



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

ANNUAL REPORT



2017年報

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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

Independent Non-executive Directors

Mr. Lam Cheung Wai

Dr. Leung Yu Lung

Dr. Luk Yim Fai

BOARD COMMITTEES

Audit Committee

Mr. Lam Cheung Wai (*Chairman*)

Dr. Leung Yu Lung

Dr. Luk Yim Fai

Remuneration Committee

Dr. Luk Yim Fai (*Chairman*)

Mr. Lam Cheung Wai

Dr. Leung Yu Lung

Ms. Hai Hiu Chu

Nomination Committee

Mr. Lam Cheung Wai (*Chairman*)

Dr. Luk Yim Fai

Dr. Leung Yu Lung

Mr. Kwan Chi Hong

Compliance Committee

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

Dr. Leung Yu Lung

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

4/F, Star House

3 Salisbury Road

Tsim Sha Tsui

Kowloon, 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

Suites 3301-04, 33/F.,

Two Chinachem Exchange Square

338 King's Road

North Point

Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

Bank of Communications Co., Ltd

Hong Kong Branch

STOCK CODE

2293

COMPANY WEBSITE

www.bamboos.com.hk

Chairman's Statement

Dear Shareholders,

It is my pleasure and honor to present our Group's annual results for the financial year ended 30 June 2017 (the "Year") on behalf of our board of directors (our "Board") of Bamboos Health Care Holdings Limited (our "Company", together with our subsidiaries, our "Group").

It has been an exciting and rewarding year since our Group has reached an important milestone in its development history – we have transferred the listing of our shares from the Growth Enterprise Market ("GEM") to the Main Board (the "Transfer of Listing") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 1 March 2017. The Transfer of Listing recognized the achievement of Group's sustainability efforts and dedication to our shareholders since our shares had been listed in the GEM in 2014. We believe that the transfer of listing enables more sustainable growth in shareholders' value and empowers us to capture greater opportunities.

In financial aspect, we have achieved remarkable growth of revenue and profit during the Year. Approximately HK\$62.5 million of revenue is recorded in the Year, representing an increase of approximately 22.5% comparing to that of approximately HK\$51.0 million recorded in the last financial year. Profit for the Year amounted to approximately HK\$32.6 million, representing an increase of approximately 21.6% comparing to that of approximately HK\$26.8 million for the year ended 30 June 2016. The compound annual growth rate of our profit stays as higher as 55.4% in the recent 4 years.

We believed that sustainable business requires visionary and gigantic aspiration as well as most diligent and humble execution. It is delighting that our Group is going to have several new moves in the year forward. A new subsidiary principally engaged in marketing and consulting business was set up in order to further develop publishing and marketing business, which involves the current business of health and leisure magazine, BamBoOs! Life publishing and other marketing consulting activities such as management services for health promotion initiatives, leveraging our Group's brand and leading position in the healthcare sector. Our Group also puts forward an investment in formation of a joint venture company which intended to be principally engaged in operation of plastic surgery clinic(s) in Hong Kong. We will continue take courage to seek for new development and at the same time bear prudence and perseverance in mind for achieving plentiful result for all stakeholders.

During the Year, we take an active role in various community initiatives involving various stakeholders in the area of public health, elderly care, disadvantaged community and social diversity. We aim to get "Bamboos" accessible to not only the business sector but also every community in Hong Kong.

Looking forward, we will keep our commitments of care and competence, as well as making progress towards our professionalism and compassion in provision of healthcare staffing solution services and to bring sustainable growth to our shareholders' value.

KWAN Chi Hong
Chairman

Hong Kong, 25 August 2017

Management Discussion and Analysis

BUSINESS REVIEW AND PROSPECTS

Our Group is dedicated to the provision of healthcare staffing solution services to individuals and institutional clients including hospitals and social service organisations in Hong Kong. We also provide duty opportunities to self-employed healthcare personnel registered with us. Through an outreach team of healthcare professionals, our Group also provides outreach case assessment related services.

During the Year, our Group's revenue was approximately HK\$62.5 million (2016: HK\$51.0 million), representing an increase of approximately 22.5% from the year ended 30 June 2016. Profit attributable to equity holders of our Company for the Year was approximately HK\$32.6 million, representing an increase of approximately 21.6% as compared with approximately HK\$26.8 million for the year ended 30 June 2016. The increase in revenue from the provision of healthcare staffing solution services contributed to approximately HK\$9.3 million, representing 80.9% of the revenue growth; while there was also a remarkable growth in revenue from our provision of outreach case assessment related services, which contributed to a revenue growth of approximately HK\$2.2 million, representing approximately 19.1% of the revenue growth.

The growth in the provision of healthcare staffing solution services was mainly attributable to, amongst other factors, (i) the effect of the upward price adjustment in August 2016 for all ranks of healthcare personnel for both institutional and individual clients; and (ii) the increase in demand for services from both institutional and individual clients, amongst all, there was notable service demand increase from hospitals requiring placement service of Registered Nurses and Enrolled Nurses.

The revenue generated from outreach case assessment related services was approximately HK\$2.9 million for the Year (2016: HK\$0.7 million), representing an increase of approximately 314.3%. We have engaged one medical doctor and one more registered nurse in our outreach team during the Year.

To maintain a vast and diversified pool of registered healthcare personnel to better seize development opportunities, we offered various member benefits to attract and retain healthcare personnel registered with us. There were approximately 17,700 healthcare personnel registered with us as at 30 June 2017 (approximately 16,400 as at 30 June 2016), representing an increase of approximately 7.9% when compared to that of the year ended 30 June 2016.

During the Year, we have relocated our headquarters and the member service centre to a combined principal place of business in Tsim Sha Tsui. The combination of our centres and the new working environment enables our operation to be more dynamic and productive, and facilitates more efficient management. We believe that it also allows us to build closer bonding with our clients and healthcare personnel registered with us.

To cope with the ever-increasing aging population, numerous on-going hospital development plans and escalating demand for services in both institutional and private healthcare staffing solutions, together with the healthcare personnel registered with us, we will keep abreast of the times to pursue the highest quality and to achieve collective success.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The revenue of our Group for the year ended 30 June 2017 comprised revenue from the provision of healthcare staffing solution services and revenue from outreach case assessment related services. The revenue was approximately HK\$62.5 million for the Year, representing an increase of approximately 22.5% from approximately HK\$51.0 million for the year ended 30 June 2016.

Revenue from the provision of healthcare staffing solution services for the year ended 30 June 2017 was approximately HK\$59.6 million (2016: HK\$50.2 million). Among those, revenue from our institutional staffing solution services amounted to approximately HK\$22.2 million (2016: HK\$19.1 million), representing an increase of approximately 16.2%; and the revenue from our private nursing staffing services was approximately HK\$37.4 million (2016: HK\$31.1 million), representing an increase of approximately 20.3%. The increase was mainly attributable to the combined effect of (i) the increase in demand for healthcare staffing solution services from institutional and individual clients, amongst all, there was notable service demand increase from hospitals requiring placement service of Registered Nurses and Enrolled Nurses; and (ii) the improvement of differential rate earned.

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 from the provision of healthcare staffing solution services as a percentage of gross fee slightly increased to approximately 25.2% for the Year from approximately 24.4% for the year ended 30 June 2016.

Revenue from the provision of outreach case assessment related services was approximately HK\$2.9 million for the Year (2016: HK\$0.7 million), representing an increase of approximately 314.3%. The robust growth was mainly due to the increase in demand for medical and health assessment services provided by the newly engaged medical doctor in the outreach service team.

Other income

Other income mainly comprised advertising income, sales of goods, activity income and others. Other income increased from approximately HK\$3.4 million for the year ended 30 June 2016 to approximately HK\$4.3 million for the year ended 30 June 2017. It was attributable to the increase in revenue from sales of goods in our member service centre of the Year of approximately 30.9% as compared with that for the year ended 30 June 2016 resulted from efforts in point-of-sale marketing. Advertising income and activity income for the Year also had an increase of approximately 14.9% and 40.9%, respectively, as compared with the year ended 30 June 2016, which was mainly due to the marketing effort in magazine advertisement placement and health promotion activities initiatives.

Management Discussion and Analysis

Expenses

Our employee benefit expenses increased from approximately HK\$12.2 million for the year ended 30 June 2016 to approximately HK\$14.6 million for the year ended 30 June 2017, which was mainly attributable to (i) increase in headcounts, (ii) engagement of a medical doctor in the outreach team and (iii) general employee remuneration package enhancement.

The operating lease rentals decreased from approximately HK\$1.6 million for the year ended 30 June 2016 to approximately HK\$1.4 million for the year ended 30 June 2017. It was mainly attributable to the decrease in lease rental of our member service centre after its relocation to combine with our headquarters during the Year.

Other operating expenses increased from approximately HK\$7.7 million for the year ended 30 June 2016 to approximately HK\$10.8 million for the year ended 30 June 2017, which was mainly attributable to the one-off professional service fees incurred for the Transfer of Listing and charity donation.

Net finance income

Net finance income represented the interest income on short-term bank deposits offset by interest expenses on bank borrowings. Net finance income was approximately HK\$264,000 for the year ended 30 June 2017 (2016: HK\$149,000), which was primarily due to an increase of finance income from bank deposit interests and there was no finance expenses during the Year (2016: approximately HK\$17,000) due to the full repayment of the bank borrowing in July 2015.

Income tax expense

Income tax expense amounted to approximately HK\$7.2 million for the year ended 30 June 2017, representing an increase of approximately 28.6%, from approximately HK\$5.6 million for the year ended 30 June 2016. Our Group's effective tax rate slightly increased from approximately 17.4% for the year ended 30 June 2016 to approximately 18.0% for the year ended 30 June 2017.

Management Discussion and Analysis

Profit for the Year and net profit margin

Profit for the year ended 30 June 2017 amounted to approximately HK\$32.6 million, increased by approximately HK\$5.8 million, or 21.6%, from approximately HK\$26.8 million for the year ended 30 June 2016, mainly as a result of the increase in revenue by approximately 22.5% from approximately HK\$51.0 million for the year ended 30 June 2016 to approximately HK\$62.5 million for the year ended 30 June 2017 resulted from operating performance analysed above, and partially offset by the one-off professional service fees incurred for the Transfer of Listing. There was a slight decrease in net profit margin that from approximately 52.7% for the year ended 30 June 2016 to approximately 52.2% for the year ended 30 June 2017.

Trade receivables

Trade receivables had a mild increase of approximately HK\$3.2 million from approximately HK\$19.0 million as at 30 June 2016 to approximately HK\$22.2 million as at 30 June 2017. We generally do not grant credit terms to our clients and payment is immediately due upon presentation of invoices to customers. As at 30 June 2017 and 2016, all trade receivables were past due but not considered to be impaired because these mainly relate to a number of independent customers with limited history of default. During the year ended 30 June 2017, we did not recognise any provision for trade receivables.

Trade payables

Trade payables slightly increased to approximately HK\$14.4 million as at 30 June 2017 from approximately HK\$12.8 million as at 30 June 2016 which was mainly because of the increased costs payable to healthcare personnel placed by us during the year ended 30 June 2017.

Management Discussion and Analysis

USE OF PROCEEDS

The net proceeds from the placing of a total of 100,000,000 new shares of our Company at the placing price of HK\$0.5 each (the "Placing") were approximately HK\$39.8 million. As at 30 June 2017, our Company had utilised approximately HK\$25.0 million of net proceeds from the Placing. As disclosed in our Company's announcement dated 25 August 2017, the Board resolved to change the proposed use of the net proceeds from the Placing. Details of the original allocation of the net proceeds (the "Original Allocation"), the revised allocation of the net proceeds (the "Revised Allocation") and the utilisation of the net proceeds (the "Utilisation") as at 30 June 2017 are set out below:

	Original Allocation HK\$'million	Revised Allocation HK\$'million	Utilisation HK\$'million
Enhancing business operation efficiency (Note 1)	3.9	1.5	1.5
Strengthening brand awareness and expanding healthcare personnel pool (Note 1)	5.8	13.7	5.7
Enhancing healthcare staffing solution services (Note 1)	15.2	9.7	7.3
Developing outreach services team (Note 2)	7.9	7.9	3.5
Repayment of indebtedness	4.8	4.8	4.8
General working capital	2.2	2.2	2.2
	39.8	39.8	25.0

Note:

1. As at 30 June 2017, the aggregated actual costs of the case management system synchronization and maintenance and introducing experienced healthcare professional to the management team were less than planned, with unutilised net proceeds for enhancing business operation efficiency amounted to HK\$2.4 million. In addition, as the hire care permit required for the commencement of the point-to-point pick-up service had not been obtained and the point-to-point pick-up service had not commenced, the related expenditure was less than the planned use of net proceeds for enhancing healthcare staffing solution services through introducing point-to-point pick-up service, with unutilised net proceeds amounted to HK\$7.9 million. In order to better capture business opportunities, our Board considered and resolved to cease the point-to-point pick-up service. Our Board considered and resolved to reallocate the above-mentioned aggregated unutilised net proceeds of approximately HK\$10.3 million to (i) strengthening brand awareness and expanding healthcare personnel pool, and (ii) enhancing healthcare staffing solution services through strengthening our CS Department and other back office support as well as enhancing office facilities, acquire computer equipment, furniture and fixture.
2. The actual use of proceeds for developing outreach services team for the Year was approximately HK\$2.5 million, which aligned with the planned use of proceed of HK\$3.0 million during the Year. The development of the outreach services had picked up the pace and had a remarkable revenue growth of approximately 314.3% during the Year.

