper and electricity consumption. For example double-sided printing, less colour printing, reusing and recycling used papers as well as implementing lighting zone control in our office is implemented in our office. In order to further seek improvements in our office environment and help conserve energy, we have also engaged our electricity supplier to conduct energy audit for new office premise.

COMMUNITY ENGAGEMENT

With the commitment to being a socially responsible corporation, our Group is dedicated to empowering our community in sustainable development. Our Group has been named by The Hong Kong Council of Social Service as a “Caring Company” for six consecutive years since 2009. We actively participate in and support various community initiatives concerning public health, social diversity and inclusion, elderly care, and healthcare professional development.

Environmental, Social and Governance Report

During the Year, we had supported over 20 community initiatives and campaigns in various manners including cash sponsorship and scholarship, sponsoring gift bags, volunteering in initiatives, supporting in promotion and media and supporting in event management. The details are set out as below:

| Nature of support | Value (Hk\$'000) |
|--------------------------------------|----------------------------|
| Cash sponsorship and scholarship | 215 |
| Sponsorship in kind | 323 |
| – Sponsoring gift bags to activities | |
| – Volunteering in initiatives | |
| – Support in promotion and media | |
| – Support in event management | |
| Total | 538 |

We were the chief sponsor for three consecutive years since 2012 of the Rehab Power Day, which was organised by Hong Kong Rehabilitation Power, advocating support for disabled persons and social harmony. We have also supported the “Running to your home” programme organised by CUHK EMBA alumni to visit solitary elderly and the Hong Kong Blind Union for their 50th Anniversary Concert. It was also the second year our Group supporting the “Art of Fong Yim-fun Sustainability Project” organised by the Shaw College of the Chinese University of Hong Kong in Cantonese operatic songs performance for blind seniors in elderly homes.

On top of playing a supportive role, we also actively initiate volunteer programmes with patients and elderly as service targets. For instance, we organize regular fruit delivery visit campaigns to hospital wards and elderly centres in Chinese New Year and Mid-Autumn Festival every year.

We believe that persistence can put every small step into a large impact. Our Group will continue our endeavors to contribute to the community for sustainability.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Kwan Chi Hong, aged 43, is an executive Director, the chairman of the Board, one of the controlling shareholders of our Company, the compliance officer and a member of our nomination committee. Mr. Kwan co-founded our Group in May 2009. He was appointed as a Director on 23 November 2012 and redesignated as an executive Director on 28 March 2014. Mr. Kwan performs a leadership role in monitoring and evaluating our business, strategic planning and major decision making for our Group.

Mr. Kwan obtained a bachelor's degree in Economics and a master's degree in Economics from The University of Hong Kong in January 1995 and December 2005 respectively. Mr. Kwan has completed a programme in Executive MBA and obtained a master's degree in Business Administration from The Chinese University of Hong Kong in December 2007.

Mr. Kwan has over 10 years of managerial experience in the public sector, from February 1995 to December 2007, including working as an executive officer in various government departments including Registration and Electoral Office, Urban Services Department, Home Affairs Department, Hong Kong Police Force and Chief Secretary for Administration's Office Government Secretariat, mainly responsible for human resources management including manpower and succession planning, financial resources management including planning and allocating financial resources and exercising control over revenue and expenditure, policy support including analysing the information collected and liaising with parties concerned to facilitate the formulation of policies, and general administration. Mr. Kwan was the chairman of Bamboos Limited between April 2008 and April 2009, and was mainly responsible for strategic planning. Mr. Kwan has been a part-time teacher of certain bachelor/diploma courses in Chinese medicine conducted by HKU School of Professional and Continuing Education since March 2013.

Mr. Kwan was awarded the Young Entrepreneur of the year 2012 from the Hong Kong Business Awards hosted by DHL Express and South China Morning Post and the EY Entrepreneur of the year 2013 China – Emerging Entrepreneur hosted by EY.

Ms. Hai Hiu Chu, aged 44, is an executive Director, the chief executive officer and one of the controlling shareholders of our Company and a member of our remuneration committee. Ms. Hai co-founded our Group in May 2009. She was appointed as a Director on 23 November 2012 and redesignated as an executive Director on 28 March 2014. Ms. Hai is responsible for the overall management, strategic development and major decision making for our Group. Ms. Hai obtained a bachelor's degree in pharmacy in Chinese Medicine and a master's degree of Science in Chinese Medicines from The University of Hong Kong in November 2008 and November 2012 respectively. She has completed a programme in Executive MBA and obtained a master's degree in Business Administration from The Chinese University of Hong Kong in December 2010.

Ms. Hai obtained an EN qualification from the Nursing Council of Hong Kong in February 1993. Ms. Hai has over 16 years of experience in the medical field and the pharmaceutical industry. From September 2005 to April 2009, Ms. Hai was a managing director of Bamboos Limited.

NON-EXECUTIVE DIRECTOR

Mr. Wong Kam Pui, JP, aged 61, is a non-executive Director and the chairman of our compliance committee. He was appointed as a non-executive Director on 25 September 2014. Mr. Wong is responsible for advising on matters relating to business opportunities for investment, development and expansion. Mr. Wong obtained a bachelor's degree and a master's degree in Business Administration from The Chinese University of Hong Kong in 1996 and 2013 respectively.

Mr. Wong had extensive experience in human resources management and administration with renowned local and international organizations. He has been a council member of the Hong Kong Institute of Human Resources Management for the last two decades and had been its President during 2008 to 2010. Mr. Wong is also the founder and a director of Resolutions HR & Business Consultancy Company Limited, which is principally engaged in the provision of business and human resources solutions and consultancy services. In addition, Mr. Wong has taken up various important responsibilities with certain governmental bodies of the Hong Kong Special Administrative Region, and has been performing advisory role over various aspects concerning the local community including but not limited to education, labour and welfare, commerce and economic development issues. In July 2015, Mr. Wong was appointed as a Justices of the Peace by the Hong Kong SAR Government.

Biographical Details of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lam Cheung Wai, aged 58 is an independent non-executive Director, the chairman of our audit committee and nomination committee and a member of our remuneration committee. He was appointed as an independent non-executive Director on 24 June 2014. Mr. Lam is responsible for providing independent judgement on issues of strategy, performance, resources and standards of conduct of our Group. Mr. Lam graduated from The Chinese University of Hong Kong with a bachelor's degree in Business Administration in December 1981.

Mr. Lam has been a member of the Hong Kong Institute of Certified Public Accountants (formerly known as Hong Kong Society of Accountants) since February 1998 and Mr. Lam has been a certified internal auditor of the Institute of Internal Auditors since March 2009. He has been an Accounting Officer in The Treasury of HKSAR Government since July 1986.

Mr. Lam is a co-founder of Hong Kong Rehabilitation Power, and he served as the president of its council of management from April 1995 to December 2013. He is also a co-founder of Empowering Life Network, an organisation aiming to serve deprived youths.

Professor Chan Chi Fai, Andrew, JP, aged 61, is an independent non-executive Director and a member of our audit committee, nomination committee, remuneration committee and compliance committee. He was appointed as an independent non-executive Director on 24 June 2014. Professor Chan is responsible for providing independent judgment on issues of strategy, performance, resources and standards of conduct of our Group. Professor Chan graduated from The Chinese University of Hong Kong in November 1977 with a bachelor's degree in business administration. He also obtained a master's degree in business administration from the University of California at Berkeley, the United States in December 1979 and a doctorate degree of Philosophy from The Chinese University of Hong Kong in December 1993.

Professor Chan has been teaching marketing at The Chinese University of Hong Kong since 1986 and is currently the director of its Executive MBA Programme. He was awarded the Vice-Chancellor's Exemplary Teaching Award in 2001 and 2009.

From 1999 to 2005, Professor Chan was chairman of the Hong Kong Consumer Council, while during 2004 to 2010, he was chairman of the Hong Kong Deposit Protection Board. Currently, he is the chairman of the Process Review Committee of the Hong Kong Monetary Authority, a member of the Quality Tourism Services Sub-Committee of the Hong Kong Tourism Board, an advisor to the Governing Council of the Quality Tourism Services Association and the chairman of the Chinese Medicine Council of Hong Kong. In recognition of his distinguished public and community service, he was appointed as a Justice of the Peace in 2005 by the Hong Kong SAR Government and was awarded the Silver Bauhinia Star in 2007.

In addition to his directorship in our Company, Professor Chan is currently an independent non-executive director of Tao Heung Holdings Limited (stock code: 573) and Asiaray Media Group Limited (stock code: 1993), both companies are listed on the Main Board of the Stock Exchange.

Dr. Luk Yim Fai, aged 63, is an independent non-executive Director, the chairman of our remuneration committee and a member of our audit committee, nomination committee and compliance committee. He was appointed as an independent non-executive Director on 24 June 2014. Dr. Luk is responsible for providing independent judgment on issues of strategy, performance, resources and standards of conduct of our Group. Dr. Luk graduated from the University of Chicago, the United States with a bachelor's degree in economics in June 1974 and obtained a master's degree of Arts and a doctorate degree of Philosophy from Cornell University, the United States in May 1983 and August 1989 respectively.

Dr. Luk currently serves as an associate professor of the School of Economics and Finance at the University of Hong Kong. He has been an associate dean (IMBA and special projects) of the Faculty of Business and Economics since August 2012, and was a director of the School of Economics and Finance from July 2001 to February 2012 at The University of Hong Kong. Dr. Luk's teaching career in Hong Kong started in January 1985 at The Chinese University of Hong Kong as an assistant lecturer of the Department of Economics, he then moved on to be a lecturer and began his teaching at the School of Economics and Finance at The University of Hong Kong from September 1993 as a lecturer and has been an associate professor since May 2004.

