



BAMBOOS HEALTH CARE HOLDINGS LIMITED

百本醫護控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8216



PLACING

Sole Sponsor



Halcyon Capital Limited

Joint Bookrunners and Joint Lead Managers



Halcyon Securities Limited



Great Roc Capital Securities Limited

IMPORTANT

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.



BAMBOOS HEALTH CARE HOLDINGS LIMITED

百本醫護控股有限公司

(Incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING OF SHARES

Number of Placing Shares : 100,000,000 Placing Shares (subject to the Offer Size Adjustment Option)
Placing Price : Not more than HK\$0.5 per Placing Share and expected to be not less than HK\$0.4 per Placing Share, plus brokerage of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value : HK\$0.01 each
Stock code : 8216

Sole Sponsor



Halcyon Capital Limited

Joint Bookrunners and Joint Lead Managers



Halcyon Securities Limited



GREAT ROC
CAPITAL SECURITIES LIMITED
鴻鵬資本證券有限公司

Great Roc Capital Securities Limited

Co-Lead Managers



Cheong Lee Securities Limited



CNI Securities Group Limited



SBI China Capital Financial Services Limited

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in appendix V to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any of the other documents referred to above.

The Placing Price is expected to be fixed by agreement between our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters) on the Price Determination Date, which is expected to be on or around Thursday, 3 July 2014, or such other date as may be agreed between our Company and the Joint Lead Managers. The Placing Price will not be more than HK\$0.5 per Placing Share and is expected to be not less than HK\$0.4 per Placing Share. If our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters) are unable to reach an agreement on the Placing Price by the Price Determination Date, the Placing will not proceed and will lapse. The Joint Lead Managers (for themselves and on behalf of the Underwriters) may, with the consent of our Company, reduce the Placing Price range below to that stated in this prospectus at any time prior to the Price Determination Date. If this occurs, notice of reduction of the indicative Placing Price range will be published on the Stock Exchange's website at www.hkexnews.hk and the website of our Company at www.bamboos.com.hk.

Prior to making an investment decision, prospective investors should carefully consider all the information set out in this prospectus, including the risk factors set out in the section headed "Risk factors" in this prospectus. Pursuant to the termination provisions contained in the Underwriting Agreement, the Joint Lead Managers (for themselves or on behalf of the Underwriters) has the right in certain circumstances, in their sole and absolute discretion, to terminate the obligations of the Underwriters pursuant to the Underwriting Agreement at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Further details of the terms of the termination provisions are set out in the section headed "Underwriting – Grounds for termination" in this prospectus. It is important that you refer to the said section for further details.

30 June 2014

CHARACTERISTICS OF GEM

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to higher market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspaper. Accordingly, prospective investors should note that they need to have access to the Stock Exchange's website at www.hkexnews.hk in order to obtain up-to-date information on GEM-listed issuers.

EXPECTED TIMETABLE

2014
(Note 1)

Expected Price Determination Date (Note 2)
on or about Thursday, 3 July

Announcement of the determination of
the Placing Price, and the level of indication of
interest in the Placing to be published on
the Stock Exchange's website
at www.hkexnews.hk and our Company's website
at www.bamboos.com.hk on or before Monday, 7 July

Allotment of Placing Shares to placees on or about Monday, 7 July

Deposit of share certificates for the Placing Shares into
CCASS on or before (Note 3) Monday, 7 July

Dealings in Shares on GEM to commence at 9:00 a.m. on Tuesday, 8 July

Notes:

1. All times and dates refer to Hong Kong local times and dates. Details of the structure of the Placing, including its conditions, are set out in the section headed "Structure and conditions of the Placing" in this prospectus.
2. The Price Determination Date is expected to be on or around Thursday, 3 July 2014, or such other date as may be agreed between our Company and the Joint Lead Managers. If our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters) are unable to reach an agreement on the Placing Price by the Price Determination Date, the Placing will not proceed and will lapse.
3. Share certificates for the Placing Shares allotted and issued to the placees are expected to be deposited directly into CCASS on or before Monday, 7 July 2014 for credit to the respective CCASS Participants' or the CCASS Investor Participants' stock accounts designated by the Underwriters, the placees or their agents (as the case may be). No temporary documents or evidence of title will be issued.
4. All share certificates will only become valid certificates of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms at any time prior to 8:00 a.m. Hong Kong time on the Listing Date.

Details of the structure of the Placing, including the conditions thereto, are set out in the section headed "Structure and conditions of the Placing" in this prospectus.

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IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by our Company solely in connection with the Placing and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Placing Shares offered by this prospectus. This prospectus may not be used for the purpose of and does not constitute an offer to sell or a solicitation of an offer in any other jurisdiction or in any other circumstances.

You should rely only on the information contained in this prospectus to make your investment decision. Our Company, the Sole Sponsor, the Joint Lead Managers, the Co-Lead Managers and the Underwriters have not authorised anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made or contained in this prospectus must not be relied on by you as having been authorised by our Company, the Sole Sponsor, the Joint Lead Managers, the Co-Lead Managers, the Underwriters, any of their respective directors or affiliates or any other persons or parties involved in the Placing.

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SUMMARY

This summary aims to give you an overview of the information contained in this prospectus and should be read in conjunction with the full text of this prospectus. As the following is only a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide to invest in the Placing Shares.

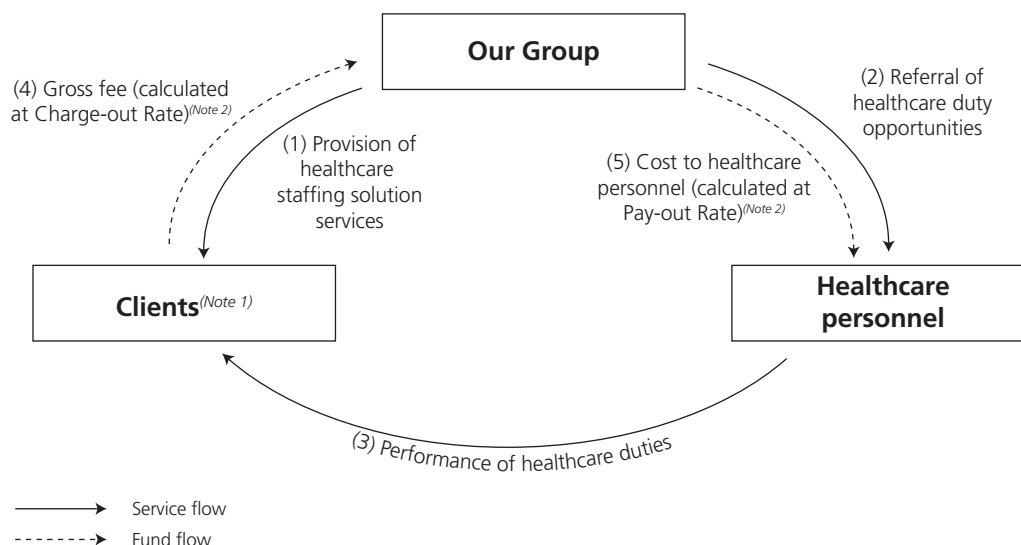
There are risks associated with any investment. Some of the particular risks involved in investing in the Placing Shares are set out in the section headed "Risk factors" in this prospectus (pages 34 to 37). You should read that section carefully before making any decision to invest in the Placing Shares. Various expressions used in this summary are defined in the sections headed "Definitions" and "Glossary" in this prospectus (pages 11 to 21).

OVERVIEW

Our Business Model

We are the leading provider of healthcare staffing solution services in Hong Kong. Our principal business is to provide customised healthcare staffing solution services on a temporary basis to individuals and institutional clients in a timely manner as well as duty opportunities to self-employed healthcare personnel registered with us. We place healthcare personnel registered with us, in the capacity of self-employed persons, in appropriate vacancies and refer them duty assignments which fit their preferences. As at the Latest Practicable Date, the number of healthcare personnel registered with us was over 13,400, of which healthcare personnel with HCA/HW/PCW and RN/EN qualifications registered with us accounted for approximately 63% and 30% of our healthcare personnel database respectively.

The following chart illustrates our Group's business model and operation in provision of services to various clients through the placement of healthcare personnel.



Notes:

1. Clients include private individuals, social service organisations, hospitals, clinics and pharmaceutical companies.

SUMMARY

2. Approximately 6.7%, 9.2% and 5.9% of our total revenue for the two years ended 30 June 2013 and the six months ended 31 December 2013 are received from our clients by way of: (i) direct payment of the gross fee to the healthcare personnel while we collect our revenue subsequently from such healthcare personnel; and (ii) direct payment of the pay-out costs to healthcare personnel and our revenue to us respectively. Please refer to the section headed "Business – Direct Payment" in this prospectus (pages 106 to 107) for details.

Key Milestones

- In July 2009, Bamboos PNS began providing healthcare staffing solution services in Hong Kong to individual clients as well as institutional clients
- In December 2012, number of healthcare personnel registered with us exceeded 10,000

OUR SERVICES

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

Determination of our role as a principal or an agent

Our Group considers that under our healthcare staffing solution services, we are acting as an agent to collect the service fee on behalf of the healthcare personnel for the healthcare services provided by them to the clients, taking into account the totality of all relevant attributes underlying the service arrangements. Please refer to the section headed "Financial Information – Critical Accounting Policies and Estimates" in this prospectus (page 185) for details of major attributes considered in determining our role as a principal or an agent.

Accordingly, our revenue represents service fees attributable to us as represented by gross fee from provision of healthcare staffing solution services to clients net of cost payable to healthcare personnel placed by us.

Set out below is the analysis of our revenue (being gross fee from provision of healthcare staffing solution services to clients net of cost payable to healthcare personnel placed by us) by types of our services during the Track Record Period:

	For the year ended 30 June						For the six months ended 31 December					
	2012			2013			2012			2013		
	Institutional staffing solution service	Private nursing staffing service	Total	Institutional staffing solution service	Private nursing staffing service	Total	Institutional staffing solution service	Private nursing staffing service	Total	Institutional staffing solution service	Private nursing staffing service	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Gross fee	59,893	61,492	121,385	64,598	77,369	141,967	31,770	36,171	67,941	32,477	44,655	77,132
Cost to healthcare personnel	47,481	48,688	96,169	50,967	60,742	111,709	25,143	28,191	53,334	25,187	34,916	60,103
Revenue	<u>12,412</u>	<u>12,804</u>	<u>25,216</u>	<u>13,631</u>	<u>16,627</u>	<u>30,258</u>	<u>6,627</u>	<u>7,980</u>	<u>14,607</u>	<u>7,290</u>	<u>9,739</u>	<u>17,029</u>
%	49.2	50.8	100	45.0	55.0	100	45.4	54.6	100	42.8	57.2	100

SUMMARY

OUR CLIENTS

Our clients include private individuals and social service organisations as well as private and HA hospitals in Hong Kong. For the two years ended 30 June 2013 and for the six months ended 31 December 2013, we served 1,800, over 2,050 and over 1,370 clients, respectively. Set out below is the analysis of our revenue by our client category during the Track Record Period:

Revenue (by client category)	For the year ended 30 June				For the six months ended 31 December			
	2012		2013		2012		2013	
	HK\$'000	%	HK\$'000	%	HK\$'000 (unaudited)	%	HK\$'000	%
(i) Individual clients	12,804	50.8	16,627	55.0	7,980	54.6	9,739	57.2
(ii) Institutional clients								
– Social service organisations	9,615	38.1	11,442	37.8	5,535	37.9	6,155	36.1
– Hospitals	2,482	9.8	1,785	5.9	855	5.9	810	4.8
– Clinics and pharmaceutical companies	315	1.3	404	1.3	237	1.6	325	1.9
Total	25,216	100	30,258	100	14,607	100	17,029	100

Set out below is a breakdown of our revenue by revenue amount during the Track Record Period:

Revenue (by revenue amount)	For the year ended 30 June								For the six months ended 31 December			
	2012				2013				2013			
	No. of clients	%	Total amount HK\$'000	%	No. of clients	%	Total amount HK\$'000	%	No. of clients	%	Total amount HK\$'000	%
(HK\$)												
1,000 or below	814	45.2	282	1.1	922	44.8	342	1.1	552	40.1	197	1.2
Over 1,000 to 10,000	652	36.2	2,103	8.3	728	35.4	2,569	8.5	515	37.4	1,687	9.9
Over 10,000 to 100,000	273	15.2	9,578	38.0	334	16.2	11,244	37.2	278	20.2	8,743	51.3
Over 100,000 to 1,000,000	61	3.4	13,253	52.6	73	3.6	16,103	53.2	33	2.3	6,402	37.6
Total	1,800	100	25,216	100	2,057	100	30,258	100	1,378	100	17,029	100

Revenue attributable to our top five clients for the two years ended 30 June 2013 and the six months ended 31 December 2013 amounted to approximately HK\$2.6 million, HK\$3.0 million and HK\$1.9 million respectively, representing approximately 10.1%, 9.9% and 11.1% of our total revenue, respectively. The revenue for the services provided to our largest client amounted to approximately HK\$0.7 million, HK\$0.9 million and HK\$0.4 million for the two years ended 30 June 2013 and the six months ended 31 December 2013, respectively, representing approximately 2.8%, 2.9% and 2.5% of our total revenue in the respective year/period. Please refer to the paragraph headed "Our top five clients" in the section headed "Business" in this prospectus (pages 89 to 91) for details.

SUMMARY

We provide clients with comprehensive services including healthcare personnel selection and placement. We operate telephone hotlines providing 24-hour services to our clients. Our Group believes that our portfolio of different healthcare personnel allows us to offer a wide range of healthcare staffing solution services to our clients.

HEALTHCARE PERSONNEL

Due to the nature of our business, we have no major suppliers. Our database had over 13,400 healthcare personnel registered with us as at the Latest Practicable Date. The database includes RNs, ENs, HWs, HCAs, PCWs and healthcare personnel of other ranks registered with us.

The healthcare personnel registered with us are self-employed. There is no employment relationship between our Group and the healthcare personnel registered with us, who provide their services as independent contractors.

We have adopted a screening process, which includes professional qualification and skills check on healthcare personnel before their registration which helps us select appropriate healthcare personnel for placement with our clients. All background information of the healthcare personnel registered with us, together with their preferences regarding the duty assignments are electronically stored in our CRM system, which enables us to efficiently search and identify healthcare personnel of different ranks, specialty skills, experience and preferences on nature of duty assignments, location and working hours.

Set out below is the number of service hours provided by healthcare personnel placed by us to our clients by rank during the Track Record Period.

	For the year ended 30 June				For the six months ended 31 December			
	2012		2013		2012		2013	
	No. of hours '000	%	No. of hours '000	%	No. of hours '000	%	No. of hours '000	%
RN	171	11.6	163	9.8	79	9.8	80	9.0
EN	156	10.6	137	8.2	67	8.3	85	9.6
HCA/HW	368	25.0	393	23.6	190	23.6	220	24.7
PCW	706	47.9	880	52.9	424	52.7	461	51.8
Others (Note)	73	4.9	90	5.5	44	5.6	44	4.9
Total number of service hours	<u>1,474</u>	<u>100</u>	<u>1,663</u>	<u>100</u>	<u>804</u>	<u>100</u>	<u>890</u>	<u>100</u>

Note: Others mainly include CTNs, PTs, OTs, Midwives, DRs, CMPs and workmen.

The number of healthcare personnel registered with us in our database that we had placed with our clients for the two years ended 30 June 2013 and the six months ended 31 December 2013 was 3,640, 3,760 and 2,626 respectively, representing approximately 36.8%, 31.8% and 20.8% of the total number of healthcare personnel registered with us as at 30 June 2012, 30 June 2013 and 31 December 2013, respectively.

SALES AND MARKETING

We promote our services through various marketing activities such as publication of BamBoOs! Life, distribution of souvenirs, advertising on public transportation and bill-board advertisement. Our Group does not rely on our Controlling Shareholders or their associates and have our independent access to our clients and the healthcare personnel registered with us.

SUMMARY

CHARGE-OUT RATES AND PAY-OUT RATES

Our Charge-out Rate is determined based on our Pay-out Rate to healthcare personnel registered with us and our Group's expected profit margin. Our Pay-out Rate varies with the rank of the healthcare personnel and the service hours provided by the healthcare personnel, and is determined taking into account factors such as market level of salary payable to healthcare personnel in Hong Kong and pay-out rates of our competitors. Please refer to the section headed "Business – Charge-out Rates and Pay-out Rates" in this prospectus (pages 103 to 105) for details of our average Charge-out Rates and Pay-out Rates per hour and the section headed "Financial Information – Sensitivity analysis" (page 195) for the details of sensitivity analysis on the impact of hypothetical fluctuations in Charge-out Rate and Pay-out Rate on our Group's revenue and net profit.

COMPETITIVE LANDSCAPE

According to Clearstate, the healthcare staffing solution service industry in Hong Kong is dominated by two top players. The rest of the market is fragmented among smaller players.

According to Clearstate, our Group is a market leader in the healthcare staffing solution service industry and we accounted for approximately 48.9% of the market share in terms of gross fee for the year ended 30 June 2013.

COMPETITIVE STRENGTHS

Our Directors attribute our success and potential for continued growth to the following principal factors:

- Our leading position
- Brand awareness
- Comprehensive and efficient healthcare staffing solution services
- Vast pool of healthcare personnel registered with us
- Well established and diversified client base
- Proven track record
- Experienced management team

BUSINESS OBJECTIVES AND STRATEGIES

We aspire to be the leading healthcare staffing solution service provider in Hong Kong that, through our business, serves our community by facilitating the use of freelance and temporarily available healthcare workforce to assist in alleviating the prolonged shortage of healthcare personnel in Hong Kong's healthcare service sector.

We intend to remain competitive through the following strategies:

- enhancing business operation efficiency;
- strengthening brand awareness and expanding our healthcare personnel pool;
- enhancing healthcare staffing solution services; and
- developing our outreach services team.

SUMMARY

Please refer to the paragraph headed “Business objectives and strategies” in the “Business” section (pages 79 to 84) and the section headed “Future plans and use of proceeds” in this prospectus (pages 140 to 144) for a detailed discussion of these strategies.

USE OF PROCEEDS

Based on the Placing Price of HK\$0.45 per Placing Share (being the mid-point of the indicative Placing Price range per Placing Share stating in this prospectus), the net proceeds of the Placing after deduction of underwriting fees and estimated expenses payable by us in connection with the Placing upon Listing, are estimated to be approximately HK\$35.7 million. Our Company currently intends to use the net proceeds from the Placing as follows:

	Upon Listing to 31 December 2014 HK\$' million	For the six months ending						Approximate % of net proceeds
		30 June 2015 HK\$' million	31 December 2015 HK\$' million	30 June 2016 HK\$' million	31 December 2016 HK\$' million	30 June 2017 HK\$' million	Total HK\$' million	
• Enhancing business operation efficiency	0.7	0.4	1.1	0.4	0.4	0.4	3.4	9.5%
• Strengthening brand awareness and expanding healthcare personnel pool	1.0	0.7	1.0	0.7	1.0	0.7	5.1	14.3%
• Enhancing healthcare staffing solution services	0.2	2.7	1.8	3.1	2.6	3.0	13.4	37.5%
• Developing our outreach services team	–	1.1	1.4	1.5	1.5	1.5	7.0	19.6%
• Repayment of indebtedness	–	–	4.8	–	–	–	4.8	13.5%
Total	1.9	4.9	10.1	5.7	5.5	5.6	33.7	94.4%

Our Directors plan to use the remaining net proceeds of approximately HK\$2.0 million (approximately 5.6% of the net proceeds) as general working capital. Please refer to the paragraph headed “Reasons for the Placing and use of proceeds” under the section headed “Future plans and use of proceeds” in this prospectus (pages 142 to 144) for details.

SUMMARY FINANCIAL INFORMATION

The following tables summarise our Group’s key financial information and major financial ratios during the Track Record Period. The summary should be read in conjunction with the Accountant’s Report as set out in Appendix I to this prospectus.

SUMMARY

Key Financial Information

Selected financial information in the combined statements of comprehensive income

	For the year ended 30 June		For the six months ended 31 December	
	2012	2013	2012	2013
	HK\$'000	HK\$'000	HK\$'000 (unaudited)	HK\$'000
Revenue	25,216	30,258	14,607	17,029
Profit before income tax	15,836	16,335	7,397	10,919
Profit and total comprehensive income for the year/period attributable to equity holders of our Company	13,235	13,066	5,735	8,730
Net profit margin	52.5%	43.2%	39.3%	51.3%

Selected financial information in the combined balance sheets

	As at 30 June		As at 31 December
	2012	2013	2013
	HK\$'000	HK\$'000	HK\$'000
Current assets	22,641	45,129	53,764
Non-current assets	1,102	1,221	967
Current liabilities	16,122	25,663	25,349
Non-current liabilities	55	55	20
Net current assets	6,519	19,466	28,415
Total equity	7,566	20,632	29,362

Selected financial information in the combined statements of cash flows

	Year ended 30 June		Six months ended 31 December	
	2012	2013	2012	2013
	HK\$'000	HK\$'000	HK\$'000 (unaudited)	HK\$'000
Net cash generated from operating activities	11,860	15,411	4,879	10,519
Net cash (used in)/generated from financing activities	(10,967)	10,703	13,262	(6,261)
Net increase in cash and cash balances	865	25,602	18,141	4,255

Please refer to the section headed "Financial Information" in this prospectus (pages 179 to 223) for further details.

SUMMARY

Major Financial Ratios

	As at and for the year ended 30 June		As at and for the six months ended 31 December
	2012	2013	2013
Trade receivables turnover (days)	44.1	43.9	35.5
Trade payables turnover (days)	29.2	30.7	29.4
Current ratio (times)	1.4	1.8	2.1
Return on equity (%)	173.7	63.6	59.2
Return on total assets (%)	55.7	28.2	31.8
Gearing ratio (%)	28.9	53.9	36.4

Please refer to the section headed “Financial Information – Major financial ratios” in this prospectus (pages 216 to 217) for further details.

Impact on our financial results due to expenses incurred in relation to the Listing

Our Directors estimate that the total listing expenses are approximately HK\$22.7 million (based on an Placing Price of HK\$0.45 per Share, being the mid-point of the estimated Placing Price range, and assuming the Offer Size Adjustment Option is not exercised) out of which we have incurred and recognised approximately HK\$4.6 million during the Track Record Period.

For the listing expenses of approximately HK\$16.4 million which are chargeable to profit or loss, approximately HK\$3.6 million and HK\$1.0 million were recognised as expenses during the year ended 30 June 2013 and the six months ended 31 December 2013 respectively, and approximately HK\$11.6 million and HK\$0.2 million are expected to be recognised as expenses for the second half of the year ending 30 June 2014 and during the year ending 30 June 2015 respectively, and approximately HK\$6.3 million will be charged to our Group's equity upon Listing during the year ending 30 June 2015.

DIVIDENDS AND DIVIDEND POLICY

On 30 June 2012, Bamboos PNS declared a dividend in an aggregate sum of HK\$16.5 million for the financial year ended 30 June 2012. Subsequent to the Track Record Period, Bamboos PNS declared a dividend in an aggregate sum of HK\$23.0 million on 21 March 2014.

We expect to distribute no less than 20% of our annual distributable earnings as dividends starting from the financial year ending 30 June 2015 which our management deems a reasonable payout ratio, taking into account the need for preserving sufficient capital for business development and providing our Shareholders with reasonable returns for their investment. There is, however, no assurance that we will be able to declare dividends of such an amount or any amount each year or in any year. Please refer to the section headed “Financial information – Dividends and dividend policy” in this prospectus (pages 218 to 219) for details.

RISK FACTORS

There are risks associated with any investment. Some of the particular risks in investing in the Placing Shares are set out in the section headed “Risk factors” in this prospectus (pages 24 to 38). You should read that section carefully before you decide to invest in the Shares.

SUMMARY

Our Directors consider that our Group's operations are subject to a number of risk factors, including the followings (which is not an exhaustive list):

- Our clients' needs vary and we may not accurately predict our clients' future needs for services and any decrease in demand for our services may adversely affect our business and financial performance
- The demand for our services may decrease and our business and financial performance may be adversely affected due to the implementation of any government policies or measures to ease the shortage of permanent healthcare workforce
- No assurance that we will be able to source a reliable supply of healthcare personnel to take up assignments to meet clients' demand which would affect our business and financial performance

NON-COMPLIANCE INCIDENTS

During the Track Record Period, there were certain incidents of non-compliance with applicable laws and regulations, including non-compliances with the Predecessor Companies Ordinance, the Books Registration Ordinance and the Regulations on the Administration of Publication and the Provisions on Administration of Periodical Publication. Details of the relevant non-compliance incidents are set out in the section headed "Business – Compliance with Statutory Requirements in Hong Kong and Regulatory Requirements in the PRC" in this prospectus (pages 132 to 138).

Our Directors are of the view that (i) the non-compliance incidents do not have any material impact on the suitability of our Directors and our Company's suitability for the Listing; and (ii) our Group's internal control system is adequate and effective.

CONTROLLING SHAREHOLDERS' INFORMATION

Immediately following completion of the Placing and the Capitalisation Issue (without taking into account the Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and any options which may be granted under the Share Option Scheme), our Controlling Shareholders, namely, Ms. Hai, Mr. Kwan, Gold Empress (which is wholly owned by Ms. Hai) and Gold Beyond (which is wholly owned by Mr. Kwan), will be deemed to be interested in 75% of the total issued share capital of our Company. Mr. Kwan and Ms. Hai are co-founders of our Group. Mr. Kwan is the chairman of our Group and an executive Director. Ms. Hai is our chief executive officer and an executive Director.

Please refer to the section headed "Relationship with Controlling Shareholders and non-competition undertakings" in this prospectus (pages 157 to 171) for details.

RECENT DEVELOPMENTS

Our Directors confirm that, save for the declaration of dividend by Bamboos PNS on 21 March 2014 and the non-recurring expenses in relation to the Listing, there has been no material adverse change in our financial or trading position or prospects of our Company since 31 December 2013, being the last date of our latest audited financial results as set out in the Accountant's Report in Appendix I to this prospectus, up to the date of this prospectus. As far as we are aware, there was no material change in the general conditions in the Hong Kong healthcare staffing solution service industry that we operate that had affected or would affect our business operations or financial conditions materially and adversely.

SUMMARY

Based on our unaudited financial information, we recorded a total revenue of approximately HK\$12.4 million or a monthly average of approximately HK\$3.1 million, for the four months ended 30 April 2014. Comparatively, our monthly average revenue for the six months ended 30 June 2013 was approximately HK\$2.6 million. Such unaudited financial information was derived from the condensed consolidated interim financial information of our Group for the ten months ended 30 April 2014, which has been reviewed by our reporting accountant in accordance with the Hong Kong Standard on Review Engagements 2410 "Review on Interim Financial Information Performed by the Independent Auditor of the Entity".

Our Directors confirm that we did not have any material non-recurring income or expenses since 31 December 2013 up to the date of this prospectus save for certain expenses incurred in relation to the Listing. As at the Latest Practicable Date, the entire trade receivables as at 31 December 2013 of approximately HK\$13.6 million has been settled.

Our Directors have confirmed that there had been no event since 31 December 2013 which would materially affect the information shown in the Accountant's Report set out in Appendix I to this prospectus. Our Directors have also confirmed that there had not been any material change in our indebtedness and contingent liabilities since 30 April 2014.

PLACING STATISTICS

The Placing comprises 100,000,000 Placing Shares conditionally offered for subscription by our Company. Each of our Controlling Shareholders has no current intention to alter its shareholding in our Company after the Placing and the Capitalisation Issue and has given a non-disposal undertaking in respect of its shareholding to our Company and the Stock Exchange as required by Rules 13.16A(1) and 13.19 of the GEM Listing Rules, details of which are set out in the paragraph headed "Undertakings" in the section headed "Underwriting" in this prospectus (pages 227 to 231).

	Based on the Placing Price of	
	HK\$0.4 per Share	HK\$0.5 per Share
Market capitalisation at the Placing Price (Note 1)	HK\$160 million	HK\$200 million
Unaudited pro forma adjusted combined net tangible asset value per Share (Note 2)	HK\$0.13	HK\$0.15

Notes:

1. The calculation of market capitalisation of the Shares is on the basis of 400,000,000 Shares in issue immediately after the completion of the Placing and the Capitalisation Issue. It does not take into account any Shares which may be allotted and issued upon the exercise of the Offer Size Adjustment Option or any options which may be granted under the Share Option Scheme or any Shares which may be allotted or issued or repurchased by our Company pursuant to the general mandates for the allotment and issue or repurchase of Shares referred to in the section headed "Share capital" in this prospectus (pages 176 to 178).
2. For the bases and assumptions upon which we arrived at the unaudited pro forma adjusted combined net tangible assets per Share, please refer to those set out in the notes in Part A of Appendix II headed "Unaudited pro forma financial information" to this prospectus (page II-1).

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following expressions have the following meanings:

"Achiever Team"	Achiever Team Limited, a company incorporated on 16 October 2012 under the laws of the BVI with limited liability and wholly owned by our Company after the Reorganisation
"Articles"	the articles of association of our Company adopted on 24 June 2014, as amended from time to time
"associate(s)"	having the meaning ascribed thereto under the GEM Listing Rules
"BamBoOs! Life"	a magazine edited and published by our Group for free distribution
"Bamboos Limited"	Bamboos Limited (百本有限公司), a company incorporated in Hong Kong on 21 March 2005 with limited liability, the entire issued share capital of which is owned by Ms. Hai, one of our Controlling Shareholders
"Bamboos PNS"	Bamboos Professional Nursing Services Limited (百本專業護理服務有限公司), a company incorporated in Hong Kong on 11 March 2009 with limited liability and an indirect wholly owned subsidiary of our Company
"Board"	the board of Directors
"Business Day"	a day (other than a Saturday or Sunday) on which licensed banks in Hong Kong are open for normal banking business throughout their normal business hours
"BVI"	the British Virgin Islands
"Capitalisation Issue"	the issue of 299,999,980 Shares to be made upon capitalisation of a certain sum standing to the credit of the share premium account of our Company referred to in the paragraph headed "Written resolutions of all the Shareholders passed on 24 June 2014" under the section headed "Further information about our Company" in Appendix IV to this prospectus
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC

DEFINITIONS

"CCASS Clearing Participant"	a person admitted to participate in CCASS as a direct clearing participant or a general clearing participant
"CCASS Custodian Participant"	a person admitted to participate in CCASS as a custodian participant
"CCASS Investor Participant"	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
"CCASS Participant"	a CCASS Clearing Participant or a CCASS Custodian Participant or a CCASS Investor Participant
"Chai Wan Premises"	Unit B and C, 16/F, E-Trade Plaza, No. 24 Lee Chung Street, Chai Wan, Hong Kong
"Charge-out Rate(s)"	the rate(s) that we charge our client for provision of healthcare staffing solution services
"Clearstate"	Clearstate Pte. Ltd., a market research firm commissioned by our Group for the preparation of the Clearstate Report and an Independent Third Party
"Clearstate Report"	the industry report prepared by Clearstate in relation to, among others, the Hong Kong healthcare staffing solution service industry, extract of which are set out in the section headed "Industry overview" in this prospectus
"Co-Lead Managers"	(i) Cheong Lee Securities Limited, a licensed corporation under the SFO permitted to carry on type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 5 (advising on futures contracts) regulated activities (as defined under the SFO); (ii) CNI Securities Group Limited, a licensed corporation under the SFO permitted to carry on type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 4 (advising on securities) regulated activities (as defined under the SFO); and (iii) SBI China Capital Financial Services Limited, a licensed corporation under the SFO permitted to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities (as defined under the SFO), being the co-lead managers of the Placing

DEFINITIONS

"Companies Law"	the Companies Law (2013 Revision) of the Cayman Islands as amended, supplemented or otherwise modified from time to time
"Companies Ordinance (Cap 32)"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Companies Ordinance (Cap 622)"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Company"	Bamboos Health Care Holdings Limited (百本醫護控股有限公司), a company incorporated in the Cayman Islands on 23 November 2012 with limited liability
"connected persons"	has the meaning ascribed to it in the GEM Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it in the GEM Listing Rules. As at the date of this prospectus, the Controlling Shareholders of our Company are Ms. Hai, Mr. Kwan, Gold Empress and Gold Beyond
"CS Department"	our customer service department
"Deed of Indemnity"	the deed of indemnity dated 24 June 2014 given by our Controlling Shareholders in favour of our Company (for itself and as trustee for each of our subsidiaries) regarding certain indemnities as more particularly set out in the paragraph headed "Estate duty, tax and other indemnity" in Appendix IV to this prospectus
"Deed of Non-competition"	the deed of non-competition undertaking dated 24 June 2014 given by our Controlling Shareholders in favour of our Company (for itself 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 this prospectus
"Director(s)"	the director(s) of our Company

DEFINITIONS

“Employment Ordinance”	the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time
“Gold Beyond”	Gold Beyond Limited, a company incorporated on 16 October 2012 in the BVI with limited liability, which is wholly owned by Mr. Kwan being one of our Controlling Shareholders; and a Shareholder after the Reorganisation
“Gold Empress”	Gold Empress Limited, a company incorporated on 16 October 2012 in the BVI with limited liability, which is wholly owned by Ms. Hai being one of our Controlling Shareholders; and a Shareholder after the Reorganisation
“Halcyon Capital” or “Sole Sponsor”	Halcyon Capital Limited, a licensed corporation under the SFO permitted to carry out type 6 (advising on corporate finance) regulated activity (as defined under the SFO), being the sponsor to the Placing
“HKASs”	Hong Kong Accounting Standards
“HKFRSs”	Hong Kong Financial Reporting Standards issued by the HKICPA
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly owned subsidiary of HKSCC
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

"Independent Third Party(ies)"	party(ies) which is/are independent of and not connected (within the meaning ascribed to it in the GEM Listing Rules) with any of our Directors, Substantial Shareholders or chief executive of our Company or any of our subsidiaries or any of their respective associates and is not otherwise a connected person
"Joint Bookrunners" or "Joint Lead Managers"	Halcyon Securities Limited, a licensed corporation under the SFO permitted to carry on type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 4 (advising on securities) regulated activities (as defined under the SFO) and Great Roc Capital Securities Limited, a licensed corporation under the SFO permitted to carry on type 1 (dealing in securities) regulated activity (as defined under the SFO), being the joint bookrunners and joint lead managers to the Placing
"Kwun Tong Premises"	1st Floor, 52 Hung To Road, Kwun Tong, Kowloon, Hong Kong
"Latest Practicable Date"	24 June 2014, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information referred to in this prospectus
"Listing"	the listing of the Shares on GEM
"Listing Date"	the date on which dealings in the Shares first commence trading on GEM
"Listing Division"	the listing division of the Stock Exchange
"Main Board"	the main board of the Stock Exchange
"Memorandum"	the memorandum of association of our Company adopted on 24 June 2014, as amended from time to time
"Mr. Kwan"	Mr. Kwan Chi Hong, a co-founder, an executive Director and the chairman of our Group and a Controlling Shareholder
"Ms. Hai"	Ms. Hai Hiu Chu, a co-founder, an executive Director and the chief executive officer of our Group and a Controlling Shareholder
"NGO(s)"	non-government organisation(s)

DEFINITIONS

"Offer Size Adjustment Option"	the option to be granted by our Company to the Underwriters exercisable by the Joint Lead Managers (for themselves and on behalf of the Underwriters), at their sole and absolute discretion under the Underwriting Agreement to require our Company to issue up to an additional 15,000,000 Shares, representing 15% of the number of the Placing Shares, at the Placing Price, details of which are described in the section headed "Structure and conditions of the Placing" in this prospectus
"our Group" or "we" or "us"	our Company and our subsidiaries or any of them or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, the present subsidiaries of our Company
"Pay-out Rate(s)"	the rate(s) that we pay to the healthcare personnel placed by us to our clients for their services rendered
"Placing"	the conditional placing by the Underwriters on behalf of our Company of the Placing Shares for cash at the Placing Price, details of which are described under the section headed "Structure and conditions of the Placing" in this prospectus
"Placing Price"	the final price for each Placing Share (excluding brokerage, Stock Exchange trading fee and SFC transaction levy), which will not be more than HK\$0.5 per Placing Share and expected to be not less than HK\$0.4 per Placing Share, such price to be fixed on or before the Price Determination Date
"Placing Shares"	100,000,000 new Shares being offered by our Company at the Placing Price for subscription under the Placing, together with, where relevant, any additional Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option subject to the terms and conditions as described in the section headed "Structure and conditions of the Placing" in this prospectus

DEFINITIONS

“PRC”	the People’s Republic of China which, for the purposes of this prospectus and for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Predecessor Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as in force from time to time prior to 3 March 2014
“Price Determination Agreement”	the agreement to be entered into between our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters) on or before the Price Determination Date to record and fix the Placing Price
“Price Determination Date”	the date on which the Placing Price is determined, which is expected to be on or around Thursday, 3 July 2014, or such other date as may be agreed between our Company and the Joint Lead Managers
“Reorganisation”	the reorganisation of our Group in preparation for the Listing, particulars of which are set out in the section headed “History, Reorganisation and Group structure – Reorganisation” in this prospectus
“SFC”	The Securities and Futures Commission in Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option Scheme”	the share option scheme conditionally approved and adopted by our Company pursuant to resolutions passed by the Shareholders on 24 June 2014, the principal terms of which are summarised in the paragraph headed “Share Option Scheme” in Appendix IV to this prospectus
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of our Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

"subsidiaries"	has the meaning ascribed to it in the Companies Ordinance (Cap 622)
"Substantial Shareholder"	has the meaning ascribed to it in the GEM Listing Rules
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the two years ended 30 June 2013 and the six months ended 31 December 2013
"Underwriters"	the underwriters of the Placing whose names are set out in the paragraph headed "Underwriters" in the section headed "Underwriting" in this prospectus
"Underwriting Agreement"	the underwriting agreement dated 27 June 2014 made between our Company, our executive Directors, our Controlling Shareholders, the Sole Sponsor, the Joint Lead Managers, the Co-Lead Managers and the Underwriters relating to the Placing, brief particulars of which are summarised in the section headed "Underwriting" in this prospectus
"US"	the United States of America
"HK\$"	the Hong Kong dollars, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"US\$"	the United States dollars, the lawful currency of the United States
"%"	per cent

Unless otherwise stated, the conversion of RMB into HK\$ in this prospectus is based on the approximate exchange rate of HK\$1.00 to RMB0.79 and the conversion of US\$ into HK\$ in this prospectus is based on the approximate exchange rate of HK\$1.00 to US\$0.13.

Such conversions shall not be construed as representations that amounts in HK\$ will be or may have been converted into RMB or US\$ at such rates or any other exchange rates, or vice versa.

Any discrepancies in any table between the total shown and the sum of the amount (including the percentage) listed are due to rounding.

GLOSSARY

This glossary of technical terms contains explanations and definitions of certain terms used in this prospectus in connection with our Group and our business. The terms and their meanings may not correspond to standard industry meanings or usage of these terms.

"CA(s)"	clinic assistant(s), person(s) who work(s) in a clinic to assist DRs, RNs, and/or ENs without possessing RN, EN or HCA qualifications
"CAGR"	compound annual growth rate, the year-over-year growth rate applied on investment or other part of a company's activities over a multiple-year period
"CMP(s)"	Chinese medicine practitioner(s), person(s) whose name(s) appear(s) on the register maintained by the Registration Committee of the Chinese Medicine Council of Hong Kong under section 69 of the Chinese Medicine Ordinance (Chapter 549 of the Laws of Hong Kong)
"CRM"	a system for managing our Group's interactions with clients and healthcare personnel registered with us, which involves using technology to organise, automate, and synchronise business processes for administration and customer service
"CTN(s)"	China-trained nurse(s), nurse(s) who obtain(s) the nursing license from the Ministry of Health of the PRC (but is not registered or enrolled with the Nursing Council of Hong Kong as a RN or EN, hence not qualified to perform services that are required to be performed by RN or EN), whose main responsibilities include feeding, turning, diaper handling and lifting
"DR(s)"	medical practitioners, person(s) whose name(s) appear(s) on the register maintained by The Medical Council of Hong Kong under the Medical Registration Ordinance (Chapter 161 of the Laws of Hong Kong)
"duty" or "duty assignment"	a service shift assigned to a healthcare personnel registered with us requested by our client's order

GLOSSARY

“enrolled nurse(s)” or “EN(s)”	person(s) whose name appears on the roll maintained by the Nursing Council of Hong Kong under section 11 of the Nurses Registration Ordinance (Chapter 164 of the Laws of Hong Kong)
“HA”	The Hospital Authority of Hong Kong, a statutory body corporate established under the Hospital Authority Ordinance (Chapter 113 of the Laws of Hong Kong)
“HCA(s)”	healthcare assistant(s), person(s) with certificate of healthcare assistant who generally assists registered and enrolled nurses to provide nursing care to patients in hospitals, whose main responsibilities include feeding, lifting, blood pressure measuring and maintaining patient’s hygiene
“HW(s)”	health worker(s), person(s) whose name appears on the Register of Health Workers as established and maintained by the Director of Social Welfare under the Residential Care Homes (Elderly Persons) Regulation (Chapter 459A of the Laws of Hong Kong)
“ISO”	International Organisation for Standardisation
“Midwife” or “Midwives”	midwife(midwives), person(s) whose name(s) appear(s) on the register maintained by the Midwives Council of Hong Kong under section 8 of the Midwives Registration Ordinance (Chapter 162 of the Laws of Hong Kong)
“OT(s)”	occupational therapist(s), person(s) whose name(s) appear(s) on the register maintained by the Occupational Therapists Board under section 10 of the Supplementary Medical Professions Ordinance (Chapter 359 of the Laws of Hong Kong)
“PCW(s)”	personal care worker(s), person(s) generally performs basic daily care, such as feeding, bathing, diaper handling, lifting and simple exercising

GLOSSARY

"PT(s)"	physiotherapist(s), person(s) whose name(s) appear(s) on the register maintained by the Physiotherapists Board under section 10 of the Supplementary Medical Professions Ordinance (Chapter 359 of the Laws of Hong Kong)
"RCHE(s)"	residential care home(s) for the elderly
"RN(s)"	registered nurse(s), person(s) whose name appears on the register maintained by the Nursing Council of Hong Kong under section 5 of the Nurses Registration Ordinance (Chapter 164 of the Laws of Hong Kong)
"workman" or "workmen"	person(s) generally worked as a ward attendant in hospitals and as an ancillary worker in RCHEs

FORWARD-LOOKING STATEMENTS

We have included in this prospectus forward-looking statements that are not historical facts, but relate to our intentions, beliefs, expectations or predictions for future event. These forward-looking statements are contained principally in the sections headed "Summary", "Risk factors", "Industry overview", "Business", and "Financial information", which are, by their nature, subject to risks and uncertainties.

In some cases, we use the words "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "might", "ought", "plan", "potential", "predict", "project", "propose", "seek", "should", "will", "would" and similar expressions or statements to identify forward-looking statements. These forward-looking statements include, without limitation, statements relating to:

- our business strategies and plan of operation;
- our capital expenditure plans;
- the amount and nature of, potential for and future development of our business;
- our operations and business prospects;
- our dividend policy;
- our planned projects;
- the regulatory environment of our industry in general;
- future development in our industry; and
- other statements in this prospectus that are not historical fact.

Our Directors confirm that these forward-looking statements are made after due and careful consideration.

These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect the current views of our Company with respect to future events and are not a guarantee of future performance.

Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to, those discussed under the section headed "Risk factors" in this prospectus.

These forward-looking statements are based on current plans and estimates, and speak only as of the date they are made. Our Company undertakes no obligations to update or revise any forward-looking statement in light of new

FORWARD-LOOKING STATEMENTS

information, future events or otherwise. Forward-looking statements involve inherent risks and uncertainties and are subject to assumptions, some of which are beyond our control. Our Company cautions you that a number of important factors could cause actual outcomes to differ, or to differ materially, from those expressed in any forward-looking statements.

Due to these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect, or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements contained in this prospectus are qualified by reference to these cautionary statements.

RISK FACTORS

Potential investors of the Placing Shares should carefully consider all of the information set out in this prospectus and, in particular, the following risks and special considerations associated with an investment in our Company before making any investment decisions in relation to our Company. If any of the possible events as described below materialises, our Group's business, financial position and prospects could be materially and adversely affected and the market price of the Placing Shares could fall significantly.

This prospectus contains certain forward-looking statements relating to our Group's plans, objectives, expectations and intentions which involve risks and uncertainties. Our Group's actual results may differ materially from those as discussed in this prospectus. Factors that could contribute to such differences are set out below as well as in other parts in this prospectus.

RISKS RELATING TO OUR GROUP

Our clients' needs vary and we may not accurately predict our clients' future needs for services and any decrease in demand for our services may adversely affect our business and financial performance

The needs of each of our clients for services may vary significantly from time to time. It is difficult to accurately project our clients' future needs or the frequency at which services will be requested, as demand for our services varies based on the requirements of our clients. Whether our clients need to use our services depends on a number of uncertain factors, including for individual clients, their health and physical condition and medical need for healthcare services at home, and for institutional clients, the shortage of permanent healthcare staffing and the levels of staffing compared to the workload and service capacity of the social service organisation, hospital or clinic. There is no assurance that the frequency of our clients' need for services will be in line with our projections as well as any of our clients will continue to require our services at the same level in the future. Should our clients reduce their need for services or cease to require any services provided by us or if we are not able to accurately predict our clients' staffing needs, our business and financial performance may be adversely affected.

The demand for our services may decrease and our business and financial performance may be adversely affected due to the implementation of any government policies or measures to ease the shortage of permanent healthcare workforce

According to the Clearstate Report, the limited full-time permanent healthcare workforce is a major factor driving the demand of temporary healthcare staffing solution services. There is a shortage of permanent qualified healthcare personnel in Hong Kong, especially RNs and ENs, and has been an on-going concern for the past few years. If the government implements any policies or measures with an aim to ease the shortage of permanent healthcare workforce, such as investing resources and/or providing funding to increase RN

RISK FACTORS

and EN training places or to support hospitals or other healthcare institutions in their retention programs to recruit and/or retain permanent healthcare workforce, the supply of the permanent healthcare workforce may increase and the shortage of permanent healthcare workforce may ease. There is no assurance that our clients (in particular, institutional clients) will continue to require our services at the same level as they used to be to maintain staffing ratios and/or patient care standards when the pressure of long-term placement is alleviated by the implementation of such government policies and our business and financial performance may be adversely affected.

No assurance that we will be able to source a reliable supply of healthcare personnel to take up assignments to meet clients' demand which would affect our business and financial performance

As at the Latest Practicable Date, there were over 13,400 healthcare personnel registered with us. These registered healthcare personnel are independent contractors and are not our employees. Some of them remain registered with our competitors while being registered with us. Furthermore, they are not obliged to take up any assignment referred to them by us. There is no assurance that we have sufficient registered healthcare personnel who are available to take up assignments referred to them by us to meet our clients' demand. Our business and financial performances may be adversely affected by a decrease in the number of healthcare personnel registered with us and/or by the inability of healthcare personnel registered with us to take up assignments referred to them by us.

The Charge-out Rate charged to our clients may decrease or may not increase at a rate corresponding with the Pay-out Rate to healthcare personnel which would squeeze our profit margin and in turn affect our revenue and profitability

Our gross fee for provision of healthcare staffing solution services to clients is determined with reference to our Charge-out Rate and cost payable to healthcare personnel placed by us is based on the Pay-out Rate. For the two years ended 30 June 2013 and the six months ended 31 December 2013, our revenue (being gross fee net of cost payable to healthcare personnel) was approximately HK\$25.2 million, HK\$30.3 million and HK\$17.0 million respectively. In the event that the Pay-out Rate to the healthcare personnel increases and the Charge-out Rate to client does not increase at a corresponding rate or is otherwise decreased, our profit margin will be squeezed and our revenue and profitability may be adversely affected.

Direct engagement of healthcare personnel with our clients without our consent may result in loss of clients and healthcare personnel

In the absence of our consent, if any of the healthcare personnel placed by us shall subsequently be directly engaged by our clients within a year after the last day of his/her performance of duties with such clients, we may enforce our right under the standard term sheet between us and the healthcare personnel

RISK FACTORS

registered with us, pursuant to which the healthcare personnel registered with us has agreed that he/she shall not be engaged by our client to whom he/she has been placed before unless with our consent, or else we shall be entitled to demand a compensation. Given that the healthcare personnel registered with us may leave us and accept direct assignment from our client without us being informed of the circumstances of such assignment or engagement, we may result in loss of clients and healthcare personnel which will adversely affect our business and financial performance.

We may not be able to completely match the quality of healthcare personnel with the requirements of our clients which may negatively affect demand for our services

Our success is dependent on the matching between the healthcare personnel and the placements with our clients. Whether we could completely match the quality of the healthcare personnel with the requirements of our clients relies heavily on the effectiveness of our CRM system as well as properly trained employees that screen and match healthcare personnel with our clients. If we are not able to completely match healthcare personnel for acceptable qualifications, experience and performance, our clients may lose confidence in our services, which may damage our reputation and result in clients opting to use competitors' services or their own resources.

We have no control over the quality of services provided by the healthcare personnel which may negatively affect our reputation and demand for our services

As the healthcare personnel registered with us are independent contractors, not our employees, we have no control over the healthcare personnel's performance to ensure the quality of services provided by them can be maintained. Our reputation may be affected by the quality of services provided by the healthcare personnel placed by us which is not within our control. There is no assurance that our clients' confidence in us can be maintained if the quality of services provided by the healthcare personnel placed by us is not up to standard.

Absence of long-term service contracts with our clients may create difficulties in projecting our clients' need for our services and any resulting failure to meet demand from our clients in a timely manner may affect our business and financial performance

We do not enter into long-term service contracts with the majority of our clients. The absence of long-term service contracts with our clients means that our Group may not be able to forecast with certainty the service level that clients will require from us in a given period. Thus, our Group may have difficulties identifying suitable healthcare personnel to meet demand in a timely manner. Failure to meet clients' needs may result in loss of clients which will adversely affect our business and financial performance.

RISK FACTORS

Any negative publicity, allegations, complaints or claims made against us may adversely affect our reputation, business, financial position, results of operations and price of our Shares

During the Track Record Period, there has been negative publicity and allegations made by healthcare personnel registered with us against our Group. Also, two claims have been filed with the Labour Tribunal against us by the healthcare personnel placed by us since the commencement of operation of our Group in 2009 and one complaint was filed with the Equal Opportunities Commission by a healthcare personnel placed by us during the Track Record Period. None of such claims/complaints were successful against our Group. For details of the allegations, complaints and claims made by the healthcare personnel, please refer to the sections headed “Business – Quality control/complaints” and “Business – Legal proceedings” in this prospectus.

We cannot assure you that similar allegations, complaints and claims will not be made against us in the future, or that we can prevent the recurrence of these incidents in the future. Any allegations, complaints or claims against us, regardless of their validity, could cause negative publicity, give rise to potential liability and adversely affect our reputation and price of our Shares. In addition, we may have to divert management and other resources to address relevant allegations, complaints or claims which may adversely affect our business and results of operations. In the event that our insurance coverage is inadequate, we may have to pay out of our own resources to compensate the healthcare personnel for any damages suffered if the court does not rule in our Group’s favour based on its interpretation of the facts of such claims and we are found to be at fault. If any complaint escalates to become a claim against us, even unsuccessful, we may have to divert resources to address the claim. Liabilities in respect of such claims could adversely affect our financial position and results of operations.

Our claims filed with the Small Claims Tribunal are subject to the tribunal’s decisions and the outcomes may not be favourable to us

During the Track Record Period, we have filed claims with the Hong Kong Small Claims Tribunal against, among others, our clients due to default payment of over 90 days and against healthcare personnel placed by us mainly due to suspected engagement in direct or indirect dealing with our clients in relation to the provision of healthcare or similar services without our consent. The claim amount of each of these claims was no more than HK\$50,000 (excluding legal costs). We may reach settlement with the respondents but if no reasonable settlement arrangements are made, the claims will be proceeded. We are unable to anticipate the outcomes of the claims, as they depend on the decisions of the tribunal, or the impact it may have on our Group’s image, which is beyond our control and may not be favourable to us.

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We may be liable for various obligations as an employer in the event that we are considered to be an employment agency which may adversely affect our financial position

As advised by our Company's Hong Kong legal advisers, the provision of healthcare staffing solution services by Bamboos PNS in the past did not and for now does not fall within the scope of business of an "employment agency" under the Employment Ordinance given that there is no employment relationship between the healthcare personnel registered with us and our Group, and the relationship between our clients and the healthcare personnel placed by us is not employer-employee relationship. If Bamboos PNS is considered to be an employment agency and an employer of the healthcare personnel placed by us under the applicable laws and regulations of Hong Kong, we may be liable for various obligations as an employer, such as making contribution to the mandatory provident fund (and all possible penalties applicable to employers under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) (the "**MPFS Ordinance**")), compensating the healthcare personnel for entitled annual leave and statutory holidays, providing other benefits to the healthcare personnel as required under the applicable laws and regulations of Hong Kong. In the event that Bamboos PNS is deemed as an employer of the healthcare personnel placed by us under the applicable laws of Hong Kong:

To the best estimate of the Directors, the estimated potential maximum amount of benefits that may be required to be provided by Bamboos PNS as employer under the relevant laws of Hong Kong and related penalty that may be imposed on our Group is approximately HK\$45.3 million, being the aggregate of the following:

- a fine of HK\$350,000 upon conviction and penalty in the aggregate amount of approximately HK\$822,000 (*note 1*) (being the aggregate daily penalty in the amount of HK\$500 from July 2009, the date when Bamboos PNS commenced its business in providing healthcare staffing solutions services in Hong Kong, up to 31 December 2013) – in not arranging for employees to become members of registered mandatory provident scheme as that required by section 7 of the MPFS Ordinance;
- a fine of HK\$100,000 upon first conviction (assuming that we are not to commit the same offence the second time) – in not making contribution as employer to registered mandatory provident scheme and not deducting from the employees' incomes as contribution by the employees to registered mandatory provident scheme as that required by section 7A(2) the MPFS Ordinance;
- a fine of HK\$50,000 upon conviction – in not granting statutory holidays or not paying holiday pays to employees as that required under section 39 of the Employment Ordinance;

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- a fine of HK\$50,000 upon conviction – in not granting annual leave to employees as that required under section 41AA of the Employment Ordinance; and
- an amount of approximately HK\$43.9 million, being the aggregate amount of contribution that is required to be made by Bamboos PNS as employer to mandatory provident fund scheme as that required under the MPFS Ordinance (*note 2*) and entitlements of statutory holidays and annual leaves under the Employment Ordinance (*note 3*).

In the event that the indemnities given by our Controlling Shareholders to us under the Deed of Indemnity are not able to fully cover any of the said potential penalties, payments and costs that we may incur, our financial position may be adversely affected.

Note 1: Taking into account the period up to 31 December 2013.

Note 2: Such aggregate amount was estimated on the bases and assumptions that all healthcare personnel placed by us up to 31 December 2013 are taken into account, including financial penalty and surcharge on default contributions.

Note 3: Such aggregate amount was estimated on the bases and assumptions that only healthcare personnel placed by us up to 31 December 2013 who have provided services to our clients for more than 72 hours in a financial year, that is in a manner similar to the meaning of “continuous contract” of employment under the First Schedule of the Employment Ordinance, i.e. an employee who has been employed continuously by the same employer for four weeks or more, with at least 18 hours worked in each week, are taken into account.

Our insurance coverage may not be sufficient to cover all losses or potential claims from our clients which would affect our business, financial condition and results of operations

We may become subject to liabilities against which we are not insured adequately or at all or liabilities against which cannot be insured. Should any significant property damage or personal injury occur in our facilities or to our employees due to accidents, natural disasters, or similar events, our business may be adversely affected, potentially leading to a loss of assets, lawsuits, employee compensation obligations, or other form of economic loss. Our insurance policies also may not continue to be available at economically acceptable premiums, or certain types of insurance may not be obtained at a reasonable cost, or at all. For example, insurance covering losses from acts of war, terrorism, or natural catastrophes is either unavailable or cost prohibitive. Any losses that we may incur which we are not insured against may adversely affect our business, financial condition and results of operations.

We may be involved in the potential claims by our clients against the healthcare personnel placed by us arising from their misconduct or alleged misconduct in the course of providing services to our clients. Our insurance may not be sufficient to cover medical negligence and similar claims.

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Possible third parties' claims or lawsuit arising from the negligence of the healthcare personnel placed by us may affect our business, financial condition and results of operations

For the two years ended 30 June 2013 and the six months ended 31 December 2013, 3,640, 3,760 and 2,626 healthcare personnel were placed by us to provide services for our clients respectively. Despite these healthcare personnel being placed with our clients in a self-employed capacity as independent contractors and under the supervision of our clients during the performance of their duties, their negligence, omissions or misconduct in connection with the performance of their duties may lead to lawsuits or claims against us. If our clients suffer any losses or damage arising from the negligent acts of the healthcare personnel placed by us, claims may be lodged against such healthcare personnel and us. We may incur additional costs to settle or defend these claims and our business, financial condition and results of operations may be adversely affected.