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.

Management Discussion and Analysis

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.

LIQUIDITY AND FINANCIAL RESOURCES

Our Group remained in a healthy and sound liquidity position as at 30 June 2017. Our working capital needs and other capital requirements have been met through a combination of shareholders' equity and cash generated from operations. Going forward, we intend to finance our future operations and capital expenditures with cash flow from operating activities 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, short-term bank deposit, trade receivables, prepayments, deposits and other receivables and inventories.

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

As at 30 June 2017, our Group maintained cash and cash equivalents amounting to approximately HK\$63.1 million (2016: HK\$80.7 million). Net current assets increased to approximately HK\$96.7 million as at 30 June 2017 from approximately HK\$79.4 million as at 30 June 2016, which was mainly due to net cash generated from operating activities.

CAPITAL STRUCTURE

During the Year, our Group mainly relied on its equity 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 (2016: 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 2017 and 30 June 2016, our Group had no outstanding bank and other borrowings.

Management Discussion and Analysis

CAPITAL COMMITMENTS

There was no capital commitment as at 30 June 2017 (nil as at 30 June 2016).

PLEDGE OF ASSETS

As at 30 June 2017, there was no significant pledge on our Group's assets (2016: Nil).

CONTINGENT LIABILITIES

As at 30 June 2017, our Group had no significant contingent liabilities (2016: Nil).

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 2017.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

During the year ended 30 June 2017, 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 2017, our Group engaged a total of 43 employees (2016: 38). Total staff costs including Directors' remuneration for the year ended 30 June 2017 amounted to approximately HK\$14.6 million (2016: HK\$12.2 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 our Company. As at 30 June 2017, 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 Rules Governing the Listing of Securities on the GEM (the "GEM Listing Rules") and Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") for relevant periods. During the Year 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.

Corporate Governance Report

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. Wong Kam Pui

Independent non-executive Directors:

Mr. Lam Cheung Wai

Dr. Leung Yu Lung

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.

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 our Company in Hong Kong from July 2016 to January 2017 (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 Group Limited	Principally engaged in tenancy holding and is the head tenant of the head office and principal place of business of our Company in Hong Kong since January 2017 (namely, 4/F, Star House, 3 Salisbury Road, Tsim Sha Tsui, Hong Kong)	Business relationship — Bamboos Group Limited 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 Bamboos Group Limited
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.

A description of our Directors is set out in the section headed "Biographical Details of Directors and Senior Management" on pages 41 to 44 in this annual report.

Corporate Governance 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 a fixed term of one year and may be terminated by not less than three months' written notice or subject to the terms and conditions thereunder.

Independent non-executive Directors are appointed for a fixed term of one year 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 Rule 3.13 of the Listing Rules for relevant periods 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 and Rule 3.13 of the Listing Rules for relevant periods since the date of their respective appointments, up to the date of this annual 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, remuneration and compliance committees attended the annual general meeting of our Company held on 20 October 2016 (the "2016 AGM") to answer questions at the 2016 AGM.

Corporate Governance Report

The attendance records of each Director at the meetings of the Board and the Shareholders held during the year ended 30 June 2017 are set out as follows:

	<u>Board</u>	<u>2016 AGM</u>
<i>Executive Directors:</i>		
Mr. Kwan Chi Hong	6/6	1/1
Ms. Hai Hiu Chu	6/6	1/1
<i>Non-executive Director:</i>		
Mr. Wong Kam Pui, JP	6/6	1/1
<i>Independent non-executive Directors:</i>		
Mr. Lam Cheung Wai	6/6	1/1
Dr. Leung Yu Lung	4/6	1/1
Dr. Luk Yim Fai	6/6	1/1

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.

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.

Corporate Governance Report

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.

Currently, our audit committee comprises three independent non-executive Directors, namely Mr. Lam Cheung Wai, Dr. Leung Yu Lung 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, internal control system and risk management 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 first quarterly, interim and annual financial statements of our Group, and was satisfied that the accounting policies and standards of our 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 and evaluated the effectiveness of the internal audit system of our Group, there was no non-compliance issue noted. During the Year, our audit committee adopted risk management policy and relevant risk management review process of our Group.

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
Dr. Leung Yu Lung	1/4
Dr. Luk Yim Fai	4/4

Corporate Governance Report

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 our Company's website at www.bamboos.com.hk.

Currently, our remuneration committee comprises all the independent non-executive Directors, namely Mr. Lam Cheung Wai, Dr. Leung Yu Lung, 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.

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 and made recommendations to the Board on the remuneration packages of our Directors based on the outcome of the review conducted by our remuneration committee.

Details of the remuneration of our Directors and the five highest paid individuals are set out in note 10 to the consolidated financial statements.

Two remuneration 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
Dr. Luk Yim Fai	2/2
Mr. Lam Cheung Wai	2/2
Dr. Leung Yu Lung	1/2
Ms. Hai Hiu Chu	2/2

Corporate Governance Report

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.

Currently, our nomination committee comprises one executive Director, namely Mr. Kwan Chi Hong, and three independent non-executive Directors, namely Mr. Lam Cheung Wai, Dr. Leung Yu Lung 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.

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
Dr. Leung Yu Lung	1/1
Dr. Luk Yim Fai	1/1
Mr. Kwan Chi Hong	1/1

Corporate Governance Report

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. Leung Yu Lung and Dr. Luk Yim Fai; Mr. Wong Kam Pui is the chairman of our compliance committee.

The primary functions of our compliance committee include, among others, reviewing and making recommendations to our Board in respect of the compliance of our 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 the Listing Rules for relevant periods), 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 and the Listing Rules, Companies Ordinance, the Competition 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.

Two compliance 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. Wong Kam Pui	2/2
Dr. Leung Yu Lung	0/2
Dr. Luk Yim Fai	2/2

Corporate Governance Report

SENIOR MANAGEMENT'S REMUNERATION

Senior management's remuneration payment of our Group for the year ended 30 June 2017 falls within the following band:

	<u>Number of individuals</u>
Nil to HK\$1,000,000	5

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 training and professional development of the Directors and senior management, our Company's policies and practices on compliance with legal and regulatory requirements and our Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

During the Year, our Board had reviewed our 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 directors' liability and insurance and other legal or regulatory update. All Directors have participated in training regarding Listing Rules and CG code updates conducted by our Company Secretary during the Year.

SECURITIES TRANSACTIONS BY DIRECTORS

Our Company had adopted Rules 5.48 to 5.67 of the GEM Listing Rules and Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules for relevant periods 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 during the Year and up to the date of this annual report.

Corporate Governance Report

CONSTITUTIONAL DOCUMENTS

Pursuant to the Transfer of Listing, the articles of association and memorandum of association of our Company was amended and restated 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	HK\$'000
Statutory audit services	850
Non-audit services in relation to Transfer of Listing	150

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.

RISK MANAGEMENT AND INTERNAL CONTROLS

Our Board has overall responsibility for the adequacy and effectiveness of the risk management and internal control systems of our Group. Our Board has developed its systems of internal control and risk management to safeguard the interests of our Shareholders and the assets of our Group. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The main features of the risk management and internal control systems are described in the sections below:

Risk Management System

Our Group adopts a risk management system which manages the risk associated with our business and operations and compliance with applicable laws and regulations. The system comprises the following phases:

- Identification: Identify the category and ownership of risks, risks that could affect the achievement of objectives and the risk appetite.
- Assessment: Analyse the likelihood and impact of risks and evaluate the risk portfolio semi-annually.

Corporate Governance Report

- Management: Consider the risk action plan, ensure effective communication to the Board and on-going monitoring.

Internal Control System

Our Company has in place an internal control system conducted by the internal control officer who reports directly to the Audit Committee. The system covers mainly, amongst all, the effectiveness and efficiency of operations and reliability of accounting and financial reporting.

Our Group's internal control system comprises an established organizational structure and comprehensive policies and working procedures. Areas of responsibilities of each department are reasonably defined to ensure sufficient segregation of duties.

The key procedures that our Board established to provide effective controls are as follows:

- a distinct organizational structure exists with defined lines of authority and control responsibilities;
- a comprehensive management accounting system is in place to provide financial and operational performance information to the management and the relevant financial information for reporting and disclosure purpose;
- Audit Committee reviews recommendations submitted by internal control officer quarterly and external auditors annually to our Group's management in connection with the internal review exercise and annual audit respectively.

Internal control in relation to insider information

In order to enhance our Group's system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of our public disclosures, our Group adopts and implements an inside information/price sensitive information disclosure policy.

Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to our Group, which include:

- Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.
- Confirmation on commitment to non-disclosure of the received information and undertaking of not to deal in our Company's securities are in place when any external parties who may become privy to or in possession of our Company's unpublished inside information/price sensitive information respectively.
- Only authorised persons shall explain information already in the public domain, and shall avoid giving answers which individually or cumulatively may provide unpublished or potential inside information/price sensitive information to the receiving party.

Corporate Governance Report

During the Year, our Board had adopted a risk management system policy and assessment plan and conducted a review of the adequacy and effectiveness of the risk management and internal control systems which covered all material controls, including financial, operational and compliance controls and risk managements functions of our Group. There was no significant control deficiency identified and our Board considered the risk management and internal control systems effective and adequate.

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. The company secretary of our Company, Ms. Lam Yuen Ling Eva (“Ms. Lam”), is delegated by an external service provider. The external service provider’s primary contact person at our Company is Ms. Hai Hiu Chu, the Chief Executive Officer of our Company. 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 during the Year.

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 our Company’s principal place of business at 4/F, Star House, 3 Salisbury Road, Tsim Sha Tsui, Kowloon, 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.

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 4/F, Star House, 3 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong.

Corporate Governance Report

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 (prior to the Transfer of Listing). 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: Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, 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: 4/F, Star House, 3 Salisbury Road, Tsim Sha Tsui, Kowloon, 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, 25 August 2017

Environmental, Social and Governance Report

ABOUT THIS REPORT

Bamboos Health Care Holdings Limited (the “Company” together with its subsidiaries, hereinafter referred to as our “Group” or “Bamboos”) is pleased to present the 2017 Environmental, Social and Governance Report (the “Report”) to provide an overview of our Group’s management of significant issues affecting the operation, including environmental, social and governance issues. This Report is prepared by our Group with the professional assistance of APAC Compliance Consultancy and Internal Control Services Limited.

Preparation Basis and Scope

This Report is prepared in accordance with Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange – “Environmental, Social and Governance Reporting Guide” and has complied with “comply or explain” provision in the Listing Rules.

This Report covers our Company and its principal subsidiary Bamboos Professional Nursing Services Limited, being primarily engaged in provision of customized healthcare staffing solution services to individuals and institutional clients in Hong Kong.

Our Group will continue to optimise and improve operation according to the disclosure requirements. This Report shall be published in both Chinese and English. Should there be any discrepancy between the Chinese and the English versions, the English version shall prevail. The Board of Directors of our Company confirmed that during the reporting period, our Company complied with the applicable provisions contained in the “Environment, Social and Governance Reporting Guide” of the Listing Rules.

Reporting Period

This Report demonstrates our sustainability initiatives during the reporting period from 1 July 2016 to 30 June 2017.

Contact Information

Our Group welcomes your feedback on this Report for our sustainability initiatives. Please contact us by email to contact@bamboos.com.hk.

INTRODUCTION

Our Group offers a wide range of professional, comprehensive and reliable healthcare staffing solution services, including private nursing staffing solutions as well as institutional health care staffing solutions. With a talent pool of over 17,000 qualified healthcare personnel, Bamboos serves as a trusted strategic advisor to our clients including hospitals, social service organizations, clinics, pharmaceutical companies and individuals with customized and most suitable healthcare staffing solution services and outreach assessment service.

Our private nursing staffing service is designed for individual clients, by matching their needs with the healthcare personnel registered with us. Under our institutional staffing solution service, we provide (a) placement services which deliver locum and ward relief services to hospitals and social service organisations (mainly residential care homes for the elderly (RCHEs) and rehabilitation centres) by placing healthcare personnel to fill vacancies; and (b) clinical programme support such as provision of injection services and health education services by placing healthcare personnel on a temporary or project basis.