Biographical Details of Directors and Senior Management

Dr. Luk was a member of the Banking and Finance Industrial Training Board, the Vocational Training Council and a member of the Economics Subject Committee, Hong Kong Examinations Authority from January 1999 to December 1999 and September 1989 to August 1992 respectively.

SENIOR MANAGEMENT

Ms. Liu Huanming, aged 43, is the consultant of our Group. She joined our Group in January 2012 and is responsible for strategic planning and providing assistance from the medical perspective. Ms. Liu obtained a bachelor's degree in clinical medicine and a master's degree in ophthalmology from Shandong Medical University, which later merged with other institutions to form Shandong University, the PRC in July 1995 and June 2000 respectively. Ms. Liu was awarded a doctorate degree of Philosophy in Ophthalmology and Visual Sciences from The Chinese University of Hong Kong in December 2010. Ms. Liu has been a qualified doctor in the PRC since May 1999 and practised at Shandong Province Qianfushan Hospital from December 1999 to June 2006.

Ms. Lui Yin Ping, aged 43, is the general manager (customer service) of our Group. Ms. Lui joined our Group in July 2009, and is responsible for the supervision of operation and performance of the CS Department. Ms. Lui obtained an Executive Secretarial Diploma from Professional of Career Youth Department of Hong Kong Young Women's Christian Association in October 1996. She has over 20 years of experience in the customer service field. Prior to joining our Group, she worked in various positions relating to customer relations in Reader's Digest Association Far East Limited, a publisher from June 1995 to February 2008, where she was mainly responsible for handling customer inquiries and complaints and assisting the manager to carry out the customer loyalty program. From April 2008 to June 2009, Ms. Lui worked as a customer service executive of Bamboos Limited, responsible for providing general customer services.

Ms. Lao Liling, aged 42, is the internal audit officer of our Group. She joined our Group in April 2013. Ms. Lao is responsible for the overall quality control and the compliance with internal procedures and certifications of our Company. She obtained her master's degree of business administration in executive management from Royal Roads University, British Columbia, Canada in June 2010. She also completed the SA8000 Introduction & basic auditor course in Guangzhou China conducted by the Social Accountability International in August 2009.

She has over 13 years of experience in quality assurance, including working as the general manager of business development, in Hong Kong Quality Assurance Agency from July 2006 to January 2013, where she was responsible for operations management prior to joining our Group.

COMPANY SECRETARY

Ms. Lam Yuen Ling Eva, aged 48, was appointed as company secretary of the Company in October 2014. Ms. Lam obtained a Higher Certificate in Company Secretaryship and Administration from the Hong Kong Polytechnic University and was awarded a degree of Master of Science in Corporate Governance and Directorship by the Hong Kong Baptist University.

Ms. Lam is a director of BMI Listed Corporate Services Limited. She has over 20 years of experience in company secretarial services and commercial solutions. Ms. Lam is a fellow of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. Ms. Lam is currently the company secretary of several companies listed on the Main Board and the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited.

Directors' Report

The Directors of the Company submit herewith their annual report together with the audited financial statements for the year ended 30 June 2015 (the "Year").

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are set out in note 12 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the Year.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 30 June 2015 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 37 to 76.

An interim dividend of HK2.00 cents per ordinary share (2014: HK\$230,000 per share) ^{Note} totalling HK\$8,000,000 was paid during the Year.

The Board does not recommend the payment of a final dividend for the year ended 30 June 2015 (2014: nil).

Total dividend paid in respect of the year ended 30 June 2015 amounted to HK\$8,000,000 (2014: HK\$23,000,000) ^{Note}.

Note: On 21 March 2014, an interim dividend of HK\$230,000 per share, totaling HK\$23,000,000 was declared by a subsidiary of the Company before the completion of the reorganisation to its then equity holders. The amount was settled on 27 March 2014 and recognised in equity in the nine months ended 31 March 2014.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results, assets and liabilities of the Group for the past four financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out on page 77. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in note 17 to the consolidated financial statements.

BANK BORROWINGS

Particulars of bank borrowings of the Group as at 30 June 2015 are set out in note 29 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in note 25 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 30 June 2015, the Company's reserves available for distribution amounted to approximately HK\$447,000 (2014: Nil) as set out in note 26 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither our Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities during the Year.

DIRECTORS

The Directors of the Company during the Year and up to the date of this annual report were:

Executive Directors

Mr. Kwan Chi Hong (Chairman)
Ms. Hai Hiu Chu (Chief Executive Officer)

Non-executive Director

Mr. Mok Gar Lon, Francis (appointed on 8 May 2013 and resigned on 25 September 2014)
Mr. Wong Kam Pui, JP (appointed on 25 September 2014)

Independent non-executive Directors

Mr. Lam Cheung Wai
Professor Chan Chi Fai, Andrew
Dr. Luk Yim Fai

Biographical details of the Directors and the senior management of the Group are set out on pages 24 to 26 of this annual report.

All our Directors, including non-executive and independent non-executive Directors, are subject to retirement by rotation and eligible for re-election in accordance with our Company's articles of association. At each annual general meeting, not less than one third of the Directors then in office shall retire and every Director is subject to retirement by rotation at least once every three years.

Confirmation of Independence

Each independent non-executive Director has given the Company an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that all the independent non-executive Directors are independent and meet the independent guidelines set out in Rule 5.09 of the GEM Listing Rules.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors and the non-executive Director has entered into a service agreement with our Company for an initial term of three years commencing from 8 July 2014 (the "Listing Date"), being the date of listing of the Company's shares on the GEM of the Stock Exchange, and will continue thereafter until terminated by not less than three months' written notice or subject to the terms and conditions thereunder. Each of the independent non-executive Directors has entered into a letter of appointment with the Company for an initial fixed term of three years commencing from the Listing Date and may be terminated by not less than three months' written notice.

Directors' Report

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company, which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

None of our Directors had a material interest, whether directly or indirectly, in any contract of significance to the business of our Group to which our Company or any of its subsidiaries was a party at the end of the Year or at any time during the Year.

As at 30 June 2015, no contract of significance had been entered into between our Company, or any of its subsidiaries and the controlling Shareholders or any of its subsidiaries.

COMPETING INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS AND THEIR RESPECTIVE CLOSE ASSOCIATES

Save as disclosed in the Prospectus and summarised below, none of the Directors, controlling shareholders of our Company or their respective close associates (as defined under the GEM Listing Rules) had any business or interest in a business which competes or may compete with the business of our Group and any other conflict of interest with our Group throughout the Year.

| Name of company | Shareholding in the company attributable to our Directors or controlling shareholders | Nature of business | Remarks |
|--|---|--|--|
| Bamboos Medicine Limited (" BML ") | 100% by Ms. Hai Hiu Chu | Provision of Chinese medicine consultation and treatment services in Hong Kong | Ms. Hai Hiu Chu is a director of BML |
| Bamboos Education – School for Talents Limited (" BEST ") | 90% by Ms. Hai Hiu Chu and 10% by Mr. Kwan Chi Hong | Provision of healthcare related training service in Hong Kong | Both Ms. Hai Hiu Chu and Mr. Kwan Chi Hong are directors of BEST |

COMPLIANCE WITH NON-COMPETITION UNDERTAKING BY OUR CONTROLLING SHAREHOLDERS

As disclosed in the Prospectus, our controlling Shareholders (namely Mr. Kwan Chi Hong, Ms. Hai Hiu Chu, Gold Empress Limited and Gold Beyond Limited) entered into a deed of non-competition undertaking dated 24 June 2014 (the "DNU") in favour of our Company (for ourselves and as trustee for and on behalf of each of our subsidiaries) regarding the non-competition undertaking as more particularly set out in the section headed "Relationship with Controlling Shareholders and non-competition undertakings" in the Prospectus.

Our controlling Shareholders had continued to uphold, among others, their undertaking by allowing the Company and its representatives to have access to such information, financial and/or corporate records to facilitate the Company to determine the compliance of the undertakings contained in the DNU during the Year.

Our controlling Shareholders have provided to the Company a written confirmation confirming that, since the Listing Date, they and their respective associates have complied with the undertakings contained in the DNU, and that there is no matter in relation to their compliance with or enforcement of the DNU that needs to be brought to the attention of the Stock Exchange, the Company and/or the Shareholders. Our independent non-executive Directors have also confirmed to the Company that, having made such reasonable enquiries with our controlling Shareholders and reviewed such documents as they considered appropriate, nothing has come to their attention that causes them to believe that the terms of the DNU had not been complied with by our controlling Shareholder during the Year.

Directors' Report

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF OUR COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2015 and the date of this annual report, the interests and short positions in the shares, underlying shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) held by the Directors and chief executives of our Company which have been notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or have been entered in the register maintained by our Company pursuant to section 352 of the SFO, or otherwise have been notified to our Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

| Name of Director | Nature of interest | Number of Shares | Percentage of shareholding <i>(Note 4)</i> (%) |
|-------------------|--------------------------------------|-------------------------|--|
| Ms. Hai Hiu Chu | Interest of a controlled corporation | 270,000,000 (Note 1) | 75% |
| | Deemed interest | 30,000,000 (Note 3) | |
| Mr. Kwan Chi Hong | Interest of a controlled corporation | 30,000,000 (Note 2) | 75% |
| | Deemed interest | 270,000,000 (Note 3) | |

Note:

- Ms. Hai Hiu Chu is deemed to be interested in the Shares held by Gold Empress Limited ("Gold Empress") by virtue of the SFO as Gold Empress is wholly owned by Ms. Hai Hiu Chu.
- Mr. Kwan Chi Hong is deemed to be interested in the Shares held by Gold Beyond Limited ("Gold Beyond") by virtue of the SFO as Gold Beyond is wholly owned by Mr. Kwan Chi Hong.
- Ms. Hai Hiu Chu and Mr. Kwan Chi Hong, being our executive Directors, are deemed to be parties acting in concert under the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). As such, Ms. Hai Hiu Chu, Mr. Kwan Chi Hong, Gold Empress and Gold Beyond are all regarded as parties acting in concert under the Takeovers Code and are therefore deemed to be interested in the Shares held by each other.
- The percentage of shareholding is calculated on the basis of 400,000,000 shares in the Company in issue as at 30 June 2015 and the date of this annual report.