Complaints from our clients may affect our reputation and our ability to retain our existing clients and secure new clients

We receive complaints from clients mostly in relation to service standards of the healthcare personnel provided through our services.

If the number of complaints in relation to service standards of the healthcare personnel placed by us increases, our reputation could be affected by these complaints which may have negative impact on our ability to retain existing clients or our ability to secure new clients. Our clients may not continue to use our services which could have an adverse impact on our business and financial performance.

We may face claims for failure to adequately protect personal data obtained from the healthcare personnel registered with us

We, acting as a healthcare staffing solution service provider, have obtained a substantial amount of personal data from the healthcare personnel registered with us.

In compliance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) we are obliged to keep all such data confidential. If any personal data provided by healthcare personnel is leaked to or obtained by third parties, such healthcare personnel may take legal action against us for damages and/or compensation for the loss that may have arisen therefrom. Any relevant claims or legal action taken against us may affect our reputation and results of operations.

There is no assurance that there will not be any leakage of personal data or unauthorised access to our database.

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There is no assurance that we can generate sufficient cashflow from operating activities and/or obtain external financing in the future to meet our operational needs

For the two years ended 30 June 2013 and for the six months ended 31 December 2013, we had net cash inflow from our operating activities of approximately HK\$11.9 million, HK\$15.4 million and HK\$10.5 million, respectively, primarily arising from our operating profit adjusted for changes in working capital. There is no assurance that we will be able to generate such net cash inflows from operating activities in the future. In the event we are not able to generate sufficient funds to finance our operations, and not able to finance from our external sources, our operations and financial position will be materially and adversely affected.

Our revenue and profitability may not be sustainable

Our revenue was approximately HK\$25.2 million, HK\$30.3 million and HK\$17.0 million for two years ended 30 June 2013 and six months ended 31 December 2013 respectively, representing a year-on-year/period-on-period growth rate of approximately 20.2% and 16.4%. Our net profit attributable to the equity holders of our Company was approximately HK\$13.2 million, HK\$13.1 million and HK\$8.7 million for the two years ended 30 June 2013 and six months ended 31 December 2013 respectively, representing a slight year-on-year decrease of approximately 0.8% (mainly resulted from recognition of non-recurring expenses in relation to the Listing despite growth in revenue) and a period-on-period growth rate of approximately 52.6% respectively. Our Directors attribute such increase in revenue and profitability in part to our ability to maintain our service quality, enhance our brand recognition, and expand our services. However, we may not be able to sustain our historic revenue and growth rates and failure to sustain our growth may have an adverse effect on our business and financial performance.

Our business plan may not be implemented successfully which may adversely affect our prospects

Our Directors are of the view that the future plan of our Group has been prepared after due enquiry by reference to, among other matters, the expected future prospects of the healthcare services industry in Hong Kong, the envisioned market potential of services planned to be provided, the continuation of our competitive advantages and other factors considered relevant. Some of our future business plans are based on certain assumptions. The successful implementation of our business plan may be affected by a number of factors including the availability of sufficient funds, government policy on healthcare services industry development, the supply and demand of healthcare personnel, our ability to maintain our existing competitive advantages and the threat of substitutes and new market entrants. There is no assurance that our business

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plan can be successfully implemented. Should there be any material adverse change in our operating environment which results in our failure to implement any part of our business plan, our prospects may be adversely affected.

We are dependent on our founders and key management and there is no assurance we can retain their services which may hinder our ability to implement our growth strategies

Our Group relies heavily on the expertise, relationships and know-how of Mr. Kwan and Ms. Hai, who have over 5 and 8 years of experience in healthcare staffing solution services respectively. In their roles as executive Directors they are also responsible for key operational decision-making, including business planning, and strategic and partnership development. If Mr. Kwan or Ms. Hai is unable to continue providing his/her services, we may not be able to replace them with persons who have similar experience, relationships, and know-how in a timely manner or at all, which could hinder our ability to implement our growth strategies and may adversely affect our profitability and financial performance.

We may face penalty for the non-compliance incidents occurred during the Track Record Period which may affect our reputation, cash flow and results of operations

During the Track Record Period, Bamboos PNS had on two occasions not fully complied with certain statutory requirements in the Predecessor Companies Ordinance with respect to matters such as timely convening of annual general meeting and adoption of audited financial statements. Details of the relevant non-compliance incidents are set out in the section headed “Business – Compliance with statutory requirements in Hong Kong and regulatory requirements in the PRC” in this prospectus.

If any of the Hong Kong government authorities takes action against our Group, including the assessment of fines or other penalties and/or if our Controlling Shareholder(s) fail to indemnify us in full, our reputation, cash flow and results of operations may be adversely affected.

Computer systems failure will result in disruptions to our operations and may harm our reputation

Our success and operations are dependent on the sizable database of healthcare personnel and the proper matching between the healthcare personnel and the placements with our clients through our computer system.

Our network computer system is vulnerable to computer virus, worms, trojan horses, hackers and other similar computer network disruptive problems. Any failure to safeguard our computer network system from these disruptive problems may cause the breakdown of our computer network system or leakage of confidential information. There is no assurance that our computer network

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system is absolutely secured. Any failure in the protection of computer network system from external threats may cause disruptions to our operations and may damage our reputation for any breach of confidentiality to our clients and the healthcare personnel registered with us.

Damage to our computer hardware system and data storage may affect our operations

We have leased a data centre and server facilities for storage of information in relation to our database of healthcare personnel. Our data centre and server facilities are currently powered by an IT service company. Our information and database may be damaged by acts of nature, fire, a telecommunications breakdown, electric failure or similar unexpected events.

As such, any damage to our computer hardware or data centre will cause a business interruption and will directly and adversely affect our operations.

Any impairment to our ability to do business in Hong Kong would affect our business, financial condition and operations

For the years ended 30 June 2012 and 2013 and the six months ended 31 December 2013, all of our revenue were derived from services to clients in Hong Kong. Our Group is, therefore, presently dependent on services within this geographic region, and any impairment to our ability to do business in the region may adversely impact our revenue, business and results of operations. Our Directors anticipate that revenue generated in Hong Kong will continue to represent a significant portion of our revenue in the foreseeable future. In the event of any adverse changes in the political, economic or social conditions, foreign trade or monetary policies, or legal or regulatory requirements or taxation or tariff regime in Hong Kong, our businesses, financial condition and results of operations may be adversely affected.

Investors may experience difficulties in enforcing their shareholders' rights as the laws of Cayman Islands may differ from those of Hong Kong or other jurisdictions where investors may be located

Our Company is incorporated in the Cayman Islands and our affairs are governed by the Articles, the Companies Law and common law applicable in the Cayman Islands. The laws of Cayman Islands may differ from those of Hong Kong or other jurisdictions where investors may be located. As a result, minority Shareholders may not enjoy the same rights as pursuant to the laws of Hong Kong or such other jurisdictions. A summary of the Cayman Islands company law on protection of minorities is set out in the paragraph headed "Protection of Minorities" in Appendix III to this prospectus.

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No assurance that any investment in new business strategies and initiatives will be successful would affect our financial condition and operating results

Our Company may in the future invest in new businesses. Such endeavors may involve significant risks and uncertainties, including distraction of management from current operations, insufficient revenue to offset the liabilities assumed and expenses associated with the strategy, inadequate return of capital and unidentified issues not discovered in any due diligence procedure. Because these new ventures are inherently risky, no assurance can be given that such strategies and initiatives will be successful and will not materially adversely affect our Company's financial condition and operating results.

RISKS RELATING TO THE INDUSTRY IN WHICH WE OPERATE

We may be affected by changes in the regulatory environment in which we operate

There is currently no specific legislation governing the provision of healthcare staffing solution services in Hong Kong, except for legislation governing the collection, retention, use and exchange of personal data and information. If the Hong Kong Government imposes any licensing or other requirements on the provision of healthcare staffing solution services in Hong Kong, extra costs may be incurred as a result of changes to our operational model to comply with such laws and/or regulations and our business may be materially affected. There can be no assurance that there will not be any changes in the regulatory environment in respect of the healthcare staffing solution service industry in Hong Kong.

Our business faces competition which may affect our profitability

Our business faces competition. Generally, any increase in profitability in the industry of healthcare staffing solution services would be expected to attract more competition from both local and overseas service providers who are also engaged in or interested in engaging in the provision of the similar services provided by our Group. An increase in competition may have adverse effect on the gross fee and revenue of our Group. As a result, the profitability of our Group will be adversely affected.

RISKS RELATING TO THE PLACING

We expect our financial results for the two years ending 30 June 2014 and 2015 to be affected by the expenses incurred relating to the Listing

Notwithstanding our financial performance for the year ended 30 June 2013 and the six months ended 31 December 2013 disclosed in this prospectus, our financial results were and will be affected by certain non-recurring expenses including the expenses in relation to the Listing. The estimated expenses in relation to the Listing (including the underwriting commission) are

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approximately HK\$22.7 million (based on the mid-point of the Placing Price of HK\$0.45 per Placing Share), of which approximately HK\$4.6 million have been recognised during the Track Record Period and approximately HK\$6.3 million is directly attributable to the issue of Placing Shares and is expected to be accounted for as a deduction from equity. The remaining listing expenses of approximately HK\$11.6 million and HK\$0.2 million are expected to be charged to the combined statements of comprehensive income of our Group during the second half of the year ending 30 June 2014 and during the year ending 30 June 2015 respectively. Our financial results for the two years ending 30 June 2014 and 2015 are expected to be affected by the estimated expenses in relation to the Listing. The amount of such Listing expenses is a current estimate for reference only and the final amounts to be recognised to profit or loss for the two years ending 30 June 2014 and 2015 are unaudited and subject to change.

The trading price of the Shares may fluctuate

The trading price of the Shares may fluctuate in response to a number of events including variations in our operating results, new services launched by us, our direct competitors, general performance of the GEM, the Main Board or other equity capital markets, changes in recommendations or financial estimates by analysts and investors' general perception on our future prospects. In addition, there is no guarantee that there will be a liquid market in the Shares.

Historical dividends are not indicative of our Group's future dividends

Bamboos PNS declared a dividend of approximately HK\$16.5 million and HK\$23.0 million to the shareholders of Bamboos PNS on 30 June 2012 and 21 March 2014 respectively. The value of dividends declared and paid in previous years should not be relied on by potential investors as a guide to the future dividend policy of our Group or as a reference or basis to determine the amount of dividends payable in the future. There is no assurance that dividends will be declared or paid in the future, at a similar level or at all. The amount of any dividends to be declared in the future will be subject to, among other factors, our Directors' discretion, having taken into account the substantial capital requirements of our Group in the foreseeable future, the availability of distributable profits, our Group's earnings, working capital, financial position, capital and funding requirements, the applicable laws and other relevant factors.

In any event, there is no assurance that our Company will receive sufficient distribution from our subsidiaries to support any future profit distribution to our Shareholders, or that the amounts of any dividends declared by our Company in the future, if any, will be of a level comparable to dividends declared and paid by us in the past, or by other listed companies in the same industry as our Group.

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Liquidity and possible price volatility of our Shares

Prior to the Listing, there has been no public market for the Shares. The Placing Price is the result of negotiations between our Company, the Joint Lead Managers and the Underwriters, and may differ from the market price for the Shares after the Listing. However, there is no assurance that the Listing will result in the development of an active and liquid public trading market for the Shares. The pricing and trading volume of the Shares may be volatile. The market price of the Shares may fluctuate significantly and rapidly as a result of the following factors, among others, some of which are beyond control of our Group:

1. variations in the results of our Group's operations;
2. changes in securities analysts analysis of our Group's financial performance;
3. announcement by our Group of significant acquisitions, dispositions, strategic alliances or joint ventures;
4. addition or departure of key management personnel;
5. fluctuations in market prices and trading volume of the Shares;
6. involvement in litigation; and
7. general economic and stock market conditions in Hong Kong.

These broad market and industry fluctuations may adversely affect the market price of the Shares.

Additional equity fund raising may lead to dilution of shareholders' interests and decrease in market price of the Shares and additional debt financing may restrict future dividend declaration and/or fund raising exercises of our Group

We may find opportunities to grow through acquisitions that cannot currently be anticipated. Secondary issue(s) of securities after the Placing may be necessary to raise the required capital to capture these growth opportunities. If additional funds are raised by issuing new equity securities in the future to new and/or existing Shareholders after the Listing, such new Shares may be priced at a discount to the then prevailing market price. If existing Shareholders are not offered an opportunity to participate, their shareholding interest in our Company will be diluted. Also, if our Company fails to utilise the additional funds to generate the expected earnings, our financial results may be adversely affected and in turn exert pressure on the market price of the Shares. If additional funds are raised through debt financing, any additional debt

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financing may, apart from increasing interest expense and gearing, may contain restrictive covenants with respect to dividends, future fund raising exercises and other financial and operational matters.

Future sale of Shares or major divestment of Shares by our Controlling Shareholders may cause the market price of the Shares to fall

The sale of a significant number of Shares in the public market after the Placing, or the perception that these sales may occur, could adversely affect the market price of the Shares. Except as otherwise described in the section headed "Underwriting" in this prospectus and the restrictions set out by the GEM Listing Rules, there are no restrictions imposed on our Controlling Shareholders or Substantial Shareholders to dispose of their shareholdings. Any major disposal of Shares by any of our Controlling Shareholders or Substantial Shareholders may cause the market price of the Shares to fall. In addition, these disposals may make it more difficult for our Group to issue new Shares, thereby limiting our Group's ability to raise capital.

Investors should not place any reliance on any information contained in press articles or other media regarding our Group and the Placing

There may have been press and media coverage regarding our Group and the Placing, which may contain references to certain events, or information such as financial information, financial projections, and other information about us that do not appear in this prospectus. Potential investors should only rely on the information contained in this prospectus, and any formal announcements made by us in Hong Kong when making any investment decision regarding our Shares. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, the fairness, appropriateness or reliability of any forecasts, or the views or opinions expressed by the press or other media regarding our Shares, the Placing, or our Group. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication by the press or media. To the extent that any such information appearing in publications other than this prospectus is inconsistent with, or conflicts with, the information contained in this prospectus, our Group disclaims it. Accordingly, prospective investors are cautioned against making their investment decisions in reliance on any other information, reports, or publications other than this prospectus.

RISKS RELATING TO INFORMATION CONTAINED IN THIS PROSPECTUS

Forward-looking statements contained in this prospectus are subject to risks and uncertainties

This prospectus contains certain statements and information that are "forward-looking" and uses forward-looking terminology such as "anticipate", "believe", "could", "estimate", "expect", "may", "ought to", "should" or "will" or similar terms. Those statements include, among other things, the discussion of

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our Group's growth strategy and expectations concerning our future operations, liquidity and capital resources. Investors of the Shares are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. The uncertainties in this regard include, but are not limited to, those identified in this section, many of which are not within our Group's control. In light of these and other uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations by our Company that our plans or objectives will be achieved and investors should not place undue reliance on such forward-looking statements. Our Company does not undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events or otherwise. Please refer to the section headed "Forward-looking statements" in this prospectus for further details.

INFORMATION ABOUT THIS PROSPECTUS AND THE PLACING

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to our Company. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

Copies of this prospectus are available, for information purpose only, at the respective offices of the Joint Lead Managers and the Underwriters during normal office hours from 9:00 a.m. to 5:00 p.m. from Monday, 30 June 2014 to Thursday, 3 July 2014 (both dates inclusive).

PLACING SHARES ARE FULLY UNDERWRITTEN

This prospectus sets out the terms and conditions of the Placing.

This prospectus is published solely in connection with the Placing, which is sponsored by Halcyon Capital and managed by the Joint Lead Managers and to be fully underwritten by the Underwriters (subject to the terms and conditions of the Underwriting Agreement). Further information about the Underwriters and the underwriting arrangements is contained in the section headed "Underwriting" in this prospectus.

DETERMINATION OF THE PLACING PRICE

The Placing Shares are being offered at the Placing Price which will be determined in Hong Kong dollars by our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters) on the Price Determination Date. If, for whatever reason, our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters) are unable to reach agreement on the Placing Price by the Price Determination Date, the Placing will not proceed and will lapse. For full information relating to the determination of the Placing Price, please refer to the section headed "Structure and conditions of the Placing" in this prospectus.

RESTRICTIONS ON SALE OF PLACING SHARES

Each person acquiring the Placing Shares will be required to confirm or by his/her/its acquisition of the Placing Shares will be deemed to confirm that he/she/it is aware of the restrictions on the placing of the Placing Shares described in this prospectus. Save as mentioned above, no action has been taken in any jurisdiction other than Hong Kong to permit a placing or the general distribution of this prospectus. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in relation to the Placing in any jurisdiction or, in any circumstance in which such an offer or invitation is not

INFORMATION ABOUT THIS PROSPECTUS AND THE PLACING

authorised, or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering of the Placing Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under any applicable laws, rules and regulations of such jurisdictions pursuant to registration with or authorisation by the relevant regulatory authorities as an exemption therefrom.

Prospective investors for the Placing Shares should consult their financial advisers and take legal advice as appropriate, to inform themselves of, and to observe the applicable laws, rules and regulations of any relevant jurisdictions.

The Placing Shares are offered for subscription solely on the basis of the information contained and the representations made in this prospectus. No person is authorised in connection with the Placing to give any information, or to make any representation, not contained in this prospectus. Any information or representation not contained herein shall not be relied upon as having been authorised by our Company, the Sole Sponsor, the Joint Lead Managers, the Co-Lead Managers, the Underwriters, any of their respective directors, officers, employees, agents, representatives or any other person or party involved in the Placing.

STRUCTURE OF THE PLACING

Further details of the structure and conditions of the Placing are set out in the section headed "Structure and conditions of the Placing" in this prospectus.

APPLICATION FOR LISTING ON GEM

Application has been made to the Listing Division for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus.

Under section 44B(1) of the Companies Ordinance (Cap 32), if the permission for the Shares offered under this prospectus to be listed on GEM has been refused before the expiration of three weeks from the date of the closing of the Placing or such longer period not exceeding six weeks as may, within the said three weeks, be notified to our Company for permission by or on behalf of the Listing Division, then any allotment made on an application in pursuance of this prospectus shall, whenever made, be void.

Pursuant to Rule 11.23(7) of the GEM Listing Rules, at all times after the Listing, our Company must maintain the "minimum prescribed percentage" of 25% or such applicable percentage of the issued share capital of our Company in the hands of the public (as defined in the GEM Listing Rules).

INFORMATION ABOUT THIS PROSPECTUS AND THE PLACING

No part of the Shares or the loan capital of our Company is listed, traded or dealt in on any other stock exchange. At present, our Company is not seeking or proposing to seek listing of, or permission to deal in, any part of the Shares or loan capital on any other stock exchange.

PROFESSIONAL TAX ADVICE RECOMMENDED

If investors are unsure about the taxation implications of the subscription for, purchase, holding or disposal of, dealings in, or exercise of any rights in relation to the Placing Shares, they should consult an expert. It is emphasised that none of our Company, our Directors, the Sole Sponsor, the Joint Lead Managers, the Co-Lead Managers, the Underwriters, any of their respective directors, officers, employees, agents, representatives or any other person or party involved in the Placing accepts responsibility for any tax effects on or liabilities of any person resulting from the subscription for, purchase, holding or disposal of, dealings in, or the exercise of any rights in relation to the Placing Shares.

REGISTRATION AND STAMP DUTY

Our fully-paid Shares are freely transferable. The Shares may be registered on the principal register of members in the Cayman Islands or on the branch register of members of our Company in Hong Kong.

Our Company's principal register of members will be maintained in the Cayman Islands by our Company's principal share registrar, Maples Fund Services (Cayman) Limited, and our Company's branch register of members will be maintained in Hong Kong by our Hong Kong branch share registrar, Union Registrars Limited.

All the Shares will be registered on the branch register of members of our Company in Hong Kong. Only Shares registered on our branch register of members maintained in Hong Kong may be traded on GEM, unless the Stock Exchange otherwise agrees. Dealings in the Placing Shares registered on the branch register of members of our Company in Hong Kong will be subject to Hong Kong stamp duty.

Unless our Company determines otherwise, dividends payable in HK\$ in respect of the Shares will be paid by cheque sent at the Shareholder's risk to the registered address of each Shareholder or, in the case of joint holders, the first-named holder.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the approval of the listing of, and permission to deal in, the Shares on GEM and the compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other

INFORMATION ABOUT THIS PROSPECTUS AND THE PLACING

date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made for the Shares to be admitted into CCASS. If investors are unsure about the details of CCASS settlement arrangement and how such arrangements will affect their rights and interests, they should seek the advice of their stockbroker or other professional advisers.

COMMENCEMENT OF DEALING IN THE SHARES

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Tuesday, 8 July 2014. Shares will be traded in board lots of 8,000 each. The stock code for the Shares is 8216.

Our Company will not issue any temporary documents of title. Dealings in the Shares on GEM will be effected by participants of GEM whose bid and offer quotations will be available on the GEM's teletext page information system. Delivery and payment for Shares dealt on GEM will be effected on the second Business Day following the transaction date. Only certificates for Shares registered on the branch register of members of our Company will be valid for delivery in respect of transactions effected on GEM. If you are unsure about the procedures for dealings and settlement arrangement on GEM on which the Shares are listed and how such arrangements will affect your rights and interests, you should consult your stockbroker or other professional advisers.

LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail. Names of any laws and regulations, governmental authorities, institutions, natural persons or other entities which have been translated into English and included in this prospectus and for which no official English translation exists are unofficial translations for your reference only.

ROUNDING

Any discrepancies in any table between totals and sums of individual amounts listed in any table are due to rounding.

Unless otherwise stated, the conversion of RMB into HK\$ in this prospectus is based on the approximate exchange rate of HK\$1.00 to RMB0.79 and the conversion of US\$ into HK\$ in this prospectus is based on the approximate exchange rate of HK\$1.00 to US\$0.13.

Such conversions shall not be construed as representations that amounts in HK\$ will be or may have been converted into RMB or US\$ at such rates or any other exchange rates, or vice versa.

DIRECTORS AND PARTIES INVOLVED IN THE PLACING
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Name	Address	Nationality
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Executive Directors

Mr. Kwan Chi Hong (關志康)	Flat E, 1st Floor The Notting Hill 1 Tung Shan Terrace Stubbs Road Hong Kong	Chinese
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Ms. Hai Hiu Chu (奚曉珠)	Room 3519, 35th Floor Sutton Court Gateway Apartment Tsim Sha Tsui, Kowloon Hong Kong	Chinese
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Non-executive Director

Mr. Mok Gar Lon, Francis (莫家麟)	Flat 901, 9th Floor, Block F Westlands Gardens 4 Westlands Road Quarry Bay Hong Kong	Chinese
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Independent non-executive Directors

Mr. Lam Cheung Wai (林章偉)	Flat D, 25th Floor, Block 31 South Horizons Ap Lei Chau Hong Kong	Chinese
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Professor Chan Chi Fai, Andrew (陳志輝)	Flat B, 10th Floor Kadoorie Mansion 205 Prince Edward Road West Hong Kong	Chinese
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Dr. Luk Yim Fai (陸炎輝)	Flat C, 31st Floor Seymour Place 60 Robinson Road Hong Kong	Chinese
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For further information regarding our Directors, please refer to the section headed "Directors, senior management and staff" in this prospectus.

DIRECTORS AND PARTIES INVOLVED IN THE PLACING
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Sole Sponsor	Halcyon Capital Limited 11th Floor, 8 Wyndham Street Central Hong Kong
Joint Bookrunners and Joint Lead Managers	Halcyon Securities Limited 11th Floor, 8 Wyndham Street Central Hong Kong Great Roc Capital Securities Limited Suite 3712, 37th Floor West Tower, Shun Tak Centre 168-200 Connaught Road Central Hong Kong
Co-Lead Managers	Cheong Lee Securities Limited Room 1106, 11th Floor, Mass Mutual Tower, 38 Gloucester Road, Wanchai, Hong Kong CNI Securities Group Limited 21st Floor, Ka Wah Bank Centre, 232 Des Voeux Road Central, Hong Kong SBI China Capital Financial Services Limited Unit A2, 32nd Floor, United Centre, 95 Queensway, Hong Kong
Underwriters	Halcyon Securities Limited 11th Floor, 8 Wyndham Street Central Hong Kong Great Roc Capital Securities Limited Suite 3712, 37th Floor West Tower, Shun Tak Centre 168-200 Connaught Road Central Hong Kong Cheong Lee Securities Limited Room 1106, 11th Floor, Mass Mutual Tower, 38 Gloucester Road, Wanchai, Hong Kong CNI Securities Group Limited 21st Floor, Ka Wah Bank Centre, 232 Des Voeux Road Central, Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE PLACING

	SBI China Capital Financial Services Limited Unit A2, 32nd Floor, United Centre, 95 Queensway, Hong Kong
Legal advisers to our Company	<i>As to Hong Kong Law</i> Troutman Sanders 34th Floor, Two Exchange Square 8 Connaught Place Central Hong Kong <i>As to PRC Law</i> King & Wood Mallesons 17th Floor, One ICC Shanghai International Commerce Centre 999 Middle Huai Hai Road Xuhui District Shanghai The People's Republic of China <i>As to Cayman Islands Law</i> Maples and Calder 53rd Floor, The Center 99 Queen's Road Central Hong Kong
Legal advisers to the Sole Sponsor and the Underwriters	Chiu & Partners 40th Floor, Jardine House 1 Connaught Place Central Hong Kong
Auditor and reporting accountant	PricewaterhouseCoopers <i>Certified Public Accountants</i> 22nd Floor, Prince's Building Central Hong Kong
Compliance adviser	Halcyon Capital Limited 11th Floor, 8 Wyndham Street Central Hong Kong

CORPORATE INFORMATION

Registered office	PO Box 309, Ugland House Grand Cayman, KY1-1104 Cayman Islands
Head office and principal place of business in Hong Kong	Unit B and C, 16th Floor, E-Trade Plaza 24 Lee Chung Street Chai Wan Hong Kong
Company website	www.bamboos.com.hk <i>(Note: contents contained in this website do not form part of this prospectus)</i>
Compliance officer	Mr. Kwan Chi Hong (關志康) Flat E, 1st Floor, The Notting Hill 1 Tung Shan Terrace Stubbs Road Hong Kong
Company secretary	Mr. Cheng Chin Wing (鄭展榮) (CPA) Room 7, 12th Floor, Block B Hamden Court 149-151 Hong Ning Road Kwun Tong, Kowloon Hong Kong
Authorised representatives (for the purpose of the GEM Listing Rules)	Mr. Kwan Chi Hong (關志康) Flat E, 1st Floor, The Notting Hill 1 Tung Shan Terrace Stubbs Road Hong Kong Mr. Cheng Chin Wing (鄭展榮) (CPA) Room 7, 12th Floor, Block B Hamden Court 149-151 Hong Ning Road Kwun Tong, Kowloon Hong Kong
Members of audit committee	Mr. Lam Cheung Wai (林章偉) (Chairman) Professor Chan Chi Fai, Andrew (陳志輝) Dr. Luk Yim Fai (陸炎輝)
Members of the remuneration committee	Dr. Luk Yim Fai (陸炎輝) (Chairman) Professor Chan Chi Fai, Andrew (陳志輝) Mr. Lam Cheung Wai (林章偉) Ms. Hai Hiu Chu (奚曉珠)

CORPORATE INFORMATION

Members of the nomination committee	<p>Mr. Lam Cheung Wai (林章偉) (Chairman)</p> <p>Professor Chan Chi Fai, Andrew (陳志輝)</p> <p>Dr. Luk Yim Fai (陸炎輝)</p> <p>Mr. Kwan Chi Hong (關志康)</p>
Members of the Compliance Committee	<p>Mr. Mok Gar Lon, Francis (莫家麟) (Chairman)</p> <p>Professor Chan Chi Fai, Andrew (陳志輝)</p> <p>Dr. Luk Yim Fai (陸炎輝)</p>
Principal share registrar and transfer office	<p>Maples Fund Services (Cayman) Limited</p> <p>PO Box 1093, Boundary Hall</p> <p>Cricket Square, Grand Cayman</p> <p>KY1-1102</p> <p>Cayman Islands</p>
Hong Kong branch share registrar and transfer office	<p>Union Registrars Limited</p> <p>18th Floor, Fook Lee Commercial Centre</p> <p>Town Place, 33 Lockhart Road</p> <p>Wanchai</p> <p>Hong Kong</p>
Principal bankers	<p>The Hongkong and Shanghai Banking Corporation Limited</p> <p>HSBC Main Building</p> <p>1 Queen's Road Central</p> <p>Hong Kong</p> <p>Bank of Communications Co., Ltd</p> <p>Hong Kong Branch</p> <p>20 Pedder Street</p> <p>Central</p> <p>Hong Kong</p>

INDUSTRY OVERVIEW

Investors should note that Clearstate has been engaged by our Company to prepare the Clearstate Report to provide an overview of the healthcare staffing solution service industry in Hong Kong and an analysis of market demand, which will be used in whole or in part in this prospectus.

The information and statistics set out in this section have been extracted from the Clearstate Report and other publicly available sources. Our Group, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Co-Lead Managers, and the Underwriters believe that the sources of the information and statistics are appropriate sources for such information and statistics and have taken reasonable care in extracting and reproducing such information. While our Group, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Co-Lead Managers and the Underwriters have exercised reasonable care in extracting and reproducing such information and statistics, our Group cannot ensure the accuracy of such information and statistics and such information and statistics may not be consistent with other information. Our Group, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Co-Lead Managers and the Underwriters have no reason to believe that such information and statistics are false or misleading or that any fact has been omitted that would render such information and statistics false or misleading. The information and statistics used in this section have not been independently verified by our Group, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Co-Lead Managers, the Underwriters and other parties involved in the Placing or their respective directors and advisers and no representation is given as to the accuracy of such information and statistics. You should not place undue reliance on any of such information and statistics contained in this section.

So far as our Directors are aware of, there is no adverse change in the market information since the date of the Clearstate Report which may qualify contradict or have an impact on the information in this section.

SOURCE OF INFORMATION

We commissioned Clearstate, an Independent Third Party, to conduct an industry analysis of healthcare staffing solution services in Hong Kong and produce the Clearstate Report. A fee of approximately US\$33,800 (excluding any disbursements) is payable to Clearstate for the preparation of the Clearstate Report. We believe that the fees are reasonable for the preparation of an industry report by an independent third-party consultant. The information and statistics set forth in this section have been extracted from the Clearstate Report. The sources cited in this section are in the form provided in the Clearstate Report, unless otherwise noted.

Clearstate is the subsidiary of Economist Intelligence Unit, a global market research company with main offices located in London, United Kingdom, New York, the US and Hong Kong. Clearstate is a market intelligence firm offering customised advisory and primary research services specifically addressing the healthcare and life sciences domains in the Asia Pacific region.

INDUSTRY OVERVIEW

Our Directors confirm that Clearstate, including all of its subsidiaries, divisions and units, are independent of and not connected with us (within the meaning of the GEM Listing Rules) in any way. Clearstate has given its consent for us to quote from the Clearstate Report and to use information contained in the Clearstate Report in this prospectus.

The information contained in the Clearstate Report is derived by means of fact-based analytics and information sourcing which include: (i) literature review comprises Clearstate's database on Hong Kong hospital and analysis of healthcare market in Hong Kong, Economist Intelligence Unit's database on macro-economic data and analysis of healthcare systems regulatory environment and secondary research from external sources including government and associations reports, marketing collaterals and web-based information on competitor's offerings; and (ii) in-depth interviews with customers, including hospitals, nursing homes and individuals, healthcare personnel as well as key opinion leaders including competitors and regulators. According to Clearstate, this methodology ensures a multi-level information sourcing process, where information gathered was able to be cross-referenced to ensure accuracy. The information sourced by Clearstate was analysed, assessed and validated using their in-house analysis models and techniques.

The following parameters and assumptions were considered when analysing the market size model in the preparation of the Clearstate Report:

- The total number of healthcare personnel (base on the total number of RN, EN, HCA, HW, PCW and workman) in Hong Kong from 2011 to 2013
- The respective ratio of healthcare personnel (including RN, EN, HCA, HW, PCW and workman) working in private sector to the total number of healthcare personnel in Hong Kong from 2011 to 2013
- The number of healthcare personnel performing services in healthcare staffing solution service industry from 2011 to 2013
- The volume of the services performed by healthcare personnel in healthcare staffing solution service industry from 2011 to 2013
- The average annual working hours of healthcare personnel for respective rank placed by our Group from 2011 to 2013
- The industry's average charge-out rate of healthcare personnel for respective rank
- It is assumed that the majority of the healthcare personnel participated in the healthcare staffing solution service industry are of the ranks of RN, EN, HCA, HW, PCW and workman

INDUSTRY OVERVIEW

RELIABILITY OF INFORMATION IN THE CLEARSTATE REPORT

Our Directors are of the view that sources of information used in this section are reliable as the information was extracted from the Clearstate Report. Our Directors believe the Clearstate Report is reliable and not misleading as Clearstate is an independent professional research agency with extensive experience in their profession.

FUTURE FORECAST IN THE CLEARSTATE REPORT

Analyses, projections and data relating to future periods in the Clearstate Report are based on the following bases and assumptions:

- no external shock, such as the outbreak of diseases;
- no significant change in government regulations and policies towards the healthcare system;
- no major price cuts and competitive changes within industry that may dramatically impact industry dynamics; and
- the government's investments in number of hospital beds and nursing homes will be implemented in phased version with no major cuts in budgets and investments forecasted.

In the preparation of the projections relating to future periods and factor affecting growths, Clearstate has considered various growth drivers / barriers including, among others:

- Ageing population
- Investment of the government of Hong Kong in healthcare services
- Investment of the government of Hong Kong in social welfare
- Limited number of permanent healthcare personnel
- Limited pool of healthcare personnel working in the private sector

Some of the analytical conclusions extracted from the Clearstate Report cover future forecasts. Our Directors and the Sole Sponsor consider such information to be reliable and not misleading after taking into account the following factors:

- (a) Clearstate is an independent professional research agency with extensive experience in their profession; and

INDUSTRY OVERVIEW

- (b) although the Clearstate Report contains forecast of the development of the healthcare staffing solution service industry in Hong Kong, it does not contain future performance forecast of our Group.

HEALTHCARE SERVICE INDUSTRY IN HONG KONG

There is a mixture of public and private hospitals in Hong Kong. The number of public hospitals has maintained at 38, accounting close to approximately 90% of the hospitals beds in Hong Kong. There are 11 private hospitals, which account for approximately 10% of hospital beds and prior to 2013, has not grown much with time. The government of Hong Kong is actively pursuing the construction, expansion and redevelopment of public hospitals and has recently allocated additional pieces of land for development of new public and private hospitals with estimated additional of over 3,000 new beds in the next decade.

There were approximately 785 RCHes in Hong Kong as at 31 March 2014. The number of (i) subvented, self-financing and contract homes providing subsidised places; (ii) self-financing and contract homes providing non-subsidised places; and (iii) private homes in Hong Kong was approximately 153, 73 and 559 respectively. There is a general shortage of nursing homes in Hong Kong. As of 30 April 2014, there were 29,450 elderly people on the waiting list for various types of subsidised residential care services. The growing elderly population in Hong Kong in the next three decades is expected to make the problem worse.

There were approximately 277 residential care homes for persons with disabilities in Hong Kong as at 1 May 2014.

Types of Healthcare Personnel

Set out below are the main types of healthcare personnel involved in the healthcare service industry in Hong Kong:

Healthcare Professional Personnel

Healthcare professional personnel refers to RNs and ENs. According to the Nursing Council, as at 31 December 2013, there were 45,846 RNs and ENs and RNs are registered under the categories of general, psychiatric, mentally sub-normal and sick children.

ENs generally carry out nursing duties and at times are under the supervision of RNs.

A 2010 manpower survey of RNs indicated that approximately 78.4% of RNs who responded to survey were active. About 21.6% of RNs were inactive, either practicing overseas or not seeking jobs. Distribution by sector for the main job showed that more than half (64.6%) of the active registered nurses enumerated were working in the Hospital Authority, followed by those working in the private sector (16.2%), the government of Hong Kong (10.1%) and the academic

INDUSTRY OVERVIEW

and subvented sectors (8.8%). Similar survey run on ENs in 2012 indicated that approximately 81.1% of ENs who responded to survey were active. About 18.9% of ENs were inactive, either practicing overseas or not seeking jobs. The larger proportion (43.2%) of the active ENs enumerated was working in the Hospital Authority, followed by those working in the private sector (27.6%), the subvented sector (21.2%), the government of Hong Kong (7.1%) and the academic sector (0.4%).

Healthcare Supporting Personnel

Healthcare supporting personnel refers to HCAs, HWs, PCWs or care workers and workmen. Some of these healthcare personnel require training certificates. According to Clearstate, there were approximately 23,000 HCAs, 13,700 HWs, 9,400 PCWs and 1,800 workmen in the healthcare sector in Hong Kong in 2013. While the majority of the healthcare supporting personnel work for the Hospital Authority or other public institutions, about 15-30% work for the private sector.

HCAs generally work in hospitals and their duties typically include assisting RNs and ENs, feeding, lifting and maintaining hygiene of patients.

HWs are trained to provide nursing care to elderly. They can perform duties such as wound care, blood pressure measurement, and dispensing of medication. HWs also supervise care staff in nursing homes.

PCWs or care workers generally work at RCHes and take care of daily personal care duties for the elderly. Some care workers are trained and have PCW qualifications.

Workmen are generally employed as ward attendant in hospitals and as ancillary worker in RCHes.

Supplementary Medical Professionals

Supplementary medical professionals refer to therapists such as PTs and OTs. In Hong Kong, all OTs are required to be registered with the Occupational Therapists Board and all PTs are required to be registered with the Physiotherapists Board.

Permanent and Temporary Healthcare Workforce

Healthcare institutions normally employ permanent healthcare workforce for provision of healthcare services. However, a shortage of permanent healthcare workforce in healthcare institutions has been a prolonged problem in Hong Kong. Healthcare staffing solution service providers provide an alternative to healthcare institutions to meet their staffing needs. The proportion of permanent and temporary healthcare workforce in healthcare institutions varies from ranks and institutions. Clearstate's interviews with nursing directors at private and public hospitals in Hong Kong indicated that there is no specific

INDUSTRY OVERVIEW

pattern or percentage of temporary healthcare personnel to permanent healthcare personnel for various roles. The use of permanent or temporary healthcare workforce varies based on specific breakdown of permanent healthcare workforce. For instance, some hospitals face issues whereby senior nurses are retiring whereas some have situations where a few nurses are on maternity leave. This affects their use of temporary healthcare workforce. There are also variations in practice of hospitals in using temporary healthcare workforce. Some hospitals use temporary healthcare workforce once a shift-duty is found vacant; while some have the practice to reallocate their own manpower resources among different shifts, or to let other permanent healthcare personnel work extra on the vacant shifts before they think of using temporary healthcare workforce.

According to the NGO Salary Survey Report 2013 published by The Hong Kong Council of Social Service, there are five positions (which are all healthcare positions) in NGOs which face persistent recruitment difficulties. These positions are, with level of recruitment difficulty in descending order, workmen, RN, EN, PT and PCW. The same report in 2012 indicates that due to demand in services, there was shortage of healthcare staff in nursing homes and almost 30% of them used services provided by temporary healthcare personnel with the usage quantity of each service unit reaching approximately 1,107 hours per month, which suggested that the demand for healthcare staffing solution services remains strong.

According to nursing manpower surveys conducted by Association of Hong Kong Nursing Staff in 2012 and 2013, there were approximately 51.2% and 36.2% of nurses indicated that vacant permanent positions in their work place were not filled up completely or at all within six months in HA hospitals in 2013 and social service units run by NGOs in 2012 respectively. According to the Clearstate Report, healthcare institutions use temporary healthcare personnel for its flexibility as temporary healthcare personnel can fill vacancies in a timely manner and there is generally no obligation to keep the temporary healthcare personnel when the position is filled. As such, healthcare staffing solution service providers help to ease the pressure of recruitment difficulties. Furthermore, the key benefits derived from temporary healthcare workforce or the adoption of a right mix of temporary work arrangements (such as the flexibility to adjust staffing levels at short notice to cater for business, seasonal or fluctuating needs and the minimisation of on-going costs of business operation) in the face of the lingering uncertainty about the economy and the inflation's effect on economy in general will maintain the demand for temporary healthcare work force or may cause a gradual shift towards a less committed relationship between an employer or a business entity and its workforce. Despite this, temporary healthcare personnel cannot substitute the permanent workforce for its stability.

To ease the long-standing shortage of the permanent healthcare workforce, the government of Hong Kong has also been providing funding to support social service organisations in recruiting and retaining healthcare staff and has provided an additional funding of HK\$356 million for the three-year period from

INDUSTRY OVERVIEW

2012-13 to 2014-15 to support certain types of RCHes in recruiting and retaining healthcare staff. According to the Policy Address 2014, to cope with the demand for healthcare personnel in Hong Kong, and to provide the younger generation with more employment options, the government of Hong Kong introduced a “first-hire-then-train” pilot scheme through the Lotteries Fund in 2013. Under the scheme, young people are recruited to provide care services at RCHes and are provided with subsidies to pursue a two-year part-time programme offered by the Open University. The government of Hong Kong has earmarked funding to expand it to cover rehabilitation services and provide an additional 1,000 places in the coming few years.

HEALTHCARE STAFFING SOLUTION SERVICE INDUSTRY IN HONG KONG

Overall Market Conditions

Companies in the healthcare staffing solution service industry in Hong Kong provide temporary, per-diem and contract staffing placement services of healthcare personnel to individuals and healthcare institutions such as hospitals and nursing homes. These companies offer a range of healthcare personnel to their clients including healthcare professional personnel such as ENs and RNs, and healthcare supporting personnel such as HCAs, HWs, PCWs and workmen. The use of healthcare personnel and needs vary by type of clients. Related services provided by these companies generally include pre-registration screening, performing background checks and interviewing healthcare personnel.

Types of Clients

The use of healthcare personnel and needs vary by the type of clients. A summary of the healthcare staffing needs of different types of clients is set out below.

Hospitals (HA and private hospitals)

The main types of healthcare personnel required by hospitals includes RNs, ENs, HCAs and workmen. Hospitals use temporary healthcare personnel to deal with temporary staffing shortages and when faced with inadequate number of hospital staff that typically occurs in critical care and emergency services. Hospitals also hire temporary healthcare personnel to support special projects/programmes for fixed durations.

The approval process to use temporary healthcare personnel is lengthier and more complex for the hospitals under HA as compared to private hospitals, as approval is required at both individual hospital and cluster level. Nursing directors at private hospitals can decide and approve use of temporary healthcare personnel and can thus act faster in recruiting temporary staff.

INDUSTRY OVERVIEW

RCHEs, elderly day care centres and rehabilitation centres

The main types of healthcare personnel require by these institutions includes HWs, PCWs and workmen. These institutions use temporary healthcare personnel to deal with temporary staffing shortages and when faced with inadequate number of full time staff.

Private individuals

Private Individuals mainly require RNs, ENs, HCAs, HWs and PCWs to provide homecare for them within their own home. Nursing care includes wound dressing, injections, changing of feeding tube and specialist or general healthcare services.

Pharmaceutical companies

Pharmaceutical companies mainly require RNs and ENs to support their injection services or clinical research programmes.

Key Market Driven Factors

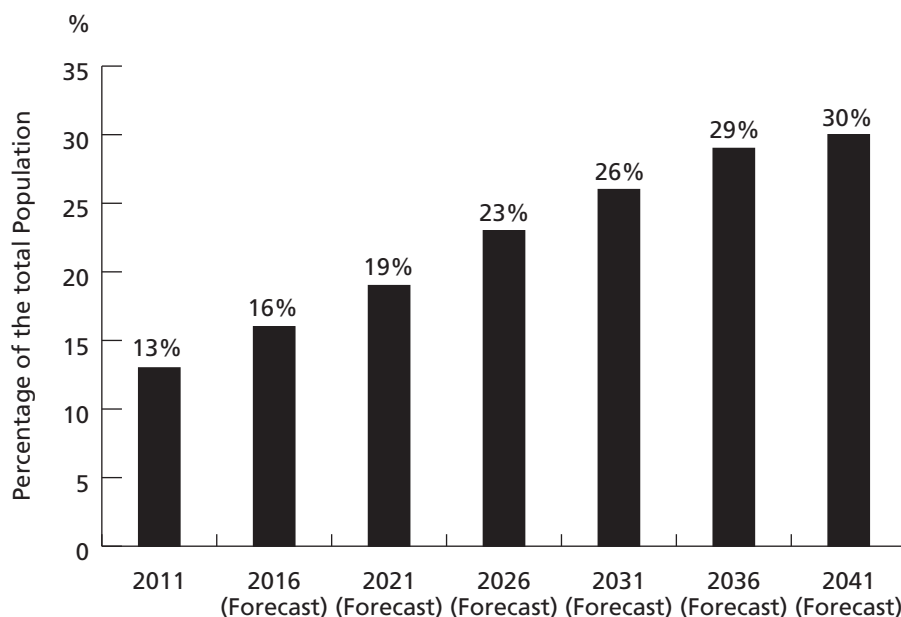
Increase in demand for healthcare services with ageing population

According to the Clearstate Report, the demand for healthcare staffing solution services is largely driven by Hong Kong's ageing population.

According to the Census and Statistics Department, the population is expected to maintain an ageing trend. The proportion of the population aged 65 and over is projected to rise from approximately 14.7% in 2014 to approximately 18.9% in 2021 and approximately 30.3% in 2041. On the other hand, the elderly dependency ratio, that is the number of persons aged 65 and over per 1 000 persons aged between 15 and 64, is projected to rise from 177 in 2011 to 272 in 2021 and 497 in 2041.

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Sets out below is the population age 65 and above as a percentage of the total population:



Source: Census and Statistics Department, HKSAR

As reported in the Thematic Household Survey Report No. 50, issued by the Census and Statistics Department in January 2013, persons aged 65 and over have the highest rates of hospitalisation (approximately 16.5%) than persons in other age groups. Moreover, elderly who are over the age of 65 have a higher rate of using nursing services and allied health services than the non-elderly. Reported in the Hospital Authority Statistical Report (2011-2012), among the new patients of new cases of Community Nursing Services, approximately 86.7% are aged 65 or above. The cost of services for persons aged 65 or above accounted for approximately 45.5% of total cost of services in HA in 2012-2013.

According to the Clearstate Report, Hong Kong's ageing population is creating more healthcare services consumption. As such, hospitals and RCHes need to provide more services to meet the needs, which will in turn increase in the demand for healthcare personnel. If the shortage of healthcare personnel persists, especially for permanent healthcare personnel for RCHes, healthcare institutions will likely need to use temporary healthcare personnel to augment staffing needs and drive the demand for healthcare staffing solution services. On the other hand, increase in the population of elderly will also create more consumption of home care services, as elderly has higher rate of using nursing services and allied health services.

INDUSTRY OVERVIEW

Limited permanent workforce

According to the Clearstate Report, the limited full-time permanent healthcare workforce is a major factor driving the demand of healthcare staffing solution services. There is a shortage of permanent qualified healthcare personnel in Hong Kong, especially RNs and ENs, and has been an on-going concern for the past few years. Furthermore, some healthcare personnel are more interested in taking up temporary rather than permanent positions. This group of healthcare personnel prefers taking up duty opportunities from healthcare solution services providers as this mode of working provides comparatively more flexibility, job varieties, better work/life balance and is perceived to be less stressful and taxing than being in a permanent position. Set out below is the relevant information in relation to the specific rank of healthcare personnel in Hong Kong:

Healthcare professional personnel

There were 45,846 nurses registered with the Nursing Council of Hong Kong as at 31 December 2013, approximately 75% and 25% of which are RNs and ENs respectively. The number of nurses in Hong Kong increased at a CAGR of approximately 4.1% from 2008 to 2013. Existing laws and regulations make it difficult for large supply of nurses via recruiting foreign healthcare personnel; currently less than 6% of nurses in Hong Kong are non-local-trained. As such, the main source of new nurses will be via training programmes.

According to the Clearstate Report, Hong Kong suffers a shortfall of approximately 1,000 nurses per year as the growth in demand combined with departures from the field exceeds the number of new nurse graduates. In some areas, almost 80% of departing nurses are not replaced within six months. Although the number of nurses increased by 2,388 and 2,148 in year 2012 and 2013 respectively (the increase of which was higher than previous years, by approximately 1,000 nurses), healthcare institutions still face stiff competition for nurse graduates. For instance, in 2012, there was a shortfall of about 850 nurses in HA; and in 2012– 2013, the net increase of nurses in HA was approximately 900, which fell short of its need to intake 1,700 additional nurses every year. EN training places are to increase by 1,200 in the five-year starting from 2013, with an aim to relieve the shortfall in nursing supply.

As hospitals have experienced high turnover and/or loss of healthcare personnel, their use of temporary, per-diem and contract staffing placements services to sustain healthcare services is expected to continue.

INDUSTRY OVERVIEW

Healthcare supporting personnel

There were 12,200 HWs registered under the Social Welfare Department and approximately 8,600 care workers working in nursing homes as at 1 January 2013. Although there are approximately 1,500 HW graduates eligible to register under the Social Welfare Department every year, only approximately 30.0% of registered HWs remain working in nursing homes.

Minimum wage requirement was implemented starting in 2011, resulting in staffing challenges for healthcare institutions especially RCHes. In 2012, approximately 1,800 employees working in RCHes left the industry. This was mainly due to healthcare personnel switching to other jobs that were less tiring or with a more pleasant working environment or with better pay resulted from the increase in minimum wage. As such, healthcare institutions such as RCHes faced increased difficulty in recruiting permanent staff. This resulted in increased use of healthcare staffing service providers who are also able to provide access to a larger pool of healthcare personnel who might be willing to work on part time basis.

According to the manpower statistics of HA, the total number of Care Related Support Staff ("CRSS"), which comprises HCAs and workmen, increased from approximately 8,329 in 2008-2009 to approximately 11,048 in 2012-2013, with a growth rate of about 33.7%. In HA, the ratio of CRSS to nurses increased from approximately 0.427 in 2008-2009 to 0.506 in 2012-2013, representing that for every 2 RNs/ENs, there is approximately 1 CRSS. It is expected that the demand for HCAs and workmen will sustainably grow.

According to the Clearstate Report, if the government increases the supply of permanent healthcare personnel by significantly ramping up training programs or increasing budget to support healthcare institutions to hire permanent healthcare staff, it will curtail the effect of this market driven factor and hence the demand for institutional healthcare staffing solution services may be greatly affected. However, according to the Clearstate Report, taking into account of policies and budget of government of Hong Kong on the supply of healthcare personnel, assistance to healthcare institutions in recruitment and retention of permanent healthcare workforce, the enhancement of healthcare services and social welfare and investments in healthcare infrastructure (as detailed below), it is expected that the increase in demand for permanent healthcare workforce resulted from enhancing healthcare services cannot be fully satisfied by the increase in supply of permanent healthcare workforce and the demand for institutional healthcare staffing solution services remains growing in the short and medium terms.

INDUSTRY OVERVIEW

The government of Hong Kong increased budget to enhance healthcare services and social welfare

In the Policy Address 2014, the government of Hong Kong advocates “Ageing in Place” and launched the Pilot Scheme on Community Care Service Voucher (長者社區照顧服務券試驗計劃) for the Elderly in September 2013 and adopted a “money-following-the-user” approach that enables eligible elderly people to use vouchers to acquire community care services of their choice. The government of Hong Kong also plans to study the feasibility of adopting similar subsidy mode for the elderly for residential care services, the government of Hong Kong has earmarked approximately HK\$800 million to meet the expenses incurred in issuing a total of 3,000 residential care service vouchers in three phases from 2015-16 to 2017-18.

An additional funding of HK\$660 million on annual expenditure is to be imposed on elderly services according to the Budget 2014 to 2015. HK\$170 million will be allocated for providing 1,500 additional places for the enhanced home and community care services, and widening the scope of home care services for these additional places and the existing 5,600 places to strengthen the support for frail elderly persons living at home. The government of Hong Kong will also inject HK\$10 billion into the Lotteries Fund to implement the Special Scheme on Privately Owned Sites for Welfare Uses to provide additional places for elderly and rehabilitation services.

Expenditures on healthcare services for 2014 to 2015 will reach HK\$56.7 billion. A grant of HK\$13 billion was approved for the HA, which covers the provision of approximately 800 additional beds in 11 hospitals; renovation and expansion of hospital facilities. According to the Clearstate Report, such increase in budget will result in more healthcare service capacity either through upgrading or creating new places, and hence the need for more healthcare personnel. For the shortage of nurses and difficulty in hiring permanent healthcare personnel persists, it is expected that healthcare institutions will need to use healthcare staffing solution services to augment their needs. Furthermore, even if there is sufficient permanent healthcare workforce to fill up the increasing demand of healthcare service, it is expected that healthcare institutions may still require healthcare staffing solution services to fill vacancies during leaves of permanent workforce.

The investments of the government of Hong Kong in healthcare infrastructure

The government of Hong Kong is investing in healthcare infrastructure in both HA and private hospitals. It is actively investing in the construction, expansion and redevelopment of HA hospitals. The construction of Tin Shui Wai Hospital and Hong Kong Children’s Hospital and the expansion of United Christian Hospital and redevelopment of Kwong Wah Hospital were commenced. The government of Hong Kong plans to spend \$55 billion on redevelopment and

INDUSTRY OVERVIEW

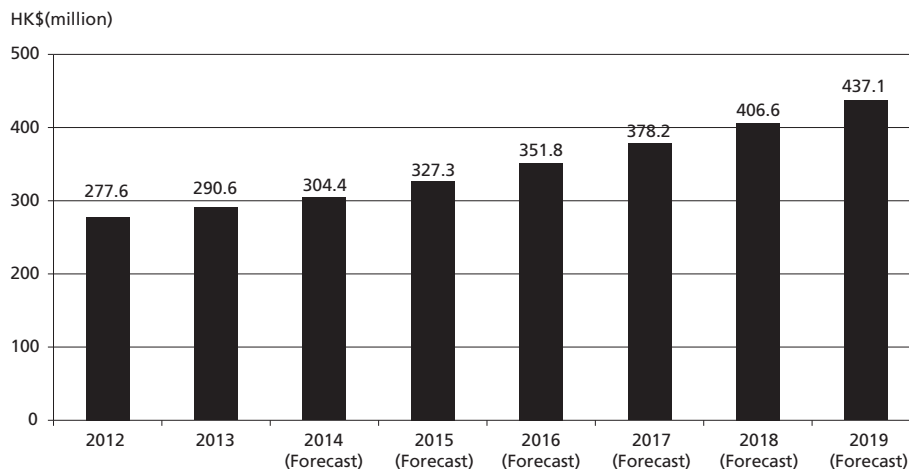
expansion projects to improve public healthcare facilities and provide 1,400 additional hospital beds. Besides, construction of an acute general hospital in the Kai Tak Development Area is being considered.

In March 2014, the government of Hong Kong announced that it may loan HK\$45 billion, which comes from a HK\$50 billion fund earmarked by the previous administration to support a reform of health insurance, to non-profit organisations to run private hospitals in a bid to ease the burden on the public healthcare sector. The expected increase in hospital beds will result in additional need for healthcare personnel for the provision of healthcare services. The jump in new beds by the next 5 years is high, and will create further pressure for the ongoing shortage of healthcare personnel especially with retirement of senior nurses. Given that the number of healthcare personnel and the number of beds are not increasing at the same pace hospitals will likely have to turn to healthcare staffing solution service providers for staffing needs. Furthermore, even if there is sufficient permanent healthcare workforce to fill up the increasing demand of healthcare service, it is expected that healthcare institutions may still require healthcare staffing solution services to fill vacancies during leaves of permanent workforce.

MARKET OF THE HEALTHCARE STAFFING SOLUTION SERVICE INDUSTRY IN HONG KONG

The total gross fees generated from the healthcare staffing solution service industry increased from approximately HK\$277.6 million for the year ended 30 June 2012 to approximately HK\$290.6 million for the year ended 30 June 2013, at a growth rate of approximately 4.7% over the year. The total gross fees for the healthcare staffing solution service industry is projected to reach from approximately HK\$304.4 million in June 2014 to approximately HK\$437.1 million in June 2019 with a CAGR of approximately 7.5% between 2014 and 2019.