Environmental, Social and Governance Report

By collaborating with different networks in a cost-effective way, Bamboos is devoted to providing our clients with the best services and strategic healthcare staffing solutions and responding to the need of each client. Our Group is committed to responsible operation and value creation for stakeholders and community by integrating environmental and social factors into management considerations. Our Chief Executive Officer and operations manager ensure that our Group operates in a manner that enhances our positive contribution to society, the environment and monitor progress on related activities. Sustainability strategy is based on compliance with legal requirements in the area we operate in, as well as from opinions of stakeholders. It is crucial for our Group's growth in order to achieve business excellence and to build capabilities for long-term competitiveness. We have established and implemented various policies and practices to manage and monitor the risks related to the environment, employment, operating practices and the community. Practices implemented and their results are reported to our Chief Executive Officer for review regularly. Details of the management approaches to sustainable development of different areas have been illustrated in this Report.

OUR VISION

Being a trusted multi-specialty expertise, Bamboos is committed to service excellence and continuous performance improvement. We embrace the Three Cs core values – Care, Competence and Commitment. As a healthcare staffing solution services provider, we remain attentive to the health and well-being of those we serve.

Bamboos maintains high standards of services offered by collaborating with healthcare personnel with high calibre, including physicians, nurses, health workers, physiotherapists and registered Chinese medicine practitioners.

In addition, Bamboos aims to build a healthier community. We devote substantial effort to advance the quality of health care services in Hong Kong and promote public awareness about health issues.

Our vision is to become a revolutionary and premier leader recognized for excelling in the provision of professional and strategic healthcare staffing solutions.

OUR CORE VALUES:

Care :

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

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.

Environmental, Social and Governance Report

STAKEHOLDERS ENGAGEMENT

Our Group acknowledges the importance of intelligence gained from the stakeholders' insights, inquiries and continuous interest in our business activities. The following table provides an overview of our Group's key stakeholders and various platforms and methods of communication are used to reach, listen and respond.

Stakeholder	Expectation	Engagement channel
Government	<ul style="list-style-type: none"> – To comply with laws – Proper tax payment – Promote regional economic development and employment 	<ul style="list-style-type: none"> – Corporate events – Annual, quarterly and interim reports and other published information
Shareholders and Investors	<ul style="list-style-type: none"> – Low risk – Return on the investment – Information disclosure and transparency – Protection of interests and fair treatment of shareholders 	<ul style="list-style-type: none"> – Annual general meeting and other shareholder meetings – Corporate events – Annual, quarterly and interim reports and other published information – Website of our Company and The Stock Exchange of Hong Kong Limited, respectively
Employees	<ul style="list-style-type: none"> – Working environment – Career development opportunities – Self-actualization – Health and safety 	<ul style="list-style-type: none"> – Training, seminars, briefing sessions – Cultural activities – Intranet and emails
Clients	<ul style="list-style-type: none"> – Comply with laws and high-quality services – Stable relationship – Information transparency – Integrity – Business ethics 	<ul style="list-style-type: none"> – Website, brochures, annual, quarterly reports and other published information – Email and customer service hotline – Social communication channels – Feedback forms – Magazines (BamBoOs!Life)
Healthcare Personnel	<ul style="list-style-type: none"> – Career opportunities – Stable relationship 	<ul style="list-style-type: none"> – Seminars – Exhibitions – Corporate events
Peer/Industry associations	<ul style="list-style-type: none"> – Experience sharing – Corporations – Fair competition 	<ul style="list-style-type: none"> – Industry seminars – Exhibitions – Corporate events – Website of our Company
Public and communities	<ul style="list-style-type: none"> – Community involvement – Social responsibilities 	<ul style="list-style-type: none"> – Volunteering – Charity and social initiatives

Environmental, Social and Governance Report

To maintain close communication with different stakeholders, our Group has organized and participated in various of events and activities extracted as follows:

Event	Involved parties
Sharing about the achievement of our brand on the “Enterprising Hong Kong Brand Awards 2016” seminar	Collaborators, Community
Bamboos’ 2 nd Listing Anniversary Reception	Shareholders
“Dr. Michael Nobel Asia Forum – Escalating Global Pollution and Family Health Concern” in Hong Kong and Guangzhou with Grace Time Asia and Hong Kong Health Care Federation.	Healthcare personnel
Exchange views with doctors – Hong Kong Society for Medical and Health Care Limited Dinner	Healthcare personnel
Exhibition in Golden Age Expo and Summit 2017	Government, Healthcare personnel, Client
Bamboos Celebration Reception and New Headquarters Open Ceremony	Government, Healthcare personnel, Client
Bamboos Listing Celebration Dinner	Shareholders, Clients, Government
Sharing by our Chairman, Mr. Kwan Chi Hong in the Green Economic Forum (綠色經濟論壇)	Government, Community
Exhibition in 11th Health Expo 2017	Client

Environmental, Social and Governance Report

ENVIRONMENTAL ASPECT

EMISSIONS

In our Group, we are committed to continuously improve the environmental sustainability of our business. In striving to do the right thing as a company, we recognize that we have an obligation to reduce the impact of our operations and be accountable for the resources and materials we use each day.

Our Group's "Environmental Policy" encompasses our general approach towards controlling environmental impacts of the business operation. Our most significant environmental impact is the indirect emissions from energy consumptions in our office in Hong Kong. In line with our policy to minimize emissions, we have implemented energy saving practices which are mentioned in the section of "Use of Resources" in order to reduce the emissions. There are no relevant laws and regulations that have a significant impact on our Group.

Air Pollutant Emission

Regarding our Group's business, we do not involve in combustion of stationary sources as other heavy industries do. The direct emission of the air pollutants comes from mobile vehicles owned by our Group only. The air pollutant emission¹ data are as follows:

Category	Emission (kg)
Nitrogen oxides (NO _x)	2.01
Sulphur oxides (SO _x)	0.06
Particulate matter (PM)	0.15

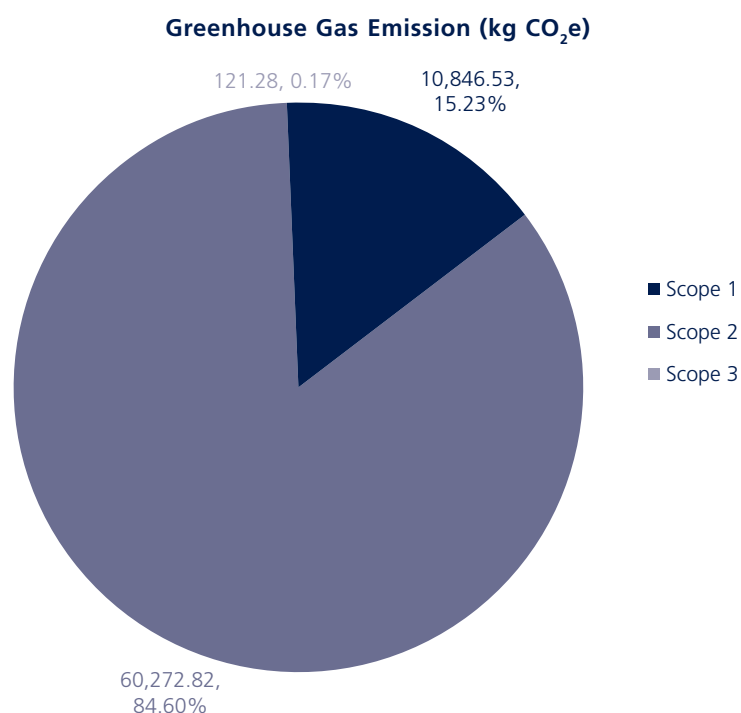
Although air pollutant emission is not significant when compared with various heavy industries, we strive to reduce the use of mobile vehicles by encouraging our staff to engage in telephone conferences or video conferences to avoid unnecessary travel.

¹ The calculation of air pollutant emission is made reference to "How to prepare and ESG Report?" Appendix 2: Reporting Guidance on Environmental KPIs – Hong Kong Stock Exchange Limited

Environmental, Social and Governance Report

Greenhouse Gas Emission

The risks associated with climate change are real and warrant action. Increasing carbon emissions in the atmosphere cause a warming effect. There is broad scientific and policy consensus that actions must be taken to further quantify and assess the risks. Our Group shares the same concerns on how to provide the world with the energy we need while reducing greenhouse gas emissions. We are committed to taking positive action to tackle climate change and we are dedicated to reducing the risk in the most efficient way for society. Our Group is taking action by reducing greenhouse gas emissions in our operations. We have adopted energy saving initiatives that are mentioned in the section "Use of resources". The greenhouse gas emission² data are illustrated as follows:



Notes:

- Scope 1: Direct emissions from operations that are owned or controlled by our company;
- Scope 2: "Energy indirect" emissions resulting from the generation of purchased or acquired electricity, heating, cooling and steam consumed within our company; and
- Scope 3: All other indirect emissions that occur outside our company, including both upstream and downstream emissions.

² The calculation of the greenhouse gas emission is made reference to EPD's "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong", "Sustainability Report 2016" – CLP Group, "Sustainability Report 2016" – Hong Kong Electric Investment, "2016 Annual Report" – Water Supplies Department and "2015-2016 Sustainability Report" – Drainage Service Department

Scope 1 emissions comes from the combustion of fuel in mobile source – we use petrol in our company owned vehicles. Scope 2 emissions comes from the electricity supplied by CLP Power Hong Kong Limited and The Hongkong Electric Company Limited, which contributes the most emission volume. Scope 3 emissions come from paper wastes, the electricity for fresh water processing by Water Supplies Department and the sewage processing by Drainage Services Department. The greenhouse gas emission for scope 1, scope 2 and scope 3 are 10,846.53 kg, 60,272.82 kg and 121.28 kg respectively. The total greenhouse gas emission in the year was 71,240.63 kg CO₂ equivalent.

Environmental, Social and Governance Report

WASTE

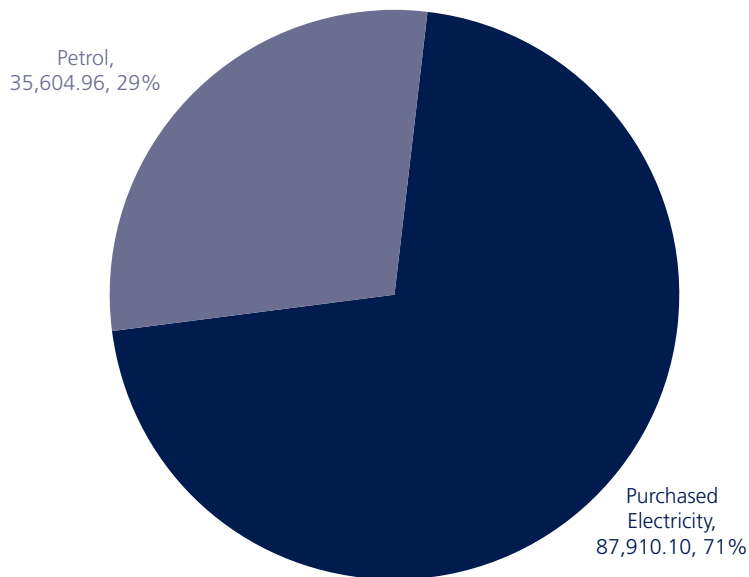
In our daily operations, we generate domestic wastes, such as paper, aluminum cans and plastic bottles. During the reporting period, we recycled approximately 79.4 kg of paper. We have implemented recycling scheme for paper waste. For other domestic wastes, we plan to place recycling bins in our office and seek suitable recycling companies to collect the wastes. Our Group does not involve in production of hazardous waste and the amount of non-hazardous wastes is not significant.

USE OF RESOURCES

Our Group advocates environmental protection in our daily business operation. We adopt a variety of environmental friendly practices in our office premises. We put notices near electrical appliances to remind staff to turn them off when not in use. The room temperature is set to 25°C and monitored regularly by designated personnel. Staff is encouraged to minimize paper and electricity consumption. Environmental friendly measures for example double-sided printing, less colour printing, reusing and use of recycled papers as well as implementing lighting zone control and using various efficient lamps in our office are implemented in our office.

During the reporting period, purchased electricity represented a major proportion of the composition of our energy use. The direct energy consumption from the use of 4,005.57 liters of petrol was 35,604.96 kWh. The indirect energy consumption from the purchased electricity was 87,910.10 kWh. The total energy consumption of the year was 123,515.06 kWh, with the consumption of petrol and purchased electricity representing 29 % and 71 % respectively.

Energy Consumption By Type (kWh)



Regarding the water consumption, the water supply service is provided by the landlord of the office building and shared by other tenants. Therefore, the water consumption is not directly controlled by our Group. However, we also raise the awareness of employees about water saving notices through email and other communication channels.