Save as disclosed above, as at the date of this annual report, none of the Directors and chief executives of our Company had an interest or short position in the shares, underlying shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by our Company pursuant to section 352 of the SFO, or which were required to be notified to our Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

Directors' Report

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF OUR COMPANY

So far as our Directors are aware, as at 30 June 2015 and the date of this annual report, other than the Directors and chief executives of our Company, the following persons/entities had interests or short positions in the shares or underlying shares of our Company which were required to be disclosed to our Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register required to be kept under section 336 of the SFO:

| Name of shareholder | Capacity | Number of Shares held | Percentage of shareholding (Note 4) (%) |
|---------------------|------------------|---|---|
| Gold Empress | Beneficial owner | 270,000,000 | 75% |
| | Deemed interest | 30,000,000 (Note 1) (Note 3) (long position) | |
| Gold Beyond | Beneficial owner | 30,000,000 | 75% |
| | Deemed interest | 270,000,000 (Note 2) (Note 3) (long position) | |

Note:

1. Under the SFO, Ms. Hai Hiu Chu is deemed to be interested in 270,000,000 Shares held by Gold Empress by virtue of Ms. Hai Hiu Chu holding the entire issued share capital of Gold Empress.
2. Under the SFO, Mr. Kwan Chi Hong is deemed to be interested in 30,000,000 Shares held by Gold Beyond by virtue of Mr. Kwan Chi Hong holding the entire issued share capital of Gold Beyond.
3. Ms. Hai Hiu Chu and Mr. Kwan Chi Hong, being our executive Directors, are deemed to be parties acting in concert under the Takeovers Code. As such, Ms. Hai Hiu Chu, Mr. Kwan Chi Hong, Gold Empress and Gold Beyond are all regarded as parties acting in concert under the Takeovers Code and are therefore deemed to be interested in the Shares held by each other.
4. The percentage of shareholding is calculated on the basis of 400,000,000 shares in the Company in issue as at 30 June 2015 and the date of this annual report.

Save as disclosed above, as at 30 June 2015 and the date of this annual report, no other person had any interests or short positions in the shares or underlying shares of our Company which were required to be disclosed to our Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of our Company required to be kept under section 336 of the SFO.

SHARE OPTION SCHEME

The Share Option Scheme was conditionally approved and adopted by a resolution of the shareholders of our Company passed on 24 June 2014 and became unconditional upon the Listing Date.

The purpose of the Share Option Scheme is to reward eligible participants who have contributed to our Group and to encourage them to work towards enhancing the value of our Company and our Shares for the benefit of our Company and our Shareholders as a whole.

Our Directors may, at their discretion, offer options (the "Options") to subscribe for such number of Shares in accordance with the terms set out in the Share Option Scheme to the following eligible participants: directors (including executive Directors, non-executive Director and independent non-executive Directors) and employees of our Group and any advisers, consultants, distributors, contractors, suppliers, agents, customers, partners, joint venture business partners, promoters or service providers of any member of our Group who our Board considers, in its sole discretion, have contributed or will contribute to our Group.

The maximum number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of our Company shall not, in the absence of Shareholders' approval, in aggregate exceed 10% of the aggregate number of Shares in issue on the Listing Date.

As at the date of this annual report, the total number of Share available for issue under the Share Option Scheme is 40,000,000 Shares, representing 10% of the issued share capital of our Company. No Options may be granted to any eligible participant of the Share Option Scheme such that the total number of Shares issued and to be issued upon exercise of the Options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of our Company's issued share capital for the time being.

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the Board and not exceeding 10 years from the date of grant under the Share Option Scheme (the "Option Period"). After the expiration of the Option Period, no further Options shall be offered or granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects. Options granted during the life of the Share Option Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the ten-year period.

There is no general requirement on the minimum period for which an Option must be held or the performance targets which must be achieved before an Option can be exercised under the terms of the Share Option Scheme. Eligible participants of the Share Option Scheme are required to pay the Company HK\$1 upon acceptance of the grant within 28 days after the offer date.

The subscription price shall be determined by our Board in its absolute discretion but in any event shall not be less than the highest of:

- (i) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date on which the Option is granted, which date must be a business day;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the date on which the Option is granted; and
- (iii) the nominal value of the Shares.

Directors' Report

The Share Option Scheme is valid and effective for a period of 10 years from 8 July 2014, after which no further options will be granted or offered.

There was no Option outstanding, granted, cancelled, exercised and lapsed during the Year and as at the date of this annual report.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by Halcyon Capital Limited ("Halcyon"), compliance adviser of our Company, neither Halcyon nor any of its close associates and none of the directors or employees of Halcyon had any interest in the share capital of our Company or any member of our Group (including options or rights to subscribe for such securities, if any) which is required to be notified to our Company pursuant to Rule 6A.32 of the GEM Listing Rules as at the date of this annual report.

Pursuant to the agreement dated 30 June 2014 entered into between Halcyon and our Company, Halcyon received and will receive fees for acting as our Company's compliance adviser.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 30 June 2015, the revenue attributable to our five largest clients accounted for less than 30% of our revenue for the Year. Costs payable to our five largest healthcare personnel placed by us also accounted for less than 30% of our total pay-out costs for the Year. During the Year, none of our Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had any interest in these clients or healthcare personnel of our Group.

RELATED PARTY TRANSACTIONS

Related party transactions in relation to the rental fee paid to a related party during the year ended 30 June 2015 as set out in note 32 to the financial statements fall under the definition of "continuing connected transaction" in Chapter 20 of the GEM Listing Rules but are exempted from the reporting, annual review, announcement and independent shareholders' approval requirement set out in Chapter 20 of the GEM Listing Rules. Further details are set out in the section headed "Connected Transactions" in the Prospectus.

Save as disclosed above, our Directors consider that those material related party transactions disclosed in note 32 to the financial statements did not fall under the definition of "connected transactions" or "continuing connected transactions" (as the case may be) in Chapter 20 of the GEM Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the GEM Listing Rules. Our Company confirmed that we have complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by the Company are set out in the section headed "Corporate Governance Report" on pages 11 to 19.

Directors' Report

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

Our Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by our Company throughout the period from the Listing Date to 30 June 2015.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, up to the date of this annual report, there is sufficient public float of 25% of the Company's issued shares as required under the GEM Listing Rules.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association and there was no restriction against such rights under the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of Company's securities.

CHARITABLE DONATIONS

Charitable donations in cash made by the Group during the Year amounted to HK\$215,000. Please also refer to the section headed "Environmental, Social and Governance Report" contained in this annual report for details of sponsorship in kind made by the Group during the Year.

CLOSURE OF REGISTER OF MEMBERS

In order to determine entitlements to attend and vote at the annual general meeting, the register of members of the Company will be closed from Tuesday, 27 October 2015 to Thursday, 29 October 2015, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to be eligible to attend and vote at the forthcoming annual general meeting of the Company, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited at A18th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not later than 4:00 p.m. on Monday, 26 October 2015.

AUDITOR

PricewaterhouseCoopers will retire and, being eligible, offer itself for reappointment in the forthcoming annual general meeting of the Company. A resolution for the reappointment of PricewaterhouseCoopers as auditor of the Company will be proposed at the forthcoming annual general meeting.

By order of the Board of
Bamboos Health Care Holdings Limited
Kwan Chi Hong
CHAIRMAN

Hong Kong, 15 September 2015

Independent Auditor's Report



羅兵咸永道

TO THE SHAREHOLDERS OF BAMBOOS HEALTH CARE HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Bamboos Health Care Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 37 to 76, which comprise the consolidated and company balance sheets as at 30 June 2015, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the predecessor Hong Kong Companies Ordinance (Cap.32), and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Independent Auditor's Report



羅兵咸永道

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2015, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the predecessor Hong Kong Companies Ordinance (Cap.32).