Total Gross Fees of Healthcare Staffing Solution Service Industry in Hong Kong



Source: Clearstate analysis with projections

INDUSTRY OVERVIEW

COMPETITIVE LANDSCAPE OF THE HEALTHCARE STAFFING SOLUTION SERVICE INDUSTRY IN HONG KONG

According to the Clearstate Report, the healthcare staffing solution service industry in Hong Kong is dominated by two top players. The rest of the market is fragmented among smaller players. Most of the players are privately owned local companies, with a few that are affiliated with international healthcare group or to local NGOs. Majority of the market players provide both healthcare staffing solution services for healthcare institutions and private nursing staffing service for individuals.

Below table summarises the profiles of Bamboos PNS and key competitors as at the Latest Practicable Date:

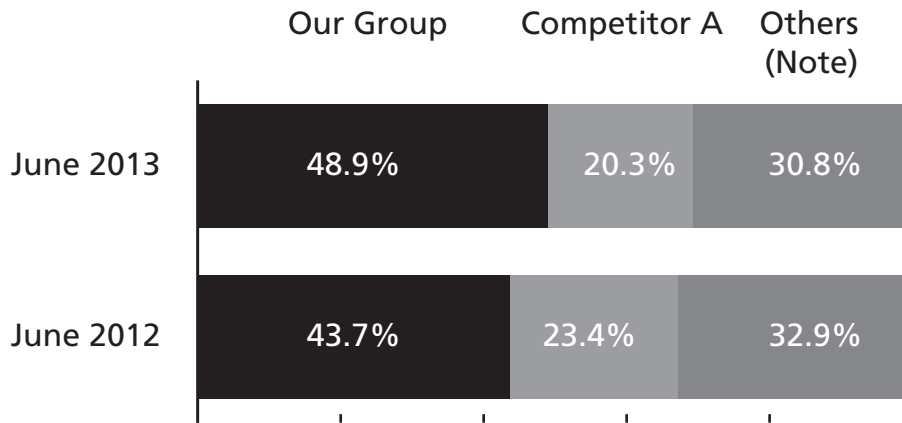
	Bamboos PNS	Competitor A	Competitor B	Competitor C	Competitor D	Competitor E
Company Background	<ul style="list-style-type: none"> Founded in 2009 	<ul style="list-style-type: none"> Commenced healthcare/nursing solution service in 1975 	<ul style="list-style-type: none"> Established in 2010 	<ul style="list-style-type: none"> Commenced service in 2009 	<ul style="list-style-type: none"> Founded in 1994 	<ul style="list-style-type: none"> Founded in 1997
Key Services Offered	<ul style="list-style-type: none"> 24-hour institutional staffing solution service 24-hour private nursing solution service 	<ul style="list-style-type: none"> 24-hour institutional staffing solution service 24-hour private nursing solution service 	<ul style="list-style-type: none"> 24-hour private nursing solution service 	<ul style="list-style-type: none"> 24-hour private nursing solution service (focus on elderly) 	<ul style="list-style-type: none"> 24-hour institutional staffing solution service 24-hour private nursing solution service 	<ul style="list-style-type: none"> 24-hour institutional staffing solution service 24-hour private nursing solution service
Key differentiation	<ul style="list-style-type: none"> Largest database of healthcare personnel (over 13,400) among competitors ISO 9001 and 10002 certified Strong brand awareness among clients and healthcare personnel 	<ul style="list-style-type: none"> Large database of healthcare personnel (over 8,000) Strong branding recognition ISO 9001 certified 	<ul style="list-style-type: none"> Focus on high-end and high net-worth clients Focus on nursing escort and repatriation service 	<ul style="list-style-type: none"> Focus on elderly care and rehabilitation care at home 	<ul style="list-style-type: none"> One of the earliest nursing agencies in Hong Kong Well recognised by institutional clients 	<ul style="list-style-type: none"> Offer specialised physical, occupational and speech therapy Offer baby care, prenatal, postpartum care and hospital supporting service

Source: Clearstate interviews and competitors' websites

Our Group accounted for approximately 48.9% of the market size in terms of gross fees for the year ended 30 June 2013, which was calculated by our Group's total gross fees for the year ended 2013 over the total market size in terms of gross fees for the year ended 30 June 2013. According to Clearstate, during the Track Record Period, the charge-out rate for each rank of healthcare personnel was in an increasing trend and with minimal variation (up to 5% difference) across market players (including our Group) in the industry.

INDUSTRY OVERVIEW

Healthcare Staffing Solution Service Industry in Hong Kong (Percentage of market share in terms of gross fees*)



Source: Clearstate analysis

* The market share information was derived in terms of gross fee based on Clearstate's primary and secondary research conducted and was not derived in terms of revenue (being gross fee net of costs payable to healthcare personnel) due to limitations in obtaining detailed and credible market information. Such market share information, if derived based on revenue, may vary among market players.

Note: Other market players including Competitors B to E

According to the Clearstate Report, in order for the players in the healthcare staffing solution service industry to remain competitive, such players have to: (i) provide quick access to large pool of qualified healthcare personnel; (ii) provide flexible healthcare staffing service; and/or (iii) adopt standardised management process over healthcare personnel screening and matching. The behavior of healthcare institutions and pharmaceutical companies tends to gear towards more reputable and larger scale healthcare staffing solution service providers due to quicker access to a larger pool of qualified healthcare personnel. Clients are likely to reuse certain healthcare staffing solution service providers unless there are service quality issues. It tends to be more competitive in the individual client segment as smaller healthcare staffing solution service providers might offer lower prices. However, increased consumer awareness on credibility of the service providers benefits larger scale and reputable healthcare staffing solution service providers.

INDUSTRY OVERVIEW

ENTRY BARRIERS FOR NEW PLAYERS

According to Clearstate, there are three key entry barriers for the new players to gain market share against established players in the healthcare staffing solution service industry:

Hard to establish vast healthcare personnel pool with limited active resources

There are diversified types of clients in Hong Kong market while each of them has varied demand for healthcare services. To gain significant market share, players need to offer comprehensive staffing solution services to address varied demand. This requires access to different types of healthcare personnel. A new player will face difficulty to gain awareness and attract healthcare personnel to register with them. Even though healthcare personnel may register with a few agencies, they prefer to work with larger agencies who are able to provide more healthcare duty opportunities.

Difficult to build strong brand awareness

Both private and institutional clients prefer to choose top players as their service provider, due to strong brand confidence. As such, it is not easy for new players to establish good reputation and relationship offering same range of services in a short period of time, especially with pricing rates being similar.

Difficult to provide high quality level of service for large pool of clients and healthcare personnel

It is difficult for smaller market player who lacks of adequate financial and human resources to provide high quality of service to large pool of clients and healthcare personnel with appropriate processes and systems in place.

COMPETITIVE ADVANTAGES OF OUR GROUP

According to the Clearstate Report, our Group has the following competitive advantages:

Comprehensive staffing services with large pool of healthcare personnel – our Group is able to provide individual and institutional clients with comprehensive services in terms of large diversified pool of healthcare personnel of various ranks. This differentiates it from niche or smaller players who offer only services from specific healthcare personnel. Sufficient size of pool is an important factor to enable our Group to meet the demands from its clients.

Quick client response – our Group responds to clients enquiries quickly. It clients, which allows clients great flexibility. Some major competitors have very slow response time, often taking up to half a day to respond to clients' enquiries or there is no answer to their customer hotline. Our ability to respond quickly improves level of competitiveness.

INDUSTRY OVERVIEW

Advanced management systems – our Group is the only player among among key competitors that receive ISO 10002 accreditation in addition to ISO9001 accreditation. ISO9001 accreditation ensures a quality management system is in place, while ISO10002 ensures that complaint management processes are applied, thereby improving level of services provided to clients.

Engagement of healthcare personnel – our Group has a portal to engage healthcare personnel registered with us, improving and increasing the level of communication. This contrasts to competitors' websites that typically are more client oriented. Interviews indicate that healthcare personnel are satisfied with the duties that they are assigned by our Group as it offers more working opportunities per active healthcare personnel.

High brand awareness – interviews indicate that our Group has high brand awareness within the industry, with a good reputation. Both institutional and individual clients have positive perceptions of our Group as a credible and professional company and are satisfied with our Group being able to accurately deliver healthcare staffing solution services with the right healthcare personnel efficiently.

Effective use of multiple media – our Group uses multiple media channels such as its website along with a social communication platform. BamBoOs! Life helps to reinforce brand image and retain high awareness as it focuses on lifestyle instead of just providing health information.

Platform with various duty opportunities and flexibility – our Group has developed a platform through which healthcare personnel registered with us are placed with various duty opportunities which fit their working preferences and flexible working schedules, and such platform is attractive to those healthcare workforce who prefers flexible or temporary working opportunities, strives for better work/life balances, or desires to experience different job natures and environments, and to those healthcare workforce who cannot take up permanent or fixed working commitments.

PROSPECTS OF THE HEALTHCARE STAFFING SOLUTION SERVICE INDUSTRY IN HONG KONG

According to the Clearstate Report, the current healthcare staffing solution service industry in Hong Kong is experiencing moderate growth due to ongoing shortage of healthcare personnel in Hong Kong. Source of growth will likely be from individual clients and nursing homes hiring healthcare personnel primarily due to ageing population and difficulty in hiring permanent healthcare personnel. The growth rate is expected to remain stable.

According to Clearstate Report, the growth rate in demand for healthcare personnel in HA hospital and pharmaceutical company segments will remain stable, while there will be a slight increase in growth in private hospital and nursing home segments due to the expansion of private hospitals and additional

INDUSTRY OVERVIEW

government investment in nursing homes. The growth rate in the private individual segment will increase with the growing elderly population in Hong Kong.

NO ADVERSE CHANGE OF THE MARKET INFORMATION

So far as our Directors are aware, there is no adverse change in the market information since the date of the Clearstate Report which may qualify, contradict or have an impact on the information in this section.

REGULATIONS

This section of the prospectus contains a summary of certain laws and regulations currently relevant to our Group's operations and the healthcare staffing solution service industry. Having made all reasonable enquiries and to their best knowledge, our Directors confirm that save as disclosed in this section and the sections headed "Risk factors" and "Business" in this prospectus, our Group has complied with all material applicable laws and regulations in Hong Kong, where our Group operated during the Track Record Period and as at the Latest Practicable Date and has obtained all necessary permits, licences and certificates for our operations.

LAWS AND REGULATIONS RELATING TO OUR GROUP'S BUSINESS AND THE HEALTHCARE STAFFING SOLUTION SERVICE INDUSTRY

Hong Kong laws and regulations relating to our business

There is at present no specific legislation governing the provision of healthcare staffing solution services in Hong Kong, save and except legislation governing the collection, retention, use and exchange of personal data and information. Other than the usual legal requirements for business operations in Hong Kong, such as registration with the Business Registration Office, there is no specific licence necessary for our principal business. Our Group has maintained an employment agency licence issued by the Labour Department, details of which are set out in the section headed "Business – Licenses and permits" in this prospectus.

Our Group, as a data user, has complied with the requirements of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) to ensure that personal data kept are accurate, securely kept and used only for the purpose for which they have been collected.

Our Group's publication of BamBoOs! Life is governed by the Books Registration Ordinance (Chapter 142 of the Laws of Hong Kong).

Personal Data (Privacy) Ordinance

The Personal Data (Privacy) Ordinance protects the privacy interests of living individuals in relation to personal data. The ordinance covers any automated and non-automated data relating directly or indirectly to a living individual and applies to both public and private bodies as data users that control the collection, holding, processing or use of personal data. There are six principles under the Personal Data (Privacy) Ordinance, which set out the principles in respect of the purpose and manner of collection of data, the accuracy and duration of retention of data, the use of personal data, the security of personal data, the information to be generally available and the access to personal data. In general, the personal data shall be lawfully and fairly collected and steps should be taken to ensure that the data subject is explicitly or implicitly informed on or before collecting the data. Personal data should also be accurate,

REGULATIONS

up-to-date and kept no longer than necessary while unless with the consent from the data subjects, personal data should be used for the purposes for which they were collected or a directly related purpose.

The Office of the Privacy Commissioner for Personal Data is the governing body to promote, administer and oversee the enforcement of the Personal Data (Privacy) Ordinance. It has the power to carry out inspections of any personal data systems, to receive complaints from individuals and to investigate data users in respect of the complaints filed.

Books Registration Ordinance

Publications in Hong Kong are generally governed by the provisions of the Books Registration Ordinance (Chapter 142 of the Laws of Hong Kong). Books, including our Group's magazine namely "BamBoOs! Life" is governed by the Books Registration Ordinance (Chapter 142 of the Laws of Hong Kong).

The Books Registration Ordinance provides that the publisher of a new book shall, within one month after the books is published, printed, produced or otherwise made in Hong Kong, deliver to the Books Registration Office, which is under the administration of the Hong Kong Public Libraries, Leisure and Cultural Services Department, free of charge five copies of the book, together with all maps, prints or other engraving belonging to the book properly bound, sewed or stitched and produced on the best paper on which the book and any map, print or other engraving thereto is printed or produced. It also requires that the publisher of the book shall, within such period as specified by the Books Registration Office, forward to the Secretary for Home Affairs in writing such particulars of the book for registration. Failure to comply with the said requirements under the Books Registration Ordinance shall be liable on conviction to a fine of HK\$2,000. The Books Registration Office is the governing body responsible for the Books Registration Ordinance as well as the registration and presentation of local published or printed books.

Save as disclosed in the paragraph headed "Compliance with statutory requirements in Hong Kong and regulatory requirements in the PRC" in the section headed "Business" in this prospectus, our Group has complied with the applicable laws and regulations in relation to the publications of books in Hong Kong.

Hong Kong laws and regulations relating to our planned business in future

Our Group planned to introduce point-to-point pick up service to support individual clients using our private nursing staffing service in Hong Kong. Details of which are set out in the section headed "Business – Our strategies" and the section headed "Future plans and use of proceeds" in this prospectus. The said point-to-point pick up service is governed by the Road Traffic Ordinance (Chapter 374 of the Laws of Hong Kong) (the "RTO") and Road Traffic (Public Service

REGULATIONS

Vehicles) Regulations (Chapter 374D of the Laws of Hong Kong) (the “RTR”) and the owner of the vehicle in connection with the said service is required to obtain a hire care permit from the Commissioner for Transport under the RTR.

In accordance with Sections 52(3) of the RTO, no private car is allowed to carry passengers for hire or reward unless a hire car permit is in force in respect of the vehicle. Any person contravening these provisions commits an offence and is liable in the case of first conviction to a fine of \$5,000 and to imprisonment for 3 months, and in the case of a second or subsequent conviction to a fine of \$10,000 and to imprisonment of 6 months. The vehicle licence of the convicted person shall be suspended for a period of 3 months on first offence and a period of 6 months on subsequent offence in respect of the same vehicle.

HISTORY, REORGANISATION AND GROUP STRUCTURE

HISTORY AND DEVELOPMENT

Key milestones of our Group

The following table sets forth major development milestones of our Group:

Date	Development Milestones
July 2009	Began providing healthcare staffing solution services in Hong Kong to individual clients as well as institutional clients
August 2009	Publication of the bi-monthly BamBoOs! Life
February 2012	Awarded as one of 40 companies in the Hong Kong SME Business Sustainability Index 2012 from the Hong Kong Polytechnic University, Hong Kong SME Business Sustainability Index and Hong Kong Productivity Council
September 2012	Awarded as Excellent HR Service Provider Award – Recruitment and Consulting/HRIS & Software by Hong Kong Institute of Human Resources Management
December 2012	The number of healthcare personnel registered with us exceeded 10,000
May 2013	Publication of BamBoOs! Life from bi-monthly to monthly issue
May 2013	Awarded as one of 48 companies in the Second Hong Kong SME Business Sustainability Index from the Hong Kong Polytechnic University, Hong Kong SME Business Sustainability Index and Council for Sustainable Development

Our Business History

Our Group was founded by Ms. Hai, our chief executive officer, and Mr. Kwan, our chairman, in 2009 with their own resources. Bamboos PNS was incorporated in March 2009. Upon the transfer of one share in the share capital of Bamboos PNS from its initial subscriber to Ms. Hai and the issue of 89 shares and 10 shares to Ms. Hai and Mr. Kwan respectively in May 2009, Bamboos PNS was owned 90% and 10% by Ms. Hai and Mr. Kwan respectively. Bamboos PNS provides healthcare staffing solution services to individual clients as well as institutional clients including social service organisations, hospitals, clinics and pharmaceutical companies in Hong Kong. As at 31 December 2009, we had over 4,000 healthcare personnel registered in our healthcare personnel database.

HISTORY, REORGANISATION AND GROUP STRUCTURE

We are the leading provider of healthcare staffing solutions service in Hong Kong and had approximately 48.9% of the total market share in terms of gross fee for the year ended 30 June 2013 according to the Clearstate Report. Bamboos PNS has received a number of awards and certifications since 2009. Please refer to the section headed "Business – Awards" in this prospectus for more details.

Our Co-founders

Ms. Hai, a co-founder and the chief executive officer of our Group, has accumulated practical experience in the operation and management of healthcare staffing solution services through her personal investments and business endeavours prior to the establishment of our Group. Ms. Hai's participation in the industry can be traced to her personal investment in and participation in the management of the business operation of Bamboos Limited. Bamboos Limited had been principally engaged in the provision of healthcare staffing solution services in Hong Kong, since May 2006 until 2009 when it ceased to carry on such business. As at the Latest Practicable Date, Bamboos Limited was principally engaged in property investment as the owner of the Chai Wan Premises. Please refer to the section headed "Relationship with Controlling Shareholders and non-competition undertakings – Interest of Controlling Shareholders in other businesses" in this prospectus for further details. Ms. Hai has committed herself in the operation of Bamboos PNS on a full time basis since 2009.

Mr. Kwan, the chairman and an executive Director, is also a co-founder of our Group. He joined our Group in May 2009. Mr. Kwan has over 10 years managerial experience in the public sector before joining our Group, and has since taken a leadership role in monitoring our business and is involved in the strategic planning and major decision making for our Group.

Mr. Kwan and Ms. Hai, both being our Directors and our Controlling Shareholders, will be deemed to be parties acting in concert under the Takeovers Code.

Corporate History

Our Group comprises our Company, Achiever Team and Bamboos PNS. The corporate history of each of the companies in our Group is set out below.

Our Company

Our Company was incorporated under the laws of the Cayman Islands on 23 November 2012 as the holding company for our Group. The principal business of our Company is investment holding. At the time of its incorporation, the authorised share capital of our Company was HK\$10,000 divided into 1,000,000 Shares of HK\$0.01 each. On 23 November 2012, 1 Share was allotted and issued at par, credited as fully paid, to Mapcal Limited as the initial subscriber. The Share was subsequently transferred to Gold Empress (a company solely and

HISTORY, REORGANISATION AND GROUP STRUCTURE

beneficially owned by Ms. Hai) on the same day. On 13 December 2012, 8 shares and 1 share were allotted and issued at par, credited as fully paid, to Gold Empress and Gold Beyond (a company solely and beneficially owned by Mr. Kwan) respectively.

Achiever Team

Achiever Team is a direct wholly owned subsidiary of our Company and was incorporated under the laws of the BVI on 16 October 2012. The principal business of Achiever Team is investment holding. At the time of its incorporation, the authorised share capital of Achiever Team was US\$50,000 divided into 50,000 shares of US\$1.00 each and 9 shares in Achiever Team were allotted and issued to Gold Empress and 1 share in Achiever Team was allotted and issued to Gold Beyond on 12 November 2012. On 27 March 2014, Achiever Team became the immediate holding company of Bamboos PNS. Achiever Team became a direct wholly owned subsidiary of our Company on 28 March 2014.

Bamboos PNS

On 11 March 2009, Bamboos PNS, being the operating subsidiary in our Group, was incorporated in Hong Kong with an authorised share capital of HK\$10,000 divided into 10,000 ordinary shares of HK\$1.00 each. On 11 March 2009, one subscriber share was issued to an initial subscriber (who was an Independent Third Party), which was then transferred to Ms. Hai at par on 19 May 2009. On the same date, 89 shares were issued to Ms. Hai and 10 shares were issued to Mr. Kwan. Bamboos PNS became a direct wholly owned subsidiary of Achiever Team on 27 March 2014. Bamboos PNS is principally engaged in the provision of healthcare staffing solution services.

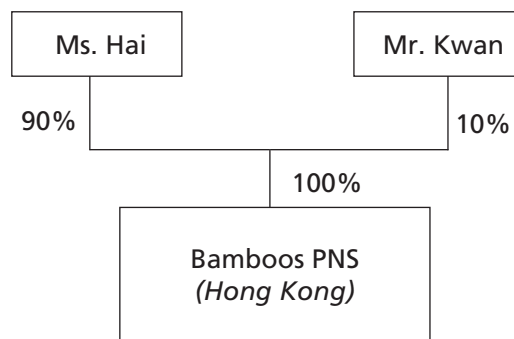
Discontinued Operation

Bamboos Advertising Limited

During the Track Record Period, Bamboos Advertising Limited, a jointly controlled entity, was incorporated in Hong Kong on 21 June 2010, with an authorised share capital of HK\$10,000 divided into 10,000 ordinary shares of HK\$1.00 each, among which 5,000 shares were issued to Bamboos PNS and 5,000 shares were issued to PureOne Digital Limited (formerly known as Pure One Holdings Limited), a company incorporated in Hong Kong on 23 October 2008 and an Independent Third Party, at the time of incorporation. It was the intention of our Directors to develop the advertising business jointly with an Independent Third Party, who is experienced in the advertising business. However, Bamboos Advertising Limited has remained dormant since its incorporation and was subsequently deregistered in April 2012. Our Group has no plan to develop an advertising business.

HISTORY, REORGANISATION AND GROUP STRUCTURE

The shareholding structure of our Group upon the incorporation of Bamboos PNS, throughout the Track Record Period and immediately prior to the implementation of the Reorganisation, is illustrated below:



REORGANISATION

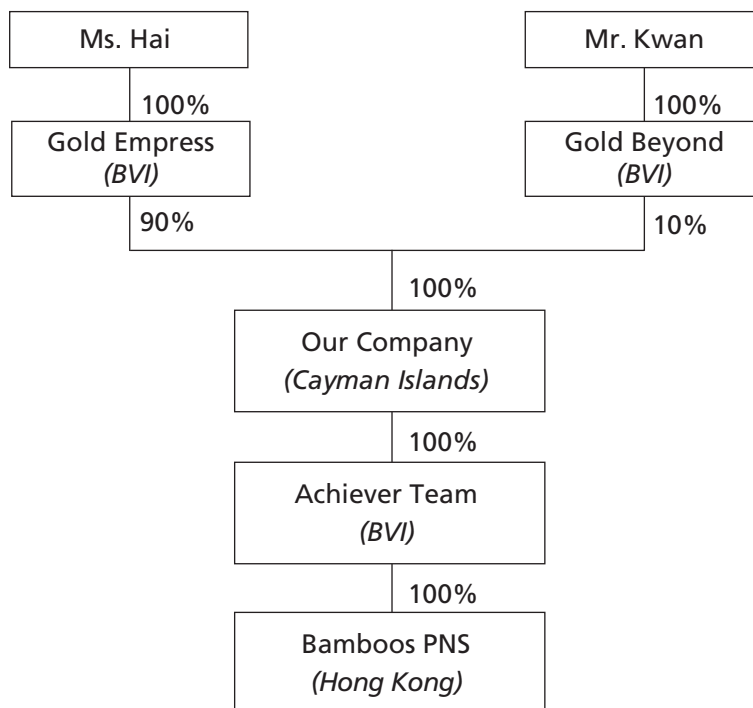
In preparation for the Listing, our Company was incorporated in the Cayman Islands and the companies comprising our Group underwent a group reorganisation to rationalise our Group's structure. The Reorganisation involved the following steps:

- On 16 October 2012, Achiever Team was incorporated with limited liability in the BVI. 9 shares and 1 share of Achiever Team, representing 90% and 10% of the total issued share capital of Achiever Team, were allotted and issued at par to Gold Empress and Gold Beyond respectively. Gold Empress and Gold Beyond were incorporated in the BVI with limited liability and are wholly owned by Ms. Hai and Mr. Kwan respectively.
- Pursuant to the sale and purchase agreement entered into among Ms. Hai, Mr. Kwan and Achiever Team, the relevant instruments of transfers and bought and sold notes all dated 26 March 2014, Ms. Hai and Mr. Kwan transferred 90 shares and 10 shares of Bamboos PNS respectively (together representing the entire issued share capital of Bamboos PNS) to Achiever Team in consideration of Achiever Team allotting and issuing 9 shares and 1 share to Gold Empress and Gold Beyond respectively. Upon completion of the said share transfer, Bamboos PNS became a wholly owned subsidiary of Achiever Team.
- Pursuant to the sale and purchase agreement entered into among Gold Empress, Gold Beyond, Ms. Hai and Mr. Kwan on one part and our Company on the other part, the relevant instruments of transfers all dated 27 March 2014, Gold Empress and Gold Beyond transferred 18 shares and 2 shares of Achiever Team respectively (together representing the entire issued share capital of Achiever Team) to our Company, in consideration of our Company allotting and issuing 9 Shares and 1 Share, all credited as fully paid, to Gold Empress and Gold Beyond respectively. Upon the completion of the said share transfer,

HISTORY, REORGANISATION AND GROUP STRUCTURE

Achiever Team became a wholly owned subsidiary of our Company and Bamboos PNS became an indirect wholly owned subsidiary of our Company.

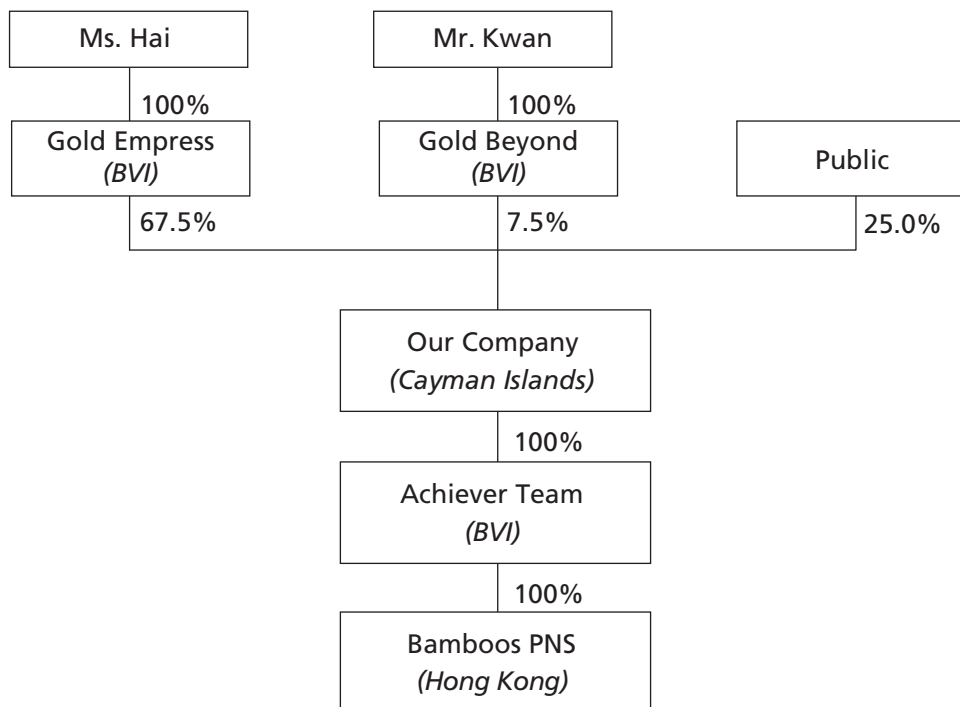
The following chart illustrates the shareholding structure of our Group immediately after the completion of the Reorganisation, and prior to completion of the Placing and the Capitalisation Issue:



HISTORY, REORGANISATION AND GROUP STRUCTURE

GROUP STRUCTURE

The following chart sets out the shareholding structure and corporate structure of our Group immediately after completion of the Placing and the Capitalisation Issue without taking into account any Shares which may fall to be issued pursuant to the exercise of the Offer Size Adjustment Option and any options granted or to be granted under the Share Option Scheme:



OVERVIEW

We are the leading provider of healthcare staffing solution services in Hong Kong. Our principal business is to provide customised healthcare staffing solution services on a temporary basis to individuals and institutional clients in a timely manner as well as duty opportunities to self-employed healthcare personnel registered with us. We place healthcare personnel registered with us in the capacity of self-employed persons, in appropriate vacancies and refer them duty assignments which fit their preference including nature of duty assignments, location and working hours. As at the Latest Practicable Date, the number of healthcare personnel registered with us was over 13,400, of which healthcare personnel with HCA/HW/PCW and RN/EN qualifications registered with us accounted for approximately 63% and 30% of our healthcare personnel database respectively. All of the healthcare personnel registered with us are independent contractors and work in a self-employed capacity. There is no employment relationship between our Group and the healthcare personnel on one hand and as between our clients and the healthcare personnel on the other hand.

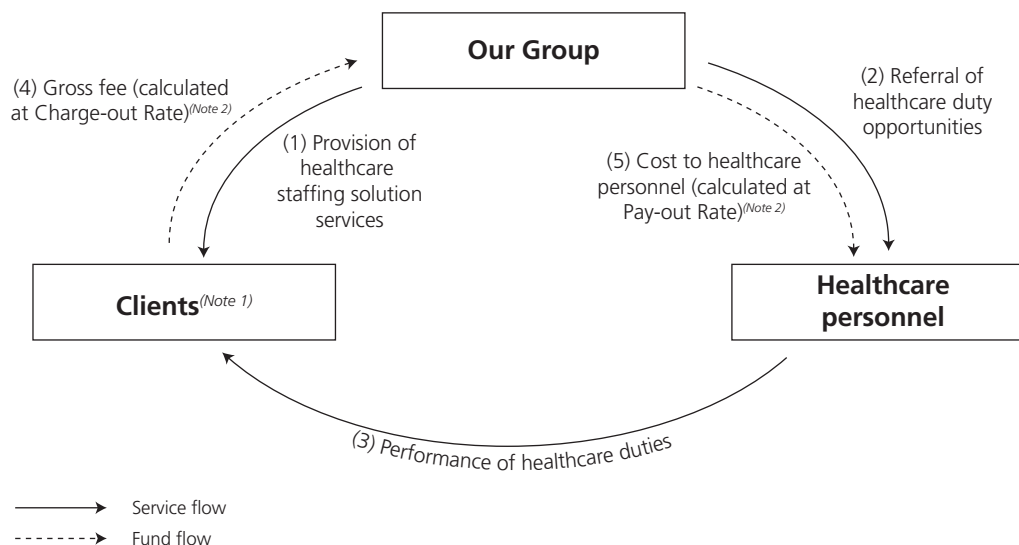
Our services comprise of (i) institutional staffing solution services; and (ii) private nursing staffing services. Under our institutional staffing solution service, we provide (a) placement services which deliver locum and ward relief services to hospitals and social service organisations (mainly RCHes 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. Our private nursing staffing service is designed for individual clients, by matching their needs with the healthcare personnel registered with us.

According to the Clearstate Report, our Group had a market share of approximately 48.9% in terms of gross fee for the year ended 30 June 2013. Our clients include private individuals, social service organisations, hospitals, clinics as well as pharmaceutical companies in Hong Kong.

To help us select appropriate healthcare personnel for placement with our clients, we have adopted a screening process, which includes professional qualification and skills check on healthcare personnel before their registration. Background information of the registered healthcare personnel together with their preferences on nature of duty assignments, location and working hours are recorded and maintained in our database, that is the CRM system.

BUSINESS

The following chart illustrates our Group's business model and operation in provision of services to various clients by placement of healthcare personnel.



Notes:

1. Clients include private individuals, social service organisations, hospitals, clinics and pharmaceutical companies.
2. Approximately 6.7%, 9.2% and 5.9% of our total revenue for the two years ended 30 June 2013 and the six months ended 31 December 2013 are received from our clients by way of: (i) direct payment of the gross fee to the healthcare personnel while we collect our revenue subsequently from such healthcare personnel; and (ii) direct payment of the pay-out costs to healthcare personnel and our revenue to us respectively. Please refer to the paragraph headed "Direct Payment" in this section for details.

Our revenue, being our gross fee net of cost payable to healthcare personnel, was approximately HK\$25.2 million, HK\$30.3 million and HK\$17.0 million respectively for the two years ended 30 June 2013 and the six months ended 31 December 2013. Our gross fee for the provision of healthcare staffing solution services from our clients is determined with reference to the Charge-out Rate, which varies with the rank of the healthcare personnel, types of clients and the number of service hours provided by the healthcare personnel placed by us. We earn a differential between the Charge-out Rate to clients and the Pay-out Rate to healthcare personnel. For the two years ended 30 June 2013 and the six months ended 31 December 2013, our gross fees from our clients (before deducting our costs payable to the healthcare personnel) amounted to approximately HK\$121.4 million, HK\$142.0 million and HK\$77.1 million respectively.

Due to the ageing of Hong Kong's population, our Directors believe that there will be greater demand for elderly services such as personal care, rehabilitation and home care services. Our Directors believe that the healthcare personnel staffing business will continue to grow, taking into account our proven

BUSINESS

track record in terms of number of service hours provided by the healthcare personnel placed by us and the increase in our revenue during the Track Record Period.

COMPETITIVE STRENGTHS

Our Directors believe that our Group's competitive strengths set out below have driven growth in our business and financial performance.

Our leading position

According to the Clearstate Report, we are the key player in the healthcare staffing solution service industry in Hong Kong. For the year ended 30 June 2013, our market share was approximately 48.9% in terms of gross fee. We are considered as the leading provider in the healthcare staffing solution service industry in Hong Kong.

Brand awareness

Our Directors believe that our Group has established strong awareness with both our clients and healthcare personnel through social media. Apart from advertising on public transportation and bill-board and sponsoring NGO initiatives and programmes, we also publish and distribute BamBoOs! Life to our clients, healthcare personnel registered with us, hospitals, private clinics, selected residential and commercial buildings, and other subscribers free of charge. We believe our values, vision and recent development are communicated well through BamBoOs! Life.

We believe all these enable us to stay competitive in the industry and to capture business opportunities arising from the growing demand in the market of the healthcare staffing solution service industry.

Comprehensive and efficient healthcare staffing solution services

We provide clients with comprehensive and efficient services including healthcare personnel selection and placement. We operate telephone hotlines to provide 24-hour services to our clients in response to their needs. The efficient searching and matching function of the CRM system as well as our experience in serving the healthcare staffing solution sector allow us to manage and place healthcare personnel registered with us in a way that generally matches both client's requirements and healthcare personnel's preferences. Our Group believes that our portfolio of different healthcare personnel allows us to offer a wide range of healthcare staffing solution services to our clients.

Vast pool of healthcare personnel registered with us

We are able to deliver healthcare staffing solution services with a variety of healthcare personnel to the market.

Our Group believes that our strong bond with the healthcare personnel facilitates the growth in database and our database of over 13,400 healthcare personnel registered with us enables us to provide sufficient healthcare personnel to meet the demand from our clients. Our healthcare personnel database is greatly diversified into various ranks of healthcare related professionals including but not limited to RNs, ENs, HWs, HCAs and PCWs. With the vast pool of diversified healthcare personnel registered with us, our Group has the ability to provide healthcare staffing solutions efficiently.

For the two years ended 30 June 2013 and the six months ended 31 December 2013, 3,640, 3,760 and 2,626 healthcare personnel, representing approximately 36.8%, 31.8%, and 20.8% of the total number of healthcare personnel registered with us in our database as at 30 June 2012 and 2013 and 31 December 2013 respectively were placed to serve our clients through our staffing solution service. Our Directors believe we can leverage the large number of healthcare personnel registered with us to further expand our business.

Well established and diversified client base

We have a well-established and diversified client base, which gives us strategic advantage to attract healthcare personnel to register with us. For the two years ended 30 June 2013 and the six months ended 31 December 2013, we have provided healthcare staffing solution services to 1,800, over 2,050 and over 1,370 clients including private individuals, social services organisations, clinics and pharmaceutical companies as well as private and HA hospitals. With our well-established and diversified client base, we may provide the healthcare personnel registered with us with more available choices, and hence more duty opportunities, to fit their preferences on nature of duty assignments, location and working hours.

Proven track record

Our Group was established in March 2009 and began providing healthcare staffing solution services in July 2009. Our Directors believe that our established track record enables us in building up credibility and reputation, which provides us with competitive advantage in the provision of quality and reliable healthcare staffing solution services in Hong Kong.

We recorded a growth of approximately 20.2% in revenue during the year ended 30 June 2013. The number of service hours provided by healthcare personnel placed by us also recorded a growth of approximately 12.8% during the year ended 30 June 2013.

Experienced management team

Mr. Kwan, our chairman, executive Director and co-founder of our Group has over 10 years of managerial experience in the public sector and has played a key management and leadership role in monitoring and evaluating overall business, strategic development and major decision making at our Group. Ms. Hai, our chief executive officer, the executive Director and co-founder of our Group, has more than 16 years of experience in the healthcare field as well as pharmaceutical industry, including practicing as an enrolled nurse for hospital, social service organisation and laboratory, as well as working in sales and marketing roles for various healthcare, medical products and pharmaceutical companies, and has taken up a key management role in overall management, strategic development and major decision making for our Group.

We believe that under the leadership of our executive Directors and senior management, we have successfully executed our business strategies throughout the years and are considered the leading provider in the healthcare staffing solution service industry in Hong Kong. Our executive Directors will continue to closely monitor and manage our daily operations and involve in major decision making.

BUSINESS OBJECTIVES AND STRATEGIES

Our business objectives

We aspire to be the leading healthcare staffing solution service provider in Hong Kong that, through our business, serves our community by facilitating the use of freelance and temporarily available healthcare workforce to assist in alleviating the prolonged shortage of healthcare personnel in Hong Kong's healthcare service sector. Our vision and mission is (i) to become a premier leader recognised for provision of professional private nursing staffing services as well as strategic institutional healthcare staffing solutions services; and (ii) to improve the community well-being by easing the pressure from two critical social problems, i.e. shortage of healthcare personnel and insufficient elderly care services in view of the ageing population in Hong Kong. With an aim to address issues in today's healthcare industry in Hong Kong, we are dedicated in (a) delivering efficient and quality healthcare staffing solution services by placing appropriate healthcare personnel with different specialty skills to meet with various needs of the clients; and (b) developing a platform through which the healthcare personnel registered with us are referred various duty opportunities which fit their working preferences and flexible working schedules.

We believe that one of the keys to attaining a leading position in the healthcare staffing solution service industry in Hong Kong is our persistence in the 3 "C"s core values, namely Care, Competence and Commitment:

Care – we aspire to build a better society through participation in a variety of community services. Our Group believes our success in delivering healthcare staffing solution services is built on innovative teamwork and collaboration.

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Competence – in the constantly changing healthcare sector, we endeavor to deliver the best services by being responsive, efficient and accurate.

Commitment – we believe our clients come first. Satisfying their needs is our Group's foremost priority. Our Group seeks to exceed client's expectations by delivering high quality services and making the experience to be meaningful and heartfelt.

Our business objectives are to enhance our quality of provision of healthcare staffing solution services and expand our provision of healthcare staffing solution services by attracting more healthcare personnel to register with us, serving more clients and developing outreach assessment services.

Our Strategies

Our Group intends to achieve its future expansion plans by pursuing the following key strategies:

(a) Enhancing business operation efficiency

We intend to invest in our IT systems, particularly in enhancing our CRM system to streamline the selection and matching process for healthcare personnel and hence to enhance our operation efficiency. We believe by doing so we can utilise the freelance and temporarily available healthcare workforce better and convert them into an immediate workforce for our clients, in particular hospitals and other healthcare institutions.

(i) Introducing new case management system and synchronising it with our CRM system

We will continue to fine tune our existing CRM system, our matching engine, including but not limited to upgrade the specialised skill set criteria search, and to introduce linkage between the profiles of healthcare personnel registered with us with their recent duty history.

We also plan to build a stronger database of our clients, which is expected to be completed in the second half of 2015. We expect that, with the database, our CS Department will be able to retrieve our clients' service record more readily and comprehensively. We can readily access to information such as our individual clients' medical history, including medical assessment reports and rehabilitation plans.

The new case management system is designed to synchronise with the client records and healthcare personnel profiles of the current CRM system, so that we can link up our clients' preferences, feedbacks or ratings on particular healthcare personnel to the corresponding

healthcare personnel's profile. The synchronisation of the two systems is expected to enhance service quality and reduce the time spent for identifying the suitable healthcare personnel.

We believe the new system can enhance the efficiency of our healthcare staffing solution service and in particular, our private nursing staffing service.

(ii) Upgrading our accounting and financial system

We plan to introduce a new accounting and financial system with financial analysis functions in the second half of 2014, which would facilitate our review and analysis on our financial performance. The new system will also be synchronised with our CRM system.

(iii) Introducing experienced healthcare professional to our management team

We plan to recruit experienced healthcare professional to join our management team as senior staff in the first half of 2015, which we believe their experience in the healthcare industry and professional knowledge will assist us to understand our clients' need further and hence to facilitate our business operation. Regular healthcare knowledge related trainings will be provided to our CS Department by the newly joined healthcare professional. We also believe experienced healthcare professional can assist us to develop new services to catch up with the market demand and to increase our service standards.

(b) Strengthening brand awareness and expanding our healthcare personnel pool

We intend to strengthen our brand's awareness to potential clients, as well as to expand the pool of healthcare personnel registered with us, to cope with the growing demand for private nursing staffing services driven by the ageing population.

(i) Advertising

Our Group intends to increase our brand's exposure to potential clients, and aims to educate the public about the concepts of "home-care" and "private nursing". We target medium to high income individual customers.

We will promote our brand by commencing our advertising and marketing campaign, including placing advertisements in local magazines or newspapers regularly, as well as on outdoor billboards near hospitals, or public transportation that goes via hospitals. We will also carry out large promotion campaigns half-yearly.

(ii) Expanding our healthcare personnel pool

In order to provide sustainable, reliable and quality services, we aim to further expand our healthcare personnel pool in terms of both quantity and diversity. We plan to carry out online promotion activities frequently to attract more healthcare personnel to register with us.

We also target to attract younger healthcare personnel to register with us by way of placing advertisement in various social media networking platforms and healthcare related mobile applications, as well as local magazines.

(c) Enhancing healthcare staffing solution services

Apart from our strong market position, we believe that most of the individual clients looking for private nursing staffing services get to know our Group through word-of-mouth referrals. We devote to further enhance quality in providing our healthcare staffing solution service, by strengthening the manpower of operational departments and developing new supporting services to our clients.

(i) Introducing an online client portal

We plan to introduce a new online client portal in the first half of 2015 to facilitate both institutional clients and individual clients to submit service requests, to check service records, schedules and bills online. The online portal will be synchronised with our CRM system, and comes with an online service request form which enables clients to specifically enter their requests and submit the same to our CS Department online instantly. This portal will also allow us to understand our clients' satisfaction better as our clients can rate the healthcare personnel placed to them and submit service feedback survey online.

(ii) Strengthening our CS Department and other back office support

We also focus on strengthening our CS Department. We will open vacancies in the second half of 2014 and target to increase gradually the headcount of our CS Department by around 10 in the second half of 2016. We will also recruit more staff for our accounting and finance department, marketing department and human resources and administration department to cope with our growth.

(iii) Introducing point-to-point pick up service to support individual clients using our private nursing staffing service

We have observed that individual clients with physical disability often encounter difficulties when discharging from hospital or when they wish to travel around Hong Kong. We plan to explore the business

potential of this line of business which may supplement the existing business of our Group by developing point-to-point pick up service as a supporting service to our private nursing staffing service by employing two drivers and acquiring two vehicles which are wheelchair adapted for our clients, in the first half of 2015 and 2016 respectively. The pick-up service will be by appointment and operated separately from the private nursing staffing service provided by our Group through placing healthcare personnel registered with us. If the individual clients require nursing services in addition to pick-up services during the journey, we will place them with suitable healthcare personnel registered with us to provide nursing services which will be charged for separately.

(d) Developing our outreach services team

We believe that the success of total nursing care service is built on comprehensive case assessment and systematic case management. To provide holistic healthcare staffing solution services to our individual clients, we plan to develop an outreach team for case assessment service in the first half of 2015.

We plan to develop an outreach team comprised of around 6 healthcare professionals who will be full-time employees of our Group. The team will pay home visits to new and existing clients in need of assessment service. The team will formulate the form of assessment and the methodology.

Detailed report which includes assessment results, nursing plans or rehabilitation plans will be delivered to clients after assessment, to enable the clients to identify the nursing or treatment need in quantified measures. We will charge our client for assessment.

We will evaluate the team and its development in the first half of 2016. Should the evaluation be positive, we plan to further extend the service.

Our outreach case assessment service is expected to drive growth in private staffing nursing services. During the assessment visit, our team of assessors can reach the client directly and identify their needs and to guide them to the rank and number of healthcare personnel they need.

Through the assessment, we can better understand the client's health conditions and healthcare needs, allowing a more comprehensive and tailor made private nursing staffing service to be delivered. The team will also provide assessment services to our existing private nursing staffing service clients for better follow up and case evaluation. By bringing in new clients and extending the service scope for our existing clients, we are of the view that the assessment service will stimulate the growth of our private nursing staffing service business.

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For further details on the implementation of the above-mentioned business strategies of our Group, please refer to the section headed “Future plans and use of proceeds” in this prospectus.

OUR SERVICES

Our services include provision of (i) institutional staffing solution services; and (ii) private nursing staffing services.

Set out below is the analysis of our revenue by types of our services during the Track Record Period:

Revenue (by types of services)	For the year ended 30 June				For the six months ended 31 December			
	2012		2013		2012		2013	
	HK\$'000	%	HK\$'000	%	HK\$'000 (unaudited)	%	HK\$'000	%
Institutional staffing solution service	12,412	49.2	13,631	45.0	6,627	45.4	7,290	42.8
Private nursing staffing service	12,804	50.8	16,627	55.0	7,980	54.6	9,739	57.2
Total	<u>25,216</u>	<u>100</u>	<u>30,258</u>	<u>100</u>	<u>14,607</u>	<u>100</u>	<u>17,029</u>	<u>100</u>

(i) Institutional staffing solution services

A shortage of qualified healthcare personnel in hospitals and social service organisations has been a prolonged problem in Hong Kong. Our healthcare staffing solution service provides an alternative to hospitals and social service organisations to meet their staffing needs in a timely manner. Under our institutional staffing solution service, we provide (a) placement services to hospitals and social service organisations; and (b) clinical programme support to clinics and pharmaceutical companies.

(a) Placement services

We provide locum and ward relief services to hospitals and social service organisations by placing healthcare personnel to fill vacancies in wards, RCHes and rehabilitation centres. Healthcare personnel with RN, EN, HW, HCA and PCW qualifications are generally required by these types of clients in placement services.

(b) Clinical programme support

Clinical programme support includes injection services and health education services provided by RNs and ENs. Our Group provides programme support to clinics and pharmaceutical companies by placing healthcare

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personnel on a temporary or project basis. Additionally, institutional clients also request our support in health training, for example, requesting placement of RNs or ENs to deliver healthcare related seminars.

(ii) Private nursing staffing services

For individual clients in need of personalised healthcare services, our CS Department obtains information on the specific needs of our clients and health conditions of the patient requiring healthcare services. We then match their needs with the healthcare personnel registered with us under our private nursing staffing service. For clients who require 24-hour care, we may be asked to arrange two or more healthcare personnel to provide the requested services.

Personalised healthcare services may include basic personal care, injections, bed-side nursing care as well as acute nursing care such as suction, intravenous infusion and wound care.

Upon request by our clients, we also provide qualified DRs, CMPs, PTs and OTs staffing services to our clients and such practitioners will in turn provide outreach health consultation or treatment services to those clients.

SEASONALITY

The demand of our service fluctuates and generally does not fall into any specific pattern during a calendar year. Our Directors consider that the demand for our service is mainly affected by our institutional clients' demand for healthcare personnel and the health and physical condition of individual clients which are not subject to seasonal factors.

CLIENTS

For the two years ended 30 June 2013 and the six months ended 31 December 2013, we served 1,800, over 2,050 and over 1,370 clients respectively.

Our diversified client base includes individual clients and institutional clients which include private and HA hospitals, social service organisations (mainly RCHes and rehabilitation centres), clinics and pharmaceutical companies. For the two years ended 30 June 2013 and the six months ended 31 December 2013, institutional clients from private hospitals and HA hospitals, social service organisations, clinics and pharmaceutical companies, represented approximately 14.3%, 11.6% and 15.6% of the total number of clients of our Group respectively. Individual clients represent over 80% of the total number of clients of our Group during the Track Record Period.

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Our revenue, being our gross fee net of cost payable to healthcare personnel, was approximately HK\$25.2 million, HK\$30.3 million and HK\$17.0 million respectively for the two years ended 30 June 2013 and the six months ended 31 December 2013. Set out below is a breakdown of our revenue by client category during the Track Record Period:

Revenue (by client category)	For the year ended 30 June				For the six months ended 31 December			
	2012		2013		2012		2013	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
					(unaudited)			
(i) Individual clients	12,804	50.8	16,627	55.0	7,980	54.6	9,739	57.2
(ii) Institutional clients								
– Social service organisations	9,615	38.1	11,442	37.8	5,535	37.9	6,155	36.1
– Hospitals	2,482	9.8	1,785	5.9	855	5.9	810	4.8
– Clinics and pharmaceutical companies	315	1.3	404	1.3	237	1.6	325	1.9
Total	25,216	100	30,258	100	14,607	100	17,029	100

Set out below is a breakdown of our revenue by revenue amount during the Track Record Period:

	For the year ended 30 June								For the six months ended 31 December			
Revenue (by revenue amount)	2012				2013				2013			
	No. of clients	%	Total amount	%	No. of clients	%	Total amount	%	No. of clients	%	Total amount	%
			HK\$'000				HK\$'000				HK\$'000	
(HK\$)												
1,000 or below	814	45.2	282	1.1	922	44.8	342	1.1	552	40.1	197	1.2
Over 1,000 to 10,000	652	36.2	2,103	8.3	728	35.4	2,569	8.5	515	37.4	1,687	9.9
Over 10,000 to 100,000	273	15.2	9,578	38.0	334	16.2	11,244	37.2	278	20.2	8,743	51.3
Over 100,000 to 1,000,000	61	3.4	13,253	52.6	73	3.6	16,103	53.2	33	2.3	6,402	37.6
Total	1,800	100	25,216	100	2,057	100	30,258	100	1,378	100	17,029	100

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Our gross fee is determined by the Charge-out Rate, which varies with the rank of the healthcare personnel, types of clients and the number of service hours provided by the healthcare personnel placed by us. For the two years ended 30 June 2013 and the six months ended 31 December 2013, our gross fee was approximately HK\$121.4 million, HK\$142.0 million and HK\$77.1 million respectively. Set out below is a breakdown of our gross fee by client category during the Track Record Period.

Gross fee (by client category)	For the year ended 30 June				For the six months ended 31 December			
	2012		2013		2012		2013	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
	(unaudited)							
(i) Individual clients	61,492	50.7	77,369	54.5	36,171	53.2	44,655	57.9
(ii) Institutional clients								
– Social service organisations	46,426	38.2	54,185	38.2	26,588	39.1	27,613	35.8
– Hospitals	12,073	9.9	8,635	6.1	4,159	6.1	3,657	4.7
– Clinics and pharmaceutical companies	1,394	1.2	1,778	1.2	1,023	1.6	1,207	1.6
Total	121,385	100	141,967	100	67,941	100	77,132	100

Set out below is a breakdown of our number of clients by client category during the Track Record Period:

	For the year ended 30 June				For the six months ended 31 December			
	2012		2013		2012		2013	
	No. of clients	%	No. of clients	%	No. of clients	%	No. of clients	%
(i) Individual clients	1,543	85.7	1,818	88.4	1,008	81.9	1,163	84.4
(ii) Institutional clients								
– Social service organisations	190	10.6	188	9.1	177	14.4	161	11.7
– Hospitals	17	0.9	13	0.6	12	0.9	10	0.7
– Clinics and pharmaceutical companies	50	2.8	38	1.9	34	2.8	44	3.2
Total number of clients	1,800	100	2,057	100	1,231	100	1,378	100

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Set out below is the number of service hours provided by healthcare personnel placed by us to our clients by client category during the Track Record Period:

	For the year ended 30 June				For the six months ended 31 December			
	2012		2013		2012		2013	
	No. of hours '000	%	No. of hours '000	%	No. of hours '000	%	No. of hours '000	%
(i) Individual clients	780	52.9	904	54.4	427	53.1	518	58.2
(ii) Institutional clients								
– Social service organisations	587	39.8	678	40.8	337	41.9	340	38.2
– Hospitals	98	6.6	72	4.3	35	4.4	27	3.0
– Clinics and pharmaceutical companies	9	0.7	9	0.5	5	0.6	5	0.6
Total number of service hours	<u>1,474</u>	<u>100</u>	<u>1,663</u>	<u>100</u>	<u>804</u>	<u>100</u>	<u>890</u>	<u>100</u>

The length of the services provided by the healthcare personnel placed by us to our clients ranged from 1 day to approximately 4 years, among which approximately 20 and 20 clients of our Group have repeatedly requested for services to be performed by the same healthcare personnel for over a year when necessary during the year ended 30 June 2012 and 2013 respectively.

Individual Clients

During the Track Record Period, over 3,800 individual clients used our private nursing staffing services. RNs and ENs are generally required by clients who need more acute nursing care. HWs and PCWs are normally required for elderly care services, while HCAs are usually required for hospitalisation and post-discharged healthcare services. Our individual clients may also request for medical consultations, and other special therapies provided by CMPs, PTs and OTs registered with us.

Institutional Clients

Social service organisations

Social service organisations are mainly operated by charitable institutions in Hong Kong. We provided healthcare staffing solution services to over 120 RCHes and 140 rehabilitation centres during the Track Record Period. Social service organisations mainly utilised our institutional staffing solution services for engagement of RNs, ENs, HWs and PCWs. Their major daily duties included personal care and nursing care, for example feeding, bathing, drug dispensing, wound dressing and monitoring of vital signs including body temperature and

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blood pressure. We match the requirements of the social service organisations with the healthcare personnel registered with us to fill temporary and regular locum vacancies at those social service organisations.

Hospitals

We have provided healthcare staffing solution services to over 15 HA hospitals and private hospitals during the Track Record Period. We mainly supply RNs, ENs and HCAs to hospitals to fill temporary vacancies in hospital wards and to provide healthcare services to patients.

Clinics and pharmaceutical companies

Our clinic and pharmaceutical company clients mainly require RNs and ENs to provide injection services and health education services.

Our Top Five Clients

A summary of our top five clients during the Track Record Period is as follows:

Client	Service provided	Revenue HK\$'000	Length of business relationship with our Group as at 31 December 2013
For the six months ended 31 December 2013			
Client A (Institutional client – social service organisation)	Institutional staffing solution service	427	Over 2 years
Client B (Institutional client – social service organisation)	Institutional staffing solution service	409	Over 3 years
Client C (Institutional client – social service organisation)	Institutional staffing solution service	408	Over 4 years
Client D (Individual client)	Private nursing staffing service	335	Over 4 years
Client E (Institutional client – hospital)	Institutional staffing solution service	309	Over 3 years

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Client	Service provided	Revenue <i>HK\$'000</i>	Length of business relationship with our Group as at 31 December 2013
For the year ended 30 June 2013			
Client A (Institutional client – social service organisation)	Institutional staffing solution service	872	Over 2 years
Client B (Institutional client – social service organisation)	Institutional staffing solution service	638	Over 3 years
Client F (Institutional client – social service organisation)	Institutional staffing solution service	511	Over 4 years
Client C (Institutional client – social service organisation)	Institutional staffing solution service	488	Over 4 years
Client G (Institutional client – social service organisation)	Institutional staffing solution service	480	Over 2 years
For the year ended 30 June 2012			
Client H (Institutional client – social service organisation)	Institutional staffing solution service	706	Over 3 years
Client C (Institutional client – social service organisation)	Institutional staffing solution service	492	Over 4 years
Client I (Institutional client – hospital)	Institutional staffing solution service	481	Over 4 years
Client A (Institutional client – social service organisation)	Institutional staffing solution service	446	Over 2 years
Client G (Institutional client – social service organisation)	Institutional staffing solution service	433	Over 2 years

Fees from our top five clients are immediately due and payable upon presentation of invoices, which are generally issued bi-weekly. During the Track Record Period, our top five clients settled the payment of fees by either cheque or bank transfers.

Revenue attributable to our top five clients for the two years ended 30 June 2013 and the six months ended 31 December 2013 amounted to approximately HK\$2.6 million, HK\$3.0 million and HK\$1.9 million respectively, representing approximately 10.1%, 9.9% and 11.1% of our total revenue respectively and was less than 30% of the total revenue for each of the relevant year/period. The

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revenue for the services provided to our largest client amounted to approximately HK\$0.7 million, HK\$0.9 million and HK\$0.4 million for the two years ended 30 June 2013 and the six months ended 31 December 2013 respectively, representing approximately 2.8%, 2.9% and 2.5% of our total revenue for the respective year/period.