Environmental, Social and Governance Report

The Environment and Natural Resources

According to our Group's "Environmental Policy", we are committed to protection of the environment. We aim to save natural resources by enhancing the awareness among staff and reviewing the operations regularly. Regarding the operation of our Group, we are not aware of any significant impacts of activities on the environment and natural resources. With the integration of policy and measures mentioned in section "Emissions" and "Use of Resource", we strive to minimize the impacts to the environment and natural resources.

SOCIAL ASPECT

EMPLOYMENT AND LABOUR PRACTICES

Employment

Our management believes that full support and contribution of our employees are the key to continued business success. Our Group's staff handbook sets out our standards for compensation, dismissal, working hours, rest periods, other benefits and welfare. We provide equal opportunities for our staff 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. Our Group is in strict compliance with the Employment Ordinance. During the reporting period, there was no non-compliance with related laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare.

Our employees work in a "five-day-work" pattern. They enjoy statutory holidays as stipulated in the Employment Ordinance. After the probation period, employees are entitled to paid annual leave for each completed year of employment according to the employment contracts. Furthermore, they are also entitled to medical insurance and maternity leave. 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.

Our Group is in strict compliance with the Employment Ordinance. During the reporting period, there was no report of non-compliance with related laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

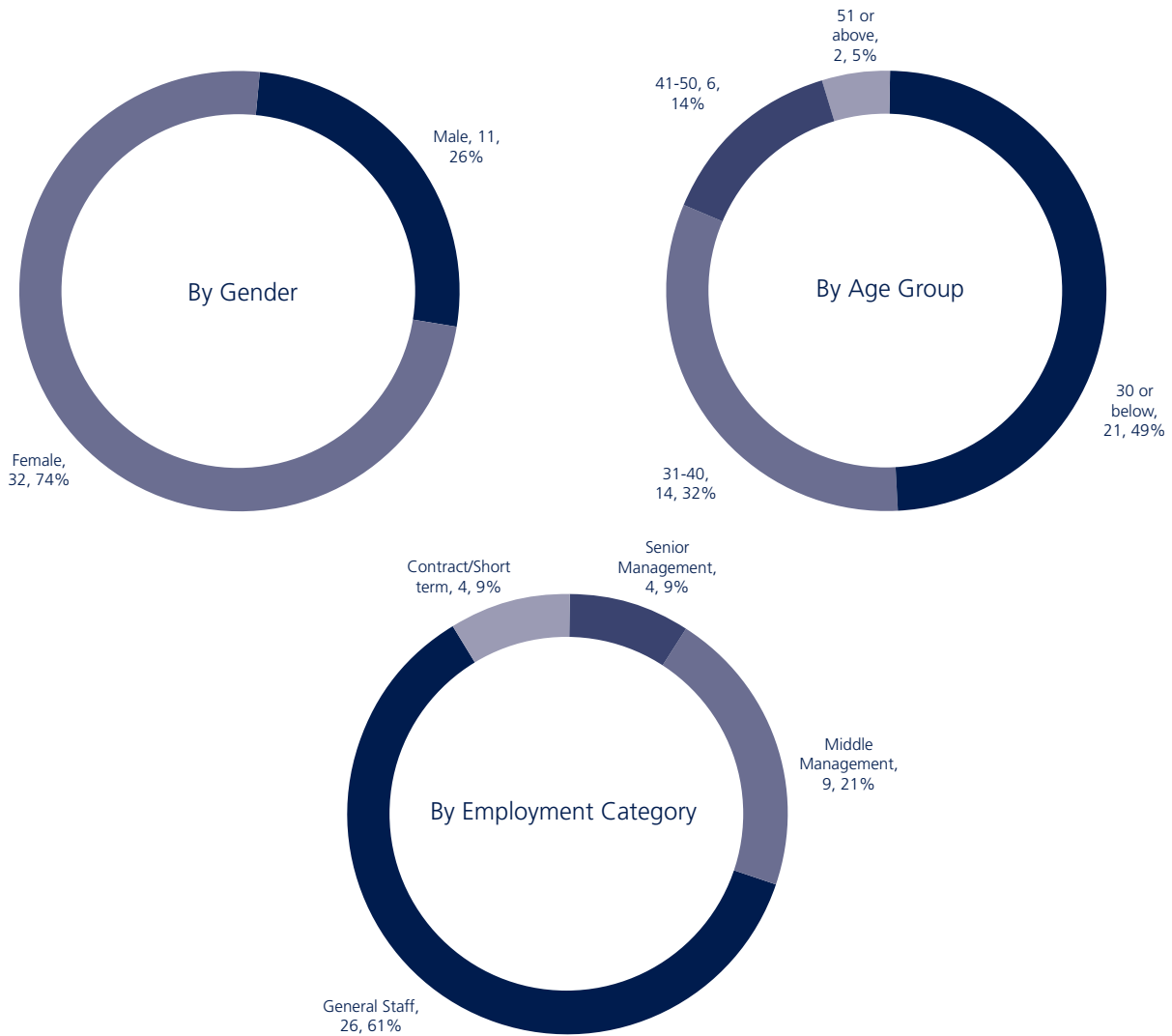
Our Group engaged in the "Talent-Wise Employment Charter", which advocates for the enhancement of employment opportunities of persons with disabilities and creating an inclusive workplace. In 2012, we were the only service provider to achieve Excellent HR Service Provider Award – Recruitment & Consulting/HRIS & Soft by Hong Kong Institute of Human Resource Management (HKIHRM).

Considerate employee benefits and engagement activities enhance productivity. A fresh 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 monthly. Besides birthday parties, Christmas and spring dinners, we also initiate seafood fest and health seminars to encourage work-life balance among our employees.

Our subsidiary, Bamboos Professional Nursing Services Limited, was honored with the award of "2015/2016 Distinguished Family-Friendly Employer" and "Awards for Breastfeeding Support" in the Family-Friendly Employers Scheme initiated by the Family Council. It was also awarded as "Good MPF Employer" by the Mandatory Provident Fund Schemes Authority. This achievement recognized our efforts in enhancing the retirement benefits of our employees.

Environmental, Social and Governance Report

As at 30 June 2017, the employee composition by gender, by employee category and by age group are as follows:



Environmental, Social and Governance Report

Health and Safety

In the daily operation of our Group, there is no significant hazards as compared to industries like manufacturing. Our Group aims to enhance wellness of the employee by providing a harmonious and comfortable environment. Our Group has adhered with the Occupational Safety and Health Ordinance. As stipulated in our Group's "Guidelines on Occupational Health and Safety", our Group has implemented measure in the following aspects.

Lighting

Good lighting conditions in the workplace enable staff to work with comfortable sight and avoid possible damage to eyesight. Fluorescent lights recessed into the false ceiling and fitted with louver or diffuser to control glare and distribution of light. Blinds or curtains are used to prevent glare and control the lighting level. Anti-glare filters are encouraged to be used if necessary to reduce screen reflection and improve visual quality of the display.

Indoor Air Quality and Ventilation

Smoking is prohibited in all workplace and in the office. The indoor temperature and humidity are controlled in an optimum level to make the workplace more comfortable and help preventing bacteria from flourishing. Air outlets are cleaned regularly in the office to reduce the dust level of indoor air and increase efficiency of the ventilation system.

Office Furniture/Working Posture

Staff is provided with adjustable chairs to allow them to adjust the seat height. To enable our staff having a comfortable workplace, staff is encouraged to assume correct seated posture so as to avoid musculoskeletal injury.

Office Equipment

During photocopying, it is necessary to place the cover properly to prevent eye irritation from the strong light. All office equipments are properly maintained in good conditions as well.

Manual Work Handling

Heavy manual handling work is minimal in the office. Staff is encouraged to use mechanical aids includes trolleys for carrying loads.

Others Safety Measures

All the fire safety equipment are checked and complied with the fire safety rules in the office. First aid box has been placed in the office and items provided are in compliance with the regulation of Occupational Safety and Health Council as issued by the Labor Department.

During the reporting period, there was no related work injuries or fatalities and no litigation regarding health and safety brought against our Group.

Environmental, Social and Governance Report

Development and Training

According to our Group's "Training Policies", our Group encourages employees to develop their own training objectives and we provide suitable training and development opportunities to assist employees to meet their training objectives as well as achieving business goals. Details of the in-house training programmes are circulated by email from time to time for employees' information. Orientation training enables new employees to familiar with the corporate culture and their roles and responsibilities. Our Group believes that employee development is crucial to the sustainable development of the business. Our Group will continuously enhance our training system in order to empower the personal development of our employees.

We provide numerous training opportunities for further develop our employees' competency. During the reporting period, 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. Apart from internal training, our staff members also attended seminar related to the Trade Descriptions Ordinance, which was delivered by Innovative Entrepreneur Association.

The statistics³ related to trainings received by our employees are demonstrated as follows:

Total training hours and average training hours received by employees by gender:

	Total Training Hours	Average Training Hours per Employee
Male	138	12.55
Female	254	7.94
Overall	392	9.12

Percentage of employees trained by gender:

	Number of Employees Trained	Percentage of Employees Trained
Male	9	82%
Female	28	88%
Overall	37	86%

Environmental, Social and Governance Report

Labour Standards

As stipulated in our Group's "Labour Standards Policy", we are committed to ensuring both us and our suppliers to be complied with relevant labour standards at all times. Our Group prohibits the use of child labour, force or compulsory labour. Moreover, our Group does not engage in or support any discriminatory practices in hiring, remuneration, access to training, promotion, termination or retirement based on race, national or social origin, caste, religion, gender, sexual orientation, political affiliations, age or other conditions that could give rise to discrimination. Our Group treats all employees with dignity and respect. Our Group does not engage in or tolerate the use of corporal punishment, mental or physical coercion or verbal abuse of personnel. No harsh or inhumane treatment is permitted.

Our Group has been in strict compliance with the legislation on antidiscrimination in Hong Kong, including Sex Discrimination Ordinance, Disability Discrimination Ordinance, Family Status Discrimination and Race Discrimination Ordinance. During the reporting period, no non-compliance regarding labour standards brought against our Group or our employees were noted.

OPERATING PRACTICES

Supply Chain Management

Due to our Group's business nature, we have relatively few suppliers and a less complicated supply chain. Our main suppliers are only involved in third-party services providers such as information technology service, property management service, advertising service, legal and consulting service, office equipment, printing and stationery suppliers.

Our Group has established "Green Procurement Policy" to encourage staff making sustainable procurement decisions. We also strive to promote and encourage suppliers/contractors to explore and implement innovative environmental practices.

For those suppliers which cannot meet our Group's quality standard, they will be excluded in the vendor list. Through these efforts, we have extended our management standards to our suppliers, resulting in mutually beneficial cooperation on quality control.

Product Responsibility

Our Group recognises that excellence in quality and continual improvements are vital to enhance competitiveness as well as clients' satisfaction. We aim at delivering quality services through establishment of quality management system certified with ISO 9001:2008 and complaint handling management system certified with ISO 10002:2004. Our Group was awarded the Best HK Healthcare Brand – Enterprising Hong Kong Brand Awards 2016. Our Group is in strict compliance with Personal Data (Privacy) Ordinance, Books Registration Ordinance and Trade Description Ordinance. During the reporting period, our Group was not aware of any non-compliance with the relevant laws and regulations mentioned above.

Environmental, Social and Governance Report

Quality Management System

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

To ensure that high quality of healthcare staffing solution services are delivered to our clients, we have a stringent healthcare personnel registration procedure, which comprises of detailed screening on the qualification of the healthcare personnel.

Complaints Handling Management System

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

During the reporting period, our Group has received 2 complaints regarding the service of healthcare personnel. The received complaints have been handled and resolved according to the complaint handling management system. 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 is logged, its details including the description of the complaint, 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 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 is 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.

Staff training is held regularly to ensure their knowledge in complaint handling and the compliance with our policy. Complaint handling procedures, 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 our representing cartoon characters. During the reporting period, we had been reinforcing the practice of genuine innovation with our corporate designers regarding various corporate designs, publications and gimmicks.

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.

Environmental, Social and Governance Report

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. During the reporting period, our Group had reviewed the access authorities of the CRM and developed more refined access authority levels so as to further safeguard data and information.

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. Exit interview with our leaving staff has come into practice, in which the importance of confidentiality and personal data protection after the termination of employment is emphasized in the relevant declaration signed by the leaving staff.