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 15 September 2015

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2015

| | Note | 2015 HK\$'000 | 2014 HK\$'000 |
|---|------|------------------|------------------|
| Revenue | 6 | 46,496 | 36,540 |
| Other income and gain | 7 | 2,835 | 1,863 |
| Employee benefit expenses | 9 | (11,863) | (7,363) |
| Operating lease rentals | | (1,223) | (720) |
| Depreciation | | (613) | (483) |
| Other operating expenses | 8 | (8,175) | (16,363) |
| Operating profit | | 27,457 | 13,474 |
| Finance income | 11 | 21 | – |
| Finance expenses | 11 | (233) | (372) |
| Finance costs, net | | (212) | (372) |
| Profit before income tax | | 27,245 | 13,102 |
| Income tax expense | 13 | (4,858) | (4,403) |
| Profit and total comprehensive income for the year attributable to equity holders of the Company | | 22,387 | 8,699 |
| Earnings per ordinary share attributable to the equity holders of the Company | | | |
| Basic and diluted | 15 | HK5.63 cents | HK2.90 cents |

The notes are an integral part of these consolidated financial statements.

| | Note | 2015 HK\$'000 | 2014 HK\$'000 |
|----------|------|------------------|------------------|
| Dividend | 16 | 8,000 | 23,000 |

Consolidated Balance Sheet

As at 30 June 2015

| | Note | 2015 HK\$'000 | 2014 HK\$'000 |
|--|------|------------------|------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 17 | 1,616 | 465 |
| Prepayments and deposits | 21 | 567 | – |
| Deferred income tax assets | 30 | – | 12 |
| | | 2,183 | 477 |
| Current assets | | | |
| Inventories | 19 | 139 | – |
| Trade receivables | 20 | 18,854 | 15,337 |
| Prepayments, deposits and other receivables | 21 | 667 | 3,967 |
| Amount due from a related company | 22 | 72 | 60 |
| Cash and cash equivalents | 24 | 66,942 | 19,057 |
| | | 86,674 | 38,421 |
| Total assets | | 88,857 | 38,898 |
| EQUITY | | | |
| Capital and reserves attributable to the Company's equity holders | | | |
| Share capital | 25 | 4,000 | – |
| Share premium | 25 | 39,123 | – |
| Retained earnings | 26 | 20,718 | 6,331 |
| Total equity | | 63,841 | 6,331 |
| Non-current liabilities | | | |
| Deferred income tax liabilities | 30 | 80 | – |
| Current liabilities | | | |
| Trade payables | 27 | 12,286 | 10,571 |
| Accruals and other payables | 28 | 1,895 | 8,849 |
| Amount due to a related company | 22 | – | 115 |
| Amounts due to directors | 23 | – | 160 |
| Tax payable | | 5,691 | 4,802 |
| Bank borrowings | 29 | 5,064 | 8,070 |
| | | 24,936 | 32,567 |

Consolidated Balance Sheet

As at 30 June 2015

| | Note | 2015 HK\$'000 | 2014 HK\$'000 |
|--|------|------------------|------------------|
| Total liabilities | | 25,016 | 32,567 |
| Total equity and liabilities | | 88,857 | 38,898 |
| Net current assets | | 61,738 | 5,854 |
| Total assets less current liabilities | | 63,921 | 6,331 |

On behalf of the board

Kwan Chi Hong

Director

Hai Hiu Chu

Director

The notes are an integral part of these consolidated financial statements.

Balance Sheet

As at 30 June 2015

| | Note | 2015 HK\$'000 | 2014 HK\$'000 |
|--|------|------------------|------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investments in subsidiaries | 12 | 16,672 | 16,672 |
| Prepayments | 21 | 48 | – |
| | | 16,720 | 16,672 |
| Current assets | | | |
| Prepayments and other receivables | 21 | 136 | 3,496 |
| Cash and cash equivalents | 24 | 36,382 | – |
| Amount due from a subsidiary | 12 | 7,008 | – |
| | | 43,526 | 3,496 |
| Total assets | | 60,246 | 20,168 |
| EQUITY | | | |
| Capital and reserves attributable to the Company's equity holders | | | |
| Share capital | 25 | 4,000 | – |
| Share premium | 25 | 39,123 | – |
| Reserves | 26 | 17,119 | 842 |
| Total equity | | 60,242 | 842 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accruals and other payables | 28 | 4 | 6,643 |
| Amounts due to subsidiaries | 12 | – | 12,683 |
| Total liabilities | | 4 | 19,326 |
| Total equity and liabilities | | 60,246 | 20,168 |
| Net current assets/(liabilities) | | 43,522 | (15,830) |
| Total assets less current liabilities | | 60,242 | 842 |

On behalf of the board

Kwan Chi Hong
Director

Hai Hiu Chu
Director

The notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2015

| | Attributable to the equity holders of the Company | | | |
|---|---|--|-------------------------------|-------------------|
| | Share capital (Note 25) HK\$'000 | Share premium (Note 25) HK\$'000 | Retained earnings HK\$'000 | Total HK\$'000 |
| At 1 July 2013 | – | – | 20,632 | 20,632 |
| Total comprehensive income | | | | |
| Profit for the year | – | – | 8,699 | 8,699 |
| Transaction with owners: | | | | |
| Dividend (Note 16) | – | – | (23,000) | (23,000) |
| At 30 June 2014 | – | – | 6,331 | 6,331 |
| At 1 July 2014 | – | – | 6,331 | 6,331 |
| Total comprehensive income | | | | |
| Profit for the year | – | – | 22,387 | 22,387 |
| Transactions with owners: | | | | |
| Dividend (Note 16) | – | – | (8,000) | (8,000) |
| Capitalisation issue of shares (Note 25(e)) | 3,000 | (3,000) | – | – |
| Issue of shares by placing (Note 25(d)) | 1,000 | 42,123 | – | 43,123 |
| At 30 June 2015 | 4,000 | 39,123 | 20,718 | 63,841 |

The notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2015

| | 2015 HK\$'000 | 2014 HK\$'000 |
|---|------------------|------------------|
| Cash flows from operating activities | | |
| Cash generated from operations (Note 33) | 21,833 | 19,742 |
| Interest paid | (233) | (372) |
| Income tax paid | (3,877) | (3,247) |
| Net cash generated from operating activities | 17,723 | 16,123 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (1,884) | (26) |
| Proceeds from disposal of property, plant and equipment | 200 | – |
| Interest received | 4 | – |
| Net cash used in investing activities | (1,680) | (26) |
| Cash flows from financing activities | | |
| Balances with directors and related companies | (275) | (9,989) |
| Dividend paid | (8,000) | (14,218) |
| Repayment of bank borrowings | (3,006) | (2,279) |
| Payment of professional fees related to listing preparation | (3,427) | |
| Net proceeds from issuance of shares by way of placing | 46,550 | – |
| Net cash generated from/(used in) financing activities | 31,842 | (26,486) |
| Net increase/(decrease) in cash and cash equivalents | 47,885 | (10,389) |
| Cash and cash equivalents at 1 July | 19,057 | 29,446 |
| Cash and cash equivalents at 30 June | 66,942 | 19,057 |

Major non-cash transaction:

On 8 July 2014, 299,999,980 shares were issued at HK\$0.01 each by way of capitalisation of share premium arising from the gross proceeds from the issue of shares by way of placing (Note 25).

The notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

Bamboos Health Care Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 23 November 2012 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is PO Box 309, Ugland House, Grand Cayman, KYI-1104, Cayman Islands and its principal place of business is Unit B-C, 16/F, E-Trade Plaza, 24 Lee Chung Street, Chai Wan, Hong Kong. The Company’s shares are listed on the Growth Enterprise Market (“GEM”) of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 8 July 2014 (the “Listing”).

The Company is an investment holding company and its subsidiaries (together, the “Group”) are principally engaged in the provision of healthcare staffing solution services.

These financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 15 September 2015.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) under the historical cost convention.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

- (a) During the Year, the Group has adopted all amendments to existing accounting standards effective for the first time for the financial year beginning on 1 July 2014, which do not have any significant impact on the Group’s results and financial position.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(b) The following new standards and amendments to existing standards have been published by the HKICPA but are not yet effective for the financial year beginning on or after 1 July 2014 and have not been early adopted by the Group:

- Amendments to HKFRS 7 and HKFRS 9 on Disclosures: Mandatory effective date of HKFRS and transactional disclosures¹;
- HKFRS 14, “Regulatory deferral accounts”²;
- Amendments to HKAS 16 “Property, plant and equipment” and HKAS 38 “Intangible assets” – Clarification of acceptable methods of depreciation and amortisation²;
- Amendments to HKAS 16 “Property, plant and equipment” and HKAS 41 “Agriculture” – Agriculture: Bearer plants²;
- Amendments to HKFRS 11, “Joint Arrangements” – Accounting for acquisitions of interests in joint operations²;
- Amendments to HKFRS 10 and HKAS 28 on sale or contribution of assets between an investor and its associate or joint venture²;
- Amendment to HKAS 27 on equity method in separate financial statements²;
- Amendments to HKFRS 10, HKFRS 12 and HKAS 28 on investment entities: applying the consolidation exception²;
- Amendments to HKAS 1 for the disclosure initiative²;
- Annual improvements 2014²;
- HKFRS 15, “Revenue from contracts with customers”³; and
- HKFRS 9, “Financial instruments”⁴.

¹ Effective for annual periods beginning on or after 1 January 2015

² Effective for annual periods beginning on or after 1 January 2016

³ Effective for annual periods beginning on or after 1 January 2017

⁴ Effective for annual periods beginning on or after 1 January 2018

The Group has commenced an assessment of the impact of these new standards and amendments, but is not yet in a position to state whether they would have a significant impact on its results and financial position.

In addition, the disclosure requirements of the new Hong Kong Companies Ordinance (Cap. 622) will become effective for the company’s financial year ending 30 June 2016. The Group is in the process of making an assessment of expected impact of the changes. So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation

Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Except for reorganisation under common control, the Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

2.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the Company's and its subsidiaries' functional and the Group's presentation currency.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company who make strategic decisions.

2.6 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisitions of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Property, plant and equipment (continued)

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost of each asset to their residual values over their estimated useful lives, as follows:

| | |
|------------------------|---|
| Leasehold improvements | Over the unexpired period of lease or useful life, whichever is shorter |
| Furniture and fixtures | 20% |
| Computer equipment | 20% |
| Motor vehicles | 20% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units"). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

2.8 Financial assets

The Group classifies its financial assets into loans and receivables. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprises trade and other receivables, deposits, amount due from a related company, and cash and cash equivalents.

Regular way purchases and sales of financial assets are recognised on trade-date, that is the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transactions costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using effective interest method.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of financial assets carried at amortised cost

The Group assesses at the balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivable category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

2.10 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

2.12 Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. Financial liabilities (as disclosed in Note 18) are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. An equity instrument is any contract that does not meet the definition of financial liability and evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs, net of tax, directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

2.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.14 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.15 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Current and deferred income tax (continued)

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the places where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Employee benefits

(i) Pension obligations

The Group participates in a defined contribution retirement benefit plan which is available to all relevant employees. The plan is generally funded through payments to schemes established by trustee-administered funds. A defined contribution plan is a pension plan under which the Group pays contributions on a mandatory, contractual or voluntary basis into a separate entity. The contributions are recognised as employee benefit expenses when they are due. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefit relating to employee service in the current and prior periods.