None of our Directors, or any of their respective associates or any Shareholders which, to the knowledge of our Directors, owns more than 5% of the issued share capital of our Company immediately following the completion of the Placing and the Capitalisation Issue, was connected with (within the meaning of the GEM Listing Rules) or has any interest in any of our top five clients during the Track Record Period.

The following table sets out the total number of service hours provided by healthcare personnel placed by us to our top five clients during the Track Record Period:

	For the year ended 30 June		For the six months ended 31 December
	2012	2013	2013
	<i>No. of hours</i>	<i>No. of hours</i>	<i>No. of hours</i>
Total number of service hours (Note)	147,000	188,000	91,000

Note: representing approximately 10.0%, 11.3% and 10.2% of the total number of service hours provided by healthcare personnel placed by us to our clients during the corresponding financial year or period.

Contracts with our clients

We generally do not enter into long-term service contracts with the majority of our clients, both individual clients and institutional clients (including our top five clients during the Track Record Period). We have a standard term sheet, setting out the material terms of our relationship with our clients including our Charge-out Rates to our clients from a brief visit up to 12-hour service, which was provided by the healthcare personnel placed by us to our clients. The standard term sheet also includes extra charges and disbursements for calling out healthcare personnel placed by us at night or in an emergency, special arrangements for typhoon and lunar new year public holidays, payment methods as well as charges for late-payments and cancellations.

According to the standard term sheet, our clients shall not, at all times until the expiry of one year from the last working day of the service performed by the healthcare personnel placed by us, offer any opportunities, or directly or indirectly employ such healthcare personnel for the provision of services of

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similar nature, regardless of whether the healthcare personnel are acting in personal capacity or in any capacity under our client's companies or organisations, otherwise, our clients shall be liable for all losses and/or damages suffered by us. The standard term sheet with our clients does not contain provisions that preclude our Group from being liable for the misrepresentation of the qualification of the healthcare personnel registered with us. As stated in the standard term sheet, we will not take responsibility for the conduct, professional expertise or any liability after the commencement of work of healthcare personnel placed by us. In the event that our Group is in breach of the terms of the standard term sheet with any of our clients, our Group may be liable for the losses and/or damages suffered by such clients.

Our standard terms apply to both our individual clients and institutional clients. The Charge-out Rates of different ranks of healthcare personnel may be adjusted from time to time. Our Group will inform our clients the updated and adjusted Charge-out Rates shortly before they confirm the use of our healthcare staffing solution services. Details of our Charge-out Rates are set out in the paragraph headed "Charge-out Rates and Pay-out Rates" in this section and the section headed "Financial Information – Gross fee, Cost to healthcare personnel and Revenue".

HEALTHCARE PERSONNEL

Due to the nature of our business, we have no major suppliers. Our database had over 13,400 healthcare personnel registered with us as at the Latest Practicable Date. The database includes RNs, ENs, HWs, HCAs, PCWs and healthcare personnel of other ranks registered with us.

The table below sets out the number of the healthcare personnel registered with us as at 30 June 2012 and 2013, 31 December 2012 and 2013 and as at the Latest Practicable Date:

	As at 30 June				As at 31 December				As at the Latest Practicable Date	
	2012		2013		2012		2013			
	<i>No. of healthcare personnel (Note 1)</i>	%	<i>No. of healthcare personnel (Note 1)</i>	%	<i>No. of healthcare personnel (Note 1)</i>	%	<i>No. of healthcare personnel (Note 1)</i>	%	<i>No. of healthcare personnel (Note 1)</i>	%
RN	1,850	18.7	2,190	18.5	2,020	18.6	2,350	18.6	2,520	18.7
EN	1,040	10.5	1,320	11.1	1,160	10.7	1,430	11.3	1,580	11.7
HCA/HW	3,780	38.3	4,510	38.1	4,150	38.2	4,760	37.7	4,980	37.0
PCW	2,600	26.3	3,090	26.1	2,870	26.4	3,280	26.0	3,480	25.9
Others (Note 2)	610	6.2	730	6.2	660	6.1	800	6.4	900	6.7
Total number of healthcare personnel	<u>9,880</u>	<u>100</u>	<u>11,840</u>	<u>100</u>	<u>10,860</u>	<u>100</u>	<u>12,620</u>	<u>100</u>	<u>13,460</u>	<u>100</u>

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Notes:

- 1 Rounded down to the nearest ten.
- 2 Others mainly include CTNs, PTs, OTs, Midwives, DRs, CMPs, CAs and workmen.

Set out below is an analysis of the pay-out costs to the healthcare personnel placed by us by rank:

Pay-out costs (by rank)	For the year ended 30 June				For the six months ended 31 December			
	2012		2013		2012		2013	
	HK\$'000	%	HK\$'000	%	HK\$'000 (unaudited)	%	HK\$'000	%
RN	23,389	24.3	24,499	21.9	11,730	22.0	12,118	20.2
EN	17,389	18.1	16,960	15.2	8,126	15.2	10,584	17.6
HCA/HW	17,869	18.6	20,669	18.5	9,896	18.6	11,648	19.4
PCW	31,902	33.2	42,241	37.8	20,040	37.6	22,645	37.7
Others (Note)	5,620	5.8	7,340	6.6	3,542	6.6	3,108	5.1
Total pay-out costs to healthcare personnel	96,169	100	111,709	100	53,334	100	60,103	100

Note: Others mainly include CTNs, PTs, OTs, Midwives, DRs, CMPs and workmen.

The table below sets out the number of service hours provided by the healthcare personnel placed by us by rank:

	For the year ended 30 June				For the six months ended 31 December			
	2012		2013		2012		2013	
	No. of hours '000	%	No. of hours '000	%	No. of hours '000	%	No. of hours '000	%
RN	172	11.6	163	9.8	79	9.8	80	9.0
EN	156	10.6	137	8.2	67	8.3	85	9.6
HCA/HW	368	25.0	393	23.6	190	23.6	220	24.7
PCW	706	47.9	880	52.9	424	52.7	461	51.8
Others (Note)	72	4.9	90	5.5	44	5.6	44	4.9
Total number of service hours	1,474	100	1,663	100	804	100	890	100

Note: Others mainly include CTNs, PTs, OTs, Midwives, DRs, CMPs and workmen.

The number of healthcare personnel registered with us in our database that we had placed with our clients for the two years ended 30 June 2013 and the six months ended 31 December 2013 was 3,640, 3,760 and 2,626 respectively,

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representing approximately 36.8%, 31.8% and 20.8% of the total number of healthcare personnel registered with us as at 30 June 2012, 30 June 2013 and 31 December 2013, respectively.

Top five healthcare personnel placed by us

Costs payable to top five healthcare personnel placed by us for the two years ended 30 June 2013 and six months ended 31 December 2013 amounted to approximately HK\$2.7 million, HK\$2.7 million and HK\$1.5 million, representing approximately 2.8%, 2.5% and 2.4% of our total pay-out costs respectively and was less than 30% of our total pay-out costs for each of the relevant year/period. Pay-out cost to the largest healthcare personnel placed by us totaled approximately HK\$0.6 million, HK\$0.7 million and HK\$0.3 million for the two years ended 30 June 2013 and the six months ended 31 December 2013 respectively, accounted for 0.6%, 0.6% and 0.5% of our total pay-out costs respectively.

A summary of the top five healthcare personnel placed by us during the Track Record Period is as follows:

<u>Healthcare personnel</u>	<u>Rank</u>	<u>Pay-out Cost</u> <i>HK\$'000</i>	<u>Length of service with us as at 31 December 2013</u>
For the six months ended 31 December 2013			
Healthcare Personnel A	PT	341	over 3 years
Healthcare Personnel B	RN	329	over 3 years
Healthcare Personnel C	EN	271	over 2 years
Healthcare Personnel D	RN	258	over 4 years
Healthcare Personnel E	EN	257	over 2 years
For the year ended 30 June 2013			
Healthcare Personnel B	RN	652	over 3 years
Healthcare Personnel F	RN	546	over 4 years
Healthcare Personnel C	EN	542	over 2 years
Healthcare Personnel E	EN	504	over 2 years
Healthcare Personnel G	EN	496	over 2 years
For the year ended 30 June 2012			
Healthcare Personnel B	RN	597	over 3 years
Healthcare Personnel H	RN	583	over 4 years
Healthcare Personnel D	RN	537	over 4 years
Healthcare Personnel E	EN	494	over 2 years
Healthcare Personnel F	RN	492	over 4 years

In our general practice, costs to healthcare personnel are settled after receipt by us of gross fee from our clients and payments for services rendered during 1st to 15th and 16th to 31st of a calendar month are respectively made by us on the 1st and 16th (or, on the next business day, if the days are not business days) of the next calendar month. Please refer to the paragraph headed “Billing and Settlement” in this section for details. During the Track Record Period, we settled the payment of the costs to the healthcare personnel by bank transfers and cheque.

None of our Directors, or any of their respective associates or any Shareholders, which, to the knowledge of our Directors, own more than 5% of the issued share capital of our Company immediately following the completion of the Placing and the Capitalisation Issue, was connected with (within the meaning of the GEM Listing Rules) any of the top five healthcare personnel during the Track Record Period and they are all Independent Third Parties.

Relationship between our Group and the healthcare personnel registered with us

The healthcare personnel registered with us are independent contractors and work in a self-employed capacity and there is no employment relationship between our Group and the healthcare personnel registered with us. For analysis on the relationship between our Group and the healthcare personnel registered with us, please refer to paragraph headed “Licenses and permits – Analysis on the relationships between our Group, the healthcare personnel registered with us and our clients” in this section. Since there is no employment relationship between our Group and the healthcare personnel, we are not liable for obligations that an employer would normally be subject to under the laws of Hong Kong, such as making contribution to the mandatory provident fund.

Agreements with healthcare personnel

All of the healthcare personnel registered with us are independent contractors and work in a self-employed capacity. There is no employment relationship between our Group and the healthcare personnel registered with us. We sign an agreement with each healthcare personnel registered with us which sets out the following major terms and acknowledgements:

- the healthcare personnel shall inform our Group in advance (with notice period varies from 24 hours to 3 days) if such healthcare personnel cannot report duty for scheduled duty assignment, and if such healthcare personnel did not inform our Group, he/she shall pay us an administration cost of HK\$200;
- the healthcare personnel shall not disclose to any person the terms and conditions of the agreement with our Group or any confidential information or use any part of the confidential information for any other purposes without the prior written consent of our Group except

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that the disclosure is necessary for the due and proper performance of the healthcare personnel's duties and obligations under the agreement with our Group unless the information is already known to the recipient or is or becomes public knowledge or the disclosure is required to be made pursuant to any law or order of a court of competent jurisdiction;

- the agreement will be automatically terminated without prior notice to the healthcare personnel (i) if such healthcare personnel does not fulfil the performance persistently (that is, the healthcare personnel failed to show up for scheduled duty assignment and/or we received clients' complaints against his/her service standard (which have been verified by our Group) for three times or more) or other requirements in respect of the duty assignments which may be assigned by our Group from time to time; or (ii) if such healthcare personnel breaches any of the terms or conditions of the agreement or in any way fails to comply with such terms or conditions; or (iii) in the event of fraud, dishonesty or breach of trust on the part of the healthcare personnel;
- the healthcare personnel shall not be directly or indirectly engaged by our client in his/her personal capacity or in the capacity of the client's company or organisation which our Group has placed such healthcare personnel to provide similar healthcare services within a year after the last day of his or her performance of duties with such client without our consent in writing, and if the healthcare personnel fails to obtain our consent, the healthcare personnel shall be liable to pay us compensation of up to HK\$50,000 (the amount of which will vary from case to case, taking into account the rank of the healthcare personnel concerned, the type of clients involved, expected duration and frequency of assignments to be assigned to the healthcare personnel concerned in the following year after the performance of such duty and any relevant circumstance of each individual instance);
- the costs to healthcare personnel with reference to the Pay-out Rate shall be inclusive of all fees, costs, charges and disbursements incurred by the healthcare personnel in the performance of service/assigned duty. Our Group acts as an agent to collect fee on behalf of the healthcare personnel;
- acceptance of registration with us and staffing of any work thereafter does not constitute any employer/employee relationship, either express or implied, between our Group and the healthcare personnel;
- the entire responsibility for providing true and valid information to fulfill the Hong Kong taxation requirements of being a self-employed person is borne by the healthcare personnel; and

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- our Group may not be able to pay the service fee to the healthcare personnel if our clients decline to pay service fee to our Group for any reason.

As advised by our Company's Hong Kong legal advisers, the agreements are valid, binding and enforceable against the parties.

Our Group has adopted measures in our screening and interviewing process for healthcare personnel who wish to register with us, please refer to the paragraph headed "Screening procedure" in this section for details.

During the screening and registration process, designated staff of our Group will go through and explain the agreement to the healthcare personnel who wish to register with us to ensure that they truly and fully understand the terms of the agreements, including but not limited to their respective relationship with us and our clients, before they sign the agreement with our Group. As an enhanced measure, we will expressly ask the potential registrant(s) to seek independent professional advice on his/her legal position before signing the agreement with our Group if he/she so wishes.

By virtue of the agreement, it is unequivocally agreed between the parties that our Group acts as agent to collect fee on behalf of the healthcare personnel placed by us and shall not be liable for the payment of the service fee to such healthcare personnel if our clients decline to pay service fee to our Group for any reason. The payment of service fees by our Group to the healthcare personnel placed by us is hence subject to the above provision. As advised by our Company's Hong Kong legal advisers, the said provision is legal, valid and binding on the parties under the laws of Hong Kong. Having said that, there is no assurance that the healthcare personnel placed by us will not bring any action against us in respect of any default payment of service fee by our clients and there is no assurance that the Court's decision will rule in our favour after considering all factors or circumstances unique to the relevant action and hence our Group may subject to liability in this regard. Our Directors, however, consider our Group's exposure to the potential risk minimal or manageable as our Group has its rights to claim against our clients in respect of any default payment, as well as any consequential loss which our Group may suffer as a result of the default on the part of our clients. During the Track Record Period, we have filed 60 claims with the Hong Kong Small Claims Tribunal against our clients due to default payment of over 90 days, which were mainly resulted from (i) failure to reach the relevant clients to demand for payment of services rendered by healthcare personnel placed by our Group despite making continuous attempts by our Group; or (ii) failure to provide supporting documents/ evidence of settlements by the relevant clients. To the best knowledge of our Directors, none of the said default payment cases were relating to any clients' dissatisfaction in connection with our services. All the amounts claimed by us were fully recovered from those clients.

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Apart from signing an agreement, we also provide healthcare personnel registered with us with a standard term sheet at registration setting out the service fees payable to them. We pay healthcare personnel on a bi-weekly basis. The pay-out schedule is set out below:

Duty Performance Date	Pay-out Date (Note)
1st to 15th of each month	1st of the next month
16th to 31st of each month	16th of the next month

Note: If the 1st and 16th of the month is not a business day, the pay-out date will fall on the next business day.

The Pay-out Rates of different ranks of healthcare personnel may be adjusted from time to time. Our Group will inform the healthcare personnel the updated and adjusted Pay-out Rates shortly before they take up their next duty assignment. Details of the Pay-out Rates are set out in the paragraph headed "Charge-out Rates and Pay-out Rates" in this section and the section headed "Financial Information – Gross fee, Cost to healthcare personnel and Revenue".

As at the Latest Practicable Date, we did not enter into any long term service agreement with any of the healthcare personnel registered with us.

As there is no employment relationship between our Group and the healthcare personnel registered with us, we are advised by our Hong Kong legal advisers that our Group shall not be vicariously liable or take any responsibility for the conduct of the healthcare personnel registered with or placed by us in event of accidents and/or malpractice. However, there is no assurance that the negligence, omissions or misconduct of the healthcare personnel placed by us in connection with the performance of their duties will not lead to third parties' claims or lawsuits against us. If our clients suffer any losses or damage arising from the negligent acts of the healthcare personnel placed by us, claims may be lodged against such healthcare personnel and us, and our business, financial condition and results of operations may be adversely affected. Please refer to the section headed "Risk factors" in this prospectus for details of the risks associated therewith.

Screening procedure

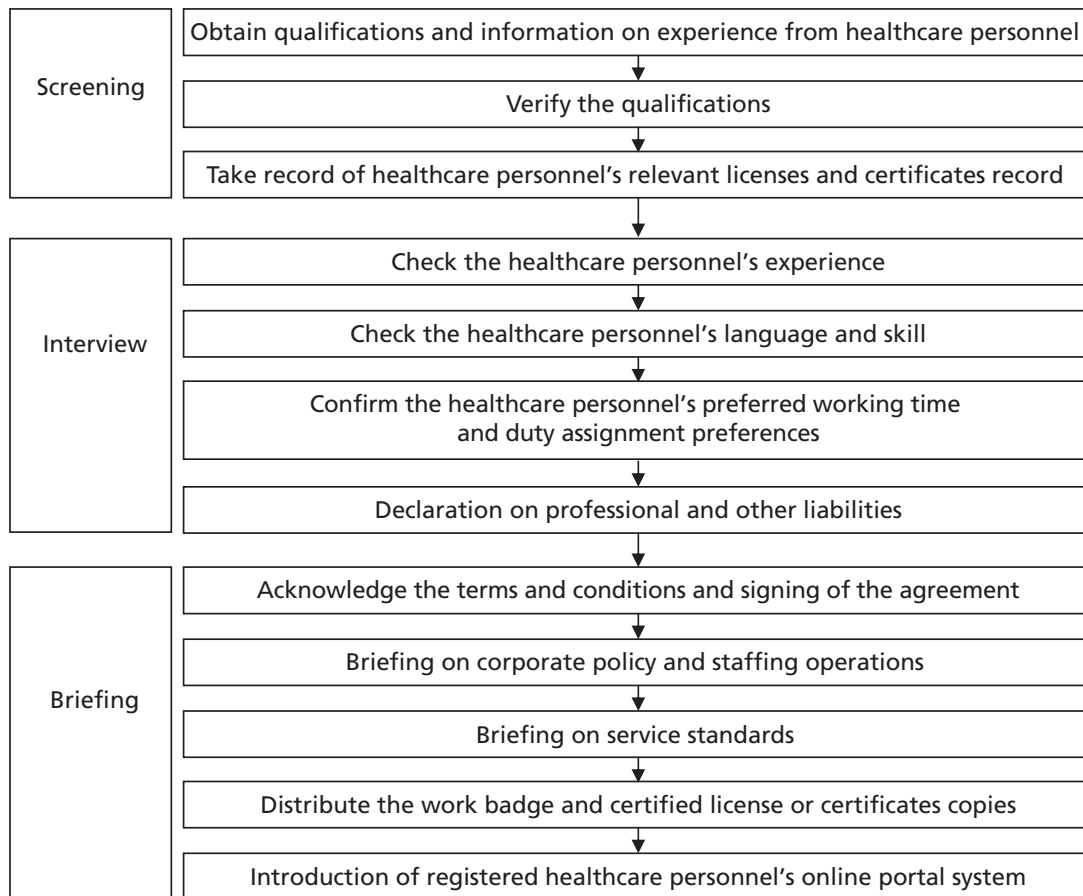
We have adopted a screening process which includes professional qualification and skills check on healthcare personnel before their registration which helps us select appropriate healthcare personnel for placement with our clients. During the screening process, our Group will verify the accuracy and authenticity of the healthcare personnel's qualifications and skills by checking the originals of the relevant licences and certificates obtained by the healthcare personnel in accordance with the Group's internal guidelines on certificate and qualification verification which contain the characteristics of the certificates and licenses of different ranks of healthcare personnel, and contacting the relevant authorities which issued such licences and certificates to check the authenticity

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of the qualifications if necessary; and verify the experience of the healthcare personnel registered with us by checking the reference letters issued by their previous employers which evidence their employment history if available.

All background information of the healthcare personnel registered with us together with their preferences regarding the duty assignments are electronically stored in our CRM system, which enables us to efficiently search and identify healthcare personnel of different ranks, specialty skills, experience and preference on nature of duty assignments, location and working hours.

Our screening and registration process for healthcare personnel is set out below:



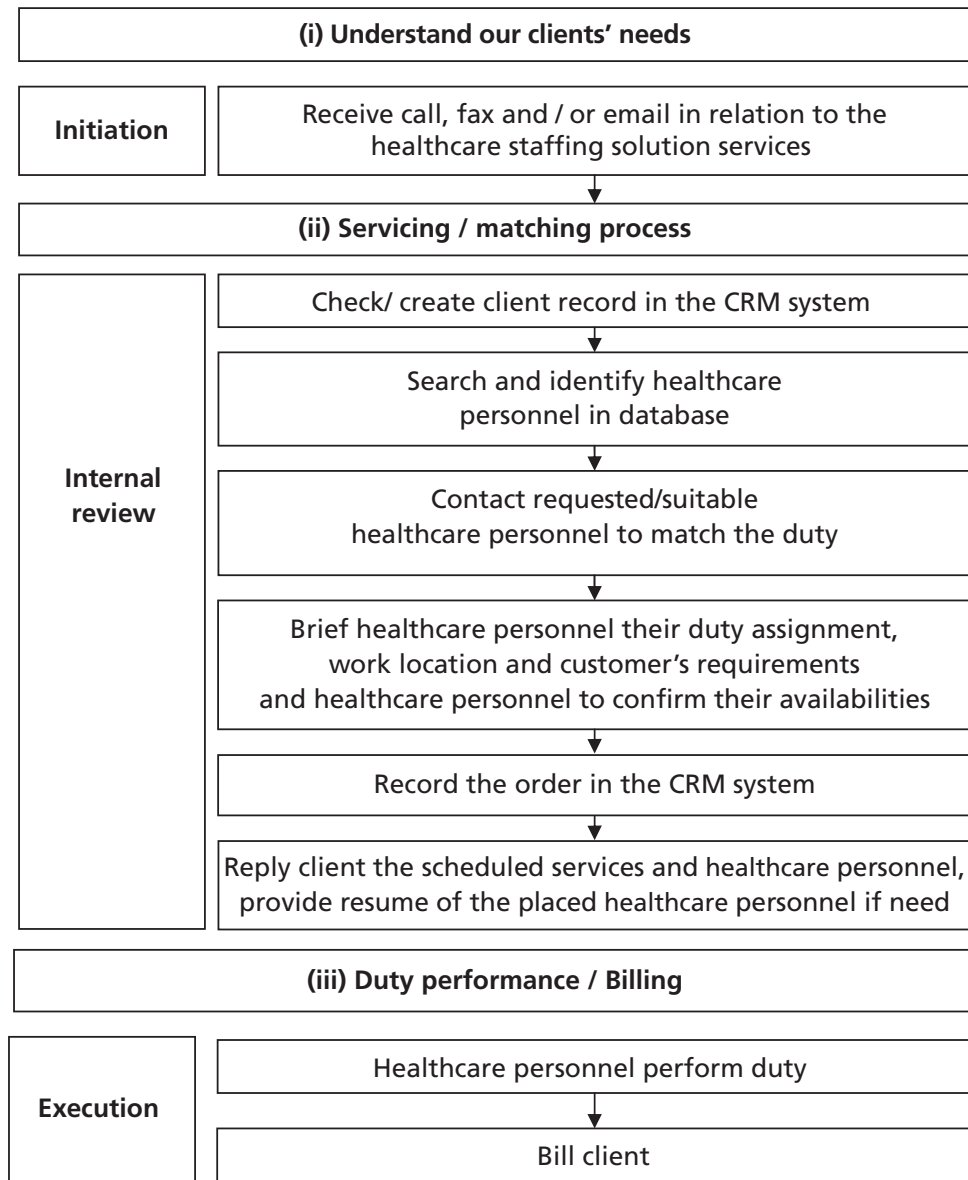
BUSINESS OPERATIONS

We are dedicated to providing excellent healthcare staffing solution services to fulfill various needs of both individual and institutional clients. Our daily business operations involve quality management system and complaints handling management system, which meet international quality standards of ISO 9001 and ISO 10002 respectively.

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Our clients and services are mainly managed by our CS Department. When we have a new client, our CS Department will collect and record data on the client's needs and requirements to identify suitable healthcare personnel.

The diagram below illustrates the major steps of our healthcare staffing solution services:



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The case management procedures can be categorised as (i) understanding clients' needs; (ii) servicing / matching process; and (iii) duty performance / billing.

(i) Understanding clients' needs

Upon receiving our institutional or individual client's order by telephone, fax or email, our CS Department collects client's requirements including nature of the duty, ranks of healthcare personnel required, service schedule and other special requirements.

For private nursing staffing services, our CS Department will consider the background, medical and health condition of the client, and then offer assistance and advice in relation to the appropriate rank and number of healthcare personnel needed. For institutional clients who request our institutional staffing solution services, our CS Department will discuss the duties and other special requirements with the client before beginning the matching procedures.

Our CS Department is accessible round-the-clock and provides interactive enquiry services to our clients who may need services from healthcare personnel on an urgent basis. We are committed to deliver healthcare staffing solutions within 30 minutes upon request.

(ii) Servicing / matching process

We consider every client to be unique. In order to provide excellent service, we systematically record each client's requirements to identify the most suitable healthcare personnel.

Our Directors believe that we have distinguished ourselves in healthcare staffing solution services by implementing the CRM system to support various functions of healthcare staffing solution services. We use our CRM system to assist us in the matching process. All information about the healthcare personnel registered with us are recorded in the CRM system, for case management, billing and healthcare personnel selection and matching use. Our Directors believe that the CRM system facilitates the scheduling of duty and enhances the efficiency of staffing solution service. Our database, which contains details of the qualifications of healthcare personnel, accelerates the matching process in view of specialty skills and experience of the healthcare personnel required by our clients. Our CS Department searches for and identifies suitable healthcare personnel for each case based on the search criteria below, powered by the CRM system:

- Rank – e.g. RN, EN, PCW
- Specialty ward experience – e.g. Geriatrics, Paediatrics, Accident and Emergency

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- Specialty skills – e.g. injection, infusion, blood taking, tube feeding and suction
- Healthcare personnel's preferred working time – e.g. preferred days and time slots
- Healthcare personnel's duty preference – e.g. ward relief service or private service
- Healthcare personnel's experience – e.g. key words search for specific specialty or ward experience
- Healthcare personnel's preferred working location

Since private nursing staffing services are personal to our individual clients, rather than merely meeting client's health and medical needs by identifying healthcare personnel with the appropriate rank and skills, our CS Department is also attentive to other specific and detailed requirements such as languages and religion.

Throughout the interview in our screening process and communication with the healthcare personnel registered with us, our CS Department understands and notes down the characters and preferences of the healthcare personnel and the same were then recorded in the CRM system. We also manage the cases of our clients in the CRM system by recording service details, requirements, health and medical condition of individual clients. In both private nursing and institutional staffing solution services, the healthcare personnel who previously served the client generally have a higher priority for subsequent assignments with the same client; occasionally, some of our clients request specific healthcare personnel to be placed at their service. We consider that we are generally able to satisfy our clients' needs and requests.

(iii) Duty performance / billing

Once a suitable healthcare personnel is identified and we confirm that he/she has the required skill, our CS Department will confirm with our clients for service to be provided with information about the qualification of the healthcare personnel to be placed. To ensure the healthcare personnel to be placed by us possess the relevant skills, it is our practice to contact our clients from time to time to check if the healthcare personnel placed to them could deliver the skills required by them. The CS Department also briefs the healthcare personnel regarding their duty assignments, work location and other client requirements. The healthcare personnel will perform his/her duties as scheduled, and when the duty has been performed, our accounting and financing department will issue our bill to client generally on a bi-weekly basis.

(iv) The main functions of the CRM system

The CRM system allows us to perform the following:

Healthcare Personnel Management – We can input information regarding new registered healthcare personnel and store qualification documents in the system. Healthcare personnel registered with us will be given a username and password to access the website at www.mybamboos.hk, which is the member portal linked with our CRM system, which allows them to update their resume and availability. Healthcare personnel placed by us can confirm their completed duties via this member portal without geographical and time constraints. We can review the resume and document updates made by registered healthcare personnel via www.mybamboos.hk and grant approval for such updates to be synchronised into the CRM system.

Client Management – We can record and access our client's information, including service requirements and health conditions.

Case Management – We can match our clients' needs by using the various search functions of the system based on the records of the healthcare personnel registered with us.

Order Management – We can track service orders placed by clients.

Invoicing – We can use the system to generate invoices after the performance of duties and we can search clients' invoicing history.

Calculation of Fees Payable to Healthcare Personnel – The system can generate fees payable reports for the healthcare personnel who have performed the assigned duties.

During the Track Record Period, we engaged an independent IT services and system provider ("IT consultant") to support and maintain the CRM system for our business operations. They also provide system maintenance services on several data centres and server facilities for storage of information in relation to our database of healthcare personnel. Pursuant to our agreement with the IT consultant, full backup of electronic data of the CRM system is performed daily in two different servers.

Charge-out Rates and Pay-out Rates

Our Charge-out Rate is determined based on our Pay-out Rate to healthcare personnel registered with us and our Group's expected profit margin, taking into account factors such as rank of healthcare personnel, market level of salary payable to healthcare personnel and charge-out rates of our competitors. Our standard term sheet provided to clients generally sets out our Charge-out Rates to our clients from a brief visit up to 12-hour of service. Our Charge-out Rate varies with the rank of the healthcare personnel, types of clients and the number

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of service hours provided by the healthcare personnel placed by us. We work under a regressive hourly rate system in which longer hours of duties have a lower Charge-out Rate per hour.

Our Pay-out Rate varies with the rank of the healthcare personnel and the service hours provided by the healthcare personnel, and is determined taking into account factors such as market level of salary payable to healthcare personnel in Hong Kong and pay-out rates of our competitors. Our standard term sheet provided to healthcare personnel registered with us generally sets out Pay-out Rates for services provided by healthcare personnel of different ranks from a brief visit up to 12-hour of service.

We earn a differential between the Charge-out Rate to our clients against the Pay-out Rate to the healthcare personnel registered with us by placing healthcare personnel registered with us to our clients.

Set out below is a general summary of (i) our average Charge-out Rates per hour of major ranks of healthcare personnel to our clients; (ii) our average Pay-out Rates per hour of major ranks of healthcare personnel registered with us; (iii) the difference of average Charge-out Rate per hour and the average Pay-out Rate per hour; and (iv) the mark up ratio as at 30 June 2012, 30 June 2013 and 31 December 2013 respectively:

	As at 30 June 2012				As at 30 June 2013				As at 31 December 2013			
	Average Charge-out Rates per hour (A) (HK\$) (Note 1)	Average Pay-out Rates per hour (B) (HK\$) (Note 2)	Differences (A-B) (HK\$) (Note 3)	Mark up ratio (A-B)/A (%)	Average Charge-out Rates per hour (A) (HK\$) (Note 1)	Average Pay-out Rates per hour (B) (HK\$) (Note 2)	Differences (A-B) (HK\$) (Note 3)	Mark up ratio (A-B)/A (%)	Average Charge-out Rates per hour (A) (HK\$) (Note 1)	Average Pay-out Rates per hour (B) (HK\$) (Note 2)	Differences (A-B) (HK\$) (Note 3)	Mark up ratio (A-B)/A (%)
(i) Institutional Clients												
RN	213	168	45	21.1%	240	185	55	22.9%	240	185	55	22.9%
EN	178	140	38	21.3%	199	154	45	22.6%	199	154	45	22.6%
HCA/HW	87	61	26	29.9%	100	68	32	32.0%	100	68	32	32.0%
PCW	70	54	16	22.9%	75	56	19	25.3%	82	60	22	26.8%
Others (Note 4)	65	52	13	20.0%	69	53	16	23.2%	79	57	22	27.8%
(ii) Individual Clients												
RN	213	168	45	21.1%	240	185	55	22.9%	240	185	55	22.9%
EN	178	140	38	21.3%	199	154	45	22.6%	199	154	45	22.6%
HCA/HW	78	60	18	23.1%	86	66	20	23.3%	86	66	20	23.3%
PCW	65	52	13	20.0%	69	54	15	21.7%	69	54	15	21.7%
Others (Note 5)	83-99	64-75	19-24	22.9%- 24.2%	92-110	70-83	22-27	23.9%- 24.5%	92-110	70-83	22-27	23.9%- 24.5%

Notes:

- (1) The average Charge-out Rates per hour is calculated from: the sum of our Charge-out Rates per hour applicable to different number of service hours ranged from 1-hour service to 12-hour service (as shown on the standard term sheet to our clients as applicable on the respective dates) divided by 12.
- (2) The average Pay-out Rates per hour is calculated from: the sum of our Pay-out Rates per hour applicable to different number of service hours ranged from 1-hour service to 12-hour service (as shown on the standard term sheet to the healthcare personnel registered with us as applicable on the respective dates) divided by 12.

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- (3) Differences between the average Charge-out Rates per hour and the average Pay-out Rates per hour.
- (4) Include workmen only.
- (5) Include CTNs, senior HCAs and senior HWs.

Please refer to section headed “Financial information – Sensitivity analysis” for details of the impact of hypothetical fluctuations in Charge-out Rate and Pay-out Rate on our Group’s revenue and net profit.

Billing and Settlement

We generally issue an invoice to our clients on a bi-weekly basis, unless specifically requested by our clients for early billing or for certain one-off services which we will issue our bill upon the performance of duty. Set out below is our billing schedule:

Duty Performance Date	Invoice Issuing Date (Note)
1st to 15th of each month	15th of each month
16th to 31st of each month	The last day of each month

Note: If the 15th and the last day of the month is not a business day, the invoice issuing date will fall on the next business day.

In respect of settlement, we generally pay the healthcare personnel on a bi-weekly basis after the proper performance of services by the healthcare personnel and the payment by our clients. The pay-out schedule is set as below:

Duty Performance Date	Pay-out Date (Note)
1st to 15th of each month	1st of the next month
16th to 31st of each month	16th of the next month

Note: If the 1st and 16th of the month is not a business day, the Pay-out Date will fall on the next business day.

Our invoices to our clients are due on presentation. Our Group’s accounting and finance department reviews the receivable ageing on a bi-weekly basis and follows up with clients who have overdue receivables. In general, we will initiate follow up action, including but not limited to file with the Hong Kong Small Claims Tribunal, for any outstanding payment of service fees owed by our clients for over 90 days. Our Group had not recorded any provision for impairment of receivables during the Track Record Period taking into account the fact that no impairment loss has been recognised by our Group during the Track Record Period. Please refer to the section headed “Financial information – Trade receivables” in this prospectus for details.

Direct Payment

We generally collect gross fee from our clients and then pay to the healthcare personnel the costs payable to them. Some of the healthcare personnel registered with us are requested by us to collect payments from our clients upon completion of services. Revenue of approximately HK\$1.7 million, HK\$2.8 million and HK\$1.0 million, representing approximately 6.7%, 9.2% and 5.9% of our total revenue for the two years ended 30 June 2013 and the six months ended 31 December 2013, respectively, were received from our clients by way of: (i) direct payment of the gross fee to the healthcare personnel while we collect our revenue subsequently from such healthcare personnel; or (ii) direct payments of the pay-out costs to healthcare personnel and our revenue to us respectively. We require the healthcare personnel to give us the balance of gross fee after deducting the cost payable to them collected from our clients by way of deposit to our bank accounts within 3 days, or deduction from the next payment to the healthcare personnel, if any.

We will assess our clients and the relevant default risks on case-by-case basis and determine if we would allow our clients to settle our invoices by direct payment. In general, direct payment by way of (i) above is only allowed to clients: (a) who have good payment history and have maintained a long and stable relationship with us, and only when such clients were placed with healthcare personnel who have a long and stable relationship with us; while in such scenario our Group considers the default risk is low; or (b) who are not able to provide sufficient background information such as Hong Kong resident proof, full name and/or residential address proof or contact details of family member; while in such scenario our Group considers that the default risk can be reduced if such clients can pay the healthcare personnel directly. Direct payment by way of (ii) above, in general, is only allowed to clients who have made specific requests to pay pay-out costs directly to the healthcare personnel and our revenue directly to our Group; while in such scenario our Group is not subject to higher default risk.

The independent internal control adviser engaged by our Group, Baker Tilly Hong Kong Risk Assurance Limited ("Internal Control Adviser"), has reviewed the said direct payment arrangement in their internal control review conducted during January to March 2014 and considered that the risk level associated to scenario (i) abovementioned is low to medium while direct payment by way of scenario (ii) is not subject to additional default risk as compared to the risk of our general settlement arrangement. In connection with scenario (i) above, it was recommended by Internal Control Adviser that (i) written policy and procedures regarding direct payment arrangement should be adopted; (ii) all gross fee should be paid to our Group by our clients instead of directly paid to the healthcare personnel unless written approval has been obtained from the management of our Group; (iii) a maximum outstanding amount due from the healthcare personnel should be set to avoid large accumulated revenue; and (iv) no further duty in connection with clients who make direct payments should be assigned to the healthcare personnel until all outstanding amount due to our

Group has been settled. Our Group has implemented all the said recommendations in March 2014, including adopting written policy and procedures regarding direct payment arrangement as well as setting a cap in the amount of HK\$25,000 on the outstanding amount due from each healthcare personnel, and situation (a) for scenario (i) as mentioned above is no longer allowed. The Internal Control Adviser has performed follow-up review in March 2014 and is satisfied with the measures taken by our Group.

Quality Control/Complaints

Our Group recognises that continual improvements in service quality are vital to enhancing competitiveness. As at the Latest Practicable Date, we were certified with ISO 9001:2008 and ISO 10002:2004, and we comply with the quality management system standards and complaints handling management system standards, respectively, to ensure the delivery of quality services.

ISO 9001:2008 Quality Management System

To continuously manage and enhance the quality of our Group's services, we implement an ISO9001:2008 Quality Management System. A management representative is assigned for system implementation and development. Quality objectives and internal review are set up and reviewed annually to assess opportunities for improvement and the need to change the quality policy and quality objectives. We conduct customer survey and phone interview to review client satisfaction on a regular basis.

ISO 10002: 2004 Complaints Handling Management System

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

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

policy. Requirements in complaint handling, such as response timing and recording are clearly established. Compliance with the system requirements and customer satisfaction are reviewed annually during our internal review.

On occasions, we receive feedback, comments and complaints from our clients. The 2 and 17 client complaints we received during the two years ended 30 June 2013 respectively were mainly in relation to service standards of healthcare personnel placed by us. No client complaint was received by us during the six months ended 31 December 2013. Our Group has followed up and dealt with the complaints, in accordance with the procedures under the ISO 10002:2004 Complaints Handling Management System, to the satisfaction of the clients. In respect of the complaints from our clients during the Track Record Period, the total value of compensation involved was HK\$160 (by way of waiving the fee of a duty assignment). We received no complaint from healthcare personnel registered with us during the Track Record Period, save and except for one complaint filed with the Equal Opportunities Commission (the “EOC”) in July 2012 by a healthcare personnel placed by us. The EOC terminated its investigation on the said complaint after completing its inquiries and examinations. There was no follow-up action from the EOC and our Group has received no further complaint or claim from the EOC and other source on the said complaint. For details of the said complaint, please refer to the paragraph headed “Licenses and permits – Analysis on the relationships between our Group, the healthcare personnel registered with us and our clients – EOC complaint filed by healthcare personnel” in this section.

No complaints have been received by us from our clients and healthcare personnel registered with us since 1 January 2014 up to the Latest Practicable Date.

Our Group noted that during the Track Record Period there were various news articles relating to our Group, alleging that we (i) imposed onerous restrictions on healthcare personnel registered with us, such as requiring them to wear our Group’s uniform, follow our Group’s leave policy and compensate our Group in the event that they accept assignments with our Group’s clients without our Group’s consent; (ii) did not clearly explain the terms and conditions when entering into agreements with the healthcare personnel; (iii) forced the healthcare personnel to sign agreements to acknowledge their “self-employment” status; and (iv) evaded our obligations under the Mandatory Provident Fund Schemes Ordinance although we were a de facto employer of the registered healthcare personnel. We denied such allegations and were of the view that such allegations are unsound. No claims have ever made against our Group in respect of any such allegations by any healthcare personnel registered with us nor was there any enquiry, investigation or follow up action taken or otherwise instituted by the Labour Department or other Government authorities during the Track Record Period other than the complaint made by a healthcare personnel registered with our Group with the EOC (please refer to the paragraph headed “Licenses and permits – Analysis on the relationships between our Group, the healthcare personnel registered with us and our clients – EOC complaint filed

by healthcare personnel” in this section). We consider there was no material adverse effect on our reputation and business operation, as evidenced by our Group’s revenue generated from the provision of healthcare staffing solution services, the number of the clients served, the number of service hours provided by healthcare personnel placed by us and the number of healthcare personnel registered with us during the Track Record Period. However, there is no assurance that similar allegations or complaints will not be made against us or can be prevented by us in the future, which, if occur, may adversely affect our reputation, business, financial position, results of operation and price of our Shares. Please refer to section headed “Risk factors” in this prospectus for details of the risks associated therewith.

Confidentiality Measures

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

The employment contracts signed with all our staff contain clauses which 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.

OPERATIONAL DEPARTMENTS

The operation of our Group is divided into four departments, which are customer service department, accounting and finance department, marketing department and human resources and administration department.

Customer Service Department

The customer service department is responsible for the operation of our service hotlines. The department is in charge of fulfilling client’s requirements, identifying suitable healthcare personnel for each case, assigning duties to healthcare personnel. They also coordinate with the accounting and finance department to confirm invoices and duties of healthcare personnel.

Accounting and Finance Department

The accounting and finance department is responsible for book-keeping and accounting functions for our Group, which includes invoicing, management accounts preparation and following up with receivables. The department is also in charge of arranging payment to healthcare personnel. The department performs treasury functions, including tax, treasury and risk management for our

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Group. To ascertain whether the corporate goals of our Group are achieved, the department's major duties include managing business risks, ensuring cost effectiveness and evaluating our Group's financial performance regularly.

Marketing Department

The marketing department is responsible for corporate communications and public relation issues. The department is in charge of releasing corporate news through the corporate website and publications such as brochures, posters and the BamBoOs! Life. The department is also responsible for brand building activities and corporate social responsibility functions such as events and sponsorships.

Human Resources and Administration Department

The human resources and administration department is responsible for staff and back office administrative affairs. It is responsible for company policies execution and compliance. The department handle and follow-up with the registration of healthcare personnel and maintain the database of healthcare personnel. It also maintains staff records and prepares payroll and tax returns for our Group. The department also coordinates with the accounting and finance department to review invoices and payments to healthcare personnel. It is responsible for providing basic on-going information technology support on network, system and telecommunication facilities development and maintenance, data backup and security control to our Group.

EMPLOYEES

As at the Latest Practicable Date, our Group had a total of 29 full time and 1 part time staff without taking into account our Directors and our company secretary, of which 14 were in the customer service department, 6 in the accounting and finance department, 5 in the marketing department, 4 work in the human resources and administration department and 1 was not sit in a particular department and was mainly responsible for carrying out internal audit work.

Employee training

Our employees are oriented with induction training about corporate culture and operations when they join our Group. Training on corporate procedures and policies with the quality management system, as well as complaint handling with ISO9001 and ISO10002 compliance respectively are provided to staff regularly.

Employee relations

Our Directors believe that we have a good relationship with our employees. During the Track Record Period, we did not have any disputes with our employees. Our employees are not members of any labour union. We have not

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experienced any significant problems with our employees or disruption to our operation due to labour disputes nor have experienced any material difficulties in recruiting or retaining experienced staff.

Recruitment policies

Our Group intends to use our best effort to attract and retain appropriate and suitable employee. Our Group assesses the available human resources on a continuous basis and will determine whether additional employee are required to cope with our business development.

HEALTH AND WORK SAFETY

Our Group has established procedures to provide our staff with a safe and healthy working environment by providing work safety rules in the staff manual for the staff to follow. In addition, our Group provides our staff with occupational safety education and training to enhance their awareness of work safety issues. In order to protect the rights of staff to receive medical treatment and monetary compensation after suffering from work injuries or occupational diseases, our Group has procedures in place to handle work-related accidents and injuries.

During the Track Record Period and up to the Latest Practicable Date, our Group did not experience any significant incidents or accidents in relation to work safety or any non-compliance with the applicable laws and regulations relevant to the work safety and health issues.

MARKET AND COMPETITION

As stated in the Clearstate Report, the total gross fee generated from the healthcare staffing solution service industry increased from approximately HK\$277.6 million for the year ended 30 June 2012 to approximately HK\$290.6 million for the year ended 30 June 2013, at a growth rate of approximately 4.7% over the year. The total gross fee for the healthcare staffing solution service industry is expected to further increase to approximately HK\$304.4 million for the year ending 30 June 2014.

Our Group is positioned as a comprehensive healthcare staffing solution service provider targeting social service organisations, hospitals, pharmaceutical companies and individual clients in Hong Kong. According to the Clearstate Report, our Group is the leading industry provider for healthcare staffing solution services to both institutional and individual clients and had a market share of approximately 48.9% in terms of gross fee for the year ended 30 June 2013. With our Directors' experience and knowledge of the industry, we believe that our Group is in an advantageous position to further develop our business and expand our market share.

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According to Clearstate, the healthcare staffing solution service industry in Hong Kong is dominated by two top players. The rest of the market is fragmented among smaller players. Most of the players are privately owned local companies, with a few that are affiliated with international healthcare group or to local NGOs. Majority of the market players provide both staffing solution services for healthcare institutions and private nursing staffing service for individuals.

We believe that new entrants in the industry may face difficulties operating at a large scale due to different barriers or limitations such as:

- hard to establish vast healthcare personnel pool with limited active resources;
- difficult to build strong brand awareness; and
- difficult to provide high quality level of service for large pool of clients and healthcare personnel.

Our Directors believe that there are few comparable market players in the market and our Group has a number of strengths as stated in the paragraph headed "Competitive strengths" in this section which will enable our Group to compete with comparable market players.

SALES AND MARKETING

Our Directors believe that good service quality and a well established brand image are of foremost importance. We promote our services through various marketing activities such as publication of BamBoOs! Life, distribution of souvenirs, advertising on public transportation and bill-board advertisement.

Our Group publishes and distributes "BamBoOs! Life" to our clients, healthcare personnel registered with us, hospitals, private clinics, selected residential and commercial buildings, and other subscribers free-of-charge. We believe BamBoOs! Life is a channel for readers to enrich healthcare knowledge as well as to receive updated information in the healthcare industry and for us to promote our values, vision, culture and development.

BamBoOs! Life contains interviews and articles prepared by us and columns of guest columnists invited by us. Before the publication of each issue of BamBoOs! Life, designated staff from our marketing team will review the same, and if applicable and necessary, verify and edit the content of the columns by slightly modifying the wordings after communicating with the relevant columnists. If we are in doubt of any material issues in relation to the content and/or the publication or release of BamBoOs! Life, including but not limited to copyright issues, we will seek external legal advice as and when appropriate.

SOCIAL RESPONSIBILITY

We believe that our efforts have successfully facilitated better utilisation of freelance and temporarily available healthcare workforce and helped alleviate the prolonged healthcare personnel shortage in the Hong Kong.

With the commitment to being a socially responsible corporation, we are dedicated to sustainably develop and implement good corporate policies in areas including environmental protection, community service, staff management and development as well as occupational health and safety. We initiate voluntary works twice a year during the lunar new year and the mid-autumn festival. Our volunteer team distributes festival fruits in RCHEs and hospital wards to the elderly residents and patients.

It is our Group's initiative to support NGOs and local universities in various aspects of a charitable nature. In BamBoOs! Life, we reserve places for NGOs to promote their activities, free-of-charge, both through advertisement and feature stories. We sponsored NGO initiatives and programmes during the Track Record Period. In 2012 and 2013, we were one of the chief sponsors of the Rehab Power Day, which was organised by Hong Kong Rehabilitation Power, advocating support for disabled persons and social harmony. Our Group has been named by The Hong Kong Council of Social Service as a "Caring Company" for five consecutive years since 2009.

AWARDS



Our Group and our services have been endorsed by different bodies for our quality of services as evidenced by the following awards since our establishment:

	Year of grant	Award	Awarding organisation
1.	2013	One of 48 Companies in the Second Hong Kong SME Business Sustainability Index	The Hong Kong Polytechnic University, Hong Kong SME Business Sustainability Index and Council for Sustainable Development
2.	2013	Five Consecutive Years Caring Company Award	Hong Kong Council of Social Services
3.	2012	Excellent HR Service Provider Award – Recruitment & Consulting/HRIS & Software	Hong Kong Institute of Human Resources Management

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	Year of grant	Award	Awarding organisation
4.	2012	One of 40 Companies In The Hong Kong SME Business Sustainability Index 2012	The Hong Kong Polytechnic University, Hong Kong SME Business Sustainability Index and Hong Kong Productivity Council
5.	2011	Family-Friendly Employers Award Scheme – Family – Friendly Employer	Family Council
6.	2010	HSBC Living Business People Caring Award – Silver Award	The Hongkong and Shanghai Banking Corporation Limited (“HSBC”)
7.	2009	HSBC Living Business – Emerald Award	HSBC

INTELLECTUAL PROPERTY

As at the Latest Practicable Date, our Group had registered trademarks for the logo “” and “” in Hong Kong.

Further details of our intellectual property rights including the trademarks registered by our Group and trademarks which we had applied for registration are set out in the paragraph headed “Further information about our business – Intellectual property rights” in Appendix IV to this prospectus.

As at the Latest Practicable Date, we were not aware of any material incidents of intellectual property rights infringement, including our Group infringing upon the rights of others or others infringing upon our rights, or any material claims or litigation relating to such rights that arose out of circumstances occurring within the Track Record Period.

INSURANCE

Our Group maintains employee compensation insurance as required under the Employee’s Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) and medical insurance for our employees. We also maintain malpractice liability insurance which covers us with respect to malpractice by reason of any negligent act, error or omission committed or alleged to have been committed by healthcare personnel placed by us to our clients. We are not statutorily required to take out insurance for the healthcare personnel placed by us as they work in a self-employed capacity. Nevertheless, to foster a caring relationship, we offer the healthcare personnel placed by us the opportunity to access to affordable insurance by taking out personal accident insurance at work for them

and requiring them to make only a minimal contribution to part of the premium payable to cover their own risks at work. We believe that this is also an additional value-added feature for our clients to see that the healthcare personnel placed by us are protected with appropriate insurance coverage. Our Directors believe that our insurance coverage is sufficient and in line with the normal commercial practice in the healthcare staffing solution service industry in Hong Kong. Our Directors believe that the amount of insurance maintained by our Group is in line with industry standards. During the Track Record Period, no material insurance claims have been made by our Group.

LICENSES AND PERMITS

Overview

There are no specific licensing requirement for conducting our Group's business in Hong Kong in addition to what is generally required for carrying on businesses in Hong Kong. Save as disclosed in the paragraph headed "Compliance with statutory requirements in Hong Kong and regulatory requirements in the PRC" in this section, our Group has obtained all material licenses, permits and certificates which are necessary for its operations.

Our Controlling Shareholders have executed a Deed of Indemnity in favour of our Group, among others, to jointly and severally fully indemnify our Group against all claims, penalties and fines and all losses and damages which may be suffered by our Group as a result of Bamboos PNS's provision of the healthcare staffing solution services during the period between Bamboos PNS's incorporation in March 2009 and the Listing Date.

Employment Ordinance and Employment Agency Regulations

The operation of an employment agency is governed by the Employment Ordinance and the Employment Agency Regulations (Chapter 57A of Laws of Hong Kong) (the "**Employment Agency Regulations**").

Definition of employment agency

Under section 50 of the Employment Ordinance, "employment agency" means a person who operates a business the purpose of which is (a) to obtain employment for another person; or (b) to supply the labour of another person to an employer, whether or not the person who operates the business will derive any pecuniary or other material advantage from either the employer or such other person.

Relevant legislations in relation to operation of employment agency

The operator of an employment agency must obtain an employment agency licence or certificate of exemption from the Labour Department. Under 51(1) of the Employment Ordinance, no person shall operate, manage or assist in the management of an employment agency unless (i) he is the holder of a licence or certificate of exemption issued in respect of the employment agency; or (ii) he is in the employment of the holder of a licence or certificate of exemption, and no person shall operate, manage or assist in the management of an employment agency of any place other than the place of business specified in the licence or certificate of exemption issued in respect of the employment agency pursuant to section 51(2) of the Employment Ordinance.

Further, section 56(1) of the Employment Ordinance provides that a licensee shall maintain a record of all job applicants registered with his employment agency and keep such records available for inspection at the place of business of the employment agency by the Commissioner of Labour, or by any public officer authorized by him in that behalf, at all reasonable times.

Penalty

Under section 60 of the Employment Ordinance, a person (other than the employee of such person, if applicable) who operates, manages or assists in the management of an employment agency (a) without a licence or certificate of exemption issued in respect of the employment agency; or (b) at any place other than the place of business specified in the licence or certificate of exemption issued in respect of the employment agency, shall be guilty of an offence and shall be liable on conviction to a fine at (a) HK\$50,000 or (b) HK\$10,000 (pursuant to Schedule 8 to the Criminal Procedure Ordinance), respectively.

Pursuant to regulation 6 of the Employment Agency Regulations, no person other than the licensee shall use or make use of, directly or indirectly, an employment agency licence. A licensee shall not lend, transfer or assign his licence to another person. Any persons who contravene such provision shall be guilty of an offence and shall be liable on conviction to a fine at HK\$10,000 according to regulation 17(2) of the Employment Agency Regulations. Regulation 10(2) of the Employment Agency Regulations also provide that the maximum commission which may be charged and received by a licensee in connection with the employment of any person shall be that set out in Part II of the Second Schedule to the Employment Agency Ordinance (that is an amount not exceeding a sum equal to 10% of the first month's wages received by such person after he has been placed in employment by the employment agency).

Section 60 of the Employment Ordinance and regulation 17 of the Employment Agency Regulations provide that the penalties will be applicable to "any person" who contravenes the relevant legislations, which shall cover person and/or corporations who in fact committed such offences. As advised by our Company's Hong Kong legal advisers, pursuant to the Interpretation and General

Clauses Ordinance (Chapter 1 of the Laws of Hong Kong), the meaning of the word “person” includes “any public body and any body of persons, corporate or unincorporate, and this definition shall apply notwithstanding that the word “person” occurs in a provision creating or relating to an offence or for the recovery of any fine or compensation”. As such, the relevant provisions of the Employment Ordinance or the Employment Agency Regulations apply not only to natural persons but also to legal entities who have contravened the relevant legislations. Bamboos PNS is the subject corporation (and the sole and only entity within our Group) which runs the business of the provision of healthcare staffing solution services in Hong Kong. As advised by our Company’s Hong Kong legal advisers, it is up to the prosecuting authorities, based on the facts and evidence in each case, to decide whether to take action against the subject corporation, and if so, whether action would also be taken against the directors of the subject corporation or other related persons. If Bamboos PNS is deemed to have operated as employment agency under the Employment Ordinance, it is up to the decision of the prosecuting authorities whether to impose penalties on the directors of Bamboos PNS.

Compliance with the Employment Ordinance and Employment Agency Regulations

Overview

Bamboos PNS has been providing healthcare staffing solution services since July 2009. As part of our strategic planning and to allow for flexibility in our future business development which may otherwise require an employment agency licence, Bamboos PNS obtained an employment agency licence for the first time on 22 August 2012, which was renewed on 22 August 2013.

According to Clearstate, two of the five key competitors in the healthcare staffing solution industry possess an employment agency licence.

Enquiries to the Labour Department

In September 2013, our Company’s Hong Kong legal advisers made a written enquiry to the Labour Department by submitting comprehensive information together with copies of documents in support of the analysis of and conclusion reached by our Hong Kong legal advisers (including but not limited to the form of agreement between the healthcare personnel and our Group, the service agreements between our clients and our Group, and our standard term sheet) for the purpose of providing them with a comprehensive picture and understanding on the business model and operation of our business and seeking their confirmation that they agreed with our Company’s understanding that our business does not fall within the scope of business of an “employment agency” under the Employment Ordinance.

The Labour Department, in their reply letter dated 25 October 2013 to our Company's Hong Kong legal advisers, indicating to our Company's Hong Kong legal advisers that whether there exists any employer-employee relationship between our clients and the healthcare personnel, or between our Group and the healthcare personnel in any given case is a mixed question of law and fact to be determined having regard to all the facts and circumstances of the particular case in question, and they do not make broad confirmation on the legal position in this regard and advised our Group to seek legal advice if in doubt.