Anti-corruption

Our Group is well aware of the importance of honesty, integrity and fairness, and has included anti-corruption policy such as guidelines regarding giving and taking interests and declaration of conflicts of interests in our staff manual. Generally, our Directors and employees are forbidden to give interests to or request interests from any personnel, companies or intuitions that have business relationship with our Group in his/her private capacity. However, they can accept (but not request) the following interests that are voluntarily given by the donor:

- (a) Promotional gifts or souvenirs with symbolic values only
- (b) Gifts received in traditional festivals or special occasions with value not more than HKD \$500
- (c) Discounts or other special offers (with terms and conditions that are applicable to other general customers also) to our Directors or employees by any personnel or companies
- (d) Gifts or souvenirs, which have symbolic values only, accepted by our Directors or employees on behalf of our Group

We also have adopted a "Whistle-Blowing Policy" to provide guidance for employees to report any cases of unlawful or illegal behavior. Employees can raise their concerns to the responsible person of the department, the Chief Executive Officer or the Chairman of the Audit Committee by using our compliance hotline. We treat all concerns in an unbiased manner and respect the confidentiality of any whistle blowing complaint received. Where appropriate, the matter raised may be investigated by management, the Board of Directors or internal audit department or referred to external law enforcement agencies. The concerns will be investigated as quickly as possible. We will take steps to minimize any difficulties which the whistleblower may experience as a result of raising the concerns and assure that the matter has been properly addressed. Subject to legal constraints, the whistleblower will be informed the outcomes of any investigation.

Through the establishment of these policies, we encourage all employees discharge their duties with integrity and comply with relevant laws and regulations. Our Group is in strict compliance with the Prevention of Bribery Ordinance. During the reporting period, our Group did not record any non-compliance with related laws and regulations relating to bribery, extortion, fraud and money laundering.

Environmental, Social and Governance Report

COMMUNITY

Community Investment

Committed to be 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” since our Group’s establishment. We actively participate in and support various community initiatives concerning public health, social diversity and inclusion, elderly care, and healthcare professional development.

During the reporting period, we supported over 40 community initiatives and campaigns in various manners including cash sponsorship to Hong Kong Rehabilitation Power, The Community Chest of Hong Kong and Principal Chan Free Tutorial World, sponsoring gift bags, volunteering in initiatives, supporting in promotion and media and supporting in event management. The overall contribution is set out as below:

Natural of support	2017	2016
	(HK\$'000)	(HK\$'000)
Cash sponsorship	1,188	208
Sponsorship in kind to:	1,206	583
– Sponsoring gift bags and lucky draw gifts to activities		
– Supporting charity sales		
– Volunteering in initiatives		
– Support in promotion and media		
– Support in event management		
Total	2,394	791

Environmental, Social and Governance Report

We treasure every opportunity to build a healthier and harmonious community. Besides empowering various charitable organizations, elderly services operators and professional development institutions of healthcare, we also initiate regular volunteer programmes. Details of volunteering in initiatives are set out as below:

Event	Organization
Mid-Autumn Festival Community Service (粵樂名曲賀中秋)	The Hong Kong Society for the Blind – Kowloon Home for the Aged Blind
Elderly Home visited hosted by our Group and sponsored by Min Kong Association Limited	Longevity Palace Elderly Home (松山府邸護老院)
Charity Walk- Pink Walk for Breast Health 2016 (“乳健同行 2016)	HK Breast Cancer Foundation
Rehab Power Day (傷健共融日)	Hong Kong Rehabilitation Power
Bamboos LifeDriver Selection 2016 (百本復康在“職”達人啟動禮)	Hong Kong Rehabilitation Power
Book Launching Ceremony of《你微笑·世界也微笑》(All proceeds raised were donated to The Society for the Cruelty to Animals)	The Society for the Prevention of Cruelty to Animals
Volunteering Award Presentation Ceremony of “Love in Harmony Project”	New Home Association
Elderly Home Visit with Min Kong Association Limited Volunteer Team	Kowloon Kam Wah Home For The Aged (九龍金華護老院)
Sponsored SME Global Alliance Elderly and Special Needs Services Association Ltd. Spring Festival Dinner	SME Global Alliance Elderly and Special Needs Services Association Ltd.

We are devoted to continuously contributing and culturing a harmonious and sustainable society. We believe this will bring more value to our stakeholders and shareholders in return.

Environmental, Social and Governance Report

Other organizations our Group supported with cash and in-kind sponsorship (in alphabetical order):

Amazing Room for Stories	Junior Chamber International Lion Rock
Christian Action Training Services	Life Encouraging Fund Limited
Evangel Hospital	Lifewire
Hong Kong Adventist Hospital Foundation	New Home Association
Hong Kong Adventist Hospital – Stubbs Road	Regeneration Society
Hong Kong Adventist Hospital – Tsuen Wan	SME Global Alliance Elderly and Special Needs Services Association Ltd.
Hong Kong Association of Critical Care Nurses Limited	The Chinese Medicine Promoting Society, The Student Union Of CUHK
Hong Kong Association of Occupational Health Nurses Limited	The Chinese University of Hong Kong
Hong Kong Blind Union	The Hong Kong Academy of Nursing
Hong Kong Children, Babies, Maternity Industries Association	The Hong Kong Medical Association
Hong Kong College of Critical Care Nursing Limited	The Hong Kong Ophthalmological Society
Hong Kong Doctors Union	The Hong Kong Society for Rehabilitation
Hong Kong Erhu Arts Centre	The Hong Kong Wan Chai District Association Ltd.
Hong Kong Midwives Association	The Outstanding Givers
Hong Kong Nurses General Union	The Society for the Prevention of Cruelty to Animals
Hong Kong PHAB Association	Vertical Expo Services Co Ltd
Hong Kong Rehabilitation Power	World Vision
Hong Kong Trade Development Council	Zengzi Cultural Association
Junior Chamber International Island	

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Kwan Chi Hong, aged 44, 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. He is also a director of Hong Kong Health Care Federation. 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 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 had 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 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 46, 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.

Ms. Hai currently serves as a director in Agency For Volunteer Service Hong Kong Health Care Federation and Hong Kong Rehabilitation Power. Ms. Hai is the winner of the Most Promising Entrepreneurship Award in Asia Pacific Entrepreneurship Awards 2012.

Biographical Details of Directors and Senior Management

NON-EXECUTIVE DIRECTOR

Mr. Wong Kam Pui, JP, aged 62, 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 December 1996 and November 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 currently the Director, Human Resources & Operations, of K.Wah International Holdings Limited, which is principally engaged in Real Estate development and related industry. 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 HR matters, education, labour and welfare, commerce and economic development issues.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lam Cheung Wai, aged 60, 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 and was retired in April 2017.

Mr. Lam is a co-founder of Hong Kong Rehabilitation Power, and he had 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 Limited, a charitable organisation aiming to serve deprived youths. Mr. Lam was awarded The Ten Outstanding Young Persons (十大傑出青年) in 1996. Mr. Lam has been a member of the Rehabilitation Advisory Committee of the government of Hong Kong Special Administrative Region since January 2016.

Biographical Details of Directors and Senior Management

Dr. Leung Yu Lung, aged 45, 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 1 March 2016. Dr. Leung is responsible for providing independent judgment on issues of strategy, performance, resources and standards of conduct of our Group. Dr. Leung graduated from The Chinese University of Hong Kong in December 1994 and holds the qualifications of BMedSc (First Class Hons, CUHK), MBChB (CUHK), FCOphth (Hong Kong), MRCS (Edinburgh) (Ophthalmology), GMC (UK), FHKAM (Ophthalmology), FRCOphth (London) and FRCS (Glasgow) (Ophthalmology).

Dr. Leung is an ophthalmologist with diverse experience in ophthalmic clinical service, research, teaching, and administrative exposure. He was previously appointed as an Associate Consultant of the Department of Ophthalmology of Hong Kong Eye Hospital (2006–2011). Dr. Leung is currently appointed as the Honorary Clinical Professor of the Department of Ophthalmology of Shantou University Medical College, the Honorary Clinical Assistant Professor of the Department of Ophthalmology & Visual Sciences of The Chinese University of Hong Kong, the Honorary Clinical Associate Professor of the Department of Ophthalmology, The University of Hong Kong and the Honorary Consultant and Specialist in Ophthalmology of the Department of Ophthalmology of Hong Kong Sanatorium & Hospital.

Dr. Luk Yim Fai, aged 65, 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. He also obtained a master's degree of Arts and a doctorate degree of Philosophy in economics from Cornell University, the United States in May 1983 and August 1989 respectively.

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 (HKU) in September 1993. He has been associate professor from May 2004 to June 2016 there. During his employment at HKU, Dr. Luk served as director of the School of Economics and Finance from July 2001 to February 2012, and associate dean (IMBA and special projects) of the Faculty of Business and Economics from August 2012 to February 2016. Dr. Luk retired from his long-term position as associate professor in June 2016 and served as principal lecturer and IMBA program director at HKU until June 2017. He is currently adjunct associate professor at HKU.

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.

Biographical Details of Directors and Senior Management

SENIOR MANAGEMENT

Ms. Liu Huanming, aged 45, 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 completed a programme in Executive MBA and obtained a master's degree in Business Administration from The Chinese University of Hong Kong in December 2013. 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 45, 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 44, 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 Mainland China Operations and Business Development of Hong Kong area, 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 50, is a fellow of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators with over 20 years of experience in company secretarial services and commercial solutions. She is currently a director of BMI Listed Corporate Services Limited and is responsible for supervising our company secretarial teams to provide full range of listed and private company secretarial services to clients. 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 currently the company secretary of several companies listed on the Stock Exchange of Hong Kong.

Directors' Report

The directors of our Company (the "Directors" or the "Board") are pleased to present to the shareholders their annual report together with the audited financial statements for the year ended 30 June 2017.

PRINCIPAL ACTIVITIES

The principal activity of our Company is investment holding. The principal activities of our Company's principal subsidiaries are set out in note 31 to the financial statements. There were no significant changes in the nature of our Group's principal activities during the Year.

BUSINESS REVIEW

A fair review of the business of our Group as required under Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) comprising analysis of our Group's performance during the Year, assessment of the principal risks and uncertainties faced by our Group, particulars of important events affecting our Group that have occurred subsequent to the end of the Year, as well as indication of likely future development in the business of our Group are set out in the sections headed "Chairman's Statement" on page 3 and "Management Discussion and Analysis" on pages 4 to 10.

Discussions on the environmental policies and performance, compliance by our Group with the relevant laws and regulations that have a significant impact on our Group and the account of the key relationships of our Group with our stakeholders are contained in the "Environmental, Social and Governance Report" on pages 24 to 40.

RESULTS AND APPROPRIATIONS

Our Group's profit for the year ended 30 June 2017 and the state of affairs of our Company and our Group at that date are set out in the financial statements on pages 61 to 99.

On 7 February 2017, the Board resolved to declare and pay an interim dividend of HK\$15,000,000 (HK3.75 cents per ordinary share) for the six months ended 31 December 2016.

On 25 August 2017, the Board resolved to declare a final dividend of HK\$20,000,000 (HK5.00 cents per ordinary share) for the year ended 30 June 2017 (2016: Nil) to our Company's shareholders whose names appear on the register of members of our Company on 24 October 2017. This proposed dividend is not reflected as dividend payable in these consolidated financial statements.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results, assets and liabilities of our Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out on page 100. This summary does not form part of the audited financial statements.

Directors' Report

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of our Group during the Year are set out in note 15 to the consolidated financial statements.

BANK BORROWINGS

There was no bank borrowing maintained by our Group as at 30 June 2017 (2016: Nil).

SHARES ISSUED IN THE YEAR

Details of the Shares issued in the Year are set out in note 22 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 30 June 2017, our Company's reserves available for distribution amounted to approximately HK\$21,420,000 (2016: HK\$323,000) as set out in note 30 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 our Company's listed securities during the Year.

DIRECTORS

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

Executive Directors

Mr. Kwan Chi Hong (Chairman)

Ms. Hai Hiu Chu (Chief Executive Officer)

Non-executive Director

Mr. Wong Kam Pui, JP

Independent non-executive Directors

Mr. Lam Cheung Wai

Dr. Leung Yu Lung

Dr. Luk Yim Fai

Directors' Report

Biographical details of the Directors and the senior management of our Group are set out on pages 41 to 44 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 our Company an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and Rule 3.13 of the Listing Rules for relevant periods. Our 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 and Rule 3.13 of the Listing Rules for relevant periods.

DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract with our Company or any of its subsidiaries which is not determinable by the employer 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 2017, 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.

Directors' Report

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 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.

<u>Name of company</u>	<u>Shareholding in the company attributable to our Directors or controlling shareholders</u>	<u>Nature of business</u>	<u>Remarks</u>
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

Our controlling Shareholders (namely Mr. Kwan Chi Hong, Ms. Hai Hiu Chu, Gold Empress Limited and Gold Beyond Limited) entered into deeds of non-competition undertaking dated 24 June 2014 and 21 February 2017 (the “DNUs”) 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 our Company and its representatives to have access to such information, financial and/or corporate records to facilitate our Company to determine the compliance of the undertakings contained in the DNUs during the Year.