All contributions to pension plans are fully and immediately vested and the Group has no unvested benefits available to reduce its future contributions.

(ii) Bonus plan

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities of bonus plan are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

2.17 Revenue and income recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Group's activities. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

- (a) Revenue from the provision of healthcare staffing solution services is recognised when the relevant services have been performed by the healthcare personnel as referred by the Group in accordance with services requested by the respective healthcare service demanders.
- (b) Revenue from outreach services is recognised when the services are rendered.
- (c) Activity income is recognised at the time when the services are rendered.
- (d) Advertising income is recognised at the time when the relevant advertisements have been published on a healthcare-related magazine which is issued by the Group for free distributions.
- (e) Sales of goods are recognised when a group entity sells a product to the customer. Retail sales are usually in cash or by credit card.
- (f) Interest income is recognised using the effective interest method.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

2.19 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2.20 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods comprises the purchase costs of general healthcare products. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.21 Comparative figures

The comparative figure in the consolidated statement of comprehensive income relating to the depreciation of HK\$483,000, which has been included in "other operating expenses", is now separately shown as "depreciation" in order to conform to the current year's presentation for the better understanding of the Group's activities. This reclassification has no effect on the Group's consolidated balance sheets as at 30 June 2015 and 2014, or the Group's profits or cash flows for the years ended 30 June 2015 and 2014.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk, and cash flow interest-rate risks. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign exchange risk

The Group operates in Hong Kong with all of its transactions denominated and settled in Hong Kong dollars, management are of the opinion that the Group's exposures to changes in exchange rates of foreign currencies is insignificant.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk

The Group has no significant concentrations of credit risk. The carrying amounts of cash at banks, trade receivables, deposits and other receivables and amount due from a related company included in the consolidated balance sheet represent the Group's maximum exposure to credit risk in relation to its financial assets.

The Group's cash at banks is deposited in major financial institutions located in Hong Kong, which are of high credit rating. Management does not expect any losses arising from non-performance by these counterparties.

The Group also has policies in place to ensure that services are made to customers with an appropriate credit history.

Management makes periodic collective assessment as well as individual assessment on the recoverability of trade and other receivables based on historical payment records, the length of the overdue period, the financial strength of the trade and other debtors and whether there are any disputes with the relevant debtors. The Group collects service fees earned by healthcare personnel on their behalf. The billing amounts on the commercial invoices issued by the Group to the service demanders represent the aggregate sums of the respective service fees attributable to the healthcare personnel and the Group, and the credit risk in respect of the former is not contractually assumed by the Group although there is generally a timing asymmetry between the payments to these personnel which are made on a monthly basis and the receipts of total invoiced amounts. Taking into account that there is no significant default by the service demanders in the past, management is of the opinion that no provision for uncollectible trade receivables is required in the consolidated financial statements.

(c) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and cash equivalents.

The Group's primary cash requirements have been the payment of service fees to healthcare personnel on behalf of the respective service demanders, operating expenses and repayment of bank borrowings. The Group mainly finances its working capital requirements through internal resources.

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure it maintains sufficient cash and cash equivalents to meet its liquidity requirements in the short and long term.

Taking into account the repayment on demand clauses on bank borrowings, the Group's financial liabilities as at 30 June 2015 were all due for settlement contractually within 12 months, with their contractual undiscounted cash flows approximate their respective carrying amounts.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, including interest payments computed using contractual rates, based on the earliest date on which the Group can be required to pay. For the purpose of maturity analysis, the maturity date of bank borrowings with a repayment on demand clause is based on agreed scheduled repayments set out in the loan agreement, disregarding the repayment on demand clauses. Taking into account the Group's financial position, management do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. Management believe that such term loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreement.

| | Within 1 year HK\$'000 | Between 1 and 2 years HK\$'000 | Between 2 and 5 years HK\$'000 | Total HK\$'000 |
|---------------------------------|------------------------------|--------------------------------------|--------------------------------------|-------------------|
| Group | | | | |
| At 30 June 2015 | | | | |
| Trade payables | 12,286 | – | – | 12,286 |
| Accruals and other payables | 1,738 | – | – | 1,738 |
| Bank borrowings | 2,357 | 2,357 | 589 | 5,303 |
| | 16,381 | 2,357 | 589 | 19,327 |
| At 30 June 2014 | | | | |
| Trade payables | 10,571 | – | – | 10,571 |
| Accruals and other payables | 8,665 | – | – | 8,665 |
| Amount due to a related company | 115 | – | – | 115 |
| Amounts due to directors | 160 | – | – | 160 |
| Bank borrowings | 2,652 | 2,652 | 3,094 | 8,398 |
| | 22,163 | 2,652 | 3,094 | 27,909 |
| Company | | | | |
| At 30 June 2015 | | | | |
| Accruals and other payables | 4 | – | – | 4 |
| | 4 | – | – | 4 |
| At 30 June 2014 | | | | |
| Accruals and other payables | 6,643 | – | – | 6,643 |
| Amounts due to subsidiaries | 12,683 | – | – | 12,683 |
| | 19,326 | – | – | 19,326 |

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(d) Cash flow interest-rate risks

The Group does not have any significant interest bearing financial assets or liabilities except for cash at banks and bank borrowings, details of which are disclosed in Note 24 and Note 29, respectively. Borrowings are all carried at floating rates which expose the Group to cash flow interest rate risk. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

At 30 June 2015, if interest rates on floating rate borrowings had been 100 basis points higher/lower with all other variables held constant, profit before income tax for the year ended 30 June 2015 would have been approximately HK\$51,000 (2014: HK\$81,000) lower/higher respectively, mainly as a result of higher/lower interest expenses on floating rate borrowings.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, return capital to shareholders and issue new shares.

As at 30 June 2015, the Group has a net cash position and its cash and cash equivalents exceeded the total balance of borrowings by HK\$61,878,000 (2014: HK\$10,987,000) respectively. Accordingly, the analysis on the Group's gearing ratio is not presented in these consolidated financial statements.

3.3 Fair value estimation

As at 30 June 2015 and 2014, the Group did not have any financial assets or financial liabilities that are measured at fair value.

The carrying amounts of the Group's current financial assets, including cash and cash equivalents, trade receivables, deposits and other receivables and amount due from a related company; and the Group's current financial liabilities including trade payables, accruals and other payables, amounts due to a related company and directors, and borrowings, approximate their fair values due to their short maturities.

Notes to the Consolidated Financial Statements

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, or the presentation of the consolidated financial statements within the next financial year are discussed below.

Determination of the Group's role as a principal or an agent

The management considers that under the Group's healthcare staffing solution services, it is acting as an agent, taking into account the totality of all relevant attributes underlying the service arrangements. The major consideration taken in this assessment included whether employment relationships exist between the Group and the healthcare personnel assigned; and the degree of (a) its credit risks in respect of service fee attributable to the healthcare personnel; (b) its contractual exposures to any unfavourable outcome of the healthcare services rendered by the healthcare personnel assigned; and (c) latitude in its determination of service fee arrangement. The management reassesses the Group's position upon any subsequent changes in the existing service arrangements.

5 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group is principally engaged in the provision of healthcare staffing solution services to private and institutional customers in which placement of healthcare personnel is made according to the specific demand from these customers, and resources are allocated based on what is most beneficial to the Group in enhancing the value as a whole, instead of any specific unit.

In addition, the Group's chief operating decision maker considers that the performance assessment of the Group should be based on the profit before income tax of the Group as a whole. Accordingly, management considers there is only one operating segment under the requirements of HKFRS 8.

The Group primarily operates in Hong Kong with all of its non-current assets located at and capital expenditure incurred in Hong Kong. During the years ended 30 June 2015 and 2014, all revenue was from external customers in Hong Kong.

Notes to the Consolidated Financial Statements

6 REVENUE

| | 2015 HK\$'000 | 2014 HK\$'000 |
|---|------------------|------------------|
| Turnover | | |
| Revenue from provision of healthcare staffing solution services | 46,244 | 36,540 |
| Revenue from provision of outreach case assessment related services | 252 | – |
| | 46,496 | 36,540 |

An analysis of the gross components in arriving at the Group's revenue from provision of healthcare staffing solution services is set out below:

| | 2015 HK\$'000 | 2014 HK\$'000 |
|---|------------------|------------------|
| Gross fee | 190,576 | 163,074 |
| Cost attributable to healthcare personnel | (144,332) | (126,534) |
| Revenue from provision of healthcare staffing solution services | 46,244 | 36,540 |

Gross fee does not represent the Group's revenue.