Views from our Hong Kong legal advisers

As advised by our Company's Hong Kong legal advisers, the provision of healthcare staffing solution services by Bamboos PNS in the past did not and for now does not fall within the scope of business of an "employment agency" under the Employment Ordinance and no employment agency licence or a certificate of exemption from the Labour Department was or is otherwise required, given that (i) there is no employment relationship between the healthcare personnel registered with us and our Group; and (ii) the relationship between our clients and the healthcare personnel placed by us is not employer-employee relationship. Details of the analysis of such relationships are set out in the paragraph headed "Analysis on the relationships between our Group, the healthcare personnel registered with us and our clients" below. As the provision of healthcare staffing solution services by us does not fall within the scope of business of an "employment agency" under the Employment Ordinance currently in force, the requirement in relation to the maximum commission under Regulation 10(2) of the Employment Agency Regulations does not apply to us.

Further, as advised by our Company's Hong Kong legal advisers, even if Bamboos PNS's provision of healthcare staffing solution services without obtaining an employment agency licence since its incorporation until 22 August 2012, the date that Bamboos PNS first obtained an employment agency license, was in contravention of the Employment Ordinance (which was and is not the case), Bamboos PNS (or its directors or other related person) could not be prosecuted for such non-compliance as more than 6 months had elapsed since 21 August 2012, being the time limit for prosecution of a summary offence. Pursuant to section 26 of the Magistrates Ordinance (Chapter 227 of the Laws of Hong Kong), in any case of an offence, other than an indictable offence, where no time is limited by any enactment for making any complaint or laying any information in respect of such offence, such complaint shall be made or such information laid within 6 months from the time when the matter of such complaint or information respectively arose.

There is no published judgment for court cases in Hong Kong in relation to whether the business of a healthcare staffing solution services provider fall within the scope of business of an "employment agency" and whether the relationship between the healthcare personnel and the clients is self-employment.

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After taking into account the views of our Company's Hong Kong legal advisers and their analysis set out above, the Sole Sponsor concurs with the view of our Company's Hong Kong legal advisers.

For the sake of completeness, the Company noted that there was a Labour Tribunal appeal case (the "Case") between a healthcare personnel (the "Respondent") and a healthcare company (the "Appellant"), which is a market player in the healthcare staffing solution service industry in Hong Kong. The hearing of the appeal by the Appellant took place on 9 April 2014 in chambers and the judgment (the "Judgment") was handed down on 30 April 2014.

As advised by our Company's Hong Kong legal advisers, the Case was an appeal by the Appellant against the Labour Tribunal award to the Court of First Instance (the "Court").

Given that neither decisions/awards of the Labour Tribunal nor the appeal documents were public documents, the following is a summary of the Case based on the Judgment:

- The Appellant was ordered by the Labour Tribunal to pay for the entitled annual leave and paid holidays of the Respondent. The Appellant appealed against the award of the Labour Tribunal.
- Under section 32 of the Labour Tribunal Ordinance (Chapter 25 of the Laws of Hong Kong) (the "**Labour Tribunal Ordinance**"), an appeal can only be lodged on the grounds that the award, order or determination made by the Labour Tribunal is erroneous on a point of law or the subject-matter is outside the jurisdiction of the Labour Tribunal.
- The appeal was dismissed by the Court by reason that the Appellant failed to establish any of the grounds set out in the said section 32.
- The Court also held that the Appellant failed to prove that the Labour Tribunal was plainly wrong in its factual findings.

As further advised by our Company's Hong Kong legal advisers, the Judgment does not contain much by way of background information, in particular, it does not set out any details of the arrangement between the Respondent and the Appellant. In dismissing the appeal, the Court did not go through each and every factors considered by the Labour Tribunal. It is therefore uncertain how the 8 Criteria (as defined below) were considered in the context. From the Judgment itself, it is also unclear as to what factual evidence was considered by the Labour Tribunal when it made its assessment. Apart from the fact that the Case is not a direct precedent case or an authoritative decision on employment relationship issue and that the Court does not make any findings in this regard, there is simply not enough information available to make a meaningful comparison between the case scenario of the Case and the present case of our Group. In the premises, the Case does not affect the view of our

Company's Hong Kong legal advisers regarding the relationship of our Group and the healthcare personnel (that is, that there is no employment relationship between the healthcare personnel and our Group) with which the Sole Sponsor concurs having considered the Judgment and the views of our Company's Hong Kong legal advisers.

The view of the Labour Department as that referred to under the preceding sub-paragraph headed "Enquiries to the Labour Department" of this section that *"whether there exists any employer-employee relationship between our clients and the healthcare personnel, or between our Group and the healthcare personnel in a given case is a mixed question of law and fact to be determined having regards to all the facts and circumstances of a particular case in question"* was consistent with the Court's view. The Court reiterated in the Judgment that all of the indicators must be considered as a whole picture in assessing the existence of an employment relationship. The determination of the existence of an employer-employee relationship was a matter of overall impression. Each particular relationship has to be considered in light of the facts and circumstances of that particular relationship.

It is also worth mentioning that, since the commencement of operation of our Group in 2009, none of the claims filed with the Labour Tribunal against our Group by the healthcare personnel placed by our Group was successful against our Group (please refer to the sub-paragraph headed "Legal proceedings" of this section below). No case has ever been established that, based on the evidence adduced by our Group and the claimants, there exists any employment relationship between any of these claimants and our Group.

For details of the analysis on the relationship between our Group and the healthcare personnel registered with/placed by us, please refer to the sub-paragraph headed "Application of the 8 Criteria" of this section below.

Analysis on the relationships between our Group, the healthcare personnel registered with us and our clients

Background – the 8 Criteria

According to the Labour Department, there is no one single conclusive test to distinguish an "employee" from a "contractor or self-employed person" while the final interpretation will rest with the courts in case of a dispute. As advised by our Hong Kong legal advisers, in deciding whether or not there are any employment relationships between the relevant parties, the courts often have to decide whether or not an employee is working under a contract of employment or under a contract for services. The courts in Hong Kong have also frequently referred to what is called the 8 Criteria (the "**8 Criteria**") when considering whether there is any employment relationship between the relevant parties, for example in cases involving drivers (e.g. container truck drivers and minibus

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drivers), construction site workers and renovation workers (e.g. scaffolders), insurance agents, kitchen workers (e.g. chefs and cleaning workers), and delivery workers. The 8 Criteria are set out as follows:

- (1) the degree of control exercised by the employer;
- (2) whether the worker's interest in the relationship involved any prospect of profit or risk of loss;
- (3) whether the worker was properly regarded as part of the employer's organisation;
- (4) whether the worker was carrying on business on his own account or carrying on the business of the employer;
- (5) the provision of equipment;
- (6) the incidence of tax and national insurance;
- (7) the parties' own view of their relationship; and
- (8) the traditional structure of the trade or profession concerned and the arrangements within it.

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Application of the 8 Criteria

Set out below is the application and analysis of the 8 Criteria by our Company's Hong Kong legal advisers to the relationships (i) between our Group and the healthcare personnel registered with us or placed by us; and (ii) between our clients and the healthcare personnel registered with us or placed by us:

The 8 Criteria	Our Group/ healthcare personnel registered with us or placed by us	Our clients/ healthcare personnel registered with us or placed by us
1. The degree of control exercised by the employer	<ul style="list-style-type: none"> • The duty roster is arranged by agreement between the healthcare personnel registered with us and our Group and can be varied; • The duty roster of healthcare personnel placed by us can be varied in accordance with their preferences and they are free to inform our Group that they cannot report duty for any scheduled duty assignment by giving notice in advance (with notice period varies from 24 hours to 3 days). In the event of short notice, there is no penalty or deduction of pay-out cost to the relevant healthcare personnel placed by us but only an administrative charge of HK\$200 will be payable by such healthcare personnel to cover the extra administrative costs of our Group incurred for arranging a substitute to perform the assigned duty; • The healthcare personnel registered with us may refuse any duty assignments referred by our Group and accordingly plan their own duty schedule; • Our Group does not have strict requirements as to the healthcare personnel's working hours. The healthcare personnel registered with us retain the freedom and flexibility to decide for themselves when to work; 	<ul style="list-style-type: none"> • Our clients can specify the type of healthcare personnel they need but not whom we are to place as this depends on the duty roster agreed between our Group and the healthcare personnel to be placed by us; • The healthcare personnel registered with us retain the freedom and flexibility to decide for themselves when to work and may refuse any duty assignments referred by our Group; and • Our clients only have control over where and how the healthcare personnel placed by us work when our Group has assigned the duty to such healthcare personnel. <p><i>View of our Company's Hong Kong legal advisers:</i> Although our clients have control over where and how the healthcare personnel placed by us work, our clients do not otherwise have any control over the healthcare personnel registered with us or placed by us and that points against an employment relationship.</p>

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The 8 Criteria

Our Group/ healthcare personnel registered with us or placed by us

Our clients/ healthcare personnel registered with us or placed by us

- Our Group does not and is not in a position to give directions, and therefore cannot control, how healthcare personnel placed by us carry out their duties or make their decisions. For instance, our Group will not interfere with the decision of the healthcare personnel placed by us, for example whether he or she should call an ambulance, but will leave the healthcare personnel to exercise his or her own judgment based on his or her experience, healthcare skills and the circumstances; and
- The healthcare personnel registered with us are free to take up duty assignments for others and do not require our Group's permission to do so. The restriction that our consent is necessary if a healthcare personnel registered with us wishes to be directly or indirectly engaged by a previous client introduced by our Group for the provision of similar healthcare services within a year after the last day of his or her performance of duties with such client does not encompass all of our clients or services of all kinds and is limited in scope.

View of our Company's Hong Kong legal advisers: Although there are limited restrictions and control (which we considered are not significant) as set out above, after taking into account all factors as a whole, there are lack of restriction and control by our Group on the healthcare personnel registered with us or placed by us and that points against an employment relationship.

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The 8 Criteria	Our Group/ healthcare personnel registered with us or placed by us	Our clients/ healthcare personnel registered with us or placed by us
2. Whether the worker's interest in the relationship involved any prospect of profit or risk of loss	<ul style="list-style-type: none"> • The healthcare personnel registered with us are not guaranteed any fixed income as registration with our Group does not guarantee that healthcare personnel registered with us will be assigned any duty; • The healthcare personnel placed by us will not be reimbursed by our Group for any travelling costs (save for during typhoons and black rainstorm, subject to the approval of us/ our clients) or other costs incurred by them as a result of discharging the duties; and • The healthcare personnel placed by us bear the financial risks on their own in performing the duty arranged through our Group, they do not enjoy the right to recover their service fees from our Group if our clients decline to pay, as it was agreed between the parties that our Group acts as agent to collect fee on behalf of the healthcare personnel placed by us. If our client fails to make payment to our Group, our Group does not have an obligation to pay the healthcare personnel placed by us whereas on the other hand, if our Group received fees from our clients, our Group is obligated to pay the healthcare personnel placed by us in its role of an agent collecting fees for such healthcare personnel from our clients. <p><i>View of our Company's Hong Kong legal advisers:</i> These factor point against an employment relationship as the healthcare personnel registered with us or placed by us bear their own financial risks.</p>	<ul style="list-style-type: none"> • The healthcare personnel registered with us or placed by us are not paid a salary by our clients. In general, our clients pay the gross fee to us (although in some occasions, healthcare personnel placed by us are requested by us to collect payments from our clients upon completion of services), which in turn arranges payment to the healthcare personnel placed by us; and • The healthcare personnel placed by us will not be reimbursed by our clients for any travelling costs (save for during typhoons and black rainstorm, subject to the approval of us/ our clients) or other costs incurred by them as a result of discharging the duties. <p><i>View of our Company's Hong Kong legal advisers:</i> These factors point against an employment relationship as the healthcare personnel registered with us or placed by us bear their own financial risks.</p>

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The 8 Criteria	Our Group/ healthcare personnel registered with us or placed by us	Our clients/ healthcare personnel registered with us or placed by us
3. Whether the worker was properly regarded as part of the employer's organisation	<ul style="list-style-type: none"> Our Group does not treat the healthcare personnel registered with or placed by us as employees in its accounts; and Although from the point of view of our business model, healthcare personnel registered with us form part of our business model, as our business involves and is related to the placement of healthcare personnel to our clients and the works they perform for our clients. <p><i>View of our Company's Hong Kong legal advisers:</i> Healthcare personnel registered with us or placed by us form part of our business model. However, this factor should not carry much weight in the overall context of the parties' relationship as per the judgment of a precedent Hong Kong employment law case.</p>	<ul style="list-style-type: none"> In respect of our clients, the healthcare personnel placed by us are replaceable by other healthcare personnel with similar skills available in the market; and Given the nature of the work and the arrangement among the parties, the healthcare personnel placed by us do not form an integral part of the organisation of our institutional clients given that the healthcare personnel placed by us are replaceable by other personnel with similar skills available in the market, as the tasks required to be performed by the healthcare personnel placed by us could be performed by other personnel with similar skills and qualifications. <p><i>View of our Company's Hong Kong legal advisers:</i> The above factors point against an employment relationship.</p>
4. Whether the worker was carrying on business on his own account or carrying on the business of the employer	<ul style="list-style-type: none"> There is no obligation on the part of our Group to assign any duty to the healthcare personnel registered with us; The healthcare personnel registered with us or placed by us are free to adjust their duty roster and plan their own duty schedule and may refuse any duty assignments referred by our Group; and The healthcare personnel placed by us bear their own financial risks in performing the duty arranged through our Group. <p><i>View of our Company's Hong Kong legal advisers:</i> The healthcare personnel registered with us or placed by us are carrying out business more on their own account than on ours and that points against an employment relationship.</p>	<ul style="list-style-type: none"> There is no mutual obligation between the healthcare personnel registered with us and our clients to work and to provide work; There is no guarantee that the healthcare personnel registered with us will be placed by us to the same client each time; and The healthcare personnel registered with us or placed by us are free to adjust their duty roster and plan and hence retain the freedom and flexibility to decide for themselves when to work and for whom they should work. <p><i>View of our Company's Hong Kong legal advisers:</i> The healthcare personnel registered with us or placed by us are carrying out business more on their own account than on our clients' and that points against an employment relationship.</p>

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The 8 Criteria	Our Group/ healthcare personnel registered with us or placed by us	Our clients/ healthcare personnel registered with us or placed by us
5. The provision of equipment	<ul style="list-style-type: none"> There is no provision of equipment by our Group to the healthcare personnel placed by us, including any medical or healthcare equipment and tools which they may need to use or operate in discharging their duties. The only item provided by our Group is the name badge printed with the name of Bamboos PNS and the phrase "self-employed person"; and It is not mandatory for the healthcare personnel placed by our Group to wear our Group's uniforms in the course of delivering their services. The healthcare personnel registered with us are free to choose whether or not to buy and wear our Group's uniforms with our Group's logo when performing their duty assignment. The name badges and uniform (which the healthcare personnel placed by us are free to choose whether or not to wear throughout the performance of their duty assignments) serve the purposes of (a) identifying and distinguishing the healthcare personnel placed by us from other staff and personnel of our client; and (b) instilling a sense of comfort and well being in the minds of the clients they serve and promoting our Group's image and enhance client's satisfaction through services provided or otherwise performed by healthcare personnel registered with our Group who are professional, punctual, tidy and courteous, rather than control over the healthcare personnel registered with us as employees of our Group. <p><i>View of our Company's Hong Kong legal advisers: The lack of provision of equipment points against an employment relationship.</i></p>	<ul style="list-style-type: none"> Taking into account that the healthcare personnel placed by us are required to provide their services in the locations specified by our clients, the healthcare personnel placed by us may need to use our client's medical or healthcare equipment and tools in discharging their duties. <p><i>View of our Company's Hong Kong legal advisers: The provision of equipment may be regarded as an indicator for an employment relationship. However, this factor should be viewed and weighed on the overall context of the parties relationship; this is not a strong or determinative factor in the overall balancing exercise and on its own would not tip the balance in favour of an employment relationship.</i></p>

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The 8 Criteria	Our Group/ healthcare personnel registered with us or placed by us	Our clients/ healthcare personnel registered with us or placed by us
6. The incidence of tax and national insurance	<ul style="list-style-type: none"> • The healthcare personnel registered with us, at their registrations, acknowledge that they shall bear the whole responsibility of providing true and valid information in order to fulfil the Hong Kong taxation requirements of being a self-employed person; • Our Group has not provided any mandatory provident fund contributions, nor has it filed any employer's tax returns for the healthcare personnel registered with or placed by us; and • The malpractice liability insurance maintained by our Group is not statutorily required. We maintain such insurance is not because our Company is of the view that it is an employer but to cover our Group's liability in respect of any claim against our Group by third parties of malpractice committed by healthcare personnel placed by us. <p><i>View of our Company's Hong Kong legal advisers:</i> The said manner of treatment of tax and mandatory provident fund by the parties is consistent with the understanding between the parties that there is no employment relationship. Further, the provision of malpractice liability insurance as mentioned above is unlikely to be a decisive factor in pointing to the existence of an employment relationship. These factors point against an employment relationship.</p>	<ul style="list-style-type: none"> • As far as our Group is aware, our clients did not provide tax, mandatory provident fund contribution and insurance arrangement to the healthcare personnel placed by us; and • As far as our Group is aware, there is no written agreement between the healthcare personnel placed by us and our clients showing that the parties are of the view that there is existence of employment relationship between them. <p><i>View of our Company's Hong Kong legal advisers:</i> The manner of treatment of tax and mandatory provident fund by the parties is consistent with the understanding between the parties that there is no employment relationship. This factor points against an employment relationship.</p>

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The 8 Criteria	Our Group/ healthcare personnel registered with us or placed by us	Our clients/ healthcare personnel registered with us or placed by us
7. The parties' own view of their relationship	<ul style="list-style-type: none"> It is stated in the written agreement between our Group and the healthcare personnel registered with us that our Group's acceptance of the healthcare personnel's registration with our Group and assignment of any duty thereafter do not constitute any employer-employee relationship between the parties and such agreements are binding on the parties; and The manner of treatment of tax and mandatory provident fund by the parties is consistent with the understanding between the parties that there is no employment relationship. <p><i>View of our Company's Hong Kong legal advisers:</i> This factor points against an employment relationship.</p>	<ul style="list-style-type: none"> As far as our Group is aware, the healthcare personnel placed by us and our clients themselves do not view the existence of any employment relationship between them and in particular there is no written agreement between the parties showing such a relationship ; and No tax, mandatory provident fund contribution and insurance is provided by our clients to the healthcare personnel placed by us and the same is consistent with the parties' understanding. <p><i>View of our Hong Kong legal advisers:</i> This factor points against an employment relationship.</p>
8. The traditional structure of the trade or profession concerned and the arrangements within it	<ul style="list-style-type: none"> As per Clearstate, there are market players (including the largest competitor in the healthcare staffing solution service industry) adopting similar arrangement/structure in its business, i.e. the healthcare personnel placed to their clients are self-employed person. <p><i>View of our Company's Hong Kong legal advisers:</i> This factor points against an employment relationship.</p>	<ul style="list-style-type: none"> There is no "traditional structure" or typical practice of the trade and profession. The businesses, operations and business models of our institutional clients vary greatly. View of our Company's Hong Kong legal advisers: In the premises, this factor would not play a determinative role in assessing the nature of the relationship between the healthcare personnel placed by us and our clients.

As advised by our Company's Hong Kong legal advisers, all of the indicators must be weighed and considered in the whole picture when applying the 8 Criteria in assessing whether an employment relationship existed. There is no single determinative factor.

Taking all the factors into consideration in the balancing exercise, our Company's Hong Kong legal advisers are of the view that (i) there is no employment relationship between our Group and the healthcare personnel registered with or placed by our Group; and (ii) the relationship between the clients of our Group and the healthcare personnel registered with or placed by our Group is not employer-employee relationship.

As disclosed in the paragraph headed “Clients” in this section, the length of the services provided by the healthcare personnel placed by us to our clients ranged from 1 day to approximately 4 years, among which approximately 20 and 20 clients of our Group have repeatedly requested for services to be performed by the same healthcare personnel for over a year when necessary during the two years ended 30 June 2012 and 2013 respectively. While our Group will use our best endeavours to accommodate our clients’ request, such request is still subject to the availability of the healthcare personnel and may or may not be acceded to. Our Company’s Hong Kong legal advisers, after taking into account the same, advised that there is no change on their analysis and view as set out above as “length/ duration of the services” or “time” is not a specific, determining or a stand-alone conclusive factor, in determining whether there is any employment relationship between the parties. As advised by our Company’s Hong Kong legal advisers above, all relevant factors (in particular the 8 Criteria) must be considered in the balancing exercise in assessing whether there is in existence any employment relationship.

EOC complaint filed by healthcare personnel

During the Track Record Period, a healthcare personnel placed by our Group filed a complaint with the EOC alleging that our Group was involved in pregnancy discrimination against her, on the basis that the relationship between such personnel and our Group was an employment relationship. Our Group received the written notification from the EOC stating that it has decided to terminate its investigation on the said complaint after completing its inquiries and examinations of background information. EOC’s decision was formed based on its view that, (i) it is difficult to agree with such healthcare personnel’s allegation that the Group is the employer of such healthcare personnel; and (ii) there was no necessary cooperation relationship between the Group and its clients and the Group has acted more likely to be a referral company of the clients.

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PROPERTY INTEREST

As at the Latest Practicable Date, we leased and occupied two properties in Hong Kong and we did not own any property. The following table sets out the address, user, approximate gross floor area, the lease term, annual rent and rental deposit of the properties leased by our Group.

Address	User	Approximate gross floor area (square meter)	Lease term	Annual rent (exclusive of rates, government rent and management fees)	Rental deposit
Unit B, 16/F, E-Trade Plaza, No. 24 Lee Chung Street, Chai Wan, Hong Kong	Commercial	135.45	2 January 2013 to 1 January 2015 (both days inclusive)	HK\$348,000	HK\$95,583
Unit C, 16/F, E-Trade Plaza, No. 24 Lee Chung Street, Chai Wan, Hong Kong	Commercial	142.33	2 March 2013 to 1 January 2015 (both days inclusive)	HK\$372,000	HK\$102,042

We rent two office premises in Chai Wan, Hong Kong with an aggregate gross floor area of approximately 277.78 square meters under two tenancy agreements dated 20 February 2013 and 2 March 2013 respectively made between our Group and Bamboos Limited, which is a company controlled by Ms. Hai and is our connected person. The leased properties are currently occupied by our Group for office use and the relevant tenancy agreements will expire on 1 January 2015. Please refer to the paragraph headed "Continuing Connected Transactions – Exempt Continuing Connected Transactions – Tenancy Agreements" in the section headed "Connected transactions" in this prospectus for details of the two tenancy agreements.

LEGAL PROCEEDINGS

For the years ended 30 June 2012, 30 June 2013 and the six months ended 31 December 2013, we have filed 35, 99 and 31 claims with the Hong Kong Small Claims Tribunal respectively against, among others, (i) our clients due to default payment of over 90 days (in total 60 claims during the Track Record Period) and against (ii) healthcare personnel placed by us due to, (a) failure to return the balance of the gross fee after deducting the cost payable to healthcare personnel after receipt of the gross fee directly from clients despite repeated reminders (in total 27 claims during the Track Record Period); (b) suspected engagement in direct or indirect dealing with our clients in relation to the provision of healthcare or similar services without our consent (in total 57 claims during the Track Record Period); and (c) failure to return amount of service fee which was incorrectly paid to the healthcare personnel due to inadvertent

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mistake (in total 19 claims during the Track Record Period). The total amount of claim was approximately HK\$2,509,000. The claim amount of each of these claims was no more than HK\$50,000 (excluding legal costs).

From 1 January 2014 to the Latest Practicable Date, we have filed 18 claims with the Hong Kong Small Claims Tribunal, of which 5 claims were filed against our clients and 13 claims were filed against healthcare personnel placed by us. The total amount of the claims was approximately HK\$415,500 (excluding legal costs).

As at the Latest Practicable Date, most of the claims against our clients and/or healthcare personnel placed by us were either discontinued (as settlement has been reached by the parties before the scheduled hearing) or settled by the Hong Kong Small Claims Tribunal under the orders granted by it, while 7 claims were still pending. The claim amount of each of these claims was no more than HK\$50,000 (excluding legal costs).

Since the commencement of operation of our Group in 2009, two claims have been filed with the Labour Tribunal against us by the healthcare personnel placed by us in connection with wages in lieu of notice, arrears of wages, annual leave pay and statutory holiday pay, one of which was filed during the Track Record Period. None of such claims were successful against our Group. During the Track Record Period, there was no claim filed against our Group with the Hong Kong Small Claims Tribunal, Hong Kong District Court and Hong Kong High Court by our clients or healthcare personnel registered with us. There is no assurance that similar claims will not be made against us or can be prevented by us in the future, which, if occur, may adversely affect our reputation, business, financial position, results of operation and price of our Share. Please refer to section headed "Risk factors" in this prospectus for details of the risks associated therewith.

Save as disclosed above, during the Track Record Period and as at the Latest Practicable Date, no member of our Group was engaged in any litigation, claim or arbitration of material importance and no litigation, claim or arbitration of material importance was known to our Directors to be pending or threatened against any member of our Group.

COMPLIANCE WITH STATUTORY REQUIREMENTS IN HONG KONG AND REGULATORY REQUIREMENTS IN THE PRC

Bamboos PNS had on a few occasions inadvertently not complied with certain statutory requirements in Hong Kong and regulatory requirements in the PRC during the Track Record Period as described below. Upon identification of instances of non-compliance, we have taken remedial measures and such historical non-compliance has been rectified to the extent practicable. The table below summarises the events of non-compliance and remedial actions taken or to be taken in Hong Kong and the PRC by our Group:

Event(s) of non-compliance and relevant section(s) of the ordinance/ regulation	Reason(s) for non-compliance	Remedial action(s) taken/ to be taken	Legal consequence(s) and maximum potential penalty and other financial liabilities	Total amount of fine imposed as at the Latest Practicable Date (if any)	Director(s)/senior management(s) involved	Whether provisions have been made
1. Omission to comply with section 122 of the Predecessor Companies Ordinance as Bamboos PNS failed to lay the audited accounts (and the relevant balance sheets and auditor's reports) for (i) the period from 11 March 2009 (being its date of incorporation) to 30 June 2010 (the "2009/10 Accounts"); (ii) the year ended 30 June 2011 (the "2010/11 Accounts"); and (iii) the year ended 30 June 2012 (the "2011/12 Accounts") before its directors in its annual general meetings held on (i) 2 August 2010 (the "2010 AGM") and 11 March 2011 (the "2011 AGM"); (ii) 10 March 2012 (the "2012 AGM"); and (iii) 30 March 2013 (the "2013 AGM") respectively.	The non-compliance in connection with the 2009/10 Accounts and 2010/11 Accounts was principally arising from unintended and inadvertent omission, resulted from insufficient advice on the relevant requirements under the Predecessor Companies Ordinance in this regard. The non-compliance in connection with the 2011/12 Accounts was mainly due to the fact that more time was required by the auditor of Bamboos PNS to complete and finalise the 2011/12 Accounts.	An order was granted by the Court of First Instance of the High Court on 30 January 2013, pursuant to which the period for laying the 2009/10 Accounts and the 2010/11 Accounts before the members of Bamboos PNS at an general meeting, or before members in passing a written resolution in lieu pursuant to section 116B of the Predecessor Companies Ordinance, be extended to a period up to 31 March 2013. On 9 April 2014, an order was granted by the Court of First Instance of the High Court, pursuant to which the period for laying the 2011/12 Accounts before the members of Bamboos PNS at an general meeting be extended to a period up to 30 June 2014. The 2009/10 Accounts, 2010/11 Accounts and 2011/12 Accounts have been subsequently laid before the general meetings of Bamboos PNS. The non-compliance had already been rectified as of the Latest Practicable Date.	Not applicable. The Court of First Instance of the High Court has granted formal extensions and our Group has not received any notice of fines and/or penalties. Pursuant to section 122(1) and schedule 12 of the Predecessor Companies Ordinance, the maximum penalty that may be imposed on the directors of a company who failed to comply with section 122 of the Predecessor Companies Ordinance is a fine of HK\$300,000 and a director of the non-compliant company may be imprisoned.	N/A	The directors and the then company secretary of Bamboos PNS	No provisions had been made as the penalty, if any, will be imposed on the directors of Bamboos PNS only.

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Event(s) of non-compliance and relevant section(s) of the ordinance/ regulation	Reason(s) for non-compliance	Remedial action(s) taken/ to be taken	Legal consequence(s) and maximum potential penalty and other financial liabilities	Total amount of fine imposed as at the Latest Practicable Date (if any)	Director(s)/senior management(s) involved	Whether provisions have been made
2. Omission to comply with (i) section 3(1) of the Books Registration Ordinance (Chapter 142 of the Laws of Hong Kong) to deliver to the Books Registration Office, Hong Kong Public Libraries of the Leisure and Cultural Services Department (the "Books Registration Office") five copies of our advertising magazines within one (1) month after each issue was published in Hong Kong; and (ii) section 3(2) of the Books Registration Ordinance, within such period after delivery of copies of the book as the Books Registration Office may specify, forward to the Books Registration Office in writing the particulars of our magazines as may required by the Books Registration Office to enable it to register the same, from August 2009 to December 2012.	The non-compliance was principally due to our lack of experience in media and publication activities and we were not aware of our magazines would possibly be regarded as "books" under the Books Registration Ordinance, not until December 2012, since our magazines (i) were free-of-charge and not available for sale to the general public; (ii) were distributed only to our clients, healthcare personnel registered with us, hospitals, private clinics, selected residential and commercial buildings and other subscribers; (iii) were distributed mainly for marketing purpose rather than for the purpose of generating revenue; and (iv) did not form any part of our core business.	The management of Bamboos PNS delivered our magazines to the Books Registration Office on 3 January 2013. The Books Registration Office has confirmed that our magazines are duly registered.	For any person who fails to comply with the Books Registration Ordinance, if held guilty, may subject to a maximum fine of HK\$2,000. During the Track Record Period and up to the Latest Practicable Date, we have not received any notice or order of fines or penalties from any Government authorities and no action or proceeding has been taken by any Government authorities in respect of the non-compliance. Given that the potential penalty is not of a material amount and our magazines did not form any part of our core business, our Directors are of the view that such non-compliance will not have a material financial or operational impact on us.	N/A	The directors of Bamboos PNS	No provisions had been made as the Books Registration Office has confirmed that our magazines are duly registered in January 2013 and our Company considers that the potential penalty is not of a material amount compared to the overall financial status of our Group.

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Event(s) of non-compliance and relevant section(s) of the ordinance/ regulation	Reason(s) for non-compliance	Remedial action(s) taken/ to be taken	Legal consequence(s) and maximum potential penalty and other financial liabilities	Total amount of fine imposed as at the Latest Practicable Date (if any)	Director(s)/senior management(s) involved	Whether provisions have been made
<p>3. During the period between June 2011 and December 2012, we, with the cooperation of 廣東食品藥品職業學院 (Guangdong Food and Drug Vocational College) and 細康醫療護理公司 (a PRC entity), have launched the publication of the Simplified Chinese version of our BamBoOs! Life in the Guangdong Province which was issued quarterly and free-of-charge, without the approval by the relevant PRC government authority or the valid Periodical Publication Publishing Permit (期刊出版許可證)。</p> <p>Pursuant to the Regulations on the Administration of Publication (出版管理條例) and the Provisions on Administration of Periodical Publication (期刊出版管理規定), periodicals shall be published by publishing entities with a valid Periodical Publication Publishing Permit (期刊出版許可證) approved by relevant PRC governmental authority. Pursuant to the Notice on Certain Issues pertaining to Identifying and Banning of Illegal Publication (關於認定、查禁非法出版物的若干問題的通知), released by the General Administration of Press and Publication of the PRC (新聞出版總署) on 30 January 1991, any newspaper, periodical, book, audio tape, video tape not published by a publishing entity approved by the State shall be deemed as "illegal publication" and such publications shall be prohibited.</p>	<p>The non-compliance was principally due to lack of experience in the media and publication businesses and not aware that the Simplified Chinese version of BamBoOs! Life may be deemed as "illegal publication" until December 2012.</p>	<p>We have promptly ceased to publish and distribute the Simplified Chinese version of BamBoOs! Life since December 2012.</p>	<p>The maximum penalty as may be imposed on our Group by the relevant PRC governmental authorities as a result of our involvement in the arrangement are forfeiture of tools and equipment in respect of the illegal operation and (i) a fine of over 5 times and under 10 times the amount of the turnover of illegal operation if the turnover of the illegal operation is over RMB10,000 (equivalent to approximately HK\$12,658); or (ii) a fine of an amount under RMB 50,000 (equivalent to approximately HK\$ 63,291) if the turnover of the illegal operation is below RMB10,000 (equivalent to approximately HK\$12,658); depending on the amount of the revenue of the illegal operation.</p> <p>During the Track Record Period and up to the Latest Practicable Date, we had not received any notice or order of fines or penalties from any PRC government authorities and no action or proceeding was taken by any competent PRC government authorities in respect of the above non-compliance.</p> <p>Given that our magazines did not form any part of our core business, our Directors are of the view that such non-compliance will not have a material financial or operational impact on us.</p>	N/A	The directors of Bamboos PNS	As our Group did not derive any revenue from the Simplified Chinese version of BamBoOs! Life, we have not made any provision for the possible penalties.

Indemnity from our Controlling Shareholders in relation to the non-compliance

In the event that any action is made against or any penalty is imposed on our Group, our Controlling Shareholders have agreed to indemnify our Group from and against losses, liabilities, damages, costs, claims and expenses incurred by our Group in relation to such non-compliance. Our Controlling Shareholders have entered into the Deed of Indemnity whereby our Controlling Shareholders have agreed to indemnify our Group, subject to the terms and conditions of the Deed of Indemnity, in respect of any liabilities as a result of any non-compliance

of our Group before the Listing Date. Further details of the Deed of Indemnity are set out in the paragraph headed "Tax and other indemnity" in Appendix IV to this prospectus.

Measures to ensure future compliance

To enhance the effectiveness of our corporate governance, to strengthen our monitoring and internal control system and to ensure compliance with the Companies Ordinance (Cap 622), and the relevant laws in relation to publication of our magazines, we have adopted the following measures to ensure on-going compliance with all applicable laws and regulations after Listing:

- (a) We have established a compliance committee comprising Mr. Mok Gar Lon, Francis, Professor Chan Chi Fai, Andrew and Dr. Luk Yim Fai and chaired by Mr. Mok Gar Lon, Francis, a non-executive Director, to oversee all regulatory and account-related compliance matters and compliance requirements. The primary functions of our compliance committee include, among others, reviewing and making recommendations to our Board in respect of our Group's policies and practices on compliance with any requirement, direction and regulation that may be prescribed by the Board, contained in any constitutional documents of our Group, or imposed by the GEM Listing Rules, other applicable laws, regulations, rules and codes, 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.
- (b) We have established an audit committee comprising three independent non-executive Directors to oversee the internal control procedures and accounting and financial reporting matters of our Group. Pursuant to its terms of reference, one of the duties and obligations of the audit committee is to ensure our Group's compliance with the relevant regulatory requirements and to review any arrangement which may raise concerns about possible improprieties in financial reporting, internal control or other matters. The chairman of the audit committee, Mr. Lam Cheung Wai, is a member of the Hong Kong Institute of Certified Public Accountants.
- (c) Two of our managerial staff, Mr. Cheng Chin Wing and Ms. Lao Liling are responsible for the on-going internal control procedures of our Group, as well as to handle secretarial matters to ensure compliance with the relevant requirements under the Companies Ordinance (Cap 622) and the filing of relevant company documents with the Hong Kong Companies Registry in a timely manner. Mr. Cheng Chin Wing, our company secretary and one of the authorised representatives of our Group, is responsible for updating on a regular basis the latest compliance and regulatory requirement and making recommendations

to the Board for adoption. Ms. Lao Liling, the internal audit officer of our Group, is responsible for governing internal control and compliance issues in relation to magazine publication of our Company. For more details regarding Mr. Cheng's and Ms. Lao's qualifications and experience, please refer to the section headed "Directors, senior management and staff" in this prospectus. Both Mr. Cheng and Ms. Lao will report timely to the Board of non-compliance issues and suggest corresponding remedial actions.

- (d) We will appoint Halcyon Capital Limited as our compliance adviser upon Listing to advise our Company on compliance matters in accordance with Rule 6A.19 of the GEM Listing Rules. Please refer to the paragraph headed "Compliance Adviser" in the section headed "Directors, senior management and staff" in this prospectus for duties of our compliance adviser.
- (e) We shall engage external legal advisers after Listing as our legal advisers which will assist us in performing the requisite legal due diligence and complying with the relevant registration / filing and other legal requirements in respect of any agreements to be entered into by us and/or matters associated with business operated by our Group in the future as well as to advise us on compliance with the GEM Listing Rules.
- (f) Our Directors and our company secretary of our Group have attended training sessions conducted by our Hong Kong legal advisers on, among other things, on-going obligations, general corporate governance requirements, duties and responsibilities of directors of a company whose shares are listed on the Stock Exchange under applicable laws, rules and regulations, including but not limited to the GEM Listing Rules and the Companies Ordinance (Cap 622). Our Directors have confirmed in writing in relation to their understanding of their duties under the GEM Listing Rules and other applicable laws and regulations.
- (g) We have appointed the Internal Control Adviser to conduct an internal control review. The Internal Control Adviser is part of Baker Tilly Hong Kong which is an affiliate of Baker Tilly International, and is mainly engaged in providing a broad range of corporate governance and risk advisory, internal audit, and internal controls regulatory compliance services to its clients including listed companies and companies preparing for listing in Hong Kong. The key members of the engagement team from the Internal Control Adviser are qualified accountants and internal auditors. In order to prevent re-occurrence of non-compliance incidents in the future and further strengthen our internal control system, we have implemented the following additional measures in March 2014 to improve our corporate governance and internal control:

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Issues	Internal control measures
Compliance with section 122 of the Predecessor Companies Ordinance	<ol style="list-style-type: none"> our company secretary, Mr. Cheng Chin Wing, a member of the Hong Kong Institute of Certified Public Accountants, is designated to (i) monitor the process of filing of the statutory documents with the Hong Kong Companies Registry; (ii) ensure that all relevant company documents should be filed to the Companies Registry in a timely manner within the statutory time limit; (iii) maintain a list recording the status, progress and deadline of Companies Registry's filing of each member of our Group and regularly update the list and report to the Board of the filing status and progress; (iv) regularly update the latest compliance and regulatory requirements in the policy and procedures and make recommendations to the Board for adoption of relevant updated sections in the policy and procedures; and (v) report timely to the Board for non-compliance issues and suggest corresponding remediation actions and consult our Company's compliance adviser, if necessary.
Compliance with the relevant laws in relation to publication of our magazines	<ol style="list-style-type: none"> our internal audit officer, is designated to (i) handle all compliance matters related to magazine publication, including the magazine filing to the Books Registration Office; (ii) maintain a register to record the issue number, issue date, filing status, filing date and filing deadline and the said register should be shared with our chief executive officer monthly for monitoring of the filing status; and (iii) check on a regular basis for any change or update in relevant rules and regulations and report to the Board and our compliance committee on a timely basis; and

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Issues

Internal control measures

2. before launching of the magazine in a new jurisdiction, (i) a legal adviser will be engaged to obtain local legal opinions; (ii) a designated staff will conduct an initial research on the applicable laws and regulations; and (iii) approvals from both the Board and our compliance committee will be sought.

The Internal Control Adviser has reviewed the implementation status of these remedial actions. The above remedial actions are consistent with those recommended by the Internal Control Adviser in addressing some key findings of its review on our internal controls. Based on the findings, recommendations and testing results of the work performed by the Internal Control Adviser, it is considered that such remedial actions are adequate and effective.

Having taken into account the fact that (i) our Group has taken remedial measures and the abovementioned non-compliance incidents have been rectified to the extent practicable; (ii) our Group has implemented the abovementioned additional measures to avoid recurrence of the non-compliance incidents; and (iii) the non-compliance incidents were unintentional, did not involve any fraudulent act on the part of our Directors or cast doubt on their integrity, our Directors consider that the abovementioned non-compliance incidents do not have any material impact on the suitability of our Directors under Rules 5.01, 5.02 and 11.07 of the GEM Listing Rules; and our suitability for Listing under Rule 11.06 of the GEM Listing Rules. Directors are satisfied that our internal control system is adequate and effective under Rule 6A.15(5) of the GEM Listing Rules for our current operating environment.

The Sole Sponsor, after considering the above and having reviewed the internal control measures and the findings and recommendations of the Internal Control Adviser, and having considered the above remedial actions taken by our Group and its business nature and current operating scale, concurs with our Director's view that (i) the non-compliance incidents do not have any material impact on the suitability of our Directors under Rules 5.01, 5.02 and 11.07 of the GEM Listing Rules and our Company's suitability for listing under Rule 11.06 of the GEM Listing Rules; and (ii) our Group's internal control system is adequate and effective under Rule 6A.15(5) of the GEM Listing Rules for our current operating environment.

CORPORATE GOVERNANCE AND INTERNAL CONTROL MEASURES

We have engaged the Internal Control Adviser to review on the internal control system of our Group. The Internal Control Adviser has reviewed the internal control system of our Group according to the agreed scope which covers

the documentation, testing and assessment of the effectiveness of the procedures, systems and controls established by our Group in regard to the operating cycles of our Group (including the review of our Group's corporate governance practice and regulatory compliance, revenue and receipts cycle, expenses and payments cycle, treasury management cycle, financial reporting cycle and IT general controls). The Internal Control Adviser's review focuses on the status of implementation of the recommended remedial actions in areas where deficiencies and weaknesses were identified, the effectiveness of our procedures, systems and controls, and the standards and effectiveness of our corporate governance practice to ensure our compliance with the GEM Listing Rules and the applicable Hong Kong laws and regulations.

As at the Latest Practicable Date, we had implemented the recommendations from the Internal Control Adviser. The Internal Control Adviser has performed follow-up review in March 2014 on our internal control measures implemented for verifying the implementation status of the system improvement recommendations and is satisfied with the adequacy and effectiveness of such measures. Our Directors and the Sole Sponsor are of the view that our Group's enhanced internal control measures are adequate and effective.

FUTURE PLANS AND USE OF PROCEEDS

BUSINESS OBJECTIVES AND STRATEGIES

Please refer to the paragraph headed "Business objectives and strategies" under the section headed "Business" in this prospectus for a detailed description of our business objectives and strategies.

IMPLEMENTATION PLAN

Our Group's implementation plans are set forth below for each of the six-month periods until 30 June 2017. Investors should note the implementation plans and expected timetable as set out below. Investors should note the following implementation plans are formulated on the bases and assumptions as set out in the paragraph headed "Bases and key assumptions of the business plans" below.

These bases and assumptions are inherently subject to many uncertainties, variables and unpredictable factors, in particular the risk factors set out in the section headed "Risk factors" in this prospectus. Our Group's actual course of business may vary from the business objectives set out in this prospectus. There can be no assurance that the plans of our Group will materialise in accordance with the expected time frame or that the objectives of our Group will be accomplished at all.

(a) Enhancing business operation efficiency

Upon Listing to 31 December 2014	30 June 2015	For the six months ending			
		31 December 2015	30 June 2016	31 December 2016	30 June 2017
* Upgrade our accounting and financial system	* Introduce experienced healthcare professional to our management team	* Pay the cost of the newly recruited healthcare professional	* Pay the cost of the newly recruited healthcare professional	* Pay the cost of the newly recruited healthcare professional	* Pay the cost of the newly recruited healthcare professional
		* Introduce new case management system and synchronise it with our CRM system			
Approximate amount to be used from the net proceeds of the Placing (HK\$ million)					
0.7	0.4	1.1	0.4	0.4	0.4

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(b) Strengthening brand awareness and expanding healthcare personnel pool

Upon Listing to 31 December 2014	For the six months ending				
	30 June 2015	31 December 2015	30 June 2016	31 December 2016	30 June 2017
* Commence our advertising campaign	* Continue our advertising campaign	* Continue our advertising campaign	* Continue our advertising campaign	* Continue our advertising campaign	* Continue our advertising campaign
* Expand our healthcare personnel pool	* Expand our healthcare personnel pool	* Expand our healthcare personnel pool	* Expand our healthcare personnel pool	* Expand our healthcare personnel pool	* Expand our healthcare personnel pool
Approximate amount to be used from the net proceeds of the Placing (HK\$ million)					
1.0	0.7	1.0	0.7	1.0	0.7

(c) Enhancing healthcare staffing solution services

Upon Listing to 31 December 2014	For the six months ending				
	30 June 2015	31 December 2015	30 June 2016	31 December 2016	30 June 2017
* Strengthen our CS Department and other back office support	* Strengthen our CS Department and other back office support	* Strengthen our CS Department and other back office support	* Strengthen our CS Department and other back office support	* Strengthen our CS Department and other back office support	* Strengthen our CS Department and other back office support
	* Introduce point-to-point pick-up service	* Maintain our point-to-point pick-up service	* Further expand our point-to-point pick up service	* Maintain our point-to-point pick-up service	* Maintain our point-to-point pick-up service
	* Introduce an online client portal				
Approximate amount to be used from the net proceeds of the Placing (HK\$ million)					
0.2	2.7	1.8	3.1	2.6	3.0

(d) Developing our outreach services team

Upon Listing to 31 December 2014	For the six months ending				
	30 June 2015	31 December 2015	30 June 2016	31 December 2016	30 June 2017
–	* Develop our outreach services team	* Develop our outreach services team	* Develop our outreach services team	* Develop our outreach services team	* Develop our outreach services team
Approximate amount to be used from the net proceeds of the Placing (HK\$ million)					
–	1.1	1.4	1.5	1.5	1.5

FUTURE PLANS AND USE OF PROCEEDS

BASES AND KEY ASSUMPTIONS OF THE BUSINESS PLANS

Potential investors should note that the attainability of our Group's business objectives depends on a number of assumptions, in particular:

- there will be no material changes in the existing political, legal, fiscal, foreign trade or economic conditions in Hong Kong and other places in which our Group operates or intends to operate;
- there will be no material changes in the bases or rates of taxation in those countries in which our Group operates or intends to operate;
- the Placing will be completed in accordance with and as described in the section headed "Structure and conditions of the Placing" in this prospectus;
- there will be no significant changes in the interest rates or the foreign currency exchange rates from those currently prevailing;
- our Group will retain key staff in the management and the professional teams;
- there will be no significant changes in our business relationship with our existing strategic, business partners, major clients and healthcare personnel;
- our Group is not materially adversely affected by any risk factor set out in the section headed "Risk factors" in this prospectus;
- our Group will be able to continue our operation in substantially the same way as it has been operating and our Group will also be able to carry out our development plans without disruptions; and
- there will be no material changes in the funding required for each of the scheduled achievements as outlined under the paragraph headed "Implementation plan" in this section.

REASONS FOR THE PLACING AND USE OF PROCEEDS

Our Directors believe that the Listing will enhance our Group's profile and the net proceeds from the Placing will strengthen our Group's financial position and will enable our Group to pursue our business plans.

The net proceeds from the issue of the Placing Shares based on the Placing Price, after deducting underwriting fees and estimated expenses payable by us in connection with the Placing upon Listing, are estimated to be approximately HK\$35.7 million (assuming a Placing Price of HK\$0.45 per Share, being the

FUTURE PLANS AND USE OF PROCEEDS

mid-point of the indicative Placing Price range and assuming the Offer Size Adjustment Option is not exercised). Our Company presently intends to apply such net proceeds from the Placing as follows:

	Upon Listing to 31 December 2014	For the six months ending					Approximate % of net proceeds	
	30 June 2015	31 December 2015	30 June 2016	31 December 2016	30 June 2017			
	HK\$' million	HK\$' million	HK\$' million	HK\$' million	HK\$' million	HK\$' million	HK\$' million	
● Enhancing business operation efficiency	0.7	0.4	1.1	0.4	0.4	0.4	3.4	9.5%
● Strengthening brand awareness and expanding healthcare personnel pool	1.0	0.7	1.0	0.7	1.0	0.7	5.1	14.3%
● Enhancing healthcare staffing solution services	0.2	2.7	1.8	3.1	2.6	3.0	13.4	37.5%
● Developing our outreach services team	–	1.1	1.4	1.5	1.5	1.5	7.0	19.6%
● Repayment of indebtedness	–	–	4.8	–	–	–	4.8	13.5%
Total	1.9	4.9	10.1	5.7	5.5	5.6	33.7	94.4%

We intend to use approximately HK\$4.8 million (approximately 13.5% of the net proceeds) for repayment of our bank loan (advanced for partial repayment of the SME Loan as referred to in the paragraph headed “Bank borrowings” in the section headed “Financial information” in this prospectus), to reduce interest expense and better our gearing ratio. Such bank loan bears interest at a rate of 1.25% per annum below the bank’s HK\$ best lending rate from time to time and repayable in full by September 2017. Our Directors plan to use the remaining net proceeds of approximately HK\$2.0 million (approximately 5.6% of the net proceeds) as general working capital.

If the final Placing Price (assuming the Offer Size Adjustment Option is not exercised) is set at: (i) the lowest; or (ii) the highest of the indicative Placing Price range, the net proceeds from the Placing are estimated to be (i) approximately HK\$31.3 million; or (ii) approximately HK\$39.8 million respectively. In such event, the estimated net proceeds will decrease by approximately HK\$4.4 million or increase by approximately HK\$4.1 million respectively and are intended to be used in the same proportions as disclosed above except for repayment of our bank loan, irrespective of whether the Placing Price is determined at the highest or lowest of the indicative Placing Price range.

If the Offer Size Adjustment Option is exercised in full, the estimated net proceeds from the Placing will increase to approximately (i) HK\$36.5 million (assuming that the final Placing Price is set at the lowest of the indicative Placing Price range), (ii) approximately HK\$41.2 million (assuming that the final Placing Price is set at the mid-point of the indicative Placing Price range), and (iii) approximately HK\$45.7 million (assuming that the final Placing Price is set at the highest of the indicative Placing Price range) respectively. Our Group intends to

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apply the additional net proceeds from the exercise of the Offer Size Adjustment Option in the same proportions as disclosed above except for repayment of our bank loan.

To the extent that the net proceeds from the Placing are not immediately required for the above purposes, it is the present intention of our Directors that such proceeds will be placed on short-term interest bearing deposits with authorised financial institutions in Hong Kong.

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

PLACING SHARES ARE FULLY UNDERWRITTEN

This prospectus is published solely in connection with the Placing, which is sponsored by Halcyon Capital and managed by the Joint Lead Managers and to be fully underwritten by the Underwriters (subject to the terms and conditions of the Underwriting Agreement). Further information about the Underwriters and the underwriting arrangements is contained in the section headed “Underwriting” in this prospectus.

DIRECTORS, SENIOR MANAGEMENT AND STAFF

DIRECTORS

Our Board consists of six Directors, including two executive Directors, one non-executive Director and three independent non-executive Directors. Our Board is responsible and has general power for the management and conduct of the business of our Group. The following table sets forth information regarding members of our Board:

Name	Age	Position	Responsibility	Date of Joining our Group	Date of appointment as Director	Relationship with other Directors or senior management
Mr. Kwan Chi Hong	41	The chairman, Executive Director and compliance officer	Monitoring and evaluating our business, strategic planning and major decision making	19 May 2009	23 November 2012	A person acting in concert with Ms. Hai
Ms. Hai Hiu Chu	43	The chief executive officer and Executive Director	Overall management, strategic development and major decision making	19 May 2009	23 November 2012	A person acting in concert with Mr. Kwan
Mr. Mok Gar Lon, Francis	56	Non-executive Director	Advising on business opportunities for investment, development and expansion	8 May 2013	8 May 2013	No
Mr. Lam Cheung Wai	57	Independent non-executive Director	Providing independent judgement on issues of strategy, performance, resources and standards of conduct of our Group	24 June 2014	24 June 2014	No
Professor Chan Chi Fai, Andrew	60	Independent non-executive Director	Providing independent judgement on issues of strategy, performance, resources and standards of conduct of our Group	24 June 2014	24 June 2014	No
Dr. Luk Yim Fai	62	Independent non-executive Director	Providing independent judgement on issues of strategy, performance, resources and standards of conduct of our Group	24 June 2014	24 June 2014	No

DIRECTORS, SENIOR MANAGEMENT AND STAFF

Executive Directors

Mr. Kwan Chi Hong (關志康), aged 41, is an executive Director, the chairman of the Board, the compliance officer and a member of our nomination committee. Mr. Kwan co-founded our Group in May 2009. He was appointed as a Director on 23 November 2012 and redesignated as an executive Director on 28 March 2014. Mr. Kwan performs a leadership role in monitoring and evaluating our business, strategic planning and major decision making for our Group.

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

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

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

Mr. Kwan did not hold any directorship in other listed public companies or any major appointments in the three years preceding the Latest Practicable Date.

Ms. Hai Hiu Chu (奚曉珠), aged 43, is an executive Director, the chief executive officer 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

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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.

She 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. Ms. Hai worked as an enrolled nurse with United Christian Hospital from March 1993 to March 1994, Christian Family Service Centre from March 1994 to November 1994, Chuen On Laboratory from November 1994 to February 1995 and a Hong Kong doctor's clinic from March 1995 to September 1995, mainly responsible for general nursing care duties and healthcare administration support.

Ms. Hai then worked at various pharmaceutical and medical device companies responsible for sales and marketing, including worked as a product specialist at United Italian Corp. (HK) Ltd, a medical and pharmaceutical product distributor from August 1999 to February 2001 responsible for promoting medical consumable products and expanding their distribution among hospitals, and worked as a territory manager – spinal products at Medtronic International Ltd., which is principally engaged in development and manufacturing of medical device technology and therapies, from March 2001 to November 2002 responsible for medical device sales. From September 2005 to April 2009, Ms. Hai was a managing director of Bamboos Limited.

Ms. Hai is the winner of the Most Promising Entrepreneurship Award of Asia Pacific Entrepreneurship Awards 2012.

Ms. Hai did not hold any directorship in other listed public companies or any major appointments in the three years preceding the Latest Practicable Date.

Non-executive Director

Mr. Mok Gar Lon, Francis (莫家麟), aged 56, is a non-executive Director and the chairman of our compliance committee. He was appointed as a Director on 8 May 2013 and redesignated as a non-executive Director on 28 March 2014. Mr. Mok is responsible for advising on business opportunities for investment, development and expansion. Mr. Mok obtained a bachelor's degree in Engineering from McGill University, Montreal, Canada in June 1980 and a master's degree in the Business Administration from The Chinese University of Hong Kong in December 1995.

He has over 16 years of experience in human resources management, managerial training and consulting, including working in various positions including working at management training and development department in MTR Corporation Limited, a railway operator in Hong Kong, responsible for management training from September 1992 to May 1996 and June 1999 to May 2007, a group human resources director of Jebsen & Co. Ltd., which is principally engaged in marketing and distribution for premium products, from May 2007 to April 2012, responsible for overseeing the human resources management team to

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provide human resources management and administrative services to the Hong Kong and PRC offices, and the group head of talent management of American International Assurance Company Limited, an insurance company, from April 2012 to October 2012 responsible for formulating and managing enterprise wide talent management. Mr. Mok is a founder and is currently the principal consultant of Francis Mok & Associates Limited, a management consultancy firm.

He is currently the president of the Hong Kong Institute of Human Resources Management. He has been a chartered engineer registered with The Engineering Council since November 1989 and a member of the Hong Kong Institution of Engineers since March 2002.

Mr. Mok did not hold any directorship in other listed public companies or any major appointments in the three years preceding the Latest Practicable Date.

Independent non-executive Directors

Mr. Lam Cheung Wai (林章偉), aged 57 is an independent non-executive Director, the chairman of our audit committee and nomination committee and a member of our remuneration committee. He was appointed as an independent non-executive Director on 24 June 2014. Mr. Lam is responsible for providing independent judgement on issues of strategy, performance, resources and standards of conduct of our Group. Mr. Lam graduated from The Chinese University of Hong Kong with a bachelor's degree in Business Administration in December 1981.

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

Mr. Lam is a co-founder of Hong Kong Rehabilitation Power, and he served as the president of its council of management. He is also a co-founder of Empowering Life Network, an 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 did not hold any directorship in other listed public companies or any major appointments in the three years preceding the Latest Practicable Date.

Professor Chan Chi Fai, Andrew (陳志輝), aged 60, is an independent non-executive Director and a member of our audit committee, nomination committee, remuneration committee and compliance committee. He was appointed as an independent non-executive Director on 24 June 2014. Professor Chan is responsible for providing independent judgment on issues of strategy, performance, resources and standards of conduct of our Group. Professor Chan graduated from The Chinese University of Hong Kong in November 1977 with a bachelor's degree in business administration. He also obtained a master's degree

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in business administration from the University of California at Berkeley, the United States in December 1979 and a doctorate degree of Philosophy from The Chinese University of Hong Kong in December 1993.

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

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

In addition to his directorship in our Company, Professor Chan is currently an independent non-executive director of Tao Heung Holdings Limited (stock code: 573), a company listed on the Main Board.

Save as disclosed above, Professor Chan did not hold any directorship in other listed public companies or any major appointments in the three years preceding the Latest Practicable Date.