Our controlling Shareholders have provided to our Company a written confirmation confirming that, during the Year, they and their respective associates have complied with the undertakings contained in the DNUs, and that there is no matter in relation to their compliance with or enforcement of the DNUs that needs to be brought to the attention of the Stock Exchange, our Company and/or the Shareholders. Our independent non-executive Directors have also confirmed to our 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 DNUs had not been complied with by our controlling Shareholders 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 2017 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 or Model Code as set out in Appendix 10 to the Listing Rules were as follows:

Name of Director	Nature of interest	Number of Shares	Percentage of shareholding (Note 4) (%)
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:

1. 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.
2. 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.
3. 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.
4. All the interests stated above represent long positions. The percentage of shareholding is calculated on the basis of 400,000,000 shares in our Company in issue as at 30 June 2017 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

Directors' Report

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 or Model Code as set out in Appendix 10 to the Listing Rules.

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 2017 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 (%)
Gold Empress	Beneficial owner	270,000,000 (Note 1)	75%
	Deemed interest	30,000,000 (Note 3)	
Gold Beyond	Beneficial owner	30,000,000 (Note 2)	75%
	Deemed interest	270,000,000 (Note 3)	

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. All the interests stated above represent long positions. The percentage of shareholding is calculated on the basis of 400,000,000 shares in our Company in issue as at 30 June 2017 and the date of this annual report.

Save as disclosed above, as at 30 June 2017 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.

Directors' Report

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 our 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;

Directors' Report

- (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.

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.

PERMITTED INDEMNITY PROVISION

Our Company's articles of association provides that every Director is entitled to be indemnified out of the assets of our Company against all losses or liabilities which he/she may sustain or incur in or about the execution of duties of his/her office or otherwise in relation thereto provided that such indemnity shall not extend to any matter in respect of fraud or dishonesty which may attach to the Director.

Our Company has taken out and maintained Directors' liability insurance throughout the year, which provides appropriate cover for our Directors.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 30 June 2017, the revenue attributable to our five largest clients accounted for less than 15% of our revenue for the Year. Costs payable to our five largest healthcare personnel placed by us also accounted for less than 10% of our total pay- out costs for the Year. During the Year, none of our Directors, their associates or any shareholder of our Company (which to the knowledge of the Directors owns more than 5% of our 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 two related parties during the year ended 30 June 2017 as set out in note 28 to the financial statements fall under the definition of "continuing connected transaction" in Chapter 14A of the Listing Rules but are exempted from the reporting, annual review, announcement and independent shareholders' approval requirement set out in Chapter 14A of the 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 28 to the financial statements did not fall under the definition of "connected transactions" or "continuing connected transactions" (as the case may be) in Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the Listing Rules. Our Company confirmed that we have complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Directors' Report

CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by our Company are set out in the section headed "Corporate Governance Report" on pages 11 to 23.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of our Company were entered into or existed during the Year.

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 and Model Code as set out in Appendix 10 to the Listing Rules for relevant periods. 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 during the Year.

SUFFICIENCY OF PUBLIC FLOAT

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

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under our Company's articles of association and there was no restriction against such rights under the laws of the Cayman Islands, which would oblige our 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 our Group during the Year amounted to approximately HK\$1,188,000. Please also refer to the section headed "Environmental, Social and Governance Report" contained in this annual report for details of other sustainability initiatives and efforts made by our Group during the Year.

Directors' Report

LEGAL COMPLIANCE

We have kept ourselves abreast with the development of laws, rules and regulations which have or may have a significant impact on, and have been abiding the laws, rules and regulations applicable to, the operation of our business.

We have devised and implemented policies and procedures within our business structure to ensure that our operations are being run in line with the applicable laws, rules and regulations, monitored their effectiveness through regular internal review, encouraged our employees (including healthcare personnel registered with us) to familiarize themselves with the applicable laws, rules and regulators so as to raise their awareness in this respect as well as for their own benefit.

During the Year, we had complied with, and were not aware of any violation of, the applicable laws, rules and regulations that have a significant impact on the business operation of our Group.

RELATIONSHIPS WITH EMPLOYEES, HEALTHCARE PERSONNEL AND CLIENTS

We are committed to maintaining, and consider that we have overall maintained good relations with our employees, the healthcare personnel registered with us and our clients, with a view to fostering mutual trust and better understanding towards each other, and on which our success and sustainability depend.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 6 October 2017 to Wednesday, 11 October 2017 (both days inclusive) and from Monday, 23 October 2017 to Tuesday, 24 October 2017 (both days inclusive), during which periods no transfer of shares 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 Suites 3301-04, 33/F. Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong (the "Hong Kong Share Registrar") not later than 4:00 p.m. on Wednesday, 4 October 2017. In order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Hong Kong Share Registrar not later than 4:00 p.m. on Friday, 20 October 2017.

AUDITORS

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for reappointment in the forthcoming annual general meeting of our Company.

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

Hong Kong, 25 August 2017

Independent Auditor's Report



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To the Shareholders of Bamboos Health Care Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Bamboos Health Care Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 61 to 99, which comprise:

- the consolidated balance sheet as at 30 June 2017;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

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Independent Auditor's Report



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Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit is related to the determination of the Group's role as an agent in respect of the provision of healthcare staffing solution services.

Key Audit Matter

How our audit addressed the Key Audit Matter

Determination of the Group's role as an agent in respect of the provision of healthcare staffing solution services

Refer to note 4 and note 6 to the consolidated financial statements

During the year ended 30 June 2017, the Group recognised revenue from the provision of healthcare staffing solution services of HK\$59.6 million to private and institutional customers.

The Group determines its role as an agent and presents all such revenue on a net basis based on gross fee received or receivable from the customers net of service fee paid or payable to the healthcare personnel. In making this determination, management has taken into account all the attributes in the existing service arrangements including, among others, the following factors:

- The terms of agreement with healthcare personnel specify that there is no employment relationship between the Group and the healthcare personnel, which is further supported by the legal opinion obtained by the Group.

We understood, evaluated and validated the key controls over the revenue recognition. We also inquired and assessed management's assessment of the determination of revenue recognition on a net basis in accordance with the applicable accounting framework.

We reviewed, on a sample basis, the agreements the Group entered into with the healthcare personnel and checked the relevant terms to evaluate management's explanation that the healthcare personnel have no employment relationship with the Group, and the Group is not required to pay any service fee to the healthcare personnel in case of customer default.

We also sighted the legal opinion obtained by the Group which concluded that no employment relationship exists between the Group and the healthcare personnel.

Independent Auditor's Report



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Key Audit Matter

How our audit addressed the Key Audit Matter

- Although the Group is responsible to collect the service fee on behalf of the healthcare personnel from the customers, it is not contractually obligated to bear the credit risk thereof.
- The standard term sheet with customers sets out certain material terms governing the relationship between the Group and the customers, including the terms that the Group will perform a referral service for the customers based on their requested level of qualification of the healthcare personnel subject to the availability of the healthcare personnel which is not guaranteed by the Group, and the terms that the Group does not directly participate in the performance of healthcare services and is not contractually responsible for the conduct, professional expertise or any liability after the commencement of work of healthcare personnel so assigned to the customers.

The above assessment requires significant management judgements in determining the degree of risks assumed by and rewards attributable to the Group for the provision of healthcare staffing solution services requested by customers and will impact the presentation of revenue and related cost which are significant to the consolidated financial statements, and therefore this is our area of audit focus.

We also tested, on a sample basis, the settlement of gross fee from customers and the payment of service fee to healthcare personnel by examining the relevant supporting documents, such as invoices to customers, service fee reports to healthcare personnel and bank statements to evaluate management's explanation that the Group does not expose to any credit risk as it generally settles the fee to the healthcare personnel after receipt of gross fee from the customers.

We reviewed, on a sample basis, the standard term sheet and invoices issued by the Group to the customers, which stated that the Group would not take responsibilities for any work done by the healthcare personnel.

Based on the procedures performed above, we considered the judgements made by management in respect of determination of the Group's role as an agent to be supported by available evidence.

Independent Auditor's Report



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OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, 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.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material

Independent Auditor's Report



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misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report



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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ho Chun Yu.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 25 August 2017

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2017

	Note	2017 HK\$'000	2016 HK\$'000
Revenue	6	62,476	50,966
Other income	7	4,251	3,417
Employee benefit expenses	9	(14,551)	(12,210)
Operating lease rentals		(1,386)	(1,560)
Depreciation	15	(486)	(526)
Other operating expenses	8	(10,782)	(7,748)
Operating profit		39,522	32,339
Finance income	11	264	166
Finance expenses	11	–	(17)
Finance income, net		264	149
Profit before income tax		39,786	32,488
Income tax expense	12	(7,175)	(5,646)
Profit and total comprehensive income for the year attributable to equity holders of the Company		32,611	26,842
Earnings per share attributable to equity holders of the Company for the year (expressed in HK cents per share)			
Basic and diluted	13	HK8.15 cents	HK6.71 cents

The notes on pages 66 to 99 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

As at 30 June 2017

	Note	2017 HK\$'000	2016 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	1,254	1,338
Prepayments and deposits	19	441	3
		1,695	1,341
Current assets			
Inventories	18	142	131
Trade receivables	17	22,198	18,990
Prepayments, deposits and other receivables	19	1,440	1,033
Amount due from a related company	20	–	72
Short-term bank deposits	21	36,138	–
Cash and cash equivalents	21	63,118	80,690
		123,036	100,916
Total assets		124,731	102,257
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the Company			
Share capital	22	4,000	4,000
Share premium	22	39,123	39,123
Reserves	23	55,171	37,560
Total equity		98,294	80,683
Non-current liabilities			
Deferred income tax liabilities	26	150	46

Consolidated Balance Sheet

As at 30 June 2017

	Note	2017 HK\$'000	2016 HK\$'000
Current liabilities			
Trade payables	24	14,412	12,838
Accruals and other payables	25	3,863	2,504
Tax payable		8,012	6,186
		<u>26,287</u>	<u>21,528</u>
Total liabilities		<u>26,437</u>	<u>21,574</u>
Total equity and liabilities		<u>124,731</u>	<u>102,257</u>

The financial statements on pages 61 to 99 were approved by the Board of Directors on 25 August 2017 and were signed on its behalf

Kwan Chi Hong
Director

Hai Hiu Chu
Director

The notes on pages 66 to 99 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2017

	Attributable to equity holders of the Company			
	Share capital	Share premium	Retained earnings	Total
	(Note 22) HK\$'000	(Note 22) HK\$'000	HK\$'000	HK\$'000
At 1 July 2015	4,000	39,123	20,718	63,841
Total comprehensive income				
Profit for the year	–	–	26,842	26,842
Transaction with owners				
Dividends relating to 2016 (Note 14)	–	–	(10,000)	(10,000)
At 30 June 2016	4,000	39,123	37,560	80,683
At 1 July 2016	4,000	39,123	37,560	80,683
Total comprehensive income				
Profit for the year	–	–	32,611	32,611
Transaction with owners				
Dividends relating to 2017 (Note 14)	–	–	(15,000)	(15,000)
At 30 June 2017	4,000	39,123	55,171	98,294

The notes on pages 66 to 99 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2017

	2017	2016
Note	<u>HK\$'000</u>	<u>HK\$'000</u>
Cash flows from operating activities		
Cash generated from operations	29 39,075	34,097
Interest paid	–	(17)
Income tax paid	(5,245)	(5,186)
	<u>33,830</u>	<u>28,894</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	15 (402)	(248)
Short-term bank deposits	21 (36,138)	–
Interest received	138	166
	<u>(36,402)</u>	<u>(82)</u>
Cash flows from financing activities		
Dividends paid	14 (15,000)	(10,000)
Repayment of bank borrowings	–	(5,064)
	<u>(15,000)</u>	<u>(15,064)</u>
Net (decrease)/increase in cash and cash equivalents	(17,572)	13,748
Cash and cash equivalents at beginning of the year	21 80,690	66,942
Cash and cash equivalents at end of the year	21 63,118	80,690

The notes on pages 66 to 99 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”) and its subsidiaries (together, the “Group”) are principally engaged in the provision of healthcare staffing solution services.

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, Uglan House, Grand Cayman, KYI-1104, Cayman Islands and its principal place of business is 4/F, Star House, 3 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company is listed on the Main board of The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 25 August 2017.