7 OTHER INCOME AND OTHER GAIN

| | 2015 HK\$'000 | 2014 HK\$'000 |
|---------------------------------------|------------------|------------------|
| Other income | | |
| – Activity income | 219 | – |
| – Advertising income | 917 | 1,111 |
| – Sales of goods | 678 | – |
| – Others | 941 | 752 |
| | 2,755 | 1,863 |
| Other gain | | |
| – Gain on disposal of a motor vehicle | 80 | – |
| Total | 2,835 | 1,863 |

Notes to the Consolidated Financial Statements

8 OTHER OPERATING EXPENSES

Included in other operating expenses are the following:

| | 2015 HK\$'000 | 2014 HK\$'000 |
|---|------------------|------------------|
| Auditor's remuneration | 1,000 | 750 |
| Legal and professional fee | 1,719 | 120 |
| Professional service fees in respect of listing preparation | 178 | 12,203 |
| Rates and management fee | 127 | 71 |
| Postage, utilities charges and general office expenses | 1,028 | 802 |
| Travelling and transportation expenses | 564 | 167 |
| Printing costs | 904 | 770 |
| Advertising and promotion expenses | 1,178 | 332 |
| Insurance expenses | 355 | 207 |
| Cost of inventories | 133 | – |
| Other expenses | 989 | 941 |
| | 8,175 | 16,363 |

9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' REMUNERATIONS)

| | 2015 HK\$'000 | 2014 HK\$'000 |
|---|------------------|------------------|
| Wages, salaries and bonus | 11,061 | 6,611 |
| Pension costs – defined contribution plan | 371 | 260 |
| Other staff welfare | 431 | 492 |
| | 11,863 | 7,363 |

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), which is a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, the Hong Kong subsidiary of the Group and its Hong Kong employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. The monthly contributions made by the Group and the employees are subject to a cap of HK\$1,250 prior to 1 June 2014 and HK\$1,500 thereafter, with contributions beyond these amounts being voluntary.

Notes to the Consolidated Financial Statements

10 DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATIONS

(a) Directors' remunerations

The aggregate amount of emoluments paid/payable to directors of the Company is as follows:

| | 2015 HK\$'000 | 2014 HK\$'000 |
|---|------------------|------------------|
| Fees | 283 | 670 |
| Basic salaries, bonuses, others allowances and benefits in kind | 2,354 | – |
| Pension costs – defined contribution plan | 36 | 30 |
| | 2,673 | 700 |

The remunerations of each director for the year ended 30 June 2015 are set out below:

| | Fees HK\$'000 | Salaries and allowances HK\$'000 | Discretionary bonuses HK\$'000 | Employer's contribution to pension scheme HK\$'000 | Total HK\$'000 |
|--|------------------|--|--------------------------------------|--|-------------------|
| <i>Executive directors</i> | | | | | |
| Mr. Kwan Chi Hong | – | 1,177 | – | 18 | 1,195 |
| Ms. Hai Hiu Chu (Chief executive) | – | 1,177 | – | 18 | 1,195 |
| <i>Non-executive director</i> | | | | | |
| Mr. Mok Gar Lon, Francis (Note ii) | 21 | – | – | – | 21 |
| Mr. Wong Kam Pui (Note iii) | 74 | – | – | – | 74 |
| <i>Independent non-executive directors</i> | | | | | |
| Mr. Lam Cheung Wai (Note i) | – | – | – | – | – |
| Professor Chan Chi Fai, Andrew (Note i) | 94 | – | – | – | 94 |
| Dr. Luk Yim Fai (Note i) | 94 | – | – | – | 94 |
| | 283 | 2,354 | – | 36 | 2,673 |

Notes to the Consolidated Financial Statements

10 DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATIONS (CONTINUED)

(a) Directors' remunerations (continued)

The remunerations of each director for the year ended 30 June 2014 are set out below:

| | Fees HK\$'000 | Salaries and allowances HK\$'000 | Discretionary bonuses HK\$'000 | Employer's contribution to pension scheme HK\$'000 | Total HK\$'000 |
|--|------------------|--|--------------------------------------|--|-------------------|
| <i>Executive directors</i> | | | | | |
| Mr. Kwan Chi Hong | 385 | – | – | 15 | 400 |
| Ms. Hai Hiu Chu (Chief executive) | 285 | – | – | 15 | 300 |
| <i>Non-executive director</i> | | | | | |
| Mr. Mok Gar Lon, Francis (Note ii) | – | – | – | – | – |
| <i>Independent non-executive directors</i> | | | | | |
| Mr. Lam Cheung Wai | – | – | – | – | – |
| Professor Chan Chi Fai, Andrew | – | – | – | – | – |
| Dr. Luk Yim Fai | – | – | – | – | – |
| | 670 | – | – | 30 | 700 |

No directors waived or agreed to waive any emoluments during the years ended 30 June 2015 and 2014.

Notes:

- (i) Mr. Lam Cheung Wai, Professor Chan Chi Fai Andrew and Dr. Luk Yim Fai were appointed as the Company's independent non-executive directors on 24 June 2014.
- (ii) Mr. Mok Gar Lon, Francis resigned as the Company's non-executive director with effect from 25 September 2014.
- (iii) Mr. Wong Kam Pui was appointed as a non-executive director of the Company with effect from 25 September 2014.

Notes to the Consolidated Financial Statements

10 DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATIONS (CONTINUED)

(b) Five highest paid individuals

The five individuals whose emolument were the highest in the Group for the year include two (2014: two) directors whose emoluments are reflected in the analysis presented in Note 10(a) above. The emoluments payable to the remaining three (2014: three) individuals during the year are as follows:

| | 2015 HK\$'000 | 2014 HK\$'000 |
|---|--------------------------------|------------------|
| Basic salaries, bonuses, others allowances and benefits in kind | 1,391 | 1,404 |
| Pension costs – defined contribution plan | 49 | 28 |
| | 1,440 | 1,432 |

The emoluments fell within the following bands:

| | 2015 | 2014 |
|----------------------|-------------|------|
| Emolument Bands | | |
| Nil to HK\$1,000,000 | 3 | 3 |

No emoluments have been paid to the directors of the Company or the highest paid individuals as an inducement to join or upon joining the Company or as compensation for loss of office during the year.

11 FINANCE COSTS, NET

| | 2015 HK\$'000 | 2014 HK\$'000 |
|--|--------------------------------|------------------|
| Interest income on bank deposits | 21 | – |
| Interest expenses arising from bank borrowings | (233) | (372) |
| | (212) | (372) |

Notes to the Consolidated Financial Statements

12 INTERESTS IN SUBSIDIARIES – COMPANY

(a) Investments in subsidiaries

| | 2015 HK\$'000 | 2014 HK\$'000 |
|------------------------------|------------------|------------------|
| Unlisted investment, at cost | 16,672 | 16,672 |

As at 30 June 2015, the Company had interests in the following subsidiaries, all being limited liability companies:

| Name | Place and date of incorporation | Principal activities | Particulars of issued/ registered and paid up capital | Interest held | |
|--|--|---|--|---------------|------|
| | | | | 2015 | 2014 |
| Directly held: | | | | | |
| Achiever Team Limited | British Virgin Islands ("BVI"), 16 October 2012 | Investment holding | 10 ordinary shares of United States dollars 1 each | 100% | 100% |
| Indirectly held: | | | | | |
| Bamboos Professional Nursing Services Limited | Hong Kong, 11 March 2009 | Provision of healthcare staffing solution services in Hong Kong | HK\$100 | 100% | 100% |

(b) Amounts due from/(to) subsidiaries

Amounts due from/(to) subsidiaries are unsecured, non-interest bearing and repayable on demand.

Notes to the Consolidated Financial Statements

13 INCOME TAX EXPENSE

The Group is not subject to taxation in the Cayman Islands and the British Virgin Islands. Hong Kong profits tax has been provided for at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in or derived from Hong Kong.

| | 2015 HK\$'000 | 2014 HK\$'000 |
|-------------------------------------|--------------------------------|------------------|
| Current income tax | | |
| – Hong Kong profits tax | 4,727 | 4,242 |
| – Under provision in previous years | 39 | 228 |
| Deferred income tax (Note 30) | 92 | (67) |
| | 4,858 | 4,403 |

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the taxation rate of Hong Kong, the principal place of the Group's operations, as follows:

| | 2015 HK\$'000 | 2014 HK\$'000 |
|--|--------------------------------|------------------|
| Profit before income tax | 27,245 | 13,102 |
| Calculated at a taxation rate of 16.5% (2014: 16.5%) | 4,495 | 2,162 |
| Income not subject to tax | (3) | – |
| Expenses not deductible | 327 | 2,013 |
| Under provision in previous years | 39 | 228 |
| | 4,858 | 4,403 |

14 PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Profit attributable to equity holders of the Company has been dealt with in the consolidated financial statements of the Group to the extent of HK\$24,277,000 (2014: loss of HK\$12,203,000).

Notes to the Consolidated Financial Statements

15 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

The weighted average number of ordinary shares in issue during the years ended 30 June 2014 and 2015 used in the basic earnings per share calculation is determined on the assumption that the 10 ordinary shares issued on 28 March 2014 as part of the reorganisation procedures completed on 28 March 2014 in preparation for listing of the Company's shares (the "Reorganisation") and the 299,999,980 ordinary shares issued upon the capitalisation issue (Note 25(e)) had been in issue throughout the years ended 30 June 2014 and 2015.

| | 2015 | 2014 |
|---|----------------|---------|
| Profit attributable to equity holders of the Company (HK\$'000) | 22,387 | 8,699 |
| Weighted average number of ordinary shares in issue ('000) | 397,808 | 300,000 |
| Basic earnings per ordinary share (HK cents) | 5.63 | 2.90 |

Diluted earnings per share for the years ended 30 June 2015 and 2014 were the same as basic earnings per share as the Group had no potentially dilutive ordinary shares in issue during these years.

16 DIVIDENDS

On 5 May 2015, the Board resolved to declare and pay an interim dividend of HK\$8,000,000 (HK2.00 cents per ordinary share) to the Company's shareholders whose names appear on the register of members of the Company on 21 May 2015.

On 21 March 2014, an interim dividend of HK\$23,000,000 was declared by a subsidiary of the Group before the Listing to its then equity holders. The amount of dividend per share is not presented as the disclosure is not considered meaningful for the purpose of these consolidated financial statements.

No final dividends were declared by the Company during the years ended 30 June 2015 and 2014.