Dr. Luk Yim Fai (陸炎輝), aged 62, is an independent non-executive Director, the chairman of our remuneration committee and a member of our audit committee, nomination committee and compliance committee. He was appointed as an independent non-executive Director on 24 June 2014. Dr. Luk is responsible for providing independent judgment on issues of strategy, performance, resources and standards of conduct of our Group. Dr. Luk graduated from the University of Chicago, the United States with a bachelor's degree in economics in June 1974 and obtained a master's degree of Arts and a doctorate degree of Philosophy from Cornell University, the United States in May 1983 and August 1989 respectively.

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

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teaching at School of Economics and Finance at The University of Hong Kong from September 1993 as a lecturer and has been an associate professor since May 2004.

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

Dr. Luk did not hold any directorship in other listed public companies or any major appointments in the three years preceding the Latest Practicable Date.

SENIOR MANAGEMENT

The following table sets forth information regarding senior management of our Group:

Name	Age	Position	Responsibility	Date of joining our Group	Date of appointment	Relationship with Directors or other senior management
Mr. Tam Hon Fai	30	Financial controller	Financial operations and management	1 February 2014	28 March 2014	No
Ms. Liu Huanming	42	Consultant	Responsible for strategic planning and providing assistance from the medical perspective	1 January 2012	1 March 2014	No
Ms. Lui Yin Ping	42	General manager (customer service)	Responsible for the supervision of operations and performance of the CS Department	2 July 2009	1 February 2010	No
Ms. Lao Liling	40	Internal audit officer	Responsible for the overall quality control and the compliance with internal procedures and certifications of our Company	1 April 2013	1 March 2014	No

Mr. Tam Hon Fai (譚漢輝), aged 30, is the financial controller of our Company. Mr. Tam joined our Group in February 2014. Mr. Tam is responsible for financial operations and management of our Group. Mr. Tam graduated from the Hong Kong University of Science and Technology with a bachelor's degree majoring in accounting in May 2006.

Mr. Tam has over 4 years of experience in auditing and accounting. He worked at Deloitte Touche Tohmatsu from September 2006 to August 2011, and was a senior in its audit department responsible for providing audit services. From December 2011 to July 2013, Mr. Tam was the company secretary of Noble House (China) Holdings Limited (stock code: 8246), a company listed on GEM of

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the Stock Exchange responsible for general corporate governance affairs. Mr. Tam has been a qualified accountant of the Hong Kong Institute of Certified Public Accountants since January 2010.

Save as disclosed above, Mr. Tam did not hold any directorship in other listed public companies or any major appointments in the three years preceding the Latest Practicable Date.

Ms. Liu Huanming (劉煥明), aged 42, 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 Shangdong Medical University (山東醫科大學), which later merged with other institutions to form Shandong University (山東大學), the PRC in July 1995 and June 2000 respectively. Ms. Liu was awarded a doctorate degree of Philosophy in Ophthalmology and Visual Sciences from The Chinese University of Hong Kong in December 2010. Ms. Liu has been a qualified doctor in the PRC since May 1999 and practised at Shandong Province Qianfushan Hospital (山東省千佛山醫院) from December 1999 to June 2006.

Ms. Liu did not hold any directorship in other listed public companies or any major appointments in the three years preceding the Latest Practicable Date.

Ms. Lui Yin Ping (雷燕萍), aged 42, 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 customers relation in Reader's Digest Association Far East Limited, a publisher from June 1995 to February 2008, mainly responsible for handling customer inquiries and complaints and assisting manager to carry out 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. Lui did not hold any directorship in other listed public companies or any major appointments in the three years preceding the Latest Practicable Date.

Ms. Lao Liling (勞麗靈), aged 40, 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

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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 worked in various positions, including general manager of business development, in Hong Kong Quality Assurance Agency from July 2006 to January 2013 responsible for operations management prior to joining our Group.

Ms. Lao did not hold any directorship in other listed public companies or any major appointments in the three years preceding the Latest Practicable Date.

Save as disclosed herein, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders and there was no information relating to our Directors and senior management members that is required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules as at the Latest Practicable Date.

COMPANY SECRETARY

Mr. Cheng Chin Wing (鄭展榮), aged 28, is our company secretary and an authorised representative of our Company. Mr. Cheng obtained a bachelor's degree in accountancy from the Hong Kong Baptist University in May 2008.

Mr. Cheng has over 5 years of experience in auditing and financial reporting. Mr. Cheng joined our Group in February 2014 and was appointed as our company secretary in March 2014. Prior to joining our Group, Mr. Cheng was the deputy financial controller of Noble House (China) Holdings Limited (stock code: 8246) from April 2012 to October 2013 responsible for the management of the financial reporting function and internal control over financial reporting of the group. From September 2008 to April 2012, Mr. Cheng was a senior in audit department of Deloitte Touche Tohmatsu where he assumed overall control of small to medium sized engagements and supervised junior audit staff. He has been a certified public accountant of the Hong Kong Institute of Certified Public Accountants since January 2012.

Save as disclosed above, Mr. Cheng did not hold any directorship in other listed public companies or any major appointments in the three years preceding the Latest Practicable Date.

COMPLIANCE OFFICER

Mr. Kwan serves as the compliance officer of our Company. For details of Mr. Kwan's background, please refer to the paragraph headed "Executive Directors" in this section.

AUDIT COMMITTEE

We established an audit committee on 24 June 2014 with written terms of reference in compliance with the GEM Listing Rules. The duties of the audit committee include reviewing, in draft form, our Company's annual report and accounts, half-year reports and quarterly reports and providing advice and comments to our Board. In this regard, members of our audit committee will liaise with the Board, senior management and our qualified accountant, our Company's reporting accountant and auditor. Our audit committee will also consider any significant or usual items that are, or may need to be, reflected in such reports and accounts and give consideration to any matters that have been raised by our Company's qualified accountant, compliance officer or auditor. Members of the audit committee are also responsible for reviewing our Company's financial reporting process and internal control system.

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

REMUNERATION COMMITTEE

We established a remuneration committee on 24 June 2014 which, at present, comprises Mr. Lam Cheung Wai, Ms. Hai Hiu Chu, Professor Chan Chi Fai, Andrew and Dr. Luk Yim Fai, with Dr. Luk Yim Fai being our chairman of the committee. Written terms of reference in compliance with paragraph B.1.2 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules have been adopted. Amongst other things, the primary duties of the remuneration committee are to determine the specific remuneration packages of all executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of independent non-executive Directors.

NOMINATION COMMITTEE

We established a nomination committee on 24 June 2014 with written terms of reference. Our nomination committee comprises Mr. Lam Cheung Wai, Professor Chan Chi Fai, Andrew and Dr. Luk Yim Fai and Mr. Kwan Chi Hong. Mr. Lam Cheung Wai has been appointed as the chairman of the nomination committee. Written terms of reference in compliance with paragraph A.5.2 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to GEM Listing Rules have been adopted. The nomination committee is mainly responsible for making recommendations to the Board on appointment of Directors and succession planning for our Directors.

COMPLIANCE COMMITTEE

We established a compliance committee on 24 June 2014. The members of our compliance committee are Mr. Mok Gar Lon, Francis, Dr. Luk Yim Fai and Professor Chan Chi Fai, Andrew and the compliance committee was chaired by Mr. Mok Gar Lon, Francis. The compliance committee is principally responsible for overseeing all regulatory and account-related compliance matters and corporate governance requirements and reviewing and making recommendations to our Board in respect of our Group's policies and practices. Please refer to the section headed "Business – Compliance with Statutory Requirements in Hong Kong and Regulatory Requirements in the PRC – Measures to ensure future compliance" in this prospectus for details.

COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, our Company will appoint Halcyon Capital as its compliance adviser, who will have access to our Company's authorised representatives, Directors and other officers at all times:

- (1) before the publication of any regulatory announcement, circular or financial report;
- (2) where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;
- (3) where our Company proposes to use the proceeds of the Placing in a manner different from that detailed in this prospectus or where our Group's business activities, developments or results of operation deviate from any forecast, estimate or other information in this prospectus; and
- (4) where the Stock Exchange makes an inquiry regarding unusual movements in the price or trading volume of the Shares.

The term of the appointment will commence on the Listing Date and end on the date on which our Company complies with Rule 18.03 of the GEM Listing Rules in respect of its financial results for the second full financial year commencing after the Listing Date and such appointment may be subject to extension by mutual agreement.

DIRECTORS, SENIOR MANAGEMENT AND STAFF

STAFF

As at the Latest Practicable Date, our Group employed a total of 29 full time and 1 part time staff in the Hong Kong without taking into account our Directors and our company secretary, a breakdown of which by function, is as follows:

Function	Total
Customer service	14
Marketing	5
Accounting and finance	6
Human resources and administration	4
Others	1
Total	<u>30</u>

REMUNERATION OF DIRECTORS AND STAFF

Each of our executive Directors and our non-executive Director has entered into a service agreement with our Company for an initial fixed term of three years commencing from the Listing Date, and will continue thereafter until terminated by not less than three months' written notice or subject to the terms and conditions thereunder. Each of the independent non-executive Directors has entered into a letter of appointment with our Company for a term of three years commencing from the Listing Date. Each of our executive Directors and our non-executive Director is entitled to the respective basic salary (subject to the annual revision at the discretion of our Directors). A Director is required to abstain from voting and is not counted in the quorum in respect of any resolutions of our Directors regarding the amount of the monthly salary and the discretionary bonus payable to him. Further details are set out in the paragraph headed "Further information about our Directors and Substantial Shareholders" in Appendix IV to this prospectus.

The total remuneration received by our Directors during the Track Record Period in respect of their services provided to our Group amounted to HK\$700,000, HK\$700,000 and HK\$350,000 respectively.

Our Group's principal policies concerning remuneration of Directors or staff of high caliber are determined based on the relevant Director's or staff's duties, responsibilities, experiences and skills.

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

DIRECTORS, SENIOR MANAGEMENT AND 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.

RETIREMENT BENEFIT SCHEME

All our employees in Hong Kong have joined a mandatory provident fund scheme (the “MPF Scheme”). The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). Our Group has complied with the relevant laws and regulations, and that relevant contributions have been paid by our Group in accordance with the laws and regulations of Hong Kong.

SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme on 24 June 2014 under which certain selected classes of participants (including, among others, full-time employees) may be granted options to subscribe for the Shares. The principal terms of the Share Option Scheme are summarised in the paragraph headed “Share Option Scheme” in the section headed “Further information about our Company” in Appendix IV to this prospectus.

TRAINING SCHEME

Employees are oriented with induction training about corporate culture and operations when they join our Group. Training on corporate policy and procedures with the ISO management system, as well as customer satisfaction and complaint handling with ISO9001 and ISO10002 compliance are provided to staff regularly.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS AND NON-COMPETITION UNDERTAKINGS
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CONTROLLING SHAREHOLDERS

Immediately after completion of the Placing and the Capitalisation Issue (without taking into account the Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and any options which may be granted under the Share Option Scheme), Ms. Hai, will be interested in approximately 67.5% of the issued share capital of our Company through her interest in the entire issued share capital in Gold Empress, and Mr. Kwan will be interested in approximately 7.5% of the issued share capital of our Company through his interest in the entire issued share capital in Gold Beyond.

Ms. Hai and Mr. Kwan, being our executive Directors, will be deemed to be parties acting in concert under the Takeovers Code. As such, Ms. Hai, Mr. Kwan, Gold Empress and Gold Beyond are all regarded as our Controlling Shareholders within the meaning of the GEM Listing Rules. Details of the structure of our Group immediately following the completion of the Placing and Capitalisation Issue are set out in the section headed "History, reorganisation and group structure" in this prospectus.

Each of Gold Empress and Gold Beyond is an investment holding company incorporated on 16 October 2013 in the BVI with limited liability, which is wholly owned by Ms. Hai and Mr. Kwan respectively. Details and background of Ms. Hai and Mr. Kwan are set out in the section headed "Directors, senior management and staff" in this prospectus.

Save and except for their respective interests in our Company, our subsidiaries and the Excluded BML Business (as defined below in this section) and the Excluded BEST Business (as defined below in this section), none of our Controlling Shareholders nor any of their respective associates had interests in any other companies as at the Latest Practicable Date which may, directly or indirectly, compete with our business.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors do not expect that there will be any significant transactions between our Group and our Controlling Shareholders or their respective associates upon or shortly after the Listing. Having considered the following factors, our Directors consider that, our Group is capable of carrying on our business independently of, and does not place undue reliance on our Controlling Shareholders and their respective associates after Listing.

Management independence

Our Board comprises two executive Directors, one non-executive Director and three independent non-executive Directors. While our executive Directors, Ms. Hai and Mr. Kwan, are also our Controlling Shareholders due to their respective interests in Gold Empress and Gold Beyond as disclosed above, and

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS AND NON-COMPETITION UNDERTAKINGS

directors of Gold Empress and Gold Beyond, our Board comprises a balanced composition of independent non-executive Directors who have sufficient character, integrity and calibre for their views to carry weight, and thus can effectively exercise independent judgment. In addition, each of our Directors is aware of his fiduciary duties as a director which require, among others, that he must act for the benefit of and in the best interests of our Company and does not allow any conflict between his duties as a director and his personal interests.

If there is any potential conflict of interests arising out of any transactions to be entered into between our Group and our Directors or their respective associates, the interested Directors shall declare such interest to the Board at or prior to the meeting of the Board at which the relevant transactions are to be considered as soon as he becomes aware of the conflicts in accordance with the Articles and the applicable laws of the Cayman Islands. The interested Directors shall also abstain from voting at the relevant Board meetings in respect of such transactions and shall not be counted in the quorum in accordance with the Articles. As such, Ms. Hai and Mr. Kwan will not attend the Board meetings when those matters or transactions relating to any of our Controlling Shareholders or their respective associates or otherwise give rise to potential conflicts of interest come up for discussion unless required by a majority of our independent non-executive Directors to the contrary and they would not be counted as quorum in the relevant meetings.

Since each of Gold Empress and Gold Beyond has no business other than holding the shareholding interest in our Company, our Directors do not foresee any issue which may affect our management independence. In addition, our Group has a senior management team which is capable of carrying out the business decision of our Group independently. None of our senior management team has any managerial role or beneficial interest in Gold Empress and Gold Beyond or has any family relationship with our Controlling Shareholders or any of their respective associates.

Three of our Board members are independent non-executive Directors who are experienced in different professions to ensure that the decisions of the Board are made only after due consideration of independent and impartial opinions. Our Directors believe that the presence of Directors from different backgrounds provides a balance of views and opinions.

Furthermore, our Board's main functions include the approval of our Group's overall business plans and strategies, monitoring the implementation of these policies and strategies and the management of our Company. Our Board acts collectively by majority decisions in accordance with the Articles and the applicable laws, and no single Director is supposed to have any decision-making power unless otherwise authorised by our Board.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS AND NON-COMPETITION UNDERTAKINGS

Having considered the above factors and in light of the non-competition undertakings given by our Controlling Shareholders in favour of our Group (as more particularly disclosed in the paragraph headed “Non-Competition Undertaking” below), our Directors are satisfied that they are able to perform their roles in our Group independently and are of the view that they are capable of managing our business independently from our Controlling Shareholders and their respective associates after Listing.

Operational independence

While our Board has full rights to make all decisions on the overall strategic development and management and operational aspects of our Group, all essential operational functions (such as financial and accounting management, invoicing and billing and human resources) have been and will be overseen by the senior management of our Group (whose biographies are disclosed in the section headed “Directors, senior management and staff” in this prospectus), without unduly requiring the support of our Controlling Shareholders and their associates.

Further, our Group holds all the trademarks and domain names that are material to our business, and has sufficient capital, equipment and employees to operate our business independently from our Controlling Shareholders and their respective associates.

Our Group does not rely on our Controlling Shareholders or their associates and have our independent access to our clients and the healthcare personnel registered with us.

Our Group has also established a set of internal control policies and guidelines to facilitate the effective and independent operation of its business. Further details are set out in the paragraph headed “Corporate governance and internal control measures” in the section headed “Business” in this prospectus.

Administrative independence

Our Group has our own capabilities and staff to perform all essential administrative functions, including financial and accounting management and human resources. Our senior management staff is independent of our Controlling Shareholders.

Financial independence

Our Group has our own financial management system and the ability to operate independently from our Controlling Shareholders from a financial perspective. Our Directors confirm that as at the Latest Practicable Date, our Group was not indebted to our Controlling Shareholders.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS AND NON-COMPETITION UNDERTAKINGS

During the Track Record Period, bank borrowings of HK\$12.0 million had been drawn by our Group under the Small and Medium Enterprises Financing Guarantee Scheme operated by The Hong Kong Mortgage Corporation Limited. Such bank borrowings were secured by unlimited joint and several guarantee given by Ms. Hai and Mr. Kwan, and unlimited guarantee and/or securities given by Bamboos Limited, the entire issue share capital of which is owned by Ms. Hai. Such bank borrowings will be fully repaid and all related guarantees and/or securities will be released upon Listing.

An amount of HK\$0.2 million due to Mr. Kwan as at 31 December 2013, represented Director's fee payable to Mr. Kwan for the six months ended 31 December 2013, had been repaid and settled in full.

Our Directors are of the view that our Group is able to obtain financing from external sources without reliance on our Controlling Shareholders after Listing. There will be no financial dependence on our Controlling Shareholders or any of their respective associates.

INTEREST OF CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Apart from their interests in our Company, our Controlling Shareholders hold controlling interest in three other companies, namely Bamboos Limited, Bamboos Medicine Limited ("BML") and Bamboos Education – School for Talents Limited ("BEST"), and Ms. Hai and Mr. Kwan are also directors and members of The Hong Kong Health Care Federation Limited ("HKHCFL"), a charitable organisation limited by guarantee. As none of such companies is engaged in the provision of healthcare staffing solution services, our Directors consider that there is no competition between such companies and our Group.

Bamboos Limited

Bamboos Limited was established by Mr. Hai Hung, the younger brother of Ms. Hai and the sole director of Bamboos Limited upon its establishment. Ms. Yu Wai Hing and Mr. Hai Chun, the mother and elder brother of Ms. Hai respectively, were appointed as directors of Bamboos Limited in April 2005. On 17 May 2006, Ms. Hai acquired the entire equity interest of Bamboos Limited from Mr. Hai Hung at nominal value. Ms. Hai was appointed as a director of Bamboos Limited in June 2006 and has been operating Bamboos Limited on full time basis. Mr. Kwan was appointed as the director of Bamboos Limited in June 2012.

Bamboos Limited had been principally engaged in the provision of healthcare staffing solution services in Hong Kong, since May 2006 until 2009 when it ceased to carry on such business. As at the Latest Practicable Date, Bamboos Limited was wholly owned by Ms. Hai and principally engaged in property investment as the owner of the Chai Wan Premises.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS AND NON-COMPETITION UNDERTAKINGS
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As described in the section headed “Connected transactions” in this prospectus, the aggregated annual rent payable by our Group to Bamboos Limited will be HK\$720,000.

BML

BML is principally engaged in the provision of Chinese medicine consultation and treatment services in Hong Kong. BML was wholly owned by Ms. Hai and Ms. Hai was a director of BML as at the Latest Practicable Date.

BEST

BEST is principally engaged in the provision of healthcare related training service in Hong Kong. BEST was directly owned as to 90% and 10% by Ms. Hai and Mr. Kwan respectively as at the Latest Practicable Date. Each of Ms. Hai and Mr. Kwan was a director of BEST as at the Latest Practicable Date.

HKHCFL

HKHCFL is a tax exempted charitable organisation recognised for the purpose of tax exemption under section 88 of the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) which is principally engaged in promoting and coordinating the activities of medical and healthcare that would benefit the community in Hong Kong. As at the Latest Practicable Date, each of Ms. Hai and Mr. Kwan was a director and member of HKHCFL.

COMPETITION

Save and except for the business of BML (the “Excluded BML Business”) and the business of BEST (the “Excluded BEST Business”), none of our Directors, our Controlling Shareholders nor any of their respective associates is a director or a shareholder of any business apart from the business of our Group which competes or is likely to compete, either directly or indirectly, with the business of our Group or has other conflicts of interest with our Group.

Potential competition between BML and our Group

Scope and size of business

Business nature and financial information of the Excluded BML Business

BML was incorporated on 7 April 2008 in Hong Kong. Since its incorporation, it has been principally engaged in the provision of Chinese medicine consultation and treatment services in Hong Kong. BML provides Chinese medicine consultation and treatment services including acupuncture, bone setting treatment and cupping in its service centre in Kowloon.

<p align="center">RELATIONSHIP WITH CONTROLLING SHAREHOLDERS AND NON-COMPETITION UNDERTAKINGS</p>
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During the Track Record Period, all revenue of BML was generated from the provision of Chinese medicine consultation and treatment services. Financial information in relation to the Excluded BML Business during the Track Record Period is set out below:

	For the year ended		For the six months ended
	30 June 2012	30 June 2013	31 December 2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Total revenue	947.0	816.6	377.9
Net loss	(315.4)	(31.7)	(30.7)

Our CMP staffing services

During the Track Record Period, we provide healthcare staffing solution services by placing CMPs to our individual clients upon their request and who in turn provided Chinese medicine consultation and treatment services, at the place and time designated by our clients. As both BML and the CMPs placed by us are engaged in the provision of Chinese medicine consultation and treatment services, the Excluded BML Business may indirectly compete with our CMP staffing services in the sense that the CMPs from both camps are providing the same kind of services.

During the Track Record Period, the gross fee and revenue derived from our CMP staffing service are set out below:

	For the year ended				For the six months ended	
	30 June 2012		30 June 2013		31 December 2013	
	<i>HK\$'000</i>	<i>% to our total gross fee / total revenue</i>	<i>HK\$'000</i>	<i>% to our total gross fee / total revenue</i>	<i>HK\$'000</i>	<i>% to our total gross fee / total revenue</i>
Gross fee	2.6	0.002%	3.5	0.002%	3.8	0.005%
Revenue	0.6	0.002%	1.0	0.003%	1.3	0.007%

As shown in the above table, our CMP staffing services did not form any part of, and are included only to complement, our core business. They contributed only an insignificant portion to our total gross fee and our total revenue during the Track Record Period.

As shown in the above tables, the scale of our CMP staffing services is significantly smaller than the Excluded BML Business.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS AND NON-COMPETITION UNDERTAKINGS
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Overlapping Management

As at the Latest Practicable Date, Ms. Hai is the sole director of BML. There was no involvement of Ms. Hai in the daily operation of BML during the Track Record Period. Save and except for Ms. Hai, there is no overlapping management between BML and our Group as at the Latest Practicable Date. The manager of BML, who is a full-time employee of BML, is responsible for the overall management and daily operation of BML. As at the Latest Practicable Date and after Listing, BML is and will be managed by a management team and operated by the operational staff completely different from ours.

Reasons for non-inclusion of the Excluded BML Business in our Group

1. Different business nature

BML operates a Chinese medicine centre (that is, a fully facilitated and equipped site with private consultation rooms, treatment rooms and a dispensary) which provides Chinese medicine consultation and treatment services to out-patients only whereas our Group provides CMP staffing services to our individual clients by placing CMPs, in self-employed capacity, to provide outreach health consultation or treatment services to these clients. The Excluded BML Business is a business totally different from ours.

2. Different target customers

The target customers of BML are those whose physical condition allows them to travel around easily whereas our Group places CMPs registered with us to clients who request Chinese medical services (including, for instance, acupuncture treatment). Clients of our Group who request such services are generally individual clients who encounter difficulty in travelling to hospitals or medical centres for consultation or treatment services and could afford the charges of such outreach services which are substantially higher than the charges of the outpatient services provided by BML. As confirmed by the Directors, there is no overlapping clients between the Group and BML during the Track Record Period.

Potential competition between BEST and our Group

Scope and size of business

Business nature and financial information of the Excluded BEST Business

BEST was incorporated on 17 June 2010 in Hong Kong. Since its incorporation, it has been principally engaged in the provision of healthcare related training service in Hong Kong, including organising healthcare skills trainings seminars and certificate programmes. BEST operated one training centre in Hong Kong as at the Latest Practicable Date.

<p align="center">RELATIONSHIP WITH CONTROLLING SHAREHOLDERS AND NON-COMPETITION UNDERTAKINGS</p>
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All revenue of BEST was generated from the provision of training service. Financial information in relation to the Excluded BEST Business during the Track Record Period is set out below:

	For the year ended		For the six months ended
	30 June 2012	30 June 2013	31 December 2013
	HK\$'000	HK\$'000	HK\$'000
Total revenue	2,544.2	4,816.6	2,406.0
Net loss	(185.8)	(773.2)	(299.5)

Our training related staffing services

During the Track Record Period, upon request of our institutional clients, we provide healthcare staffing solution services by placing healthcare personnel to our institutional clients to deliver seminars, of which the contents and the relevant materials are readily designed and prepared by our clients, to the audiences designated by our clients. As BEST and the healthcare personnel placed by us (to deliver such seminars) both deliver healthcare related seminars or provide healthcare related training services, the Excluded BEST Business may indirectly compete with our training related staffing services in the sense that the responsible personnel from both camps are providing the same kind of services.

During the Track Record Period, the gross fee and revenue derived from our training related staffing services are set out below:

	For the year ended				For the six months ended	
	30 June 2012		30 June 2013		31 December 2013	
	HK\$'000	% to our total gross fee/ total revenue	HK\$'000	% to our total gross fee/ total revenue	HK\$'000	% to our total gross fee/ total revenue
Gross Fee	37.7	0.031%	30.0	0.021%	17.8	0.023%
Revenue	8.8	0.035%	8.7	0.029%	4.4	0.026%

As shown in the above table, our training related staffing services did not form any part of, and are included only to complement, our core business. We believe that our ability to offer a versatility of assignments for the healthcare personnel registered with us and services to our clients is one of our strengths to attract more healthcare personnel to register with us and maintain our clients. They contributed only an insignificant portion to our total gross fee and our total revenue during the Track Record Period.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS AND NON-COMPETITION UNDERTAKINGS

Overlapping Management

As at the Latest Practicable Date, Ms. Hai and Mr. Kwan are the directors of BEST. There were no involvement of Ms. Hai and Mr. Kwan in the daily operation of BEST during the Track Record Period. Save and except for Ms. Hai and Mr. Kwan, there is no overlapping management between BEST and our Group as at the Latest Practicable Date. The senior manager of BEST, who is a full-time employee of BEST, is responsible for the overall management and daily operation of BEST. As at the Latest Practicable Date and after Listing, BEST is and will be managed by a management team and operated by the operational staff completely different from ours.

Reasons for non-inclusion of the Excluded BEST Business in our Group

1. Different business nature

BEST operates a training centre (that is, a fully facilitated and equipped site with classrooms, medical training devices and equipment) which organising a variety of training ranging from corporate training to professional training courses to its clients. BEST's training services includes advising on the topic, scope of the training (or to tailor-make the training based on topic designated by its clients), designing the contents, schedules and materials of the training, providing suitable trainers to deliver training, providing venue and managing the rundown and logistics for the training. BEST is the organiser of such trainings and certificates in respect of such trainings will be issued by BEST if necessary. In contrast, our Group is not engaged in operating any training centre or organising or designing any training. Our Group only provides healthcare staffing solution services by placing healthcare personnel registered with us to our institutional clients to deliver seminars held at the place of our clients or other places designated by our clients; the seminar contents and materials of are readily designed and prepared by our clients (that is, our Group or the healthcare personnel placed by us will not be involved in the preparation or design of such seminars but the healthcare personnel placed by us will only take up the role in presenting the seminar materials to the audiences upon our client's request and direction). Our Group does not take any role in organising or managing such seminars held by our clients. The Excluded BEST Business is totally different in nature compared to our Group's business of provision of healthcare staffing solution services.

2. Different pricing method

Due to the differences in business nature, the pricing method adopted by BEST and our Group is also different. Our Group charges a fixed fee for the healthcare staffing solution services based on the rank of the healthcare personnel placed by us while the fee charged by BEST is determined on a case-by-case basis depending on various factors including the complexity of the training content and whether evaluations or assessments are involved.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS AND NON-COMPETITION UNDERTAKINGS
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3. Different target audiences and clients

The target audiences of the training service provided by BEST are the staff of its clients (notwithstanding that certain training, seminar and certificate programmes organised by BEST are also offered to the general public); whereas the target audiences of the seminars organised by our clients and delivered by the healthcare personnel placed by us is not in control of our Group, and was the public in the Track Record Period. As confirmed by our Directors, there was no overlapping client between our Group and BEST during the Track Record Period.

Conclusion

Our revenue generated from the CMP staffing services during the Track Record Period only accounted for approximately 0.002%, 0.003% and 0.007% respectively of the aggregate revenue of our business; and our revenue generated from training related staffing services during the Track Record Period only accounted for approximately 0.035%, 0.029% and 0.026% of our aggregate revenue. As shown by these historical figures, our revenue generated from the CMP staffing services and the training related staffing services is relatively insignificant as compared to our revenue generated from other aspects. As disclosed above, our business nature in providing healthcare staffing solution service is totally different from the Excluded BML Business and the Excluded BEST Business and in other aspects and as at the Latest Practicable Date and after Listing, the management team who is responsible for the daily operation and the operational staff of each of BML or BEST is and will be completely separated from those of our Group. Our Directors also confirm that there have been no overlapping clients between BML or BEST and our Group during the Track Record Period. As such, the Excluded BML Business and the Excluded BEST Business would not affect our capability of carrying on our business independently or have significant impact on our business performance as a whole.

In light of the above, our Directors are of the view that any potential competition between us and the Excluded BML Business and the Excluded BEST Business would be insignificant and manageable. However, in order to minimise any potential competition between the Excluded BML Business and the Excluded BEST Business and our Group, we have entered into the Deed of Non-competition with our Controlling Shareholders. Please refer to the paragraph headed "Non-competition undertaking" in this section for details.

NON-COMPETITION UNDERTAKING

Our Controlling Shareholders have entered into the Deed of Non-competition in favour of our Company (for itself and as trustee for and on behalf of each of its subsidiaries), under which, subject to the next paragraph, each of our Controlling Shareholders has jointly and severally, unconditionally and irrevocably covenanted and undertaken to our Company that he, she or it

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS AND NON-COMPETITION UNDERTAKINGS
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will not, and will procure that none of his, her or its respective associates (other than members of our Group) will, during the Restricted Period (as defined below), directly or indirectly, either on their own account, in conjunction with, on behalf of, or through any person, entities, organisations, firm or company, among other things, (i) carry on, participate or be interested, engaged or otherwise involved in or acquire or hold (in each case whether as an investor, a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) any business (including but not limited to the core business in Hong Kong but save and except for the Excluded BML Business and the Excluded BEST Business) which is or is likely to be in competition with our core business of our Group, and any other new business that our Group may undertake from time to time after the Listing (the **"Restricted Business"**) and where they become aware of such engagement of the Restricted Business they shall notify our Company forthwith; (ii) without the consent from our Company, make use of any information pertaining to the business of our Group which may have come to its knowledge in its capacity as our Controlling Shareholders for any purpose of engaging, investing or participating in any Restricted Business; and (iii) if there is any project or new business opportunity that relates to the Restricted Business, he, she or it will refer such project or new business opportunity to our Group for consideration. Further details of the Deed of Non-competition are set out in the paragraph headed "Non-competition undertaking" below.

The restrictions which each of our Controlling Shareholders has agreed to undertake pursuant to the Deed of Non-competition will not apply to such Controlling Shareholders in the circumstances where he, she or it has:

- (a) any interests in the shares of any member of our Group; or
- (b) interests in the shares of a company other than our Group provided that:
 - (i) any Restricted Business conducted or engaged in by such company (and assets relating to any Restricted Business) accounts for less than 30% of that company's consolidated sales or consolidated assets, as shown in that company's latest audited accounts; and
 - (ii) the total number of shares held by our Controlling Shareholders and their associates in aggregate does not exceed 30% of the issued shares of that class of the company in question and our Controlling Shareholders and their associates are not entitled to appoint a majority of the directors of that company.

For the purpose of the Deed of Non-competition, our "core business" means the provision of healthcare staffing solution services and "associates" has the meaning ascribed to it under the GEM Listing Rules.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS AND NON-COMPETITION UNDERTAKINGS
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The "Restricted Period" stated in the Deed of Non-competition refers to the period during which:

- (a) our Shares remain listed on the Stock Exchange; and
- (b) our Controlling Shareholders and their associates (other than members of our Group), individually or jointly, are entitled to exercise, or control the exercise of, not less than 30% of the voting power at general meetings of our Company; or
- (c) our Controlling Shareholders or the relevant associates remain as a director of any member of our Group.

Each of our Controlling Shareholders has further unconditionally and irrevocably, jointly and severally, covenanted and undertaken to procure that, during the Restricted Period, any business investment or other commercial opportunity relating to the Restricted Business (the "**New Opportunity**") identified by or offered to such Controlling Shareholder and/or any of his, her or its associates (other than members of our Group) (the "**Offeror**") is first referred to our Company in the following manner:

- (a) Our Controlling Shareholders are required to, and shall procure their associates (other than members of our Group) to, refer, or procure the referral of, the New Opportunity to our Company, and shall give written notice to our Company of any New Opportunity containing all information reasonably necessary for our Company to consider whether (i) the New Opportunity would constitute competition with our core business and/or any other new business which our Group may undertake at the relevant time, and (ii) it is in the interest of our Group to pursue the New Opportunity, including but not limited to the nature of the New Opportunity and the details of the investment or acquisition costs (the "**Offer Notice**").
- (b) The Offeror will be entitled to pursue the New Opportunity only if (i) the Offeror has received a written notice from our Company declining the New Opportunity and confirming that the New Opportunity would not constitute competition with our core business, or (ii) the Offeror has not received the notice from our Company within 10 Business Days from our receipt of the Offer Notice by our Company. If there is a material change in the terms and conditions of the New Opportunity pursued by the Offeror, the Offeror will refer the New Opportunity so received to our Company in the manner as set out above.

Upon receipt of the Offer Notice, our Company shall seek opinions and decisions from a committee of our Board consisting our Directors who do not have a material interest in the matter as to whether (a) such New Opportunity would constitute competition with our Company's core business, and (b) it is in

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS AND NON-COMPETITION UNDERTAKINGS
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the interest of our Company and our Shareholders as a whole to pursue the New Opportunity. Each of our Controlling Shareholders has further unconditionally and irrevocably undertaken to our Company that he, she or it will use his, her or its best endeavours to procure that his, her or its associates (other than members of our Group) shall observe the restrictions and undertakings above.

Specific Undertakings

Ms. Hai has unconditionally and irrevocably covenanted and undertaken to procure that, during the Restricted Period, any business investment or other commercial opportunity relating to the Excluded BML Business (the “**BML New Opportunity**”) identified by or offered to her and/or BML, which is capable or reasonably practicable for our Company to take up, is first referred to our Company in the following manner:

- (a) Ms. Hai is required to, and shall procure BML to refer, the BML New Opportunity to our Company, and shall notify our Company any BML New Opportunity including all information reasonably necessary for our Company to consider whether it is capable or reasonable practicable and is in the interest of our Group to pursue the BML New Opportunity.
- (b) BML will be entitled to pursue the BML New Opportunity only if (i) Ms. Hai or BML has obtained a confirmation from our Company declining the BML New Opportunity, or (ii) Ms. Hai or BML has not received any response from our Company within one Business Day from our receipt of such notification by our Company.

Ms. Hai has further unconditionally and irrevocably undertaken to our Company that she will use her best endeavours to procure that BML shall observe the restrictions and undertakings above.

Each of Ms. Hai and Mr. Kwan has unconditionally and irrevocably, jointly and severally, covenanted and undertaken to procure that, during the Restricted Period, any business investment or other commercial opportunity relating to the Excluded BEST Business (the “**BEST New Opportunity**”) identified by or offered to Ms. Hai, Mr. Kwan and/or BEST is first referred to our Company in the following manner:

- (a) Ms. Hai and Mr. Kwan are required to, and shall procure BEST to refer, the BEST New Opportunity to our Company, and shall notify our Company any BEST New Opportunity including all information reasonably necessary for our Company to consider whether it is capable or reasonable practicable and is in the interest of our Group to pursue the BEST New Opportunity.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS AND NON-COMPETITION UNDERTAKINGS
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- (b) BEST will be entitled to pursue the BEST New Opportunity only if (i) Ms. Hai, Mr. Kwan and/or BEST has obtained a confirmation from our Company declining the BEST New Opportunity, or (ii) Ms. Hai, Mr. Kwan and/or BEST has not received any response from our Company within one Business Day from our receipt of such notification by our Company.

Each of Ms. Hai and Mr. Kwan has further unconditionally and irrevocably undertaken to our Company that he or she will use his or her best endeavours to procure that BEST shall observe the restrictions and undertakings above.

Further undertakings

Our Controlling Shareholders have further undertaken to:

- (a) procure all relevant information relating to the implementation of the Deed of Non-competition in their possession and/or the possession of any of their associates to be provided to our Company;
- (b) allow, subject to confidentiality restrictions imposed by any third party, its representatives and those of our Company's auditors to have access to their financial and corporate records as may be necessary for our Company to determine whether the non-competition undertakings have been complied with by our Controlling Shareholders and their associates; and
- (c) provide our Company, within 10 Business Days from the receipt of its written request, with a written confirmation in respect of their compliance and that of their associates with the non-competition undertakings and consent to the inclusion of such confirmation in our Company's annual report.

Our Controlling Shareholders, for themselves and on behalf of their associates (except any members of our Group), have also acknowledged that our Company may be required by the relevant laws, regulations, rules of the stock exchange(s) on which our Company may be listed and the regulatory bodies to disclose, from time to time, information on the New Opportunity, including but not limited to disclosure in public announcements or our Company's annual report or decision made by our Company to pursue or decline the New Opportunity and have agreed to the disclosure to the extent necessary to comply with any such requirement.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS AND NON-COMPETITION UNDERTAKINGS
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CORPORATE GOVERNANCE MEASURES

Our Company has adopted the corporate governance measures with the following principles to avoid potential conflict of interests and safeguard the interests of our Shareholders:

- (i) we have appointed three independent non-executive Directors to ensure the effective exercise of independent judgment on its decision-making process and provide independent advice to the Shareholders;
- (ii) our independent non-executive Directors will review, at least on an annual basis, the compliance with the Deed of Non-competition by our Controlling Shareholders or their associates (other than members of our Group). We will disclose any decision and the related basis on matters reviewed by our independent non-executive Directors relating to the enforcement of the Deed of Non-competition in our Company's annual report or by way of announcement to the public;
- (iii) our Controlling Shareholders have undertaken to provide all information necessary to our Company for the annual review by our independent non-executive Directors and the enforcement of the Deed of Non-competition;
- (iv) our Controlling Shareholders have undertaken to provide a written confirmation to our Company upon written request by our Company in respect of the compliance with the Deed of Non-competition by each of our Controlling Shareholders and his/her/its associates; and
- (v) our Controlling Shareholders will abstain from voting at any general meeting of our Company if there is any actual or potential conflict of interests in relation to the Restricted Business and the New Opportunity and shall not be counted towards the quorum for voting pursuant to the Articles.

CONNECTED TRANSACTIONS

Upon completion of the Placing and immediately following the Listing, certain transactions between us and our connected persons will constitute continuing connected transactions under Chapter 20 of the GEM Listing Rules. For the avoidance of doubt, references to the rules of the GEM Listing Rules in this section are made to the revised Chapter 20 of the GEM Listing Rules which will come into effect on 1 July 2014. Details of our connected transactions are set out below.

CONTINUING CONNECTED TRANSACTIONS – EXEMPT CONTINUING CONNECTED TRANSACTION

Our Group has entered into agreements with an entity that will become our connected person immediately after the Listing, and such agreements will constitute continuing connected transactions of our Company under the GEM Listing Rules.

Immediately after the Listing, the following transactions will constitute exempt continuing connected transactions of our Company as each of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules is less than 5% and the annual consideration is less than HK\$3,000,000. By virtue of Rule 20.74 of the GEM Listing Rules, such transactions will be exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Tenancy Agreements

Parties: 1. Bamboos Limited (as the landlord); and
2. Bamboos PNS (as the tenant)

Material terms: We entered into two tenancy agreements (the "**Tenancy Agreement**") with Bamboos Limited on 20 February 2013 and 2 March 2013 respectively, in respect of (i) the premises located at Unit B, 16/F, E-Trade Plaza, No. 24 Lee Chung Street, Chai Wan, Hong Kong (the "**First Premises**") for a term of two 2 years commencing on 2 January 2013 and expiring on 1 January 2015 (the "**First Tenancy Agreement**"), and (ii) the premises located at Unit C, 16/F, E-Trade Plaza, No. 24 Lee Chung Street, Chai Wan, Hong Kong (the "**Second Premises**"; and together with the First Premises, the "**Premises**") for a term commencing on 2 March 2013 and expiring on 1 January 2015 (the "**Second Tenancy Agreement**"; and together with the First Tenancy Agreement, the "**Tenancy Agreements**"). The Premises are used as the head office for our Group's operation in Hong Kong.

Connected person: Bamboos Limited is a company incorporated in Hong Kong with limited liability and is wholly-owned by Ms. Hai, the chief executive officer, an executive Director and a Controlling Shareholder of our Company. Accordingly, pursuant to the GEM Listing Rules, Bamboos Limited is an associate of Ms. Hai and thus a connected person of our Company. Ms. Hai is also the director of Bamboos Limited.

CONNECTED TRANSACTIONS

Consideration: The rent (exclusive of rates, government rent and management fees) payable by us to Bamboos Limited under the First Tenancy Agreement is HK\$29,000 per month or HK\$348,000 on an annual basis and that under the Second Tenancy Agreement is HK\$31,000 per month or HK\$372,000 on an annual basis. All rents are payable by us in advance on or before the first day of each calendar month.

Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent property valuer, has reviewed the rent payable by us pursuant to the Tenancy Agreements and is of the view that the same were consistent with and comparable to the market rents of the Premises prevailing at the commencement of the respective tenancies.

The amounts paid to Bamboos Limited by Bamboos PNS under the Tenancy Agreements during the Track Record Period are as follows:

Year ended 30 June		Six month ended 31 December
2012	2013	2013
HK\$'000	HK\$'000	HK\$'000
–	298	360

GEM Listing Rules' implications: As Bamboos Limited is an associate of Ms. Hai, and accordingly, a connected person of our Company under Chapter 20 of the GEM Listing Rules, the transactions contemplated under the Tenancy Agreements will, immediately following the Listing, constitute continuing connected transactions of our Company under Rule 20.29 of the GEM Listing Rules. Pursuant to Rules 20.79 and 20.80 of the GEM Listing Rules, the transactions contemplated under the Tenancy Agreements are to be aggregated. As the aggregated annual rent of HK\$720,000 payable by us to Bamboos Limited under the Tenancy Agreements falls below the de minimis threshold, the transactions contemplated under the Tenancy Agreements will not be subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Confirmation from our Directors

Our Directors, including the independent non-executive Directors, confirm that the Tenancy Agreements have been entered into in the ordinary and usual course of business, on normal commercial terms and the terms of which are fair and reasonable to our Company, and therefore are in the interests of our Shareholders and our Company as a whole.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as is known to our Directors, immediately following the completion of the Capitalisation Issue and the Placing but without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and/or any options which may be granted under the Share Option Scheme, the following persons/entities will have interests and/or short positions in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be directly or indirectly interested in 10% or more of the voting power at general meetings of our subsidiaries:

Name	Capacity and nature of interests	Immediately upon completion of the Placing and the Capitalisation Issue	
		Number of Shares held (Note 1)	Approximate percentage of shareholding
Gold Empress	Beneficial owner	270,000,000	75%
	Deemed interest	30,000,000 (Note 4) (L)	
Ms. Hai	Interest of a controlled corporation	270,000,000 (Note 2)	75%
	Deemed interest	30,000,000 (Note 4) (L)	
Gold Beyond	Beneficial owner	30,000,000	75%
	Deemed interest	270,000,000 (Note 4) (L)	
Mr. Kwan	Interest of a controlled corporation	30,000,000 (Note 3)	75%
	Deemed interest	270,000,000 (Note 4) (L)	

Notes:

1. The letter "L" denotes a long position in the shareholder's interest in the share capital of the relevant member of our Group.
2. Under the SFO, Ms. Hai is deemed to be interested in 270,000,000 Shares held by Gold Empress by virtue of Ms. Hai holding the entire issued share capital of Gold Empress.
3. Under the SFO, Mr. Kwan is deemed to be interested in 30,000,000 Shares held by Gold Beyond by virtue of Mr. Kwan holding the entire issued share capital of Gold Beyond.

SUBSTANTIAL SHAREHOLDERS

4. Ms. Hai and Mr. Kwan, being our executive Directors, will be deemed to be parties acting in concert under the Takeovers Code. As such, Ms. Hai, Mr. Kwan, 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.

So far as our Directors are aware, save for the persons disclosed above, there are no other persons who will immediately following completion of the Capitalisation Issue and the Placing (but without taking into account of any Shares which may be allotted and issued upon the exercise or any options which may be granted under the Share Option Scheme), have an interest or short position in Shares or underlying Shares which would be required to be disclosed to our Company under the Provisions of Divisions 2 and 3 of Part XV of the SFO, or, be directly or indirectly interested in 10% or more of the voting power at general meetings of our subsidiaries.

UNDERTAKINGS

Each of our Controlling Shareholders has given certain undertakings in respect of the Shares held by them to our Company, the Sole Sponsor, the Joint Lead Managers (for themselves and on behalf of the Underwriters) and the Stock Exchange. Our Controlling Shareholders have also given undertakings to our Company and the Stock Exchange as required by Rule 13.19 of the GEM Listing Rules and are bound by the non-disposal restrictions as imposed by Rule 13.19 of the GEM Listing Rules. Further details of such undertakings are set out under the section headed "Underwriting – Undertakings" in this prospectus.

SHARE CAPITAL

SHARE CAPITAL

The authorised and issued share capital of our Company immediately following completion of the Placing and the Capitalisation Issue will be as follows:

Authorised share capital: HK\$

<u>2,000,000,000</u> Shares	<u>20,000,000.00</u>
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Issued and to be issued, fully paid or credited as fully paid:

20	Shares in issue as at the date of this prospectus	0.20
299,999,980	Shares to be issued pursuant to the Capitalisation Issue	2,999,999.80
100,000,000	Placing Shares to be issued pursuant to the Placing (assuming the Offer Size Adjustment Option is not exercised) (Note)	1,000,000.00
<u>400,000,000</u>	Shares	<u>4,000,000.00</u>

Note: If the Offer Size Adjustment Option is exercised in full, 15,000,000 additional Shares will be issued and resulting in a total HK\$4,150,000.00 issued Share Capital of 415,000,000 Shares of nominal value of HK\$0.01 each.

Assumptions

The above table assumes the Placing and the Capitalisation Issue become unconditional and the issue of Shares pursuant thereto are made as described herein. It takes no account of any Shares which may be granted under the Share Option Scheme or of any Shares which may be allotted and issued or repurchased by our Company under the general mandates for the allotment and issue or repurchase of Shares granted to Directors as referred to below or otherwise.

Minimum public float

Pursuant to Rule 11.23(7) of the GEM Listing Rules, at the time of Listing and at all times thereafter, our Company must maintain the “minimum prescribed percentage” of 25% of the total issued share capital of our Company in the hands of the public (as defined in the GEM Listing Rules).

SHARE CAPITAL

Ranking

The Placing Shares will rank equally with all Shares now in issue or to be allotted and issued and will qualify for all dividends or other distributions declared, made or paid after the date of this prospectus save for the entitlements under the Capitalisation Issue.

Share Option Scheme

Our Company has conditionally adopted the Share Option Scheme. A summary of its principal terms is set out in the paragraph headed "Share Option Scheme" in Appendix IV to this prospectus.

General mandate to issue Shares

Subject to the Placing becoming unconditional, our Directors have been granted a general unconditional mandate to allot and issue and deal with the unissued Shares with an aggregate nominal value of not more than:

- (a) 20% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the Placing and the Capitalisation Issue (excluding any Shares that may be issued upon exercise of the Offer Size Adjustment Option); and
- (b) the aggregate nominal value of the share capital of our Company repurchased by our Company (if any) pursuant to the general mandate to repurchase Shares as described below.

Our Directors may, in addition to the Shares which they are authorised to issue under the mandate, allot, issue and deal in the Shares pursuant to a rights issue, an issue of Shares pursuant to the exercise of subscription rights attaching to any warrants of our Company, scrip dividends or similar arrangements or options to be granted under the Share Option Scheme or any other option scheme or similar arrangement for the time being adopted.

For further details of this general mandate, please refer to the paragraph headed "Further information about our Company" in Appendix IV to this prospectus.

General mandate to repurchase Shares

Subject to the Placing becoming unconditional, our Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase Shares with a total nominal value of not more than 10% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the Placing and the Capitalisation Issue (excluding any Shares that may be issued upon exercise of the Offer Size Adjustment Option).

SHARE CAPITAL

This mandate only relates to repurchases made on the Stock Exchange, or on any other stock exchange on which the Shares are listed (and which is recognised by the SFC and the Stock Exchange for this purpose), and which are in accordance with all applicable laws and the requirements of the GEM Listing Rules. A summary of the relevant GEM Listing Rules is set out in the paragraph headed "Repurchase by our Company of our own securities" in the section headed "Further information about our Company" in Appendix IV to this prospectus.

The general mandate to issue and repurchase Shares will expire:

- at the conclusion of the next annual general meeting of our Company;
- at the expiration of the period within which the next annual general meeting of our Company is required by any applicable law of the Cayman Islands or the Articles to be held; or
- when varied, revoked or renewed by an ordinary resolution of the Shareholders in general meeting,

whichever is the earliest.

For further details of this general mandate, please refer to the paragraphs headed "Written resolutions of all the Shareholders passed on 24 June 2014" and "Repurchase by our Company of our own securities" in the section headed "Further information about our Company" in Appendix IV to this prospectus.

FINANCIAL INFORMATION

The following discussion and analysis should be read in conjunction with the audited combined financial statements as of and for the two financial years ended 30 June 2013 and six months ended 31 December 2013, in each case with related notes thereto, included elsewhere in this prospectus. The combined financial statements of our Company have been prepared in accordance with HKFRSs, which differ in certain significant respects from generally accepted accounting principles in certain other countries. For further information, see "Appendix I – Accountant's Report". Any discrepancies in any table or elsewhere in this prospectus between totals and sums of amounts listed herein are due to rounding.

This discussion and analysis contains forward-looking statements that involve risks and uncertainties. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this prospectus, particularly in the section headed "Risk factors" in this prospectus.

OVERVIEW

Our Group is principally engaged in the provision of healthcare staffing solution services on a temporary basis to our clients. As at the Latest Practicable Date, the number of healthcare personnel registered with us has grown to over 13,400 healthcare personnel. According to the Clearstate Report, our Group was the leading provider of healthcare staffing solution services in Hong Kong for the year ended 30 June 2013, with a market share of approximately 48.9% in terms of gross fee. Our revenue is predominantly derived from two categories of services, namely (i) institutional staffing solution services and (ii) private nursing staffing services. Within our two principal business segments, our private nursing staffing service provides our individual clients with personalised healthcare services, and our institutional staffing solution service supplies healthcare personnel to social service organisations, hospitals, clinics and pharmaceutical companies.

Our revenue, being our gross fee net of cost payable to healthcare personnel, was approximately HK\$25.2 million, HK\$30.3 million and HK\$17.0 million for two years ended 30 June 2013 and the six months ended 31 December 2013 respectively. Revenue from individual clients accounted for approximately 50.8%, 55.0% and 57.2% of our revenue for the two years ended 30 June 2013 and the six months ended 31 December 2013 respectively. Revenue generated from our institutional staffing solution clients accounted for approximately 49.2%, 45.0% and 42.8% for the two years ended 30 June 2013 and the six months ended 31 December 2013 respectively.

Gross fee from services provided to our clients (before deduction of costs payable to healthcare personnel) amounted to approximately HK\$121.4 million, HK\$142.0 million and HK\$77.1 million for the two years ended 30 June 2013 and the six months ended 31 December 2013 respectively. Cost payable to healthcare

FINANCIAL INFORMATION

personnel placed by us was approximately HK\$96.2 million, HK\$111.7 million and HK\$60.1 million for the two years ended 30 June 2013 and the six months ended 31 December 2013 respectively.

Set out below is a breakdown of our revenue by client category during the Track Record Period:

	For the year ended 30 June				For the six months ended 31 December			
	2012		2013		2012		2013	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
					(unaudited)			
(i) Individual clients	12,804	50.8	16,627	55.0	7,980	54.6	9,739	57.2
(ii) Institutional clients								
– Social service organisations	9,615	38.1	11,442	37.8	5,535	37.9	6,155	36.1
– Hospitals	2,482	9.8	1,785	5.9	855	5.9	810	4.8
– Clinics and pharmaceutical companies	315	1.3	404	1.3	237	1.6	325	1.9
Total	<u>25,216</u>	<u>100</u>	<u>30,258</u>	<u>100</u>	<u>14,607</u>	<u>100</u>	<u>17,029</u>	<u>100</u>

FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Major factors affecting our results of operations and financial condition include the following:

Ability of our Group to stay competitive in the market

Our Group has continued to expand since we commenced business in 2009. The sustainability of our revenue and net profit will depend upon our ability to remain competitive in the healthcare staffing solution services market and to provide high quality services.

Ability of our Group to accurately predict our clients' future needs

Our revenue is derived from different types of clients, including, individual clients and institutional clients including social service organisations, hospitals, clinics and pharmaceutical companies. The needs of each of our clients for services may vary significantly from time to time. It is difficult to accurately predict our clients' future needs or the frequency at which services will be requested, as uncertain factors including the health and physical condition of our individual clients and the levels of staffing compared to the workload in social service organisations, hospitals and clinics, have a significant impact on the demand for services. There is no assurance that the demand for our Group's services from our clients may be maintained or continue to grow in the years ahead.

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Ability of our Group to maintain scale of pool of healthcare personnel registered with us

As at the Latest Practicable Date, over 13,400 healthcare personnel were registered with us. Our Group's business is highly dependent on healthcare personnel registered with us being available to take up assignments, often on short term notice. We also depend on our sizable database of registered healthcare personnel to ensure that we can place healthcare personnel with appropriate skills and experience to meet the individual needs of our clients. Our financial performance will be affected if the number of healthcare personnel registered with us available to take up assignments significantly decreases.

Nursing and healthcare personnel shortage

Hong Kong is experiencing ongoing shortage of permanent qualified healthcare personnel, especially nurses. According to the Clearstate Report, Hong Kong suffers a shortfall of approximately 1,000 nurses per year, and approximately 1,800 healthcare personnel working in RCHEs left the industry in 2012. The demand for our healthcare staffing solution services is correlated with activity in the permanent labour market. When healthcare personnel vacancy rates increase at hospitals and social service organisations, staffing orders for the healthcare personnel registered with us typically increase as well. Demand for our institutional staffing solution services depends on a continued shortage of healthcare personnel in hospitals, social service organisations and other institutional settings.

Quality of services provided by the healthcare personnel

Many hospitals, social service organisations and other healthcare facilities seek to fulfill their human capital needs through a strong business partner who can provide comprehensive healthcare staffing solutions that promptly and effectively meet their changing staffing needs. Our large database and ability to quickly place healthcare personnel at hospitals and other facilities give us strong execution capabilities which we believe our clients value and position us well to serve our institutional clients' needs today and in the future. This may however be affected by the quality of services provided by the healthcare personnel placed by us which is not within our control. There is no assurance that our clients' confidence in us can be maintained if the quality of services provided by the healthcare personnel placed by us is not up to standard.

BASIS OF PREPARATION

Our audited combined financial information set forth in Appendix I to this prospectus has been prepared in accordance with HKFRS under the historical cost convention.

FINANCIAL INFORMATION

Pursuant to the Reorganisation, Bamboos PNS and its operations were transferred to and held by our Company. There was no change in management of such operations or the ultimate owners. Accordingly, the combined balance sheets, combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows for the Track Record Period have been prepared using the financial information of our Company and our subsidiaries as if the current group structure had been in existence throughout the Track Record Period, or since their respective dates of incorporation, whichever is shorter. The net assets of our Group were combined using the existing book values. Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated on combination.

For more information on the basis of presentation of our financial information included herein, see Note 3 of the Accountant's Report included in Appendix I to this prospectus.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the combined financial statements of our Group requires the management to make judgments, estimates and assumptions that affect the carrying amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The following sets out certain critical accounting policies that the management of our Group considers to be critical in the portrayal of our Group's financial position and results of operations:

Financial Assets

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

Loans and receivables are non-derivative financial assets with fixed or determined 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. Our Group's loans and receivables comprises trade and other receivables, deposits, amounts due from a director and related companies, and cash and bank balances.