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 all applicable Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of consolidated 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) New and amended standards adopted by the Group

The following new standard, amendments and interpretations to standards are mandatory for the accounting period beginning on 1 July 2016 and are adopted by the Group during the year:

HKAS 1 (Amendments)	Disclosure initiative
HKAS 16 and HKAS 38 (Amendments)	Clarification of acceptable methods of depreciation and amortisation
HKAS 16 and HKAS 41 (Amendments)	Agriculture: bearer plants
HKAS 27 (Amendments)	Equity method in separate financial statements
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment entities: applying the consolidation exception
HKFRS 11 (Amendments)	Accounting for acquisitions of interests in joint operations
HKFRS 14	Regulatory deferral accounts
HKFRSs (Amendments)	Annual improvements to HKFRSs 2012-2014 cycle

The adoption of the above new standard, amendments and interpretations to standards did not result in a significant impact to the Group’s financial position and results.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

- (b) New standards and amendments to standards not yet adopted

The following new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2017 and have not been applied in preparing these consolidated financial statements:

		Effective for annual periods beginning on or after
HKAS 7 (Amendments)	Statement of cash flows	1 January 2017
HKAS 12 (Amendments)	Income taxes: recognition of deferred tax assets	1 January 2017
HKAS 40 (Amendments)	Transfers of investment property	1 January 2018
HKFRS 2 (Amendments)	Share-based payment	1 January 2018
HKFRS 4 (Amendments)	Applying HKFRS 9 financial instruments with HKFRS 4 insurance contracts	1 January 2018
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 15 (Amendments)	Clarifications to HKFRS 15	1 January 2018
HKFRS 16	Leases	1 January 2019
HK(IFRIC) – Int 22	Foreign currency transactions and advance consideration	1 January 2018
HK(IFRIC) – Int 23	Uncertainty over income tax treatments	1 January 2019

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

- (b) New standards and amendments to standards not yet adopted (continued)

HKFRS 9, "Financial instruments"

HKFRS 9, "Financial Instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss.

For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The Group assess that adopting HKFRS 9 will not have a material impact to the Group's results of operations and financial position.

HKFRS 15, "Revenue from contracts with customers"

The HKICPA has issued a new standard for the recognition of revenue. This will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Management is currently assessing the effects of applying the new standard on the Group's consolidated financial statements and has identified the following areas that are likely to be affected:

- revenue from service – the application of HKFRS 15 may result in the identification of separate performance obligations which could affect the timing of the recognition of revenue.
- accounting for certain costs incurred in fulfilling a contract – certain costs which are currently expensed may need to be recognised as an asset under HKFRS 15, and
- rights of return HKFRS 15 requires separate presentation on the balance sheet of the right to recover the goods from the customer and the refund obligation.

At this stage, the Group is not able to estimate the impact of the new rules on the group's financial statements. The Group will make more detailed assessments of the impact over the next twelve months.

HKFRS 15 is mandatory for financial years commencing on or after 1 January 2018. At this stage, the Group does not intend to adopt the standard before its effective date.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

- (b) New standards and amendments to standards not yet adopted (continued)

HKFRS 16, "Leases"

The Group is a lessee of office premises which are currently classified as operating leases. The Group's current accounting policy for such leases, as set out in note 2.15, is to record the rental expenses in the Group's consolidated statement of comprehensive income for the current year with the related operating lease commitments being separately disclosed in note 27. HKFRS 16 provides new provisions for the accounting treatment of leases which no longer allows lessees to recognise leases outside of the consolidated statement of financial position. Instead, all non-current leases must be recognised in the form of assets (for the right of use) and financial liabilities (for the payment obligations) in the Group's consolidated statement of financial position. Short-term leases of less than twelve months and leases of low-value assets are exempt from such reporting obligation. The new standard will therefore result in a derecognition of prepaid operating leases, increase in right-of-use assets and increase in lease liabilities in the statement of financial position. In the consolidated statements of comprehensive income, as a result, the annual rental and amortisation expenses of prepaid operating lease under otherwise identical circumstances will decrease, while depreciation of right of use of assets and interest expense arising from the financial liabilities will increase. The new standard is not expected to apply until the financial year beginning on or after 1 January 2019.

2.2 Subsidiaries

2.2.1 Consolidation

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.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Subsidiaries (continued)

2.2.1 Consolidation (continued)

(a) Business combinations

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. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Subsidiaries (continued)

2.2.1 Consolidation (continued)

(a) Business combinations (continued)

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.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes directly 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 dividends 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.

2.3 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.

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.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement of comprehensive income.

2.5 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.

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%

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment (continued)

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.

2.6 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.

2.7 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 receivables, deposits and other receivables, short-term bank deposits, 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)

2.8 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.

2.9 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.

2.10 Cash and cash equivalents

In the consolidated cash flow statement, cash and cash equivalents comprise cash at bank and in hand, deposits held at call with banks and other financial institutions, and other short-term highly liquid investments with original maturities of three months or less that are really convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 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 16) 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.

2.12 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.

(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.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Current and deferred income tax (continued)

- (b) Deferred income tax (continued)

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.

2.13 Employee benefits

(a) 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.

(b) 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.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 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.

2.15 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.

2.16 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.

2.17 Inventories

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

Notes to the Consolidated Financial Statements

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.

(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.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(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.

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.

	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 30 June 2017				
Trade payables	14,412	–	–	14,412
Accruals and other payables	3,140	–	–	3,140
	17,552	–	–	17,552
At 30 June 2016				
Trade payables	12,838	–	–	12,838
Accruals and other payables	1,989	–	–	1,989
	14,827	–	–	14,827

(d) Cash flow interest-rate risks

The Group does not have any significant interest bearing financial assets or liabilities except for cash at banks, details of which are disclosed in Note 21, respectively. Accordingly, the directors are of the opinion that the Group does not have significant cash flow interest rate risk and no sensitivity analysis is performed.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

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.

3.3 Fair value estimation

As at 30 June 2017 and 2016, 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.

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 existing service arrangements. The major features that indicate that the Group is acting as an agent include:

– *Employment relationships between the Group and the healthcare personnel*

The terms of agreement with healthcare personnel specify that there is no employment relationship between the Group and the healthcare personnel, which is further supported by the legal opinion obtained by the Group.

Notes to the Consolidated Financial Statements

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

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

– *Credit risk*

The Group is responsible to collect the service fee on behalf of the healthcare personnel from the customers, but it is not contractually obligated to bear the credit risk thereof.

– *Contractual exposure*

The standard term sheet with customers sets out certain material terms governing the relationship between the Group and the customers, including the terms that the Group will perform a referral service for the customers based on their requested level of qualification of the healthcare personnel subject to the availability of the healthcare personnel which is not guaranteed by the Group, and the terms that the Group does not directly participate in the performance of healthcare services and is not contractually responsible for the conduct, professional expertise or any liability after the commencement of work of healthcare personnel so assigned to the customers.

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 request from these customers, and resources are allocated based on what is the 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 assesses the performance of the Group 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 2017 and 2016, all revenue was earned from external customers in Hong Kong.

Notes to the Consolidated Financial Statements

6 REVENUE

	2017 HK\$'000	2016 HK\$'000
Revenue from provision of healthcare staffing solution services	59,570	50,231
Revenue from provision of outreach case assessment related services	2,906	735
	62,476	50,966

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

	2017 HK\$'000	2016 HK\$'000
Gross fee	236,497	205,622
Cost attributable to healthcare personnel	(176,927)	(155,391)
	59,570	50,231

The gross fee does not represent the Group's revenue.

7 OTHER INCOME

	2017 HK\$'000	2016 HK\$'000
Other income		
– Activity income	441	313
– Advertising income	1,590	1,384
– Sales of goods	971	742
– Others	1,249	978
	4,251	3,417
Total		

Notes to the Consolidated Financial Statements

8 OTHER OPERATING EXPENSES

	2017	2016
	HK\$'000	HK\$'000
Auditor's remuneration	1,000	1,000
Legal and professional fee	3,809	1,670
Donation	1,188	207
Rates and management fee	244	101
Postage, utilities and general office expenses	728	1,026
Travelling and transportation expenses	497	538
Printing costs	929	1,094
Advertising and promotion expenses	1,118	964
Activity expenses	242	108
Insurance expenses	352	348
Cost of inventories sold	183	130
Bank charges	204	167
Other expenses	288	395
	10,782	7,748

9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2017	2016
	HK\$'000	HK\$'000
Wages, salaries and bonus	13,350	11,384
Pension costs – defined contribution plan	432	368
Other staff welfare	769	458
	14,551	12,210

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\$1,500, with contributions beyond these amounts being voluntary.

Notes to the Consolidated Financial Statements

10 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive for the year ended 30 June 2017 is set out below:

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking:

	Fees HK\$'000	Salaries HK\$'000	Discretionary bonuses HK\$'000	Housing allowance HK\$'000	Estimated money value of other benefits HK\$'000	Employer's contribution to a retirement benefit scheme HK\$'000	Remunerations paid or receivable in respect of accepting office as director HK\$'000	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiaries undertaking HK\$'000	Total HK\$'000
<i>Executive directors:</i>									
Mr. Kwan Chi Hong	-	1,200	-	-	-	18	-	-	1,218
Ms. Hai Hiu Chu (Chief Executive Officer)	-	1,200	-	-	-	18	-	-	1,218
<i>Non-executive directors:</i>									
Mr. Wong Kam Pui	96	-	-	-	-	-	-	-	96
<i>Independent non-executive directors:</i>									
Mr. Lam Cheung Wai	-	-	-	-	-	-	-	-	-
Professor Chan Chi Fai, Andrew (Note i)	-	-	-	-	-	-	-	-	-
Dr. Luk Yim Fai	96	-	-	-	-	-	-	-	96
Dr. Leung Yu Lung (Note ii)	96	-	-	-	-	-	-	-	96
	288	2,400	-	-	-	36	-	-	2,724

Notes to the Consolidated Financial Statements

10 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(a) Directors' and chief executive's emoluments (continued)

The remuneration of every director and the chief executive for the year ended 30 June 2016 is set out below:

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking:

	Fees HK\$'000	Salaries HK\$'000	Discretionary bonuses HK\$'000	Housing allowance HK\$'000	Estimated money value of other benefits HK\$'000	Employer's contribution to a retirement benefit scheme HK\$'000	Remunerations paid or receivable in respect of accepting office as director HK\$'000	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiaries undertaking HK\$'000	Total HK\$'000
<i>Executive directors:</i>									
Mr. Kwan Chi Hong	-	1,200	-	-	-	18	-	-	1,218
Ms. Hai Hiu Chu (Chief Executive Officer)	-	1,200	-	-	-	18	-	-	1,218
<i>Non-executive directors:</i>									
Mr. Wong Kam Pui	96	-	-	-	-	-	-	-	96
<i>Independent non-executive directors:</i>									
Mr. Lam Cheung Wai	-	-	-	-	-	-	-	-	-
Professor Chan Chi Fai, Andrew (Note i)	64	-	-	-	-	-	-	-	64
Dr. Luk Yim Fai	96	-	-	-	-	-	-	-	96
Dr. Leung Yu Lung (Note ii)	32	-	-	-	-	-	-	-	32
	288	2,400	-	-	-	36	-	-	2,724

No directors waived or agreed to waive any emoluments during the years ended 30 June 2017 and 2016.

Notes:

- (i) Professor Chan Chi Fai Andrew resigned as the Company's independent non-executive director with effect from 1 March 2016.
- (ii) Dr. Leung Yu Lung was appointed as the Company's independent non-executive director of the Company with effect from 1 March 2016.

Notes to the Consolidated Financial Statements

10 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(b) Five highest paid individuals

The five individuals whose emolument were the highest in the Group for the year include two (2016: two) directors whose emoluments are reflected in the analysis presented in Note 10(a) above. The emoluments payable to the remaining three (2016: three) individuals during the year are as follows:

	2017 HK\$'000	2016 HK\$'000
Basic salaries, bonuses, others allowances and benefits in kind	1,482	1,366
Pension costs – defined contribution plan	36	53
	1,518	1,419

The emoluments fell within the following bands:

	2017	2016
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.

(c) Directors' retirement benefits and termination benefits

None of the directors received or will receive any retirement benefits under a defined benefit scheme or termination benefits during the year (2016: Nil).

(d) Consideration provided to third parties for making available directors' services

The Company did not pay consideration to any third parties for making available directors' services during the year (2016: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans and other dealings were made available in favour of directors, controlled bodies corporate by and connected entities with such directors subsisted at the end of the period or at any time during the year (2016: Nil).

Notes to the Consolidated Financial Statements

10 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(f) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in Note 28, no significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the year (2016: Nil).

11 FINANCE INCOME, NET

	2017 HK\$'000	2016 HK\$'000
Interest income on bank deposits	264	166
Interest expenses arising from bank borrowings	–	(17)
	264	149

12 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit for the year arising in or derived from Hong Kong.

	2017 HK\$'000	2016 HK\$'000
Current income tax:		
– Current tax on profits for the year	7,065	5,700
– Under/(over)provision in prior years	6	(20)
Deferred income tax expense/(credit) (Note 26)	104	(34)
	7,175	5,646

Notes to the Consolidated Financial Statements

12 INCOME TAX EXPENSE (CONTINUED)

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

	2017	2016
	HK\$'000	HK\$'000
Profit before income tax	39,786	32,488
Calculated at a tax rate of 16.5% (2016: 16.5%)	6,565	5,360
Income not subject to tax	(111)	(27)
Expenses not deductible for tax purposes	715	333
Under/(over) provision in prior years	6	(20)
	7,175	5,646

13 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.