Notes to the Consolidated Financial Statements

17 PROPERTY, PLANT AND EQUIPMENT

| | Leasehold improvements HK\$'000 | Furniture and fixtures HK\$'000 | Computer equipment HK\$'000 | Motor vehicles HK\$'000 | Total HK\$'000 |
|--------------------------------|---|---|---|---------------------------------------|--------------------------|
| At 1 July 2013 | | | | | |
| Cost | 1,041 | 387 | 252 | 450 | 2,130 |
| Accumulated depreciation | (643) | (195) | (137) | (233) | (1,208) |
| Net book amount | 398 | 192 | 115 | 217 | 922 |
| Year ended 30 June 2014 | | | | | |
| Opening net book amount | 398 | 192 | 115 | 217 | 922 |
| Additions | – | 2 | 24 | – | 26 |
| Depreciation | (265) | (78) | (50) | (90) | (483) |
| Closing net book amount | 133 | 116 | 89 | 127 | 465 |
| At 30 June 2014 | | | | | |
| Cost | 1,041 | 389 | 276 | 450 | 2,156 |
| Accumulated depreciation | (908) | (273) | (187) | (323) | (1,691) |
| Net book amount | 133 | 116 | 89 | 127 | 465 |
| Year ended 30 June 2015 | | | | | |
| Opening net book amount | 133 | 116 | 89 | 127 | 465 |
| Additions | 269 | 64 | 124 | 1,427 | 1,884 |
| Disposal | – | – | – | (120) | (120) |
| Depreciation | (211) | (80) | (64) | (258) | (613) |
| Closing net book amount | 191 | 100 | 149 | 1,176 | 1,616 |
| At 30 June 2015 | | | | | |
| Cost | 1,311 | 453 | 400 | 1,427 | 3,591 |
| Accumulated depreciation | (1,120) | (353) | (251) | (251) | (1,975) |
| Net book amount | 191 | 100 | 149 | 1,176 | 1,616 |

Notes to the Consolidated Financial Statements

18 FINANCIAL INSTRUMENTS BY CATEGORY

| | Group | | Company | |
|---|-----------------------|----------|-----------------------|----------|
| | Loans and receivables | | Loans and receivables | |
| | 2015 | 2014 | 2015 | 2014 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Financial assets | | | | |
| Trade receivables (Note 20) | 18,854 | 15,337 | – | – |
| Deposits and other receivables (Note 21) | 717 | 264 | 17 | – |
| Amount due from a related company (Note 22) | 72 | 60 | – | – |
| Cash and cash equivalents (Note 24) | 66,942 | 19,057 | 36,382 | – |
| Amount due from a subsidiary (Note 12) | – | – | 7,008 | – |
| | 86,585 | 34,718 | 43,407 | – |

| | Group | | Company | |
|---|--|----------|--|----------|
| | Financial liabilities at amortised costs | | Financial liabilities at amortised costs | |
| | 2015 | 2014 | 2015 | 2014 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Financial liabilities | | | | |
| Trade payables (Note 27) | 12,286 | 10,571 | – | – |
| Accruals and other payables (Note 28) | 1,738 | 8,849 | 4 | 6,643 |
| Amount due to a related company (Note 22) | – | 115 | – | – |
| Amounts due to directors (Note 23) | – | 160 | – | – |
| Bank borrowings (Note 29) | 5,064 | 8,070 | – | – |
| Amounts due to subsidiaries (Note 12) | – | – | – | 12,683 |
| | 19,088 | 27,765 | 4 | 19,326 |

Notes to the Consolidated Financial Statements

19 INVENTORIES

| | 2015 HK\$'000 | 2014 HK\$'000 |
|---------------------|--------------------------------|------------------|
| Trading merchandise | 139 | – |

20 TRADE RECEIVABLES

| | 2015 HK\$'000 | 2014 HK\$'000 |
|-------------------|--------------------------------|------------------|
| Trade receivables | 18,854 | 15,337 |

The carrying amounts of the Group's trade receivables are denominated in Hong Kong dollars.

As at 30 June 2015, balances due from the top five customers account for 15% (2014: 14%) of the total balances. There is no concentration of credit risk with respect to trade receivables as there is a dispersed number of customers. The directors consider that the credit risk in respect of these customers is currently low after considering past experience with these customers.

During the years ended 30 June 2015 and 2014, the Group's trade receivables have no credit term and payment is immediately due upon presentation of invoices to customers. As at 30 June 2015 and 2014, all trade receivables were past due but not considered to be impaired because these mainly relate to a number of customers with limited history of default. The ageing analysis of trade receivables by the date on which the respective sales invoices were issued is as follows:

| | 2015 HK\$'000 | 2014 HK\$'000 |
|---------------------|--------------------------------|------------------|
| Less than 60 days | 17,397 | 14,573 |
| 60 days to 180 days | 1,416 | 764 |
| Over 180 days | 41 | – |
| | 18,854 | 15,337 |

The credit quality of trade receivables neither past due nor impaired has been assessed by reference to historical information about the counterparty default rates. The existing counterparties do not have significant defaults in the past.

As at 30 June 2015 and 2014, no collateral has been received from these counterparties.

Notes to the Consolidated Financial Statements

21 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Group

| | 2015 HK\$'000 | 2014 HK\$'000 |
|---|------------------|------------------|
| Current | | |
| Prepaid professional service fees in respect of listing preparation | – | 3,496 |
| Other prepayments | 437 | 207 |
| Deposits | 144 | 244 |
| Other receivables | 86 | 20 |
| | 667 | 3,967 |
| Non-current | | |
| Prepayments | 80 | – |
| Deposits | 487 | – |
| | 567 | – |
| Total | 1,234 | 3,967 |

Company

| | 2015 HK\$'000 | 2014 HK\$'000 |
|---|------------------|------------------|
| Current | | |
| Prepaid professional service fees in respect of listing preparation | – | 3,496 |
| Other prepayments | 119 | – |
| Other receivables | 17 | – |
| | 136 | 3,496 |
| Non-Current | | |
| Other prepayments | 48 | – |
| | 184 | 3,496 |

The carrying amounts of prepayments, deposits and other receivables of the Group are denominated in Hong Kong dollars.

Notes to the Consolidated Financial Statements

22 AMOUNTS DUE FROM/(TO) RELATED COMPANIES

| | 2015 HK\$'000 | 2014 HK\$'000 |
|--|--------------------------------|------------------|
| Amounts due from/(to) related companies | | |
| The Hong Kong Health Care Federation Limited | – | (115) |
| Bamboos Limited | 72 | 60 |

The maximum outstanding receivable balance during the year is as follows:

| | 2015 HK\$'000 | 2014 HK\$'000 |
|--|--------------------------------|------------------|
| The Hong Kong Health Care Federation Limited | – | – |
| Bamboos Limited | 72 | 60 |

Balances with related companies are unsecured, interest-free, repayable on demand and denominated in Hong Kong dollars.

23 AMOUNTS DUE TO DIRECTORS

| | 2015 HK\$'000 | 2014 HK\$'000 |
|--------------------------|--------------------------------|------------------|
| Amounts due to directors | | |
| Mr. Kwan Chi Hong | – | 92 |
| Ms. Hai Hiu Chu | – | 68 |
| | – | 160 |

The balances with directors are unsecured, interest-free, repayable on demand and denominated in Hong Kong dollars.

24 CASH AND CASH EQUIVALENTS

| | Group | | Company | |
|---------------------------------|--------------------------------|------------------|--------------------------------|------------------|
| | 2015 HK\$'000 | 2014 HK\$'000 | 2015 HK\$'000 | 2014 HK\$'000 |
| Cash at banks | 36,882 | 19,037 | 6,382 | – |
| Short-term bank deposits | 30,000 | – | 30,000 | – |
| Cash on hand | 60 | 20 | – | – |
| Total cash and cash equivalents | 66,942 | 19,057 | 36,382 | – |

The effective interest rate on the short-term bank deposits was 0.8% per annum. These deposits had original maturity of three months or less.

The carrying amounts of the Group's cash and cash equivalents are denominated in Hong Kong dollars.

Notes to the Consolidated Financial Statements

25 SHARE CAPITAL AND SHARE PREMIUM

Share capital

| | Number of shares | Ordinary shares of HK\$0.01 each HK\$'000 |
|---|----------------------|--|
| Authorised: | | |
| At 30 June 2014 and 30 June 2015 (Note c) | 2,000,000,000 | 20,000 |
| Issued and fully paid: | | |
| At 1 July 2013 (Note a) | 10 | – |
| Issuance of shares (Note b) | 10 | – |
| At 30 June 2014 | 20 | – |
| At 1 July 2014 | 20 | – |
| Capitalisation issue of shares (Note e) | 299,999,980 | 3,000 |
| Issuance of shares by way of placing (Note d) | 100,000,000 | 1,000 |
| At 30 June 2015 | 400,000,000 | 4,000 |

Share premium

| | 2015 HK\$'000 | 2014 HK\$'000 |
|---|------------------|------------------|
| At 1 July | – | – |
| Issue of shares by placing (Note d) | 42,123 | – |
| Capitalisation issue of shares (Note e) | (3,000) | – |
| At 30 June | 39,123 | – |

Notes:

- (a) The Company was incorporated in the Cayman Islands with an authorized share capital of HK\$10,000 consisting of 1,000,000 ordinary shares of HK\$0.01 each on 23 November 2012. Upon incorporation, one share of HK\$0.01 was issued at par value to the Company's initial subscriber. The subscribed share was subsequently transferred to Gold Empress Limited (wholly owned by Ms. Hai Hiu Chu). During the Reorganisation, 8 shares were issued to Gold Empress Limited and 1 share was issued to Gold Beyond Limited (wholly owned by Mr. Kwan Chi Hong) at par for cash.
- (b) On 28 March 2014, the Company further issued 9 shares and 1 share to Gold Empress Limited and Gold Beyond Limited at par respectively, for acquiring their respective interest in Achiever Team Limited.
- (c) On 24 June 2014, the authorised share capital of the Company was increased to HK\$20,000,000 consisting of 2,000,000,000 ordinary shares of HK\$0.01 each.
- (d) On 8 July 2014, an aggregate of 100,000,000 new ordinary shares with par value of HK\$0.01 each were issued to investors by way of placing at a subscription price of HK\$0.5 per share for a gross proceeds of HK\$50,000,000, among which HK\$1,000,000 was credited to the share capital account and HK\$42,123,000 (net of professional fees of HK\$6,877,000) was credited to the share premium account.
- (e) On 8 July 2014, 299,999,980 shares were issued at HK\$0.01 each by way of capitalisation of share premium arising from the gross proceeds of HK\$50,000,000 from the issue of 100,000,000 shares to public investors at the offer price of HK\$0.5 per share.