Regular way purchases and sales of financial assets are recognised on trade-date, that is the date on which our 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

FINANCIAL INFORMATION

have expired or have been transferred and our Group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using effective interest method.

Impairment of financial assets carried at amortised cost

Our 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 receivables 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, our 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.

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.

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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.

Financial liabilities

Financial liabilities of our Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. Financial liabilities (including costs payable to healthcare personnel and accruals and other payables) are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

Borrowings

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

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

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

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 our Group's activities. Our Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to our Group and when specific criteria have been met for each of our Group's activities as described below. Our Group base our estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from the provision of healthcare staffing solution services is recognised when the relevant services have been performed by the healthcare personnel placed by us in accordance with services requested by our clients.

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Advertising income is recognised at the time when the relevant advertisements have been published on BamBoOs! Life which is issued by our Group for free distributions.

Management fee is recognised when the relevant services have been rendered to the related companies.

Interest income is recognised using the effective interest method.

Determination of our role as a principal or an agent

Our Group considers that under our healthcare staffing solution services, we are acting as an agent to collect the service fee on behalf of the healthcare personnel for the healthcare services provided by them to the clients, taking into account the totality of all relevant attributes underlying the service arrangements notwithstanding that we have latitude in establishing the service fee chargeable to customers and the portion attributable to the healthcare personnel,

- we place healthcare personnel (who do not have any employment relationships with us) according to the requirement from our clients. We do not directly participate in the performance of healthcare services and are not contractually exposed to any unfavourable outcome of the relevant healthcare services carried out by the healthcare personnel placed by us; and
- the credit risk in respect of healthcare personnel's service fee is not contractually assumed by us.

We determine our position based upon the above relevant facts, and reassess our position upon any subsequent changes in the existing service arrangements.

RESULTS OF OPERATIONS OF OUR GROUP

The following table sets forth our combined statements of comprehensive income and other selected financial information for the two years ended 30 June 2013 and the six months ended 31 December 2012 and 2013 as extracted from the Accountant's Report set out in Appendix I to this prospectus.

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Combined statements of comprehensive income

	Year ended 30 June		Six months ended 31 December	
	2012	2013	2012	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i>
Revenue	25,216	30,258	14,607	17,029
Other income	1,812	1,092	559	958
Employee benefit expenses	(6,523)	(6,252)	(2,731)	(3,210)
Operating lease rentals	(548)	(619)	(242)	(360)
Other operating expenses	(4,121)	(7,808)	(4,680)	(3,300)
Operating profit	15,836	16,671	7,513	11,117
Finance costs	–	(336)	(116)	(198)
Profit before income tax	15,836	16,335	7,397	10,919
Income tax expense	(2,601)	(3,269)	(1,662)	(2,189)
Profit and total comprehensive income for the year/period attributable to equity holders	13,235	13,066	5,735	8,730
Earnings per share	N/A	N/A	N/A	N/A
Dividends	16,500	–	–	–

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Gross fee, Cost to healthcare personnel and Revenue

We set out below the analysis of our gross fee, cost to healthcare personnel, and revenue (being our gross fee from provision of healthcare staffing solution services to our clients net of costs payable to healthcare personnel placed by us) during the Track Record Period:

	For the year ended 30 June						For the six months ended 31 December					
	2012			2013			2012			2013		
	Institutional staffing solution service	Private nursing staffing service	Total	Institutional staffing solution service	Private nursing staffing service	Total	Institutional staffing solution service	Private nursing staffing service	Total	Institutional staffing solution service	Private nursing staffing service	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Gross fee	59,893	61,492	121,385	64,598	77,369	141,967	31,770	36,171	67,941	32,477	44,655	77,132
Cost to healthcare personnel	47,481	48,688	96,169	50,967	60,742	111,709	25,143	28,191	53,334	25,187	34,916	60,103
Revenue	<u>12,412</u>	<u>12,804</u>	<u>25,216</u>	<u>13,631</u>	<u>16,627</u>	<u>30,258</u>	<u>6,627</u>	<u>7,980</u>	<u>14,607</u>	<u>7,290</u>	<u>9,739</u>	<u>17,029</u>
Revenue as a percentage to gross fee	20.7%	20.8%	20.8%	21.1%	21.5%	21.3%	20.9%	22.1%	21.5%	22.4%	21.8%	22.1%

Gross fee

The table below summarises our gross fee by client category during the Track Record Period.

Gross fee (by client category)	For the year ended 30 June				For the six months ended 31 December			
	2012		2013		2012		2013	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
	(unaudited)							
(i) Individual clients	61,492	50.7	77,369	54.5	36,171	53.2	44,655	57.9
(ii) Institutional clients								
– Social service organisations	46,426	38.2	54,185	38.2	26,588	39.1	27,613	35.8
– Hospitals	12,073	9.9	8,635	6.1	4,159	6.1	3,657	4.7
– Clinics and pharmaceutical companies	1,394	1.2	1,778	1.2	1,023	1.6	1,207	1.6
Total	<u>121,385</u>	<u>100</u>	<u>141,967</u>	<u>100</u>	<u>67,941</u>	<u>100</u>	<u>77,132</u>	<u>100</u>

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Our gross fee is determined by a Charge-out Rate, which varies with the rank of the healthcare personnel, types of clients and number of service hours provided by the healthcare personnel placed by us. The increase of gross fee from approximately HK\$121.4 million for the year ended 30 June 2012 to approximately HK\$142.0 million for the year ended 30 June 2013 was mainly due to (i) an increase in PCWs and HCAs/HWs assignments to individual clients and institutional clients in particular social service organisations, where the number of service hours provided to individual clients and social service organisations increased by approximately 123,000 hours and approximately 91,000 hours respectively; and (ii) the increase of average Charge-out Rate per hour of certain ranks of healthcare personnel in August 2012 and March 2013 respectively in the range of approximately 6.1% and approximately 15.0% for institutional clients, and the increase of average Charge-out Rate per hour of all ranks of healthcare personnel in August 2012 in the range of approximately 6.0% and approximately 12.5% for individual clients. Such increase was partially offset by the decrease in gross fee from hospital clients due to a decrease in ENs and RNs assignments to hospital clients, where the number of service hours provided to hospitals decreased by approximately 26,000 hours for the year end 30 June 2013. Such decrease was mainly attributable to the decrease in ward relief services required by hospitals from us.

The increase of gross fee from approximately HK\$67.9 million for the six months ended 31 December 2012 to approximately HK\$77.1 million for the six months ended 31 December 2013 was mainly due to (i) an increase in the number of service hours provided to individual clients by approximately 91,000 hours mainly due to an increase in placements of ENs, PCWs and HCAs/HWs to individual clients; (ii) an increase in the number of service hours provided to social service organisations by approximately 3,000 hours mainly due to increase in placement of PCWs to social service organisations; and (iii) an increase in average Charge-out Rate per hour of certain ranks of healthcare personnel in March 2013 and December 2013 respectively in the range of approximately 6.1% and approximately 13.3% for institutional clients. Such increase was partially offset by the decrease in number of service hours provided to hospitals by approximately 8,000 hours mainly as a result of less ward relief services required by them from us.

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Cost to healthcare personnel

Set out below is an analysis of cost to the healthcare personnel placed by us by rank:

	For the year ended 30 June				For the six months ended 31 December			
	2012		2013		2012		2013	
	HK\$'000	%	HK\$'000	%	HK\$'000 (unaudited)	%	HK\$'000	%
RN	23,389	24.3	24,499	21.9	11,730	22.0	12,118	20.2
EN	17,389	18.1	16,960	15.2	8,126	15.2	10,584	17.6
HCA/HW	17,869	18.6	20,669	18.5	9,896	18.6	11,648	19.4
PCW	31,902	33.2	42,241	37.8	20,040	37.6	22,645	37.7
Others	5,620	5.8	7,340	6.6	3,542	6.6	3,108	5.1
Total	<u>96,169</u>	<u>100.0</u>	<u>111,709</u>	<u>100.0</u>	<u>53,334</u>	<u>100.0</u>	<u>60,103</u>	<u>100.0</u>

The increase of cost to healthcare personnel from approximately HK\$96.2 million for the year ended 30 June 2012 to approximately HK\$111.7 million for the year ended 30 June 2013 was mainly due to (i) the increase in the total number of service hours performed by the healthcare personnel from approximately 1,474,000 to approximately 1,663,000, where such increase was mainly driven by the increase in the placements of PCWs and HCAs/HWs to individual clients and institutional clients in particular social service organisations; and (ii) the increase of average Pay-out Rate per hour for certain ranks of healthcare personnel in August 2012 and March 2013 respectively in the range of approximately 2.7% and approximately 11.0% for institutional clients, and the increase of average Pay-out Rate per hour for all ranks of healthcare personnel in August 2012 in the range of approximately 3.2% and approximately 10.3% for individual clients. The increase of cost to healthcare personnel from approximately HK\$53.3 million for the six months ended 31 December 2012 to approximately HK\$60.1 million for the six months ended 31 December 2013 was mainly due to the increase in the total number of service hours performed by the healthcare personnel from approximately 804,000 to approximately 890,000, where such increase was mainly driven by the increase in the placements of ENs, PCWs and HCAs/HWs to individual clients and increase in placement of PCWs to social service organisations; and (ii) the increase of average Pay-out Rate per hour for certain ranks of healthcare personnel in March 2013 and December 2013 respectively in the range of approximately 2.7% and approximately 7.0% for institutional clients.

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Revenue and revenue as a percentage of gross fee

Set out below is a breakdown of our revenue (being gross fee from provision of healthcare staffing solution services to clients net of cost payable to healthcare personnel placed by us) by client category during the Track Record Period:

Revenue (by client category)	For the year ended 30 June				For the six months ended 31 December			
	2012		2013		2012		2013	
	HK\$'000	%	HK\$'000	%	HK\$'000 (unaudited)	%	HK\$'000	%
(i) Individual clients	12,804	50.8	16,627	55.0	7,980	54.6	9,739	57.2
(ii) Institutional clients								
– Social service organisations	9,615	38.1	11,442	37.8	5,535	37.9	6,155	36.1
– Hospitals	2,482	9.8	1,785	5.9	855	5.9	810	4.8
– Clinics and pharmaceutical companies	315	1.3	404	1.3	237	1.6	325	1.9
Total	25,216	100	30,258	100	14,607	100	17,029	100

The table below sets out the summary of our revenue as a percentage to gross fee during the Track Record Period.

Revenue as a percentage to gross fee	For the year ended 30 June						For the six months ended 31 December					
	2012			2013			2012			2013		
	Gross fee HK\$'000	Revenue HK\$'000	% of gross fee	Gross fee HK\$'000	Revenue HK\$'000	% of gross fee	Gross fee HK\$'000 (unaudited)	Revenue HK\$'000 (unaudited)	% of gross fee	Gross fee HK\$'000	Revenue HK\$'000	% of gross fee
(i) Individual clients	61,492	12,804	20.8	77,369	16,627	21.5	36,171	7,980	22.1	44,655	9,739	21.8
(ii) Institutional clients												
– Social service organisations	46,426	9,615	20.7	54,185	11,442	21.1	26,588	5,535	20.8	27,613	6,155	22.3
– Hospitals	12,073	2,482	20.6	8,635	1,785	20.7	4,159	855	20.6	3,657	810	22.1
– Clinics and pharmaceutical companies	1,394	315	22.6	1,778	404	22.7	1,023	237	23.2	1,207	325	26.9
Total	121,385	25,216	20.8	141,967	30,258	21.3	67,941	14,607	21.5	77,132	17,029	22.1

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Our revenue is determined with reference to the difference between the Charge-out Rate to our clients and Pay-out Rate to different rank of healthcare personnel placed by us and the number of service hours performed by those healthcare personnel. For the two years ended 30 June 2013 and the six months ended 31 December 2012 and 2013, our revenue was approximately HK\$25.2 million, HK\$30.3 million, HK\$14.6 million and HK\$17.0 million respectively and the major reasons for such increase have been set out in the paragraphs headed "Gross fee" and "Cost to healthcare personnel" in this section above.

Our revenue as a percentage of gross fee is determined with reference to the mark-up ratio between the Charge-out Rate to our clients and Pay-out Rate to different rank of healthcare personnel placed by us and the number of service hours performed by respective rank of healthcare personnel. For the two years ended 30 June 2013 and the six months ended 31 December 2012 and 2013, our revenue as a percentage of the gross fee was approximately 20.8%, 21.3%, 21.5% and 22.1% respectively, which showed a general increasing trend during the Track Record Period mainly as a result of enhanced differences and mark-up ratios between the Charge-out Rates to our clients and Pay-out Rates to healthcare personnel placed by us, arisen from upward price adjustment exercises in August 2012 (for both individual and institutional clients and for various rank of healthcare personnel) and in March and December 2013 (for institutional clients and for certain rank of healthcare personnel).

Other income

The following table sets out the breakdown of our Group's other income during the Track Record Period:

	For the year ended 30 June		For the six months ended 31 December	
	2012	2013	2012	2013
	HK\$'000	HK\$'000	HK\$'000 (unaudited)	HK\$'000
Management fee income from related companies	780	–	–	–
Recharge of operating expenses to a related company	238	–	–	–
Advertising income	435	519	264	573
Others	359	573	295	385
	<u>1,812</u>	<u>1,092</u>	<u>559</u>	<u>958</u>

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Our other income mainly comprised advertising income and management fees. Advertising income mainly represents income from advertisements placed by advertisers in BamBoOs! Life. Management fee income mainly represents income generated from the business support services provided to related companies. Recharge of operating expenses mainly represents printing and publishing expenses charged back to BEST, a related company.

Employee benefit expenses

Employee benefit expenses mainly represent salaries and discretionary bonus paid to our staff, directors' remuneration and pension costs relating to a defined contribution retirement plan.

Operating lease rentals

Operating lease rentals mainly represent expenses incurred for our office premises located at Kwun Tong and Chai Wan, Hong Kong.

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Other operating expenses

The following table sets out the breakdown of our Group's other operating expenses in the combined statements of comprehensive income during the Track Record Period:

	<u>Year ended 30 June</u>		<u>Six months ended 31 December</u>	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
			(unaudited)	
Depreciation	449	412	218	242
Auditor's remuneration	624	600	300	300
Legal and professional fee	130	140	25	34
Professional service fees in respect of listing preparation	–	3,627	2,677	968
Rates and management fee	232	194	111	35
Building naming license fee	263	153	131	–
Postage, utilities charges and general office expenses	470	606	198	390
Travelling and transportation expenses	287	142	102	115
Printing costs	757	617	287	484
Advertising and promotion expenses	215	397	102	153
Insurance expenses	167	228	125	97
Other expenses	<u>527</u>	<u>692</u>	<u>404</u>	<u>482</u>
	<u>4,121</u>	<u>7,808</u>	<u>4,680</u>	<u>3,300</u>

Depreciation

Our Group's depreciation expenses principally relate to the leasehold improvements for the Kwun Tong Premises and Chai Wan Premises, furniture and fixtures, computer equipment and a motor vehicle.

Professional service fees in respect of listing preparation

Professional service fees in respect of listing comprise professional service fees incurred for advices and services provided by various professional parties in relation to the listing of our Company.

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Building naming license fee

Building naming license fee mainly represents costs payable to the landlord of the Kwun Tong Premises in respect of naming of the Bamboos Centre at approximately HK\$263,000 per annum.

Postage, utilities charges and general office expenses

Postage, utilities charges and general office expenses mainly represent consumable office materials including toner and paper, office stationery and courier charges.

Printing costs

Printing costs mainly represent costs payable to printing company for the printing of BamBoOs! Life.

Insurance expenses

Insurance expenses mainly represent premium payment of our medical malpractice liability insurance in relation to the provision of healthcare services by healthcare personnel placed by us.

Income tax expense

Income tax expenses primarily comprise provision for current income tax expenses incurred in Hong Kong.

The following table sets out the breakdown of our Group's income tax in the combined statements of comprehensive income during the Track Record Period:

	Year ended 30 June		Six months ended 31 December	
	2012	2013	2012	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(unaudited)	
Current income tax:				
– Hong Kong profits tax	2,669	3,278	1,693	1,996
– (Over)/under-provision in previous years	(12)	(9)	–	228
Deferred taxation	(56)	–	(31)	(35)
	<u>2,601</u>	<u>3,269</u>	<u>1,662</u>	<u>2,189</u>

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Our Group is carrying on its business in Hong Kong and is subject to Hong Kong Profits Tax in respect of its profits arising in or derived from its business in Hong Kong. Hong Kong Profits Tax has been provided for at a rate of 16.5% on the estimated assessable profits arising in or derived from Hong Kong during the Track Record Period. The increase in our income tax expense corresponds to the increase in our operating profit (excluding professional service fees in respect of Listing preparation which are non-tax deductible) during the Track Record Period. Our Directors confirm that our Group had paid or made provision for all relevant taxes and was not subject to any disputes or tax issues during the Track Record Period.

SENSITIVITY ANALYSIS

The following sensitivity analysis illustrates the impacts of hypothetical fluctuations in Charge-out Rate and Pay-out Rate on our Group's revenue and net profit for each year/ period during the Track Record Period. The sensitivity analysis is performed for reasonably possible changes in assumptions regarding the Charge-out Rate and Pay-out Rate with all other assumptions held constant. During the Track Record Period, the extent of adjustment on our Charge-out Rate and Pay-out Rate were within the set of hypothetical fluctuations parameters set out below.

	Hypothetical fluctuation	Year ended 30 June 2012		Year ended 30 June 2013		Six months ended 31 December 2013	
	Increase/ (decrease) in percentage	Increase/ (decrease) in revenue	Increase/ (decrease) in net profit	Increase/ (decrease) in revenue	Increase/ (decrease) in net profit	Increase/ (decrease) in revenue	Increase/ (decrease) in net profit
Charge-out Rate	5%	24%	38%	23%	45%	23%	37%
	(5%)	(24%)	(38%)	(23%)	(45%)	(23%)	(37%)
	10%	48%	77%	47%	91%	45%	74%
	(10%)	(48%)	(77%)	(47%)	(91%)	(45%)	(74%)
	15%	72%	115%	70%	136%	68%	111%
	(15%)	(72%)	(118%)	(70%)	(138%)	(68%)	(111%)
Pay-out Rate	5%	(19%)	(30%)	(18%)	(36%)	(18%)	(29%)
	(5%)	19%	30%	18%	36%	18%	29%
	10%	(38%)	(61%)	(37%)	(71%)	(35%)	(57%)
	(10%)	38%	61%	37%	71%	35%	57%
	15%	(57%)	(91%)	(55%)	(107%)	(53%)	(86%)
	(15%)	57%	91%	55%	107%	53%	86%

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YEAR ENDED 30 JUNE 2013 COMPARED TO YEAR ENDED 30 JUNE 2012

Revenue

Our revenue was approximately HK\$30.3 million for the year ended 30 June 2013, representing an increase of approximately HK\$5.1 million, or approximately 20.2% from approximately HK\$25.2 million for the year ended 30 June 2012. The increase of overall revenue was primarily due to the increase of service hours provided by healthcare personnel and hence increase of provision of healthcare staffing solution services.

Revenue from our institutional staffing solution services was approximately HK\$13.6 million for the year ended 30 June 2013, representing an increase of approximately 9.7% from approximately HK\$12.4 million for the year ended 30 June 2012, primarily due to the increase of placement of PCWs and HCAs/HWs to institutional clients in particular, social service organisations, as well as the increase of average Charge-out Rate per hour of certain ranks of healthcare personnel in August 2012 and March 2013 respectively in the range of approximately 6.1% and approximately 15.0% for institutional clients.

Revenue from the provision of private nursing staffing services was approximately HK\$16.6 million for the year ended 30 June 2013, representing an increase of approximately 29.7% from approximately HK\$12.8 million for the year ended 30 June 2012, primarily due to an increase in service hours of private nursing services by approximately 123,000 hours, or 15.8% for the year ended 30 June 2013, as well as the increase of average Charge-out Rate per hour of all ranks of healthcare personnel in August 2012 in the range of approximately 6.0% and approximately 12.5% for individual clients.

Other income

Other income was approximately HK\$1.1 million for the year ended 30 June 2013, representing a decrease of approximately HK\$0.7 million, or 38.9%, from approximately HK\$1.8 million for the year ended 30 June 2012. The overall decrease was primarily due to the cessation of management fee in relation to business support activities provided by our Group to related companies as well as recharge of operating expenses for printing and publishing expenses incurred for a related company, the effect of which was partly mitigated by the slight increase in advertising income generated from BamBoOs! Life following the change in publication interval from a bi-monthly basis to monthly basis in May 2013 which led to increase in number of advertisements or the frequency of the publication of advertisements placed by advertisers in the magazine.

Employee benefit expenses

Our employee benefit expenses were approximately HK\$6.3 million for the year ended 30 June 2013, representing a slight decrease of approximately HK\$0.2 million, or 3.1%, from approximately HK\$6.5 million for the year ended 30 June

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2012. The decrease was primarily due to a decrease in the average number of employees from 28 to 25 over the year as a result of normal employee turnover, the effect of which was partially offset by a discretionary bonus in January 2013 amounting to HK\$0.2 million.

Operating lease rentals

Operating lease rentals were approximately HK\$0.6 million for the year ended 30 June 2013, representing an increase of approximately HK\$0.1 million, or 20.0%, from approximately HK\$0.5 million for the year ended 30 June 2012. The increase was primarily due to the increase in the rental charges for our office premises since our relocation of office from the Kwun Tong Premises to the Chai Wan Premises in early 2013, which had financial impact on our Group in the first half of 2013.

Other operating expenses

Other operating expenses were approximately HK\$7.8 million for the year ended 30 June 2013, representing an increase of approximately HK\$3.7 million, or approximately 90.2%, from approximately HK\$4.1 million for the year ended 30 June 2012. The increase was primarily due to recognition of professional service fees in preparation for the Listing of approximately HK\$3.6 million.

Finance costs

Finance costs of approximately HK\$0.3 million for the year ended 30 June 2013 represented the interest expenses on bank borrowings drawn in September 2012. No finance costs were incurred for the year ended 30 June 2012.

Income tax expense

Our income tax expense primarily represents income tax we incurred in Hong Kong where we operate as well as deferred income tax. Our income tax expense was approximately HK\$3.3 million for the year ended 30 June 2013, representing an increase of approximately HK\$0.7 million, or approximately 26.9%, from approximately HK\$2.6 million for the year ended 30 June 2012. Such increase was mainly attributable to the increase in profit before income tax and all professional service fees incurred for the preparation for Listing being not deductible for Hong Kong profits tax purpose for the year ended 30 June 2013, which led to the effective tax rate for the year ended 30 June 2013 being higher than 16.5%.

Profit for the year and net profit margin

Profit for the year decreased by approximately HK\$0.1 million, or below 1.0%, from approximately HK\$13.2 million for the year ended 30 June 2012 to approximately HK\$13.1 million for the year ended 30 June 2013, mainly as a result of: (a) the increase in revenue by approximately 20.2% from approximately

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HK\$25.2 million for the year ended 30 June 2012 to approximately HK\$30.3 million for the year ended 30 June 2013 resulted from an increase of approximately 189,000 service hours provided by healthcare personnel placed by us to our clients; such increase was mainly driven by increase in placements of HCA/HWs and PCWs to individual clients and social service organisations; and enhanced differences and mark-up ratios between the Charge-out Rates to our clients and Pay-out Rates to healthcare personnel placed by us, arisen from upward price adjustment exercises in August 2012 (for both individual and institutional clients and for various rank of healthcare personnel) and in March 2013 (for institutional clients and for certain rank of healthcare personnel); and (b) offset by the recognition of professional service fees in preparation for the Listing of approximately HK\$3.6 million for the year ended 30 June 2013 while no such item was incurred for the year ended 30 June 2012. This also led to the drop in net profit margin from approximately 52.5% for the year ended 30 June 2012 to approximately 43.2% for the year ended 30 June 2013.

SIX MONTHS ENDED 31 DECEMBER 2013 COMPARED TO SIX MONTHS ENDED 31 DECEMBER 2012

Revenue

Our revenue was approximately HK\$17.0 million for the six months ended 31 December 2013, representing an increase of approximately HK\$2.4 million, or approximately 16.4%, from approximately HK\$14.6 million for the six months ended 31 December 2012 which was primarily attributable to the increase in the revenue generated from the provision of private nursing staffing services which was due to the increase in the placements of ENs, PCWs and HCAs/HWs to individual clients.

Revenue from the provision of institutional staffing solution services increased from approximately HK\$6.6 million for the six months ended 31 December 2012, or approximately 10.6%, to approximately HK\$7.3 million for the six months ended 31 December 2013, which was primarily due to an increase in revenue derived from social service organisations mainly attributable to increase in placement of PCWs and HCAs/HWs, an increase in average Charge-out Rate per hour of certain ranks of healthcare personnel in March 2013 and December 2013 respectively in the range of approximately 6.1% and approximately 13.3% for institutional clients, and was partially offset by a decrease in revenue derived from hospitals mainly as a result of less demand for ward relief services provided by ENs and RNs for the period.

Revenue from the provision of private nursing staffing services increased from approximately HK\$8.0 million for the six months ended 31 December 2012, or approximately 21.3%, to approximately HK\$9.7 million for the six months ended 31 December 2013, which was primarily attributable to the increase in the placements of ENs, PCWs and HCAs/HWs to individual clients, and in turn, an increase in the number of service hours performed by the healthcare personnel

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to our individual clients from approximately 427,000 hours for the six months ended 31 December 2012 to approximately 518,000 hours for the six months ended 31 December 2013.

Other income

Other income was approximately HK\$1.0 million for the six months ended 31 December 2013, representing an increase of approximately HK\$0.4 million, or approximately 66.7%, from approximately HK\$0.6 million for the six months ended 31 December 2012. The increase was primarily attributable to an increase in the advertising income generated from BamBoOs! Life as a result of the change in the publication interval of BamBoOs! Life from a bi-monthly basis to monthly basis since May 2013 which results in the increase in the number of advertisements or the frequency of the publication of advertisements placed by advertisers in BamBoOs! Life.

Employee benefit expenses

Our employee benefit expenses were approximately HK\$3.2 million for the six months ended 31 December 2013, representing an increase of approximately HK\$0.5 million, or approximately 18.5%, from approximately HK\$2.7 million for the six months ended 31 December 2012. The increase was primarily due to the distribution of a discretionary bonus amounting to approximately HK\$0.2 million to our staff in July 2013. Average number of employees remained at similar level of 22 in both six-month periods ended 31 December 2012 and 31 December 2013.

Operating lease rentals

Operating lease rentals were approximately HK\$0.4 million for the six months ended 31 December 2013, representing an increase of approximately HK\$0.2 million, or approximately 100%, from approximately HK\$0.2 million for the six months ended 31 December 2012. The increase was primarily due to the increase in the rental charges for our office premises since our relocation of office from the Kwun Tong Premises to the Chai Wan Premises in early 2013, which have financial impact on the whole year of 2013.

Other operating expenses

Other operating expenses were approximately HK\$3.3 million for the six months ended 31 December 2013, representing a decrease of approximately HK\$1.4 million, or approximately 29.8%, from approximately HK\$4.7 million for the six months ended 31 December 2012. The decrease was primarily due to a decrease in professional services fees in relation to preparation for the Listing recognised for the six months ended 31 December 2013 as compared to the corresponding period in 2012.

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Finance costs

Finance costs were approximately HK\$0.2 million for the six months ended 31 December 2013, representing an increase of approximately HK\$0.1 million or approximately 100% from approximately HK\$0.1 million for the six months ended 31 December 2012. The increase was primarily due to the whole period effect of interest expenses arising from the bank borrowings drawn in September 2012.

Income tax expense

Our income tax expense primarily represents income tax we incurred in Hong Kong where we operate as well as deferred income tax. Our income tax expense was approximately HK\$2.2 million for the six months ended 31 December 2013, representing an increase of approximately HK\$0.5 million, or approximately 29.4%, from approximately HK\$1.7 million for the corresponding period in 2012. Such increase was mainly attributable to the increase in profit before income tax for the six months ended 31 December 2013. All professional service fees incurred for the preparation for the Listing for each of the six months ended 31 December 2012 and 2013 were not deductible for Hong Kong profits tax purpose, which led to higher effective tax rate than 16.5%.

Profit for the period and net profit margin

Profit for the period increased by approximately HK\$3.0 million, or approximately 52.6%, from approximately HK\$5.7 million for the six months ended 31 December 2012 to approximately HK\$8.7 million for the six months ended 31 December 2013, mainly as a result of: (a) the increase in revenue by approximately 16.4% from approximately HK\$14.6 million for the six months ended 31 December 2012 to approximately HK\$17.0 million for the six months ended 31 December 2013 resulted from an increase of approximately 86,000 service hours provided by healthcare personnel placed by us to our clients; such increase was mainly driven by increase in placements of ENs, HCA/HWs and PCWs to individual clients and social service organisations; and enhanced differences and mark-up ratios between the Charge-out Rates to our clients and Pay-out Rates to healthcare personnel placed by us, arisen from upward price adjustment exercises in August 2012 (for both individual and institutional clients and for various rank of healthcare personnel) and in March and December 2013 (for institutional clients and for certain rank of healthcare personnel); and (b) less professional service fees in preparation for the Listing were recognised for the six months ended 31 December 2013. This also led to the increase in net profit margin from approximately 39.3% to approximately 51.3%.

LISTING EXPENSES

We expect our total listing expenses, which are non-recurring in nature, to amount to approximately HK\$22.7 million (based on an Placing Price of HK\$0.45 per Share, being the mid-point of the estimated Placing Price range, and

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assuming the Offer Size Adjustment Option is not exercised), out of which we have incurred and recognised approximately HK\$4.6 million during the Track Record Period. For the listing expenses of approximately HK\$16.4 million which are chargeable to profit or loss, approximately HK\$3.6 million and HK\$1.0 million were recognised as expenses during the year ended 30 June 2013 and the six months ended 31 December 2013 respectively, and approximately HK\$11.6 million and HK\$0.2 million are expected to be recognised as expenses in the second half of the year ending 30 June 2014 and during the year ending 30 June 2015 respectively, and approximately HK\$6.3 million will be charged to our Group's equity upon Listing during the year ending 30 June 2015.

LIQUIDITY AND CAPITAL RESOURCES

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

Our current assets primarily comprise cash and bank balances, trade receivables and amounts due from a director.

Our current liabilities primarily comprise trade payables, bank borrowings, amounts due to directors and a related company, accruals and other payables and tax payable.

As at 31 December 2013, we had outstanding bank borrowings ("SME Loan") of approximately HK\$9.2 million which were secured by personal guarantee given by our executive Directors, guarantee given by the Hong Kong Mortgage Corporation Limited and corporate guarantee given by Bamboos Limited, a related company of our Group, and were free of material restrictive covenants. The SME Loan will be fully repaid (partly to be funded by a new banking facility to the extent of HK\$7.0 million to be provided by the same bank secured by a corporate guarantee to be given by our Company and free of material restrictive covenants) and all related guarantees and/or securities will be released upon Listing. The availability of such new banking facility is conditional upon the Listing being approved by the Listing Committee. It is the intention of our Company to draw down the new banking facility in full upon Listing in partial repayment of the SME Loan with the remaining balance to be funded by internal resources of our Group.

Based on the business and financial performance of our Group, our Directors are not aware of any circumstances where our ability to obtain external financing going forward may be affected.

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We have never experienced any difficulties in repaying our debts as and when they fall due. However, our ability to meet our working capital requirements, debt repayment or capital required for our fund raising activities is highly dependent on our future operating performance and cash flows. Our future operating performance and cash flows could be affected by various factors such as the future economic climate and our clients' demand for our healthcare staffing solution services.

Cash Flow

The following table is a condensed summary of our Group's combined statements of cash flows during the Track Record Period:

	Year ended 30 June		Six months ended 31 December	
	2012	2013	2012	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(unaudited)	
Net cash generated from operating activities	11,860	15,411	4,879	10,519
Net cash used in investing activities	(28)	(512)	–	(3)
Net cash (used in)/generated from financing activities	(10,967)	10,703	13,262	(6,261)
Net increase in cash and cash balances	865	25,602	18,141	4,255
Cash and bank balances at the beginning of the year/period	2,979	3,844	3,844	29,446
Cash and bank balances at the end of year/period	3,844	29,446	21,985	33,701

Net cash generated from operating activities

We derive our cash inflow from operations principally from the receipts for our services income. Our cash outflow from operations is principally for payments of costs to healthcare personnel that we place to our clients, our staff costs and operating lease rental.

For the six months ended 31 December 2013, our Group recorded net cash inflow from operating activities of approximately HK\$10.5 million primarily as a result of the combined effect of (i) the operating profit generated by our Group during the period due to continuing improvement of our operation; (ii) improvement of ageing of our trade receivables as result of faster settlements by our clients; and (iii) increase in accruals and other payables mainly due to recognition of accruals of certain professional service fees related to preparation for the Listing as at 31 December 2013; and partially offset by the income tax paid.

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For the year ended 30 June 2013, our Group recorded net cash inflow from operating activities of approximately HK\$15.4 million primarily as a result of the combined effect of (i) the operating profit generated by our Group during the year due to continuing improvement of our operation; (ii) improvement of ageing of our trade receivables as result of our efforts in collecting trade receivables; (iii) increase in trade payables due to expansion of size of our operation; and (iv) increase in accruals and other payables mainly due to accruals of audit fee; and partially offset by the income tax paid.

For the year ended 30 June 2012, our Group recorded net cash inflow from operating activities of approximately HK\$11.9 million primarily as a result of the combined effect of the operating profit generated by our Group during the year due to satisfactory results from our operation and increase in trade payables due to expansion of size of our operation; and partially offset by increase in trade receivables as at the balance sheet date.

Net cash used in investing activities

Our cash outflow from investing activities was primarily applied to the purchase of property, plant and equipment. We derive our cash inflow from refund upon subsequent dissolution of the joint venture, Bamboos Advertising Limited.

Net cash used in investing activities was related to the purchase of furniture and fixtures of approximately HK\$3,000 for the six months ended 31 December 2013.

Net cash used in investing activities was approximately HK\$0.5 million for the year ended 30 June 2013, principally made for leasehold improvements and office equipment for the Chai Wan Premises following our relocation.

Net cash used in investing activities was approximately HK\$28,000 for the year ended 30 June 2012. This was due to the purchase of computer equipment and furniture and fixtures of approximately HK\$33,000 and receipt of remaining funds upon dissolution of Bamboos Advertising Limited of HK\$5,000.

Net cash (used in)/generated from financing activities

Our cashflow from financing activities is principally due to changes in balances with directors and related companies, proceeds from bank borrowings and repayment of bank borrowings.

For the six months ended 31 December 2013, we recorded net cash outflow from financing activities of approximately HK\$6.3 million. The cash outflow mainly represented net cash advanced to Ms. Hai of approximately HK\$5.9 million and repayment of bank borrowings of approximately HK\$1.1 million, partially offset by receipts on behalf of a related company relating to jointly organised events of approximately HK\$0.7 million.

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For the year ended 30 June 2013, we recorded net cash generated from financing activities of approximately HK\$10.7 million. The cash inflow was primarily from bank borrowings of HK\$12.0 million, repayment from Mr. Kwan of approximately HK\$1.8 million and receipts on behalf of a related company relating to jointly organised events of approximately HK\$0.8 million, partially offset by payment to Ms. Hai of approximately HK\$2.2 million for settlement of dividend declared in June 2012 and repayment of bank borrowings of approximately HK\$1.7 million.

For the year ended 30 June 2012, we recorded net cash used in financing activities of approximately HK\$11.0 million. The cash outflow mainly represented advances to Ms. Hai, Mr. Kwan and related companies including Bamboos Limited, BML, BEST and HKHCFL of approximately HK\$5.0 million, HK\$0.5 million and HK\$5.4 million respectively.

NON-CURRENT ASSETS

	As at 30 June		As at 31 December
	2012	2013	2013
	HK\$'000	HK\$'000	HK\$'000
Property, plant and equipment	822	922	683
Prepayments and deposits	280	299	284
	<u>1,102</u>	<u>1,221</u>	<u>967</u>

Our Group's non-current assets comprise property, plant and equipment, prepayments and deposits.

Property, plant and equipment

Our property, plant and equipment mainly consists of leasehold improvements, a motor vehicle, computer equipment and furniture and fixtures. The net book value was approximately HK\$0.8 million and approximately HK\$0.9 million as at 30 June 2012 and 2013 respectively, and approximately HK\$0.7 million as at 31 December 2013. The slight increase in property, plant and equipment from approximately HK\$0.8 million as at 30 June 2012 to approximately HK\$0.9 million as at 30 June 2013 was due to the addition of leasehold improvements and office equipment for the Chai Wan Premises of approximately HK\$0.5 million and depreciation of HK\$0.4 million.

Prepayments and deposits

As at 30 June 2012, deposits mainly represent various deposits paid in relation to the Kwun Tong Premises, including rental deposit, management fee deposit, government rate deposit and utilities. As at 30 June 2013 and 31

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December 2013, deposits mainly represent the rental deposit for the Chai Wan Premises of approximately HK\$0.2 million and payments made to obtain our bank loan of approximately HK\$0.1 million.

INDEBTEDNESS

The following table sets out our Group's indebtedness as at the respective financial position dates below:

	As at 30 June		As at 31 December	As at 30 April
	2012	2013	2013	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Bank borrowings due for repayment within one year which contain a repayment on demand clause	–	2,280	2,326	2,357
Bank borrowings due for repayment after one year which contain a repayment on demand clause	–	8,069	6,895	6,099
Amount due to a related company	–	752	1,477	115
Amount due to a director/directors (Note)	2,187	–	–	–
	<u>2,187</u>	<u>11,101</u>	<u>10,698</u>	<u>8,571</u>

Note: Amount due to a director/directors of approximately HK\$0.2 million as at 31 December 2013 and HK\$58,000 as at 30 April 2014 is/are not included in indebtedness as the amount represent the director's fee payable to Mr. Kwan and Ms. Hai, which are operating in nature.

Bank Borrowings

Our Group's bank borrowings, which was the SME Loan, during the Track Record Period were secured by personal guarantees given by executive Directors, guarantee by the Hong Kong Mortgage Corporation Limited, and corporate guarantee by Bamboos Limited. The increase in bank borrowings as at 30 June 2013 was mainly due to a bank loan of HK\$12 million obtained in the second half of 2012, in order to strengthen the working capital for our business development.

As at 30 June 2013 and 31 December 2013, bank borrowings of approximately HK\$8.1 million and HK\$ 6.9 million that are not scheduled to repay within one year were classified as current liabilities as the related loan agreement contains a clause that provides the lender with an unconditional right to demand repayment at any time at its own discretion. None of the portion of

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these bank borrowings due for repayment after one year which contain a repayment on demand clause and that is classified as current liabilities is expected to be settled within one year. Disregarding the repayment on demand clauses, the maturity of our Group's borrowings as at the respective financial position dates are as follows:

	As at 30 June		As at 31 December	As at 30 April
	2012	2013	2013	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Within 1 year	–	2,280	2,326	2,357
Between 1 and 2 years	–	2,372	2,420	2,453
Between 2 and 5 years	–	5,697	4,475	3,646
	<u>–</u>	<u>10,349</u>	<u>9,221</u>	<u>8,456</u>

The weighted average effective interest rate of our bank borrowings (all being at floating rate) as at 30 June 2013 and 31 December 2013 was 4.01% and 4.08% respectively.

As at 30 April 2014, being the latest practicable date for the purpose of this indebtedness statement, we had outstanding bank borrowings of approximately HK\$8.5 million that are repayable on demand. The SME Loan bore interests at a rate of 4% and were secured by personal guarantees given by executive Directors, guarantee given by the Hong Kong Mortgage Corporation Limited, and corporate guarantee given by Bamboos Limited. The SME Loan will be fully repaid (partly to be funded by a new banking facility to the extent of HK\$7.0 million to be provided by the same bank secured by a corporate guarantee to be given by our Company and free of material restrictive covenants) and the above related parties' guarantees and/or securities will be released upon Listing. The availability of such new banking facility is conditional upon the Listing being approved by the Listing Committee. It is the intention of our Company to draw down the new banking facility in full upon Listing in partial repayment of the SME Loan with the remaining balance to be funded by internal resources of our Group.

Amount due to a related company

The amount due to a related company is unsecured, non-interest bearing and repayable on demand. The amount due to a related company of approximately HK\$0.8 million, HK\$1.5 million and HK\$0.1 million as at 30 June 2013, 31 December 2013 and 30 April 2014 respectively represented receipts on behalf of a related company for jointly organised events.

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Amount due to a director

The amount due to a director is unsecured, non-interest bearing and repayable on demand. The amount due to a director of approximately HK\$2.2 million as at 30 June 2012 represented dividend payable to Ms. Hai.

Statement of Indebtedness

As at the Latest Practicable Date, our Directors confirm that we have been in full compliance with the relevant covenants and restrictions under the terms of the relevant bank facilities. Our bank borrowings are not subject to any material restrictive covenants. Save for the new banking facility to be obtained upon Listing as referred to under the paragraph headed "Bank borrowings" in this section, there are no external financing plans in the near future.

Save as disclosed in this sub-section headed "Indebtedness", as at 30 April 2014, being the latest practicable date for the purpose of ascertaining the information contained in this indebtedness statement prior to the printing of this prospectus, our Group did not have other outstanding mortgages, charges, debentures, loan capital, bank overdrafts, loans, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptance or acceptance credits or any guarantees or other material contingent liabilities outstanding. Our Directors further confirm that there has not been any material change in our Group's indebtedness position subsequent to 30 April 2014 up to the Latest Practicable Date.

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NET CURRENT ASSETS

Details of the current assets and liabilities of our Group as at the dates indicated are as follows:

	As at 30 June		As at 31 December	As at 30 April
	2012	2013	2013	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (unaudited)
Current assets				
Trade receivables	16,777	14,764	13,639	14,514
Prepayments, deposits and other receivables	231	919	566	1,008
Amount due from a director	1,789	–	5,858	–
Cash and bank balances	3,844	29,446	33,701	16,744
	<u>22,641</u>	<u>45,129</u>	<u>53,764</u>	<u>32,266</u>
Current liabilities				
Trade payables	8,032	8,989	9,068	10,697
Accruals and other payables	1,250	1,994	2,835	3,663
Amount due to a related company	–	752	1,477	115
Amount due to a director/ directors	2,187	–	192	58
Tax payable	4,653	3,579	2,556	4,047
Borrowings	–	10,349	9,221	8,456
	<u>16,122</u>	<u>25,663</u>	<u>25,349</u>	<u>27,036</u>
Net current assets	<u>6,519</u>	<u>19,466</u>	<u>28,415</u>	<u>5,230</u>

As at 30 June 2012, our Group had net current assets of approximately HK\$6.5 million, comprising current assets of approximately HK\$22.6 million and current liabilities of approximately HK\$16.1 million. Current assets as at 30 June 2012 comprised trade receivables of approximately HK\$16.8 million, prepayments, deposits and other receivables of approximately HK\$0.2 million, amount due from a director of approximately HK\$1.8 million and cash and bank balances of approximately HK\$3.8 million.

The current liabilities as at 30 June 2012 comprised trade payables of approximately HK\$8.0 million, accruals and other payables of approximately HK\$1.3 million, amount due to a director of HK\$2.2 million and tax payable of approximately HK\$4.7 million.

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As at 30 June 2013, our Group had net current assets of approximately HK\$19.5 million, comprising current assets of approximately HK\$45.1 million and current liabilities of approximately HK\$25.7 million. Current assets as at 30 June 2013 comprised trade receivables of approximately HK\$14.8 million, prepayments, deposits and other receivables of approximately HK\$0.9 million and cash and bank balances of approximately HK\$29.4 million.

The current liabilities as at 30 June 2013 comprised bank borrowings of approximately HK\$10.3 million, trade payables of approximately HK\$9.0 million, accruals and other payables of approximately HK\$2.0 million, amount due to a related company of approximately HK\$0.8 million and tax payable of approximately HK\$3.6 million.

As at 31 December 2013, our Group had net current assets of approximately HK\$28.4 million, comprising current assets of approximately HK\$53.8 million and current liabilities of approximately HK\$25.3 million. Current assets as at 31 December 2013 comprised trade receivables of approximately HK\$13.6 million, prepayments, deposits and other receivables of approximately HK\$0.6 million, amount due from a director of approximately HK\$5.9 million and cash and bank balances of approximately HK\$33.7 million.

The current liabilities as at 31 December 2013 comprised bank borrowings of approximately HK\$9.2 million, trade payables of approximately HK\$9.1 million, accruals and other payables of approximately HK\$2.8 million, amount due to a related company of approximately HK\$1.5 million, amount due to a director of approximately HK\$0.2 million and tax payable of approximately HK\$2.6 million.

As at 30 April 2014, our Group had net current assets of approximately HK\$5.2 million, comprising current assets of approximately HK\$32.3 million and current liabilities of approximately HK\$27.0 million. Current assets as at 30 April 2014 comprised trade receivables of approximately HK\$14.5 million, prepayments, deposits and other receivables of approximately HK\$1.0 million and cash and bank balances of approximately HK\$16.7 million.

The current liabilities as at 30 April 2014 comprised bank borrowings of approximately HK\$8.5 million, trade payables of approximately HK\$10.7 million, accruals and other payables of approximately HK\$3.7 million, amount due to a related company of approximately HK\$0.1 million, amounts due to directors of approximately HK\$0.1 million and tax payable of approximately HK\$4.0 million.

Our Group's net current assets position improved during the year ended 30 June 2013. Our Group's net current assets increased from approximately HK\$6.5 million as at 30 June 2012 to approximately HK\$19.5 million as at 30 June 2013, which was primarily as a result of (i) a decrease in amount due from a director of approximately HK\$1.8 million; (ii) an increase in cash and bank balance of approximately HK\$25.6 million primarily due to an increase in cash generated from our operation and the net inflow from the drawn-down of an instalment bank loan and its scheduled repayment during the year; and (iii) a decrease in

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amounts due to a director of approximately HK\$2.2 million; partially offset by (i) an increase in borrowings of approximately HK\$10.3 million due to the instalment bank borrowings obtained during the year and its scheduled repayment and (ii) an increase in accruals and other payables of approximately HK\$0.7 million primarily due to recognition of accruals of certain professional service fees related to preparation for the Listing as at 30 June 2013.

Our Group's net current assets position also improved during the six months ended 31 December 2013. Our Group's net current assets increased from approximately HK\$19.5 million as at 30 June 2013 to approximately HK\$28.4 million as at 31 December 2013, which was primarily as a result of (i) an increase in amount due from a director of approximately HK\$5.9 million; and (ii) an increase in cash and bank balances of approximately HK\$4.3 million primarily due to that the cash generated from our operation was more than the cash used in financing activities.

Our Group's net current assets position decreased during the four months ended 30 April 2014. Our Group's net current assets decreased from approximately HK\$28.4 million as at 31 December 2013 to approximately HK\$5.2 million as at 30 April 2014, which was primarily as a result of (i) a decrease in amounts due from a director of approximately HK\$5.9 million as a result of settlement through declaration of dividend subsequent to the Track Record Period; (ii) a decrease in cash and bank balances of approximately HK\$17.0 million primarily due to the cash payment of approximately HK\$14.2 million for the dividend of HK\$23.0 million declared subsequent to the Track Record Period and the payment for the non-recurring expenses in relation to the Listing; (iii) an increase in accruals and other payables of approximately HK\$0.9 million mainly due to the additional recognition of accruals of certain professional service fees related to preparation for the Listing as at 30 April 2014 and (iv) an increase in tax payable of approximately HK\$1.5 million due to the provision for the profit of the period.

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Trade receivables

The trade receivables of our Group as at 30 June 2012 and 2013 and 31 December 2013 were approximately HK\$16.8 million, HK\$14.8 million and HK\$13.6 million respectively, accounting for approximately 74.1%, 32.7% and 25.4% respectively, of the total current assets. The trade receivables primarily comprised fees owed by our clients for the provision of healthcare staffing solution services. The following table sets out the ageing analysis of the trade receivables by the date on which the relevant services have been rendered:

	As at 30 June		As at 31 December
	2012	2013	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Ageing analysis of trade receivables			
Less than 60 days	12,786	13,824	12,656
60 days to 180 days	3,046	899	983
Over 180 days	945	41	–
Trade receivables	<u>16,777</u>	<u>14,764</u>	<u>13,639</u>

Our trade receivables decreased by approximately HK\$2.0 million, or approximately 11.9%, from approximately HK\$16.8 million as at 30 June 2012 to approximately HK\$14.8 million as at 30 June 2013. Such decrease was mainly attributable to our efforts in collecting relatively long aged trade receivables. Our trade receivables further decreased by approximately HK\$1.2 million, or approximately 8.1%, from approximately HK\$14.8 million as at 30 June 2013 to approximately HK\$13.6 million as at 31 December 2013. Such slight decrease was mainly attributable to faster settlements by our clients. The following table sets out the ageing analysis of the trade receivables by the date on which the relevant services have been rendered by client categories:

	As at 30 June		As at 31 December
	2012	2013	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(i) Individual clients			
Ageing analysis of trade receivables			
Less than 60 days	4,248	5,186	5,015
60 days to 180 days	1,081	209	221
Over 180 days	311	–	–
Total	<u>5,640</u>	<u>5,395</u>	<u>5,236</u>

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	As at 30 June		As at 31 December
	2012	2013	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(ii) Institutional clients			
Ageing analysis of trade receivables			
Less than 60 days	8,538	8,638	7,641
60 days to 180 days	1,965	690	762
Over 180 days	634	41	–
Total	11,137	9,369	8,403

The following table sets out the average trade receivables turnover days during the Track Record Period:

	As at 30 June		As at 31 December
	2012	2013	2013
Trade receivables turnover days (Note)	44.1	43.9	35.5

Note: Trade receivables turnover days for the two years ended 30 June 2013, and the six months ended 31 December 2013 are computed by the average of the beginning and ending trade receivable balances for each of the two years ended 30 June 2013 and the six months ended 31 December 2013 divided by the invoiced amount for the corresponding year/period and multiplied by 365 days or 183 days correspondingly. In the case of direct payment, we may bill our clients revenue directly, instead of gross fee, hence invoiced amount is used as the basis for the computation of trade receivables turnover days. For details of direct payment, please refer to the section headed “Business – Direct Payment” in this prospectus.

The following table sets out the trade receivables turnover days by client categories during the Track Record Period:

	As at 30 June		As at 31 December
	2012	2013	2013
Individual clients	29.2	28.4	22.9
Institutional clients	59.0	62.1	52.9

During the Track Record Period, our Group’s trade receivables have no credit term and payment is immediately due upon presentation of invoices to customers. At 30 June 2012 and 2013 and 31 December 2013, all trade receivables were past due but not considered to be impaired because these mainly relate to a number of customers with limited history of default. The

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balances 60 days past due but not impaired were principally related to a number of institutional clients for whom there is no recent history of default. During the Track Record Period, we did not provide any provision for trade receivables.

Our trade receivables turnover days for institutional clients was approximately 59.0 days, 62.1 days and 52.9 days for the two years ended 30 June 2013 and the six months ended 31 December 2013 respectively, which are higher than our trade receivables turnover days for individual clients. The higher receivables turnover days for institutional clients during the Track Record Period was mainly because some of our major institutional clients require longer time for their internal settlement procedures.

We generally do not grant credit terms to our clients. The trade receivables turnover days remained stable for the two years ended 30 June 2013, which are approximately 44.1 and 43.9 days respectively. The increase in average trade receivables was in line with the increase in revenue over the two years ended 30 June 2013. The average trade receivables turnover days for the six months ended 31 December 2013 decreased to approximately 35.5 days mainly due to the improvement of ageing of trade receivables as at 31 December 2013 as a result of our efforts in collecting trade receivables.

We generally issue invoice bi-weekly to our clients. In addition, we have internal control procedures for managing the credit risk in place. Our accounting and finance department is responsible for monitoring procedures to ensure full settlement of receivables by our clients. We carry out bi-weekly reviews on the progress of settlement of trade receivables and follow up with clients who have overdue receivables including issuing written payment reminders. We review the receivable ageing on monthly basis and determine if provision of our healthcare staffing solution services should be continued with clients who have payments in arrears. We maintain a comprehensive evaluation procedure, including reviewing clients' payment pattern and history of default by our accounting and finance department. In this regard, our Directors consider our credit risk to be significantly reduced with the internal control procedures in place and implemented. No impairment loss has been recognised by our Group during the Track Record Period.

As at the Latest Practicable Date, the entire trade receivables as at 31 December 2013 of approximately HK\$13.6 million has been settled.

Prepayments, deposits and other receivables

Prepayments, deposits and other receivables mainly consisted of prepayments for employee insurance, advertising, professional expenses related to preparation for the Listing and building naming license fee during the Track Record Period.

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Amount due to a related company

	<u>As at 30 June</u>		<u>As at 31 December</u>
	<u>2012</u>	<u>2013</u>	<u>2013</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Amount due to a related company			
HKHCFL	–	752	1,477

The amount due to a related company is unsecured, non-interest bearing and repayable on demand. The amount due to a related company of approximately HK\$0.8 million and HK\$1.5 million as at 30 June 2013 and 31 December 2013 respectively represented receipts on behalf of a related company for jointly organised events. The amount due to a related company has been fully settled.

Amounts due from/(to) directors

	<u>As at 30 June</u>		<u>As at 31 December</u>
	<u>2012</u>	<u>2013</u>	<u>2013</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Amounts due from/(to) directors			
Mr. Kwan	1,789	–	(192)
Ms. Hai	(2,187)	–	5,858

The maximum outstanding receivables balances during the relevant period are as follows:

	<u>As at 30 June</u>		<u>As at 31 December</u>
	<u>2012</u>	<u>2013</u>	<u>2013</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Mr. Kwan	3,439	1,789	–
Ms. Hai	–	–	6,000

The balances with directors are generally non-trade in nature and are unsecured, interest-free, repayable on demand and denominated in HK\$. The carrying amounts of balances with directors approximated their fair values. The amounts due from/(to) directors have been fully settled.

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Trade payables

Trade payables represented the cost payable to healthcare personnel placed by us to clients.

The following table sets out the turnover days analysis of trade payables:

	<u>As at 30 June</u>		<u>As at 31 December</u>
	<u>2012</u>	<u>2013</u>	<u>2013</u>
Trade payables turnover days (Note)	<u>29.2</u>	<u>30.7</u>	<u>29.4</u>

Note: Trade payables turnover days for the two years ended 30 June 2013 and the six months ended 31 December 2013 are computed by the average of the beginning and ending trade payables balances for each of the two years ended 30 June 2013 and the six months ended 31 December 2013 divided by the cost payable to healthcare personnel (excluding costs received by the healthcare personnel directly from our clients, details of which are disclosed in the section headed "Business – Direct Payment" in this prospectus) for the corresponding year/ period and multiplied by 365 days or 183 days correspondingly.

As at 30 June 2012 and 2013, and 31 December 2013, the trade payables were approximately HK\$8.0 million, HK\$9.0 million and HK\$9.1 million respectively. The trade payables turnover days as at 30 June 2012 and 2013 and 31 December 2013 were approximately 29.2 days, 30.7 days and 29.4 days, which remained stable and in line with our payment schedule to the healthcare personnel as detailed in the section headed "Business – Billing and settlement" in this prospectus. As at the Latest Practicable Date, the entire trade payables as at 31 December 2013 of approximately HK\$9.1 million has been settled.

Accruals and other payables

Accruals and other payables mainly represented accrued operating expenses, including accrued professional services fees in respect of our preparation of Listing, accrued salary and mandatory provident fund contributions, accrued office rental expenses and accrued audit fees during the Track Record Period. As at 30 June 2012 and 2013, and 31 December 2013, the aggregate amount of the accrual and other payables were approximately HK\$1.3 million, HK\$2.0 million and HK\$2.8 million respectively.

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The following table sets out the details of our Group's balances of accrual and other payables as at the dates indicated:

	As at 30 June		As at 31 December
	2012	2013	2013
	HK\$'000	HK\$'000	HK\$'000
Accrued expenses	1,193	1,782	2,287
Other payables	57	212	548
	<u>1,250</u>	<u>1,994</u>	<u>2,835</u>

MAJOR FINANCIAL RATIOS

The following table sets out the major financial ratios of our Group during the Track Record Period:

	As at and for the year ended 30 June		As at and for the six months ended 31 December
	2012	2013	2013
Trade receivables turnover ¹ (days)	44.1	43.9	35.5
Trade payables turnover ² (days)	29.2	30.7	29.4
Current ratio ³ (times)	1.4	1.8	2.1
Return on equity ⁴ (%)	173.7	63.6	59.2
Return on total assets ⁵ (%)	55.7	28.2	31.8
Gearing ratio ⁶ (%)	28.9	53.9	36.4

Notes:

- Trade receivables turnover days for the two years ended 30 June 2013 and the six months ended 31 December 2013 are computed by the average of the beginning and ending trade receivable balances for each of the two years ended 30 June 2013 and the six months ended 31 December 2013 divided by the invoiced amount for the corresponding year/period and multiplied by 365 days or 183 days correspondingly. The trade receivables turnover days remained stable for the two years ended 30 June 2013, which are approximately 44.1 and 43.9 days respectively. The increase in average trade receivables was in line with the increase in revenue over the two years ended 30 June 2013.