	2017	2016
Profit attributable to equity holders of the Company (HK\$'000)	32,611	26,842
Weighted average number of ordinary shares in issue (thousands)	400,000	400,000
Basic earnings per share (HK cents)	8.15	6.71

Diluted earnings per share for the years ended 30 June 2017 and 2016 were the same as basic earnings per share as the Group had no potentially dilutive ordinary shares in issue during these years.

14 DIVIDENDS

On 7 February 2017, the Board resolved to declare and pay interim dividends of HK\$15,000,000 (HK3.75 cents per ordinary share) to the Company's shareholders whose names appear on the register of members of the Company on 28 February 2017.

On 25 August 2017, the Board resolved to declare a final dividend of HK\$20,000,000 (HK5.00 cents per ordinary share) for the year ended 30 June 2017 (2016: Nil) to the Company's shareholders whose names appear on the register of members of the Company on 24 October 2017. This proposed dividend is not reflected as dividend payable in these consolidated financial statements.

On 4 February 2016, the Board resolved to declare and pay interim dividends of HK\$10,000,000 (HK2.50 cents per ordinary share) to the Company's shareholders whose names appear on the register of members of the Company on 26 February 2016.

Notes to the Consolidated Financial Statements

15 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 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
Year ended 30 June 2016					
Opening net book amount	191	100	149	1,176	1,616
Additions	–	2	246	–	248
Depreciation	(143)	(39)	(58)	(286)	(526)
Closing net book amount	48	63	337	890	1,338
At 30 June 2016					
Cost	1,311	455	646	1,427	3,839
Accumulated depreciation	(1,263)	(392)	(309)	(537)	(2,501)
Net book amount	48	63	337	890	1,338
Year ended 30 June 2017					
Opening net book amount	48	63	337	890	1,338
Additions	261	116	25	–	402
Depreciation	(87)	(33)	(81)	(285)	(486)
Closing net book amount	222	146	281	605	1,254
At 30 June 2017					
Cost	261	571	671	1,427	2,930
Accumulated depreciation	(39)	(425)	(390)	(822)	(1,676)
Net book amount	222	146	281	605	1,254

Notes to the Consolidated Financial Statements

16 FINANCIAL INSTRUMENTS BY CATEGORY

	Loans and receivables	
	2017	2016
	HK\$'000	HK\$'000
Assets included in the consolidated balance sheet		
Trade receivables (Note 17)	22,198	18,990
Deposits and other receivables (Note 19)	1,114	534
Amount due from a related company (Note 20)	–	72
Short-term bank deposits (Note 21)	36,138	–
Cash and cash equivalents (Note 21)	63,118	80,690
	122,568	100,286
Financial liabilities at amortised costs		
	2017	2016
	HK\$'000	HK\$'000
Liabilities included in the consolidated balance sheet		
Trade payables (Note 24)	14,412	12,838
Accruals and other payables (Note 25)	3,140	1,989
	17,552	14,827

17 TRADE RECEIVABLES

	2017	2016
	HK\$'000	HK\$'000
Trade receivables	22,198	18,990

The carrying amounts of trade receivables are denominated in Hong Kong dollars.

As at 30 June 2017, balances due from the top five customers account for 22% (2016: 18%) of the total balances. There is no concentration of credit risk with respect to trade receivables as there is a dispersed number of independent customers. The directors consider that the credit risk in respect of these customers is currently low after considering past experience with these customers.

Notes to the Consolidated Financial Statements

17 TRADE RECEIVABLES (CONTINUED)

During the years ended 30 June 2017 and 2016, the Group's trade receivables have no credit term and payment is immediately due upon presentation of invoices to customers. As at 30 June 2017 and 2016, all trade receivables were past due but not considered to be impaired because these mainly relate to a number of independent 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 follow:

	2017	2016
	HK\$'000	HK\$'000
Less than 60 days	21,313	17,321
60 days to 180 days	780	1,498
Over 180 days	105	171
	22,198	18,990

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 2017 and 2016, no collateral has been received from these counterparties.

18 INVENTORIES

	2017	2016
	HK\$'000	HK\$'000
Trading merchandise	142	131

Cost of inventories recognised as expenses and included in "other operating expenses" amounted to HK\$183,000 (2016: HK\$130,000).

Notes to the Consolidated Financial Statements

19 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2017 HK\$'000	2016 HK\$'000
Current		
Prepayments	737	499
Deposits	516	507
Other receivables	187	27
	<u>1,440</u>	<u>1,033</u>
Non-current		
Prepayments	30	3
Deposits	411	–
	<u>441</u>	<u>3</u>
Total	<u>1,881</u>	<u>1,036</u>

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

20 AMOUNT DUE FROM A RELATED COMPANY

	2017 HK\$'000	2016 HK\$'000
Amount due from a related company		
Bamboos Limited	–	72

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

	2017 HK\$'000	2016 HK\$'000
Bamboos Limited	–	72

The amount due from a related company was unsecured, interest-free, repayable on demand and denominated in Hong Kong dollars.

Notes to the Consolidated Financial Statements

21 CASH AND BANK BALANCES

(a) Cash and cash equivalents

	2017 HK\$'000	2016 HK\$'000
Cash at banks	63,062	80,650
Cash on hand	56	40
Total cash and cash equivalents	63,118	80,690

(b) Short-term bank deposits

	2017 HK\$'000	2016 HK\$'000
Time deposits with original maturity over 3 months	36,138	–
Total short-term bank deposits	36,138	–

The effective interest rate on the short-term bank deposits was 1% per annum.

The carrying amounts of cash and cash equivalents and bank deposits are denominated in Hong Kong dollars.

22 SHARE CAPITAL AND SHARE PREMIUM

Share capital

	Number of Shares	Ordinary shares of HK\$0.01 each HK\$'000
Authorised:		
At 1 July 2015, 30 June 2016 and 30 June 2017	2,000,000,000	20,000
Issued and fully paid:		
At 1 July 2015, 30 June 2016 and 30 June 2017	400,000,000	4,000

Notes to the Consolidated Financial Statements

22 SHARE CAPITAL AND SHARE PREMIUM (CONTINUED)

Share premium

	2017 HK\$'000	2016 HK\$'000
At 30 June 2016 and 30 June 2017	39,123	39,123

23 RESERVES

Movement in reserves of the Group are set out in the consolidated statement of changes in equity in page 64.

24 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:

	2017 HK\$'000	2016 HK\$'000
Less than 30 days	14,412	12,838

The carrying amounts of trade payables are denominated in Hong Kong dollars.

25 ACCRUALS AND OTHER PAYABLES

	2017 HK\$'000	2016 HK\$'000
Accrued expenses	2,739	1,359
Deferred income	512	515
Other payables	612	630
	3,863	2,504

The carrying amounts of accruals and other payables are denominated in Hong Kong dollars.

Notes to the Consolidated Financial Statements

26 DEFERRED INCOME TAX LIABILITIES

Deferred taxation is calculated in full on temporary differences under the liability method using a principal tax rate of 16.5% (2016: 16.5%). The movement on deferred income tax liabilities in respect of accelerated/decelerated tax depreciation is as follows:

	2017 HK\$'000	2016 HK\$'000
At the beginning of the year	(46)	(80)
(Charged)/credited to profit or loss (Note 12)	(104)	34
At the end of the year	(150)	(46)

27 COMMITMENTS

Operating lease commitments

The Group leases offices and shops under non-cancellable operating lease agreements from a related party (Note 28(b)) and a third party. The lease terms are generally within two years.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2017 HK\$'000	2016 HK\$'000
No later than 1 year	1,560	664
Later than 1 year and no later than 5 years	2,340	–
	3,900	664

As at 30 June 2017 and 2016, the Company has no significant commitments.

Notes to the Consolidated Financial Statements

28 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 2017, apart from those balances disclosed in Note 20, the Group also has a rental deposit placed with a related company amounted to approximately HK\$645,000 (2016: HK\$234,000).

(b) Transactions with related parties

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

	2017	2016
	HK\$'000	HK\$'000
Operating lease rental to Bamboos Limited	504	864
Operating lease rental to Bamboos Group Limited	650	–

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.

Notes to the Consolidated Financial Statements

29 CASH GENERATED FROM OPERATIONS

	2017 HK\$'000	2016 HK\$'000
Cash flow from operating activities		
Profit before income tax	39,786	32,488
Adjustments for:		
– Depreciation	486	526
– Finance expenses	–	17
– Finance income	(264)	(165)
	40,008	32,866
Changes in working capital:		
– Trade receivables	(3,208)	(136)
– Prepayments, deposits and other receivables	(719)	198
– Amount due from a related company	72	–
– Trade payables, accruals and other payables	2,933	1,161
– Inventories	(11)	8
Cash generated from operations	39,075	34,097

Notes to the Consolidated Financial Statements

30 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

	2017 HK\$'000	2016 HK\$'000
ASSETS		
Non-current assets		
Investments in subsidiaries	16,672	16,672
Prepayments	–	2
	16,672	16,674
Current assets		
Prepayments and other receivables	253	136
Amount due from a subsidiary	28,074	6,749
Short-term bank deposits	36,138	–
Cash and cash equivalents	563	36,563
	65,028	43,448
Total assets	81,700	60,122
EQUITY AND LIABILITIES		
Capital and reserves attributable to equity holders of the Company		
Share capital	4,000	4,000
Share premium	39,123	39,123
Reserves	38,092	16,995
	81,215	60,118
Total equity	81,215	60,118
Current liabilities		
Accruals and other payables	485	4
	485	4
Total liabilities	485	4
Total equity and liabilities	81,700	60,122

The balance sheet of the Company was approved by the Board of Directors on 25 August 2017 and was signed on its behalf

Kwan Chi Hong
Director

Hai Hiu Chu
Director

Notes to the Consolidated Financial Statements

30 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Note (a) Reserve movement of the Company

	Contributed surplus HK\$'000	Retained earnings HK\$'000	Total HK\$'000
Balance at 1 July 2015	16,672	447	17,119
Profit for the year	–	9,876	9,876
Dividend (Note 14)	–	(10,000)	(10,000)
Balance at 30 June 2016 and 1 July 2016	16,672	323	16,995
Profit for the year	–	36,097	36,097
Dividend (Note 14)	–	(15,000)	(15,000)
Balance at 30 June 2017	16,672	21,420	38,092

31 PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries at 30 June 2017 is as follows:

Name of company	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particular of issued share capital	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares held by the Group (%)
Bamboos Professional Nursing Services Limited	Hong Kong, limited liability company	Healthcare staffing solution services in Hong Kong	100 ordinary shares	–	100%
Achiever Team Limited	BVI, limited liability company	Investment holding	10 ordinary shares	–	100%
Achiever Empire Limited	BVI, limited liability company	Investment holding	1 ordinary shares	–	100%
Achiever Matrix Limited	BVI, limited liability company	Investment holding	1 ordinary shares	–	100%
Achiever Ventures Limited	BVI, limited liability company	Investment holding	1 ordinary shares	–	100%
Bamboos Marketing and Consulting Limited	Hong Kong, limited liability company	Marketing and consulting services in Hong Kong	1 ordinary shares	–	100%

The above table sets out the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets of the Group.

32 EVENTS AFTER THE REPORTING PERIOD

On 14 August 2017, Achiever Ventures Limited (“Achiever Ventures”), a direct wholly-owned subsidiary of the Company, has entered into the subscription and shareholders’ agreement with Dr. CHAN Hau Ngai and Dr. CHAN Chiu Lung Richie in relation to the formation of a joint venture company, Garden Medical Centre Limited (“JV Company”), which is planned to be engaged in the operation of plastic surgery clinic(s) in Hong Kong.

Achiever Ventures will also provide advance to the JV Company through shareholder’s loan amounted to HK\$3,000,000, which bears interest rate of 2% per annum.

Financial Summary

	For the year ended 30 June				
	2017 HK\$'000	2016 HK\$'000	2015 HK\$'000	2014 HK\$'000	2013 HK\$'000
Results					
Revenue	62,476	50,966	46,496	36,540	30,258
Profit for the year attributable to equity holders of the Company	32,611	26,842	22,387	8,699	13,066
Dividend	35,000	10,000	8,000	23,000	–

	As at 30 June				
	2017 HK\$'000	2016 HK\$'000	2015 HK\$'000	2014 HK\$'000	2013 HK\$'000
Assets and liabilities					
Total assets	124,731	102,257	88,857	38,898	46,350
Total liabilities	(26,437)	(21,574)	(25,016)	(32,567)	(25,718)
Total equity	98,294	80,683	63,841	6,331	20,632

Note:

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

The financial information for the year ended 30 June 2013 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.



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