Notes to the Consolidated Financial Statements

26 RESERVES

Group

Movements in reserves of the Group are set out in the consolidated statement of changes in equity in page 41.

Company

| | Contributed surplus HK\$'000 | (Accumulated losses)/ retained earnings HK\$'000 | Total HK\$'000 |
|---|--|--|--------------------------|
| Balance at 1 July 2013 | – | (3,627) | (3,627) |
| Loss for the year | – | (12,203) | (12,203) |
| Excess of aggregate net asset value of subsidiaries acquired over nominal value of shares issued pursuant to the Reorganisation | 16,672 | – | 16,672 |
| Balance at 30 June 2014 | 16,672 | (15,830) | 842 |
| Balance at 1 July 2014 | 16,672 | (15,830) | 842 |
| Profit for the year | – | 24,277 | 24,277 |
| Dividend (Note 16) | – | (8,000) | (8,000) |
| Balance at 30 June 2015 | 16,672 | 447 | 17,119 |

Notes to the Consolidated Financial Statements

27 TRADE PAYABLES

Payment term with majority of the healthcare personnel is 30 days.

The ageing analysis of trade payables as at the balance sheet date is as follows:

| | 2015 HK\$'000 | 2014 HK\$'000 |
|-------------------|--------------------------------|------------------|
| Less than 30 days | 12,286 | 10,571 |

The carrying amounts of the Group's trade payables are denominated in Hong Kong dollars.

28 ACCRUALS AND OTHER PAYABLES

Group

| | 2015 HK\$'000 | 2014 HK\$'000 |
|---|--------------------------------|------------------|
| Accrued professional service fees in respect of listing preparation | – | 6,643 |
| Other accrued expenses | 1,291 | 1,925 |
| Deferred income | 157 | 184 |
| Other payables | 447 | 97 |
| | 1,895 | 8,849 |

Company

| | 2015 HK\$'000 | 2014 HK\$'000 |
|---|--------------------------------|------------------|
| Accrued professional fees in respect of listing preparation | – | 6,643 |
| Other accruals | 4 | – |
| | 4 | 6,643 |

Notes to the Consolidated Financial Statements

29 BANK BORROWINGS

Current

Bank borrowings due for repayment within one year
which contain a repayment on demand clause
Bank borrowings due for repayment after one year
which contain a repayment on demand clause

| 2015 HK\$'000 | 2014 HK\$'000 |
|--------------------------------|------------------|
| 2,195 | 2,372 |
| 2,869 | 5,698 |
| 5,064 | 8,070 |

The Group's borrowings as at 30 June 2015 were all denominated in Hong Kong dollars, and were unsecured.

The Group's borrowings as at 30 June 2014 were all denominated in Hong Kong dollars, and were secured by personal guarantees given by Ms. Hai Hiu Chu and Mr. Kwan Chi Hong, the directors of the Company, guarantee by the Hong Kong Mortgage Corporation Limited, and corporate guarantee by Bamboos Limited.

The weighted average effective interest rate of the bank borrowings as at 30 June 2015 was 3.92% (2014: 4.04%).

The carrying amounts of the Group's bank borrowings at 30 June 2015 and 2014 approximate their fair values.

The maturity of the Group's borrowings in accordance with the repayment schedule, without taking into account the repayment on demand clauses is as follows:

Within 1 year
Between 1 and 2 years
Between 2 and 5 years

| 2015 HK\$'000 | 2014 HK\$'000 |
|--------------------------------|------------------|
| 2,195 | 2,372 |
| 2,284 | 2,469 |
| 585 | 3,229 |
| 5,064 | 8,070 |

Notes to the Consolidated Financial Statements

30 DEFERRED INCOME TAX ASSETS/(LIABILITIES)

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 16.5% (2014: 16.5%). The movement on deferred income tax assets/(liabilities) in respect of accelerated/decelerated tax depreciation is as follows:

| | 2015 HK\$'000 | 2014 HK\$'000 |
|--|--------------------------------|------------------|
| At 1 July | 12 | (55) |
| (Charged)/credited to profit or loss (Note 13) | (92) | 67 |
| At 30 June | (80) | 12 |

31 COMMITMENTS

(a) Capital commitments

Capital expenditure committed by the Group at the balance sheet date but not yet incurred is as follows:

| | 2015 HK\$'000 | 2014 HK\$'000 |
|---------------------------------|--------------------------------|------------------|
| Contracted but not provided for | 80 | – |

(b) Operating lease commitments

The Group leases office and premise under non-cancellable operating lease agreements from a related party (Note 32(b)) and a third party. The lease terms are generally within two years.

The future aggregate minimum lease payments under non-cancellable operating leases in respect of office and premise are as follows:

| | 2015 HK\$'000 | 2014 HK\$'000 |
|---|--------------------------------|------------------|
| No later than 1 year | 1,560 | 360 |
| Later than 1 year and no later than 5 years | 664 | – |
| | 2,224 | 360 |

As at 30 June 2015 and 2014, the Company has no significant commitments.

Notes to the Consolidated Financial Statements

32 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. During the year, except for The Hong Kong Health Care Federation Limited (being an entity in which Ms. Hai Hiu Chu and Mr. Kwan Chi Hong individually hold directorship) and Bamboos Education School for Talents Limited (being an entity of which the equity interest was 90% controlled by Ms. Hai Hiu Chu and 10% controlled by Mr. Kwan Chi Hong), the equity interests of all other related parties involving in transactions or having balances with the Group are controlled by Ms. Hai Hiu Chu.

(a) Year-end balances

As at 30 June 2015, apart from those balances disclosed in Notes 22 and 23, the Group also has a rental deposit placed with a related company amounting to approximately HK\$234,000 (2014: HK\$198,000).

(b) Transactions with related parties

During the year, the Group carried out the following significant transactions with its related parties:

| | 2015 HK\$'000 | 2014 HK\$'000 |
|--|------------------|------------------|
| Operating lease rental to Bamboos Limited | (792) | (720) |
| Advertising income from The Hong Kong Health Care Federation Limited | 79 | – |
| Advertising income from Bamboos Education School for Talents Limited | 18 | – |

Operating lease rental is charged in accordance with the agreement entered into between the relevant parties, whereas those transactions with related companies are entered into at terms mutually agreed between the relevant parties.

(c) Key management compensation

Details of key management compensations are disclosed in Note 10.

(d) Guarantees

Details of the guarantees from related parties in respect of the Group's banking facilities are disclosed in Note 29.

Notes to the Consolidated Financial Statements

33 NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS

| | 2015 HK\$'000 | 2014 HK\$'000 |
|---|------------------|------------------|
| Cash flow from operating activities | | |
| Profit before income tax | 27,245 | 13,102 |
| Adjustments for: | | |
| – Depreciation | 613 | 483 |
| – Interest expenses | 233 | 372 |
| – Gain on disposal of a motor vehicle (Note) | (80) | – |
| – Interest income | (21) | – |
| | 27,990 | 13,957 |
| Changes in working capital: | | |
| – Trade receivables | (3,517) | (573) |
| – Prepayments, deposits and other receivables | 2,750 | 421 |
| – Balances with directors and related companies | (12) | 670 |
| – Trade payables, accruals and other payables | (5,239) | 5,267 |
| – Inventories | (139) | – |
| | 21,833 | 19,742 |

Note:

Proceeds from disposal of a motor vehicle

| | 2015 HK\$'000 | 2014 HK\$'000 |
|--|------------------|------------------|
| Net book amount (Note 17) | 120 | – |
| Gain on disposal of a motor vehicle (Note 7) | 80 | – |
| Proceeds from disposal of a motor vehicle | 200 | – |

34 ULTIMATE CONTROLLING PARTIES

The ultimate controlling parties of the Group are Ms. Hai Hiu Chu and Mr. Kwan Chi Hung who in aggregate hold 75% interest in the Company.

Financial Summary

| | For the year ended 30 June | | | |
|---|-----------------------------------|----------|----------|----------|
| | 2015 | 2014 | 2013 | 2012 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Results | | | | |
| Revenue | 46,496 | 36,540 | 30,258 | 25,216 |
| Profit for the year attributable to equity holders of the Company | 22,387 | 8,699 | 13,066 | 13,235 |
| Dividend | 8,000 | 23,000 | – | 16,500 |
| As at 30 June | | | | |
| | 2015 | 2014 | 2013 | 2012 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Assets and liabilities | | | | |
| Total assets | 88,857 | 38,898 | 46,350 | 23,743 |
| Total liabilities | (25,016) | (32,567) | (25,718) | (16,177) |
| Total equity | 63,841 | 6,331 | 20,632 | 7,566 |

Note:

The summary above does not form part of the audited consolidated financial statements.

The financial information for the years ended 30 June 2013 and 2012 were extracted from the Prospectus. Such summary was prepared as if the current structure of the Group had been in existence throughout these financial years and is presented on the basis as set out in note 2 to the consolidated financial statements.