The trade receivables turnover days for the six months ended 31 December 2013 decreased to approximately 35.5 days mainly due to the improvement of ageing of trade receivables as at 31 December 2013 as a result of our efforts in collecting trade receivables.

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2. Trade payables turnover days for the two years ended 30 June 2013 and the six months ended 31 December 2013 are computed by the average of the beginning and ending trade payable balances for each of the two years ended 30 June 2013 and the six months ended 31 December 2013 divided by the cost payable to healthcare personnel (excluding costs received by the healthcare personnel directly from our clients, details of which are disclosed in the section headed "Business – Direct Payment" in this prospectus) for the corresponding year/period and multiplied by 365 days or 183 days correspondingly. The trade payables turnover days for the two years ended 30 June 2013 and the six months ended 31 December 2013 were approximately 29.2 days, 30.7 days and 29.4 days, which remained stable and in line with our payment schedule to the healthcare personnel as detailed in the section headed "Business – Billing and settlement" in this prospectus.
3. Current ratio is calculated by dividing current assets by current liabilities as at the end of the respective year/period. The current ratio increased from approximately 1.4 times as at 30 June 2012 to approximately 1.8 times as at 30 June 2013. Due to the improved result of operation of our Group during the year ended 30 June 2013, we generated net cash inflow from operating activities of approximately HK\$15.4 million which led to the increase in our cash and bank balances and therefore the current ratio.

The current ratio as at 31 December 2013 further increased to approximately 2.1 times mainly due to continuing improvement of operation of our Group for the six months ended 31 December 2013 and portion of our net cash inflow from operating activities of approximately HK\$10.5 million was used for repayment of bank borrowings of approximately HK\$ 1.1 million during the period. With more current assets and less current liabilities, the current ratio increased to approximately 2.1 times.

4. Return on equity is calculated by dividing net profit for the year/annualised profit for the period by total equity at the end of the respective year/period. The return on equity as at 30 June 2012 and 2013 and 31 December 2013 was approximately 173.7%, 63.6% and 59.2% respectively. The relatively high return on equity as at 30 June 2012 was mainly resulted from reduction of total equity by distribution of dividend of HK\$16.5 million on 30 June 2012 while no such dividend was declared for the year ended 30 June 2013 and for the six months ended 31 December 2013.
5. Return on total assets is calculated by dividing the net profit for the year/annualised profit for the period by total assets at the end of the respective year/period. The return on total assets for the two years ended 30 June 2012 and 2013 and the six months ended 31 December 2013 was approximately 55.7%, 28.2% and 31.8% respectively. The relatively high return on total assets as at 30 June 2012 was mainly resulted from reduction of total assets by distribution of dividend of HK\$16.5 million on 30 June 2012 while no such dividend was declared for the year ended 30 June 2013 and for the six months ended 31 December 2013.
6. Gearing ratio is calculated by dividing the total indebtedness by total equity as at the end of the respective year/period. The gearing ratio increased from approximately 28.9% as at 30 June 2012 to approximately 53.9% as at 30 June 2013. The increase in gearing ratio was mainly due to the increase in the total indebtedness of our Group from approximately HK\$2.2 million as at 30 June 2012 to approximately HK\$11.1 million as at 30 June 2013 as our Group has drawn bank borrowings of HK\$12.0 million in September 2012. As at 31 December 2013, the gearing ratio decreased to approximately 36.4%, which was mainly attributable to repayment of bank borrowings of approximately HK\$1.1 million and increase in total equity by the amount of net profit for the six months ended 31 December 2013.

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WORKING CAPITAL

Our Directors believe that after taking into account the financial resources available to us, including the internally generated funds, the available banking facilities and the estimated net proceeds of the Placing, we have sufficient working capital for our present requirements, that is for at least the next 12 months from the date of this prospectus.

CONTINGENT LIABILITIES

As at 31 December 2013, we did not have any material contingent liabilities, guarantees or any litigation or claims of material importance pending or threatened against any member of our Group. Our Directors have confirmed that there has not been any material change in the contingent liabilities of our Group since 31 December 2013 up to the Latest Practicable Date.

Capital Commitments

As at 31 December 2013, we did not have any material capital commitments.

RELATED PARTY TRANSACTIONS

With respect to the related party transactions set forth in Note 29 of the Accountant's Report in Appendix I to this prospectus, our Directors confirm that each transaction set forth therein were conducted on arm's length basis. Our Directors consider that these related party transactions would not distort our results during the Track Record Period, and would not make our historical results not reflective of our future performance.

DISTRIBUTABLE RESERVES

Our Company was incorporated in the Cayman Islands on 23 November 2012. Our Company had no reserves distributable to Shareholders as at 31 December 2013.

DIVIDENDS AND DIVIDEND POLICY

On 30 June 2012, Bamboos PNS declared a dividend in an aggregate sum of HK\$16.5 million for the financial year ended 30 June 2012, of which approximately HK\$14.8 million was payable to Ms. Hai, which was settled by way of offsetting the entire amount due from related companies of approximately HK\$9.1 million and the entire amount due from Ms. Hai of approximately HK\$3.5 million and with the remaining balance of approximately HK\$2.2 million being settled in cash, and approximately HK\$1.7 million was payable to Mr. Kwan, which was settled by way of offsetting the partial amount due from Mr. Kwan. Following the settlement of such dividend, the net amount due from Mr. Kwan amounted to approximately HK\$1.8 million as at 30 June 2012.

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Save for the above, we did not declare nor pay any dividends to shareholders of our Company during the Track Record Period.

Subsequent to the Track Record Period, Bamboos PNS declared a dividend in an aggregate sum of HK\$23.0 million on 21 March 2014, of which HK\$20.7 million was payable to Ms. Hai, which was settled by way of offsetting the entire amount due from Ms. Hai of approximately HK\$8.8 million and with the remaining balance of approximately HK\$11.9 million being settled in cash, and HK\$2.3 million was payable to Mr. Kwan, which was settled in cash.

As at the Latest Practicable Date, all dividends declared were settled and paid. The investors of the Placing Shares will not be entitled to the aforementioned dividends.

We expect to distribute no less than 20% of our annual distributable earnings as dividends starting from the financial year ending 30 June 2015 which our management deems a reasonable payout ratio, taking into account the need for preserving sufficient capital for business development and providing our Shareholders with reasonable returns for their investment. There is, however, no assurance that we will be able to declare dividends of such an amount or any amount each year or in any year.

The declaration, payment and amount of dividends are at the discretion of our Directors and will be dependent upon our Group's earnings, financial condition, cash requirements and availability, provisions of relevant law, and any other factors as our Directors may from time to time consider to be relevant. Dividends may be paid only out of the distributable profits as permitted under the relevant laws. To the extent profits are distributed as dividends, such portion of profits will not be available to be reinvested in the operations of our Group. There can be no assurance that we will be able to declare or distribute any dividend in the amount set out in any plan of our Board or at all. The prior dividend distribution record may not be used as a reference to determine the level of dividends that may be declared or paid by us in the future.

OFF BALANCE SHEET TRANSACTIONS

We have not entered into any material off balance sheet transactions or arrangements as at the Latest Practicable Date.

PROPERTY INTEREST

Our Group leased two properties in Hong Kong with Bamboos Limited as office, the details of which are set out in the paragraph headed "Property Interest" in the section headed "Business" in this prospectus.

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DISCLOSURE UNDER CHAPTER 17 OF THE GEM LISTING RULES

Our Directors have confirmed that, as at the Latest Practicable Date, they were not aware of any circumstances which would give rise to a disclosure requirement under Rules 17.15 to 17.21 of the GEM Listing Rules.

RECENT DEVELOPMENTS

Our Directors confirm that, save for dividend by Bamboos PNS on 21 March 2014 and the non-recurring expenses in relation to the Listing, there has been no material adverse change in our financial or trading position or prospects of our Company since 31 December 2013, being the last date of our latest audited financial results as set out in the Accountant's Report in Appendix I to this prospectus, up to the date of this prospectus. As far as we are aware, there was no material change in the general conditions in the healthcare staffing solution service industry in the markets that we operate that had affected or would affect our business operations or financial conditions materially and adversely.

Based on our unaudited financial information, we recorded a total revenue of approximately HK\$12.4 million or a monthly average of approximately HK\$3.1 million for the four months ended 30 April 2014. Comparatively, our monthly average revenue for the six months ended 30 June 2013 was approximately HK\$2.6 million. Such unaudited financial information has been derived from the condensed consolidated interim financial information of our Group for the ten months ended 30 April 2014, which has been reviewed by our reporting accountant in accordance with the Hong Kong Standards on Review Engagements 2410 "Review on Interim Financial Information Performed by the Independent Auditor of the Entity".

Our Directors confirm that we did not have any material non-recurring income or expenses since 31 December 2013 to the date of this prospectus save for certain expenses incurred in relation to the Listing. As at the Latest Practicable Date, the entire trade receivables as at 31 December 2013 of approximately HK\$13.6 million has been settled.

Our Directors have confirmed that there had been no event since 31 December 2013 which would materially affect the information shown in the Accountant's Report set out in Appendix I to this prospectus. Our Directors have also confirmed that there had not been any material change in our indebtedness and contingent liabilities since 30 April 2014.

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UNAUDITED PRO FORMA ADJUSTED COMBINED NET TANGIBLE ASSETS

The following is an illustrative unaudited pro forma statement of adjusted net tangible assets of our Group which has been prepared in accordance with Rule 7.31 of the GEM Listing Rules for the purpose of illustrating the effect of the Placing as if the Placing had taken place on 31 December 2013 and the combined net tangible assets attributable to the equity holders of our Company as of 31 December 2013 and adjusted as described below:

	Unadjusted audited combined net tangible assets of our Group attributable to equity holders of our Company as of 31 December 2013 ⁽¹⁾ HK\$'000	Estimated net proceeds from the Placing ⁽²⁾ HK\$'000	Unaudited pro forma adjusted combined net tangible assets of our Group attributable to the equity holders of our Company as at 31 December 2013 HK\$'000	Unaudited pro forma adjusted combined net tangible assets per Share ⁽³⁾ HK\$
Based on a Placing Price of HK\$0.4 per Share	29,362	22,445	51,807	0.13
Based on a Placing Price of HK\$0.5 per Share	29,362	30,993	60,355	0.15

Notes:

- (1) The unadjusted audited combined net tangible assets attributable to the equity holders of our Company as of 31 December 2013 is extracted from the Accountant's Report set out in Appendix I to this prospectus, which is based on the audited combined net tangible assets of our Group attributable to the equity holders of our Company as at 31 December 2013 of approximately HK\$29.4 million.
- (2) The estimated net proceeds from the Placing are based on 100,000,000 Placing Shares and the indicative Placing Price of HK\$0.4 per Share and HK\$0.5 per Share being the low-end and high-end of Placing Pricing range, respectively, after deduction of the underwriting fees and related expenses payable by our Company (excluding Listing expenses of approximately HK\$4.6 million which have been incurred as at 31 December 2013).
- (3) The unaudited pro forma adjusted combined net tangible assets per Share is calculated based on 400,000,000 Shares in issue immediately following the completion of the Placing and the Capitalisation Issue but takes no account of any Shares which may be allotted and issued upon the exercise of the Offer Size Adjustment Option or any options which may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by our Company pursuant to the general mandates for the allotment and issue or repurchase of Shares referred to in Appendix IV to this prospectus.

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- (4) The unaudited pro forma adjusted combined net tangible assets of our Group does not take into account the dividend of HK\$23.0 million declared by Bamboos PNS in March 2014. The unaudited pro forma adjusted combined net tangible assets per Share would have been approximately HK\$0.07 and HK\$0.09 per Share based on the Placing Price of HK\$0.4 and HK\$0.5, respectively, after taking into account the declaration of dividend of HK\$23.0 million.
- (5) No adjustment has been made to reflect any trading result or other transaction of our Group entered into subsequent to 31 December 2013.

QUANTITATIVE AND QUALITATIVE INFORMATION ABOUT MARKET RISKS

Foreign exchange risk

Our Directors consider that 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 HK\$. Our Group has not used any derivative financial instruments to hedge foreign exchange risk.

Cash flow and fair value interest rate risk

Our Group's exposure to changes in interest rates is mainly attributable to our bank borrowings. Borrowings are all carried at floating rates which expose our Group to cash flow interest rate risk. Our Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

At 30 June 2013 and 31 December 2013, if interest rates on floating rate borrowings had been 100 basis points higher/lower with all other variables held constant, profit before income tax for the year ended 30 June 2013 and six months ended 31 December 2013 would have been approximately HK\$191,000 and HK\$122,000 lower/higher respectively, mainly as a result of higher/lower interest expenses on floating rate borrowings.

Credit risk

For the two years ended 30 June 2013, and the six months ended 31 December 2013, there was no significant concentration of credit risk. The carrying amounts of cash at banks, trade receivables, deposits and other receivables, and amount due from a director included in the balance sheets represent our Group's maximum exposure to credit risk in relation to our financial assets.

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

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

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Liquidity risk

We are exposed to liquidity risk in respect of settlement of trade and other payables, repayment of bank borrowings and our financial obligations, and cash flow management. The liquidity management implies maintaining sufficient cash and bank balances. Our policy is to maintain sufficient reserves of cash and bank balances to meet our liquidity requirements in the short and longer term.

Taking into account the repayment on demand clauses on bank borrowings, our Group's financial liabilities as at 30 June 2012 and 2013 and 31 December 2013 were all due for settlement contractually within 12 months, with their contractual undiscounted cash flows approximate their respective carrying amounts.

Given our Group's financial position, our Directors do not consider it is probable that the bank will exercise its discretion to demand immediate repayment of our bank borrowings. Our Directors believe that such term loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreement.

The liquidity policies have been consistently applied by us and our Directors consider that such policies are effective in managing the liquidity risks.

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Halcyon Securities Limited
Great Roc Capital Securities Limited
Cheong Lee Securities Limited
CNI Securities Group Limited
SBI China Capital Financial Services Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Underwriting Agreement

Pursuant to the Underwriting Agreement, our Company is offering the Placing Shares for subscription by way of Placing, on and subject to the terms and conditions in the Underwriting Agreement and this prospectus, at the Placing Price.

Subject to, among other conditions, (i) the Listing Division granting the Listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus and (ii) certain other conditions set out in the Underwriting Agreement, the Underwriters have severally agreed to subscribe for or purchase, or procure subscribers for their respective applicable proportions of the Placing Shares on the terms and conditions of the Placing.

Grounds for termination

The obligations of the Underwriters to subscribe for, or procure subscribers for, the Placing Shares are subject to termination. The Joint Lead Managers (for themselves and on behalf of the Underwriters) shall be entitled to terminate their obligations under the Underwriting Agreement upon the occurrence of any of the following events by notice in writing to our Company given by the Joint Lead Managers (for themselves and on behalf of the Underwriters) at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date (the “**Termination Time**”), if prior to the Termination Time:

- (a) there comes to the notice of the Sole Sponsor, the Joint Lead Managers or any of the Underwriters:
 - (i) any matter or event showing any of the representations, warranties or undertakings contained in the Underwriting Agreement given by our Company or any of our Controlling Shareholders and our executive Directors to be untrue, inaccurate or misleading in any material respect when given or repeated or there has been a breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement or any other provisions of the Underwriting Agreement by any party thereto other than the Sole Sponsor, the Joint Lead Managers and/or the Underwriters which, in any such cases, is considered, in the sole and absolute opinion of the Joint Lead Managers (for themselves and on behalf of the Underwriters), to be material in the context of the Placing; or

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- (ii) any statement contained in this prospectus has become or been discovered to be untrue, incorrect or misleading in any material respect; or
 - (iii) any event, series of events, matters or circumstances occurs or arises on or after the date of the Underwriting Agreement and before the Termination Time, being events, matters or circumstances which, if it had occurred before the date of the Underwriting Agreement, would have rendered any of the representations, warranties or undertakings contained in the Underwriting Agreement untrue, incorrect or misleading in any material respect, and which is considered, in the sole and absolute opinion of the Joint Lead Managers (for themselves and on behalf of the Underwriters), to be material in the context of the Placing; or
 - (iv) any matter which, had it arisen or been discovered immediately before the date of this prospectus and not having been disclosed in this prospectus, would have constituted, in the sole and absolute opinion of the Joint Lead Managers (for themselves and on behalf of the Underwriters), an omission in the context of the Placing; or
 - (v) any event, act or omission which gives or is likely to give rise to any liability of our Company or any of our Controlling Shareholders or our executive Directors under the Underwriting Agreement arising out of or in connection with the breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement; or
 - (vi) any breach by any party to the Underwriting Agreement other than the Sole Sponsor, the Joint Lead Managers or any of the Underwriters of any provision of the Underwriting Agreement which, in the sole and absolute opinion of the Joint Lead Managers (for themselves and on behalf of the Underwriters), is material; or
- (b) there shall have developed, occurred, existed, or come into effect any event or series of events, matters or circumstances whether occurring or continuing before, on and/or after the date of the Underwriting Agreement and including an event or change in relation to or a development of an existing state of affairs concerning or relating to any of the following:
- (i) any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong, the Cayman Islands, the BVI, the PRC or any of the jurisdictions in which our Group operates or has or is deemed by any applicable law to have a presence (by whatever name called) or any other

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jurisdiction relevant to the business of our Group which is material to the conditions, business affairs, profits, losses or the financial or trading position of any member of our Group or otherwise material in the context of the Placing; or

- (ii) any change in, or any event or series of events or development resulting or likely to result in any change in Hong Kong, the Cayman Islands, the BVI, the PRC or any of the jurisdictions in which our Group operates or has or is deemed by any applicable law to have a presence (by whatever name called) or other Jurisdictions relevant to the business of our Group, the local, national, regional or international financial, currency, political, military, industrial, economic, stock market or other market conditions or prospects; or
- (iii) any change in the conditions of Hong Kong, the PRC, the US or international equity securities or other financial markets; or
- (iv) any change or prospective change in the business or in the financial or trading position or prospects of any member of our Group; or
- (v) the imposition of any moratorium, suspension or restriction on trading in securities generally on any of the markets operated by the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (vi) any change or development involving a prospective change in any forms of taxation or exchange control (or the implementation of any exchange control) in Hong Kong, the Cayman Islands, the BVI, the PRC or any of the jurisdictions in which our Group operates or has or is deemed by any applicable law to have a presence (by whatever name called) or other jurisdiction relevant to the business of our Group; or
- (vii) the imposition of economic sanction or withdrawal of trading privileges, in whatever form, by the US or by the European Union (or any member thereof) or other jurisdiction relevant to the business of our Group or in which our Group conducts business which is material to the conditions, business affairs, profits, losses or the financial or trading position of any member of our Group or otherwise material in the context of the Placing; or
- (viii) a general moratorium on commercial banking activities in Hong Kong declared by the relevant authorities; or

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- (ix) any event of force majeure including, without limiting the generality thereof, any act of God, military action, riot, public disorder, civil commotion, fire, flood, tsunami, explosion, epidemic, outbreak of infectious disease, calamity, crisis, terrorism, strike or lock-out, (whether or not covered by insurance); or
- (x) any other change whether or not ejusdem generis with any of the foregoing,

which, in the sole and absolute opinion of the Joint Lead Managers (for themselves and on behalf of the Underwriters):

- (i) is or will be, or is very likely to be, adverse, in any material respect, to the business, financial or trading conditions or prospects of our Group; or
- (ii) has or will have, or is very likely to have, a material adverse effect on the success of the Placing or the level of the Placing Shares being demanded, applied for or accepted, the distribution of the Placing Shares or the market price of the Shares following the Listing; or
- (iii) for any other reason makes it impracticable, inadvisable or inexpedient to proceed with the Placing as a whole.

For the above purpose:

- (i) a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the US or any change of the value of Hong Kong currency under such system or a devaluation of the RMB against any foreign currencies shall be taken as an event resulting in a change in currency conditions; and
- (ii) any fluctuations in Hong Kong, the PRC, the US or international equity securities or other financial markets, whether or not within the normal range therefor, may be considered as a change of market conditions or prospects referred to above.

UNDERTAKINGS

For the purpose of this paragraph headed "Undertakings", unless the context otherwise requires, all references to "he" or "him" or "his" shall include references to all other genders.

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Undertaking by our Controlling Shareholders under the GEM Listing Rules

Under Rule 13.16A of the GEM Listing Rules, our Controlling Shareholders shall not and shall procure that the relevant registered holder(s) shall not:

- (a) in the period commencing on the date by reference to which disclosure of the shareholding of our Controlling Shareholders is made in this prospectus and ending on the date which is six months from the Listing Date (the "First Lock-up Period"), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of those securities of our Company in respect of which he is or they are shown by this prospectus to be the beneficial owners (the "Relevant Securities"); or
- (b) in the period of six months commencing on the date on which the First Lock-up Period expires (the "Second Lock-up Period"), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Relevant Securities if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he or they would cease to be a controlling shareholder (as defined under the GEM Listing Rules),

save as excluded from the above restrictions under Rule 13.16A of the GEM Listing Rules or otherwise permitted under Rule 13.18 of the GEM Listing Rules.

Pursuant to Rule 13.19 of the GEM Listing Rules, our Controlling Shareholders have undertaken to our Company and the Stock Exchange that, at any time during the First Lock-up Period and the Second Lock-up Period:

- (a) in the event that a Controlling Shareholder pledges or charges any direct or indirect interests in the Relevant Securities pursuant to a pledge or charge in favour of an authorised institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) (the "Banking Ordinance") as security for a bona fide commercial loan or pursuant to any right or waiver granted by the Stock Exchange pursuant to Rule 13.18(4) of the GEM Listing Rules, that Controlling Shareholder must immediately inform our Company of such pledge or charge together with the number and class of the securities so pledged or charged, the purpose for which the pledge or charge is made and any other relevant details, and in the event that the pledgee or chargee has disposed of or intends to dispose of any pledged or charged securities, relevant details of the same, including the number of securities affected or to be affected; and

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- (b) having pledged or charged any interest in securities under paragraph (a) immediately above, that Controlling Shareholder must inform our Company immediately in the event that he becomes aware that the pledgee or chargee has disposed of or intends to dispose of such interest and of the number of securities affected.

Undertaking by our Controlling Shareholders under the Underwriting Agreement

Pursuant to the Underwriting Agreement, each of our Controlling Shareholders has jointly and severally undertaken to our Company, the Sole Sponsor, the Joint Lead Managers and the Underwriters that, except (i) pursuant to the Placing; or (ii) permitted under the GEM Listing Rules and with the prior written consent of the Joint Lead Managers (for themselves and on behalf of the Underwriters):

- (a) he shall not, and shall procure that none of his associates or any company controlled by him or any of his associates, nominees or trustees holding in trust for him will, at any time during the First Lock-up Period, sell, transfer or otherwise dispose of (other than by way of a security for a bona fide commercial loan in favour of an authorised institution (as defined in the Banking Ordinance)), or enter into any agreement (other than by way of a security for a bona fide commercial loan in favour of an authorised institution (as defined in the Banking Ordinance)) to sell, transfer or dispose of, or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares (or any interest therein) directly or indirectly owned by him or in which he is, directly or indirectly, interested immediately after completion of the Placing and the Capitalisation Issue or any interest in any shares in any company controlled by him which is the beneficial owner of any of these Shares, or enter into any swap or other arrangements that transfer the economic consequences of ownership of such Shares or interest, whether any of the foregoing transactions or arrangement is to be settled by delivery of such Shares or other securities, in cash or otherwise, or offer or agree to do any of the foregoing or announce any intention to do so, provided that the foregoing restriction shall not apply to any Shares which any of them may acquire or become interested in following the Listing Date provided further that any such acquisition would not result in any breach of Rule 11.23(7) of the GEM Listing Rules;
- (b) he shall not, and shall procure that none of his associates or any company controlled by him or any of his associates, nominees or trustees holding in trust for him will, at any time during the Second Lock-up Period, sell, transfer or otherwise dispose of (other than by way of a security for a bona fide commercial loan in favour of an authorised institution (as defined in the Banking Ordinance)), or enter into any agreement (other than by way of a security for a bona fide commercial loan in favour of an authorised institution (as defined in the Banking

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Ordinance)) to sell, transfer or dispose of, or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares (or any interest therein) directly or indirectly owned by him or in which he is, directly or indirectly, interested immediately after completion of the Placing and the Capitalisation Issue or any interest in any shares in any company controlled by him which is the beneficial owner of any of these Shares, or enter into any swap or other arrangements that transfer the economic consequences of ownership of such Shares or interest, whether any of the foregoing transactions or arrangement is to be settled by delivery of such Shares or other securities, in cash or otherwise, or offer or agree to do any of the foregoing or announce any intention to do so, if, immediately following such action, our Controlling Shareholders, when taken together, would cease to be a group of controlling shareholders (as defined in the GEM Listing Rules) of our Company; and

- (c) without prejudice to the undertakings as referred to in paragraphs (a) and (b) immediately above, during the First Lock-up Period and the Second Lock-up Period, he shall:
 - (i) when he pledges or charges or otherwise create any rights of encumbrances over any Shares or other securities of our Company or those of Gold Empress (or as the case may be, Gold Beyond) beneficially owned by him in favour of an authorised institution (as defined in the Banking Ordinance) pursuant to Rule 13.18(1) of the GEM Listing Rules, immediately inform us, the Sole Sponsor and the Joint Lead Managers (for themselves and on behalf of the Underwriters) of such pledge or charge or creation of the rights of encumbrances together with the number of the securities so pledged or charged and all other information as requested by us, the Sole Sponsor and/or the Joint Lead Managers (for themselves and on behalf of the Underwriters); and
 - (ii) subsequent to the pledge or charge or creation of rights or encumbrances over the Shares (or interest therein) or other shares or interests as mentioned in sub-paragraph (i) immediately above, when he receives any indications, either verbal or written, from the pledge or chargee that any of the pledged or charged or encumbered securities as referred to in sub-paragraph (i) immediately above will be disposed of, immediately inform us, the Sole Sponsor and the Joint Lead Managers (for themselves and on behalf of the Underwriters) of such indications.

Pursuant to Rule 17.29 of the GEM Listing Rules, except as otherwise provided for in that rule, no further shares or securities convertible into equity securities of our Company (whether or not of a class already listed) may be

UNDERWRITING

issued or form the subject of any agreement to such an issue within six months from the Listing Date (whether or not such issue of shares or securities will be completed within six months from the Listing Date).

Under the Underwriting Agreement, our Company has undertaken to and covenanted with the Sole Sponsor, the Joint Lead Managers and the Underwriters that, and each of our Controlling Shareholders and our executive Directors has jointly and severally undertaken and covenanted with the Sole Sponsor, the Joint Lead Managers and the Underwriters to procure that, without the prior written consent of the Joint Lead Managers (for themselves and on behalf of the Underwriters) and subject always to the requirements of the Stock Exchange, save for the Placing Shares, the Shares to be issued pursuant to the Capitalisation Issue, the grant of Offer Size Adjustment Option and the Shares to be issued thereunder upon the exercise of the Offer Size Adjustment Option, the grant of options under the Share Option Scheme, and any Shares which may fall to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, or otherwise than by way of scrip dividend schemes or similar arrangements in accordance with the Memorandum and the Articles or any consolidation, sub-division or capital reduction of the Shares, our Company shall not:

- (a) allot and issue, accept subscriptions for, offer, sell or contract to sell, grant or agree to grant any option or other right in, directly or indirectly, conditionally or unconditionally, any shares, warrants or other convertible or exchangeable securities carrying the right to subscribe for or exchangeable into shares or other securities of our Company, or offer or agree to do any of the foregoing or announce any intention to do so (i) at any time during the First Lock-up Period; or (ii) at any time during the Second Lock-up Period so as to result in our Controlling Shareholders, taken together with the other of them, ceasing to be a group of controlling shareholders (as defined in the GEM Listing Rules) of our Company; or
- (b) at any time during the First Lock-up Period, subject to the GEM Listing Rules and the Takeovers Code, make or agree to make any buy back of any Shares or other securities of our Company.

COMMISSION AND EXPENSES

The Joint Lead Managers (for themselves and on behalf of the Underwriters) will receive an underwriting commission at the effective rates ranging from approximately 5.0% to 8.87% of the aggregate Placing Price payable for the Placing Shares (including the Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option) in accordance with the terms of the Underwriting Agreement, out of which the Underwriters will pay all (if any) sub-underwriting commission, and the Sole Sponsor will in addition receive a sponsorship fee in relation to the Placing. Such fee and commission, together with the GEM Listing fees, the Stock Exchange trading fee, the SFC transaction levy, legal and other professional fees, printing, translation and other expenses relating to the Placing, amount to approximately HK\$22.7 million (assuming the Offer Size Adjustment Option is not exercised and based on the

UNDERWRITING

Placing Price of HK\$0.45 per Placing Share, being the mid-point of the indicative range of the Placing Price between HK\$0.4 and HK\$0.5) and is to be borne by our Company.

SOLE SPONSOR'S, JOINT LEAD MANAGERS', CO-LEAD MANAGERS' AND UNDERWRITERS' INTERESTS IN OUR COMPANY

The Sole Sponsor will receive a sponsorship fee. The Joint Lead Managers (for themselves and on behalf of the Underwriters) will receive an underwriting commission. Particulars of these underwriting commission and expenses are set forth under the sub-paragraph headed "Commission and expenses" of this section.

Our Company will appoint the Sole Sponsor as its compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules for the period commencing on the Listing Date and ending on the date on which our Company complies with Rule 18.03 of the GEM Listing Rules in respect of its financial results for the second full financial year commencing after the Listing Date, or until the compliance adviser agreement is otherwise terminated in accordance with its terms and conditions.

Save as disclosed above, none of the Sole Sponsor, the Joint Lead Managers, the Co-Lead Managers nor the Underwriters is interested legally or beneficially in shares of any members of our Group or has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase securities in any of the members of our Group nor any interest in the Placing.

STRUCTURE AND CONDITIONS OF THE PLACING

PLACING PRICE PAYABLE ON SUBSCRIPTION

Based on the Placing Price of HK\$0.50 (being the high end of the indicative Placing Price range) plus 1% brokerage, 0.005% Stock Exchange trading fee and 0.003% SFC transaction levy, one board lot of 8,000 Shares amounting to a total of HK\$4,040.32 will be payable on subscription.

CONDITIONS OF THE PLACING

Acceptance of all application for the Placing Shares will be conditional upon, inter alia:

1. the Listing Division granting the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Capitalisation issue and the Placing, and any Shares which may fall to be issued pursuant to any exercise of the Offer Size Adjustment Option and any options which may be granted under the Share Option Scheme as described in this prospectus, and such listing and permission not subsequently having been revoked prior to the commencement of dealings in the shares on GEM;
2. the obligations of the Underwriters under the Underwriting Agreement becoming unconditional (including, if relevant, the waiver of any condition(s) in accordance with its terms) and not being terminated in accordance with the terms of the Underwriting Agreement or otherwise; and
3. the Placing Price having been duly agreed between us and the Joint Lead Managers (for themselves and on behalf of the Underwriters) on or about the Price Determination Date,

in each case, on or before the dates and times specified in the Underwriting Agreement (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than Wednesday, 30 July 2014, being the date which is 30 days after the date of this prospectus.

If such conditions have not been fulfilled or waived (as the case may be) prior to the times and dates specified in the Underwriting Agreement, the Placing will lapse and the Listing Division will be notified immediately. Notice of the lapse of the Placing will be caused to be published by our Company on the Stock Exchange's website on the next Business Day following such lapse.

THE PLACING

100,000,000 Placing Shares are being offered pursuant to the Placing, representing in aggregate 25.0% of the enlarged issued share capital of our Company. In addition, our Company has granted the Offer Size Adjustment

STRUCTURE AND CONDITIONS OF THE PLACING

Option, exercisable by the Joint Lead Managers (for themselves and on behalf of the Underwriters) on or before Monday, 7 July 2014, the Business Day prior to the Listing Date, to require our Company to allot and issue up to 15,000,000 additional new Shares, representing 15.0% of the Shares initially available for subscription under the Placing, on the same terms as those applicable to the Placing. The Placing is fully underwritten by the Underwriters subject to the terms and conditions of the Underwriting Agreement. Pursuant to the Placing, it is expected that the Underwriters, on behalf of our Company, will conditionally place the Placing Shares at the Placing Price payable by the investors acquiring the Placing Shares plus 1% brokerage, 0.005% Stock Exchange trading fee and 0.003% SFC transaction levy. The Placing Shares shall be placed with selected professional, institutional or other investors. Professional and institutional investors generally include brokers, dealers, companies, high net worth individuals and companies (including fund managers) whose ordinary business involves dealings in shares and other securities and corporate entities which regularly invest in shares and other securities.

BASIS OF ALLOCATION

Allocation of the Placing Shares will be based on a number of factors, including the level of indication, timing and demand, and whether or not it is expected that the relevant investors are likely to buy further Placing Shares or hold or sell their Placing Shares after the Listing. Such allocation is intended to result in a distribution of the Placing Shares which would lead to the establishment of a solid and broad shareholder base to the benefit of our Company and our Shareholders as a whole. In particular, the Placing Shares will be allocated pursuant to Rule 11.23(8) of the GEM Listing Rules, that not more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders.

No allocations of the Placing Shares will be permitted to nominee companies, unless the name of the ultimate beneficiary is disclosed, without the prior written consent of the Stock Exchange. There will not be any preferential treatment in the allocation of the Placing Shares to any persons.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus on GEM by the Listing Division and the compliance by our Company with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or such other date as determined by HKSCC.

STRUCTURE AND CONDITIONS OF THE PLACING

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. Investors should seek the advice of their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

DETERMINATION OF THE PLACING PRICE

The Placing Price is expected to be fixed by the Price Determination Agreement between the Joint Lead Managers (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date, which is currently scheduled to be on or about Thursday, 3 July 2014.

If, for whatever reason, the Joint Lead Managers (for themselves and on behalf of the Underwriters) and our Company are unable to reach agreement on the Placing Price on the Price Determination Date, the Placing will not become unconditional and will lapse. In such event, our Company will issue an announcement to be published on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.bamboos.com.hk.

The Placing Price will not be more than HK\$0.5 per Placing Share and is currently expected to be not less than HK\$0.4 per Placing Share. The final Placing Price will fall within the indicative Placing Price range as stated in this prospectus unless otherwise announced, as further explained below.

The final Placing Price, the level of indication of interest in the Placing and the basis of allocation of the Placing Shares, are expected to be announced on the Stock Exchange's website on or before Monday, 7 July 2014.

If, based on the level of indication of interest expressed by prospective institutional, professional or other investors during the book-building process, the Joint Lead Managers (for themselves and on behalf of the Underwriters) consider it appropriate, and with the consent of our Company, the indicative Placing Price range may be reduced below that stated in this prospectus at any time on or before the Price Determination Date. In such a case, our Company will, as soon as practicable following the decision to make such reduction, cause to be published on the Stock Exchange's website an announcement of such change. Such announcement will also include confirmation or revision, as appropriate, of the working capital statement, the Placing statistics as currently set out in the section headed "Summary" in this prospectus, and any other financial information which may change as a result of such reduction. In the absence of any announcement being published on the Stock Exchange's website of a reduction in the indicative Placing Price range stated in this prospectus in the manner set out herein, the final Placing Price, upon agreed by the Joint Lead Managers and our Company, will under no circumstances be set outside the Placing Price range as stated in this prospectus.

STRUCTURE AND CONDITIONS OF THE PLACING

All necessary arrangements have been made for the Shares to be admitted into CCASS. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

OFFER SIZE ADJUSTMENT OPTION

Pursuant to the Underwriting Agreement, our Company has granted to the Underwriters the Offer Size Adjustment Option, which is exercisable by the Joint Lead Managers (for themselves and on behalf of the Underwriters) on or before Monday, 7 July 2014, the Business Day prior to the Listing Date, to require our Company to allot and issue up to an aggregate of 15,000,000 additional new Shares at the Placing Price, representing 15% of the total number of Shares initially available for subscription under the Placing. Any such additional new Shares may be issued to cover any excess demand in the Placing at the sole and absolute discretion of the Joint Lead Managers.

For the avoidance of doubt, the purpose of the Offer Size Adjustment Option is to provide flexibility for the Joint Lead Managers to meet any excess demand in the Placing. The Offer Size Adjustment Option will not be associated with any price stabilisation activities of the Shares in the secondary market after the Listing and will not be subject to the Securities and Futures (Price Stabilizing) Rules of the SFO. No purchase of the Shares in the secondary market will be effected to cover any excess demand in the Placing which will only be satisfied by the exercise of the Offer Size Adjustment Option in full or in part.

Our Company will disclose in its allotment results announcement whether and to what extent the Offer Size Adjustment Option has been exercised, and will confirm in the announcement that, if the Offer Size Adjustment Option is not exercised by then, the Offer Size Adjustment Option will lapse and cannot be exercised on any future date. The allotment results announcement will be published on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.bamboos.com.hk.

If the Offer Size Adjustment Option is exercised in full, the additional 15,000,000 Shares and the 100,000,000 Shares initially offered in the Placing will represent approximately 3.61% and 24.10% of our Company's enlarged share capital respectively immediately after completion of the Placing and the exercise in full of the Offer Size Adjustment Option. The additional net proceeds received from the placing of the additional Shares allotted and issued upon exercise of the Offer Size Adjustment Option will be allocated in accordance with the allocations as disclosed in the section headed "Future plans and use of proceeds" in this prospectus.

COMMENCEMENT OF DEALING IN SHARES

Dealings in Shares on GEM are expected to commence on Tuesday, 8 July 2014. The Shares will be traded in board lots of 8,000 Shares each and are freely transferable.

The following is the text of a report received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. It is prepared and addressed to the directors of the Company and to Halcyon Capital Limited pursuant to the requirements of Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the Hong Kong Institute of Certified Public Accountants.



羅兵咸永道

30 June 2014

The Directors
Bamboos Health Care Holdings Limited

Halcyon Capital Limited

Dear Sirs,

We report on the financial information of Bamboos Health Care Holdings Limited (the "Company") and its subsidiaries (together, the "Group"), which comprises the combined balance sheets as at 30 June 2012 and 2013 and 31 December 2013, the balance sheet of the Company as at 30 June 2013 and 31 December 2013 and the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows for each of the years ended 30 June 2012 and 2013 and the six months ended 31 December 2013 (the "Relevant Periods"), and a summary of significant accounting policies and other explanatory information. This financial information has been prepared by the directors of the Company and is set out in Sections I to III below for inclusion in Appendix I to the prospectus of the Company dated 30 June 2014 (the "Prospectus") in connection with the listing of shares of the Company on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

The Company was incorporated in the Cayman Islands on 23 November 2012 as an exempted company with limited liability under Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Pursuant to a group reorganisation as described in Note 2 of Section II headed "Reorganisation" below, which was completed on 28 March 2014, the Company became the holding company of the subsidiaries now comprising the Group (the "Reorganisation").

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As at the date of this report, the Company has direct and indirect interests in the subsidiaries as set out in Note 2 of Section II below. All of these companies are private companies or, if incorporated or established outside Hong Kong, have substantially the same characteristics as a Hong Kong incorporated private company.

No audited financial statements have been prepared by the Company as it has not involved in any significant business transactions since its date of incorporation, other than the Reorganisation. The audited financial statements of the other companies now comprising the Group as at the date of this report for which there are statutory audit requirements have been prepared in accordance with the relevant accounting principles generally accepted in their places of incorporation. The details of the statutory auditors of these companies are set out in Note 2 of Section II.

The directors of the Company have prepared the combined financial statements of the Company and its subsidiaries now comprising the Group for the Relevant Periods, in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") (the "Underlying Financial Statements"). The directors of the Company are responsible for the preparation of the Underlying Financial Statements that gives a true and fair view in accordance with HKFRSs. We have audited the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing (the "HKSA") issued by the HKICPA pursuant to separate terms of engagement with the Company.

The financial information has been prepared based on the Underlying Financial Statements, with no adjustment made thereon, and on the basis set out in Note 3 of Section II below.

Directors' Responsibility for the Financial Information

The directors of the Company are responsible for the preparation of the financial information that gives a true and fair view in accordance with the basis of presentation set out in Note 3 of Section II below and in accordance with HKFRSs, and for such internal control as the directors determine is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Reporting Accountant's Responsibility

Our responsibility is to express an opinion on the financial information and to report our opinion to you. We carried out our procedures in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

Opinion

In our opinion, the financial information gives, for the purpose of this report and presented on the basis set out in Note 3 of Section II below, a true and fair view of the state of affairs of the Company as at 30 June 2013 and 31 December 2013 and of the combined state of affairs of the Group as at 30 June 2012 and 2013 and 31 December 2013 and of the Group's combined results and cash flows for each of the Relevant Periods then ended.

Review of Stub Period Comparative Financial Information

We have reviewed the stub period comparative financial information set out in Sections I to II below included in Appendix I to the Prospectus which comprises the combined statement of comprehensive income, the combined statement of changes in equity and the combined statement of cash flows for the six months ended 31 December 2012 and a summary of significant accounting policies and other explanatory information (the "Stub Period Comparative Financial Information").

The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of presentation set out in Note 3 of Section II below and the accounting policies set out in Note 4 of Section II below.

Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of the Stub Period Comparative Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with HKSA's and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purpose of this report and presented on the basis set out in Note 3 of Section II below, has not been prepared, in all material respects, in accordance with the accounting policies set out in Note 4 of Section II below.

I FINANCIAL INFORMATION OF THE GROUP

The following is the financial information of the Group prepared by the directors of the Company as at 30 June 2012 and 2013 and 31 December 2013 and for each of the years ended 30 June 2012 and 2013 and the six months ended 31 December 2012 and 2013 (the "Financial Information"), presented on the basis set out in Note 3 of Section II:

(A) COMBINED BALANCE SHEETS

	<i>Section II</i>	As at 30 June		As at 31
	<i>Note</i>	2012	2013	December
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>2013</i>
				<i>HK\$'000</i>
ASSETS				
Non-current assets				
Property, plant and equipment	8	822	922	683
Prepayments and deposits	11	280	299	284
		1,102	1,221	967
Current assets				
Trade receivables	10	16,777	14,764	13,639
Prepayments, deposits and other receivables	11	231	919	566
Amount due from a director	13	1,789	–	5,858
Cash and bank balances	14	3,844	29,446	33,701
		22,641	45,129	53,764
Total assets		23,743	46,350	54,731

	<i>Section II</i>	<i>As at 30 June</i>		<i>As at 31</i>
	<i>Note</i>	2012	2013	December
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Combined share capital	15	–	–	–
Retained earnings		<u>7,566</u>	<u>20,632</u>	<u>29,362</u>
Total equity		<u>7,566</u>	<u>20,632</u>	<u>29,362</u>
LIABILITIES				
Non-current liabilities				
Deferred income tax liabilities	18	<u>55</u>	<u>55</u>	<u>20</u>
Current liabilities				
Trade payables	16	8,032	8,989	9,068
Accruals and other payables	17	1,250	1,994	2,835
Amount due to a related company	12	–	752	1,477
Amount due to a director	13	2,187	–	192
Tax payable		4,653	3,579	2,556
Bank borrowings	19	<u>–</u>	<u>10,349</u>	<u>9,221</u>
		<u>16,122</u>	<u>25,663</u>	<u>25,349</u>
Total liabilities		<u>16,177</u>	<u>25,718</u>	<u>25,369</u>
Total equity and liabilities		<u>23,743</u>	<u>46,350</u>	<u>54,731</u>
Net current assets		<u>6,519</u>	<u>19,466</u>	<u>28,415</u>
Total assets less current liabilities		<u>7,621</u>	<u>20,687</u>	<u>29,382</u>

(B) BALANCE SHEETS

Company

	<i>Section II Note</i>	As at 30 June 2013 HK\$'000	As at 31 December 2013 HK\$'000
ASSETS			
Current assets			
Prepayments	11	<u>625</u>	<u>200</u>
Total assets		<u>625</u>	<u>200</u>
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	15	<u>–</u>	<u>–</u>
Accumulated losses		<u>(3,627)</u>	<u>(4,595)</u>
Total deficits		<u>(3,627)</u>	<u>(4,595)</u>
LIABILITIES			
Current liabilities			
Accruals	17	<u>446</u>	<u>892</u>
Amount due to a related company	12	<u>3,806</u>	<u>3,903</u>
Total liabilities		<u>4,252</u>	<u>4,795</u>
Total equity and liabilities		<u>625</u>	<u>200</u>
Net current liabilities		<u>(3,627)</u>	<u>(4,595)</u>
Total assets less current liabilities		<u>(3,627)</u>	<u>(4,595)</u>

(C) COMBINED STATEMENTS OF COMPREHENSIVE INCOME

	<i>Section II</i>	Year ended 30 June		Six months ended 31 December	
		2012 <i>HK\$'000</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i> (unaudited)	2013 <i>HK\$'000</i> (unaudited)
Revenue	20	25,216	30,258	14,607	17,029
Other income	21	1,812	1,092	559	958
Employee benefit expenses	23	(6,523)	(6,252)	(2,731)	(3,210)
Operating lease rentals		(548)	(619)	(242)	(360)
Other operating expenses	22	(4,121)	(7,808)	(4,680)	(3,300)
Operating profit		15,836	16,671	7,513	11,117
Finance costs	25	—	(336)	(116)	(198)
Profit before income tax		15,836	16,335	7,397	10,919
Income tax expense	26	(2,601)	(3,269)	(1,662)	(2,189)
Profit and total comprehensive income for the year/period attributable to equity holders		<u>13,235</u>	<u>13,066</u>	<u>5,735</u>	<u>8,730</u>
Earnings per share	27	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Dividend	28	<u>16,500</u>	<u>—</u>	<u>—</u>	<u>—</u>

(D) COMBINED STATEMENTS OF CHANGES IN EQUITY

	Attributable to the equity holders of the Company		
	Combined share capital (Note 15) HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 July 2011	–	10,831	10,831
Total comprehensive income			
Profit for the year	–	13,235	13,235
Dividend (Note 28)	–	(16,500)	(16,500)
At 30 June 2012	<u>–</u>	<u>7,566</u>	<u>7,566</u>
At 1 July 2012	–	7,566	7,566
Total comprehensive income			
Profit for the year	–	13,066	13,066
At 30 June 2013	<u>–</u>	<u>20,632</u>	<u>20,632</u>
At 1 July 2013	–	20,632	20,632
Total comprehensive income			
Profit for the period	–	8,730	8,730
At 31 December 2013	<u>–</u>	<u>29,362</u>	<u>29,362</u>
Unaudited:			
At 1 July 2012	–	7,566	7,566
Total comprehensive income			
Profit for the period	–	5,735	5,735
At 31 December 2012 (unaudited)	<u>–</u>	<u>13,301</u>	<u>13,301</u>

(E) COMBINED STATEMENTS OF CASH FLOWS

	Year ended 30 June		Six months ended 31 December	
	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000 (unaudited)	2013 HK\$'000
Cash flow from operating activities				
Profit before income tax	15,836	16,335	7,397	10,919
Adjustments for:				
– Depreciation	449	412	218	242
– Finance costs	–	336	116	198
	16,285	17,083	7,731	11,359
Changes in working capital:				
– Trade receivables	(5,835)	2,013	711	1,125
– Prepayments, deposits and other receivables	30	(707)	(789)	368
– Balances with directors and related companies	(931)	–	–	192
– Trade payables, accruals and other payables	2,311	1,701	1,685	920
Cash generated from operations	11,860	20,090	9,338	13,964
Interest paid	–	(336)	(116)	(198)
Income tax paid	–	(4,343)	(4,343)	(3,247)
Net cash generated from operating activities	11,860	15,411	4,879	10,519
Cash flows from investing activities				
Purchase of property, plant and equipment	(33)	(512)	–	(3)
Refund upon dissolution of a joint venture	5	–	–	–
Net cash used in investing activities	(28)	(512)	–	(3)

	Year ended 30 June		Six months ended 31 December	
	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000 (unaudited)	2013 HK\$'000
Cash flows from financing activities				
Balances with directors and related companies	(10,967)	354	1,807	(5,133)
Proceeds from bank borrowings	–	12,000	12,000	–
Repayment of bank borrowings	–	(1,651)	(545)	(1,128)
Net cash (used in)/generated from financing activities	<u>(10,967)</u>	<u>10,703</u>	<u>13,262</u>	<u>(6,261)</u>
Net increase in cash and cash balances	865	25,602	18,141	4,255
Cash and bank balances at 1 July	<u>2,979</u>	<u>3,844</u>	<u>3,844</u>	<u>29,446</u>
Cash and bank balances at 30 June/31 December	<u>3,844</u>	<u>29,446</u>	<u>21,985</u>	<u>33,701</u>

Major non-cash transactions:

During the year 30 June 2012, dividend amounting to HK\$16,500,000 was settled through current accounts with directors and related companies.

II NOTES TO THE FINANCIAL INFORMATION

1 GENERAL INFORMATION

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

The Company is an investment holding company and its subsidiaries (together, the "Group") are principally engaged in the provision of healthcare staffing solution services (the "Listing Business"). During the Relevant Periods, the Listing Business was carried out through Bamboos Professional Nursing Services Limited ("Bamboos PNS"), which is a wholly owned subsidiary of the Company.

2 REORGANISATION

Pursuant to the reorganisation (the "Reorganisation") in preparation for the listing of the shares of the Company on the Growth Enterprise Market of The Stock Exchange Hong Kong Limited, the Company acquired all the companies now comprising the Group from Hai Hiu Chu ("Ms. Hai") and Kwan Chi Hong ("Mr. Kwan"). The major steps undertaken to effect the Reorganisation were as follows:

(a) Incorporation of Achiever Team Limited ("Achiever Team")

On 16 October 2012, Achiever Team was incorporated in the British Virgin Islands ("BVI") with limited liability. 10 shares were issued of which 9 shares and 1 share were allotted and issued at par to Gold Empress Limited ("Gold Empress") and Gold Beyond Limited ("Gold Beyond") respectively, whose sole shareholder is Ms. Hai and Mr. Kwan, respectively.

(b) Incorporation of the Company

On 23 November 2012, the Company was incorporated in the Cayman Islands. Upon incorporation, one share of par value at HK\$0.01 was issued to the Company's initial subscriber. The subscribed share was subsequently transferred to Gold Empress and 8 shares were issued to Gold Empress, and 1 share was issued to Gold Beyond, representing 90% and 10% of the issued share capital of the Company respectively.

(c) Transfer of shares of Bamboos PNS to Achiever Team

On 27 March 2014, the transfers of 90 shares and 10 shares in Bamboos PNS from Ms. Hai and Mr. Kwan respectively to Achiever Team, in consideration of the allotment and issue of 9 shares and 1 share by Achiever Team to Gold Empress and Gold Beyond, respectively, were completed. Since then, Achiever Team became the immediate holding company of Bamboos PNS.

(d) Transfer of shares of Achiever Team to the Company

On 28 March 2014, the transfers of the 18 shares in Achiever Team held by Gold Empress and the 2 shares in Achiever Team held by Gold Beyond, to the Company, in consideration of the allotment and issue of 9 shares and 1 share of HK\$0.01 each by the Company to Gold Empress and Gold Beyond, respectively, were completed. Upon completion of the transfer, the Company became the holding company of the companies now comprising the Group.

As at the date of this report, the Company has direct and indirect interests in the following subsidiaries:

Name of subsidiary	Place and date of incorporation	Principal activities and place of operation	Particulars of issued and paid up capital	Effective interest held by the Group	Name of statutory auditors	
					2012	2013
<i>Direct Interests:</i>						
Achiever Team Limited	BVI; 16 October 2012	Investment holding	United States dollars ("US\$") 10, being 10 shares of US\$1 each	100%	(a)	(a)
<i>Indirect Interests:</i>						
Bamboos Professional Nursing Services Limited	Hong Kong; 11 March 2009	Provision of healthcare staffing solution services in Hong Kong	HK\$100	100%	(b)	(b)

- (a) No audited financial statements was issued for this company as it is not required to issue audited financial statements under the statutory requirement of its place of incorporation.
- (b) The statutory financial statements of this company for the years ended 30 June 2012 and 30 June 2013 were prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") and audited by PricewaterhouseCoopers, Certified Public Accountants, Hong Kong.

3 BASIS OF PRESENTATION

Immediately prior to and after the Reorganisation, the Listing Business is 90% owned by Ms. Hai and 10% owned by Mr. Kwan. The Listing Business is conducted through Bamboos PNS, which is a wholly owned subsidiary of the Company. Pursuant to the Reorganisation, Bamboos PNS and the Listing Business are transferred to and held by the Company. The Company has not been involved in any other business prior to the Reorganisation and do not meet the definition of a business. The Reorganisation is merely a reorganisation of the Listing Business with no change in management of such business and the ultimate owners of the Listing Business remain the same. For the purpose of this report, the financial information has been prepared on a basis in accordance with the principles of the Auditing Guideline 3.340 "Prospectus and the Reporting Accountant" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Accordingly, the Group's combined balance sheets as at 30 June 2012 and 2013 and 31 December 2013, and its combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows for the Relevant Periods have been prepared using the financial information of the companies now comprising the Group for the Relevant Periods as if the current group structure had been in existence throughout the Relevant Periods, except that the financial information of those companies newly set up by the Group during the Relevant Periods are included in the Financial Information from their respective dates of incorporation. The net assets and results of the Group were combined using the existing book values.

Inter-company transactions and balances between group companies are eliminated on combination.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the Financial Information are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

4.1 Basis of preparation

The Financial Information has been prepared in accordance with HKFRS under the historical cost convention.

The preparation of the Financial Information 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 Financial Information are disclosed in Note 6.

As at the date of this report, the following new standards, amendments and interpretation to existing standards have been published by the HKICPA but are not yet effective for the six months ended 31 December 2013 and have not been early adopted by the Group:

- Amendment to HKAS 19, "Employee benefits" on employee contribution²;
- Amendment to HKAS 32, "Financial instruments: Presentation" on asset and liability offsetting¹;
- Amendment to HKAS 36, "Impairment of assets" on recoverable amount disclosures¹;
- Amendment to HKAS 39, "Financial instruments: Recognition and measurement" – Novation of derivatives¹;
- Amendments to HKFRS 10, 12 and HKAS 27, "Consolidation for investment entities"¹;
- Amendment to HKFRS 7, "Mandatory effective date of HKFRS 9 and transition disclosures"⁴;
- HKFRS 9, "Financial instruments"⁴;
- Additions to HKFRS 9, "Financial instruments – financial liabilities"⁴;
- HKFRS 14, "Regulatory deferral accounts"³;
- Amendments to HKFRSs, "Improvements to HKFRSs 2010-2012 cycle"²;
- Amendments to HKFRSs, "Improvements to HKFRSs 2011-2013 cycle"²; and
- HK(IFRIC) – Int 21, "Leases"¹.

¹ Effective for annual periods beginning on or after 1 January 2014

² Effective for annual periods beginning on or after 1 January 2015

³ Effective for annual periods beginning on or after 1 January 2016

⁴ Effective date not yet determined

The directors anticipate that the adoption of the above new standards, amendments and interpretation to existing standards will not result in any significant impact on the results and financial position of the Group.

4.2 Consolidation

Subsidiaries

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

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

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

Acquisition-related costs are expensed as incurred.

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

During the Relevant Periods, save as disclosed in Note 2, the Group did not involve in any acquisition of subsidiaries. During the Relevant Periods, the Group did not have any non-controlling interest.

4.3 Foreign currency translation

(i) 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 entity operates (the "functional currency"). The Financial Information is presented in Hong Kong dollars ("HK\$"), which is the Company's functional currency and the Group's presentation currency.

(ii) 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 re-measured. 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 profit or loss.

Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

- (b) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (c) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in equity.

4.4 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 directors of the Company who make strategic decisions.

4.5 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%
Motor vehicles	20%
Computer equipment	20%

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

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

4.6 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.

4.7 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 determined payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprises trade and other receivables, deposits, amount due from a director, and cash and bank balances.

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.

4.8 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.

4.9 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.

4.10 Cash and cash equivalents

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

4.11 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 9) 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.

4.12 Borrowings

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

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

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

4.13 Borrowing costs

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

4.14 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.

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.

4.15 Employee benefits**(i) Pension obligations**

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

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

(ii) Bonus plan

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

4.16 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.

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.

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.

Management service income is recognised when the relevant services have been rendered to the related companies.

Interest income is recognised using the effective interest method.

4.17 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.

4.18 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.

5 FINANCIAL RISK MANAGEMENT

5.1 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.

The Group does not use any derivative financial instruments to hedge its exposure to foreign exchange risk.

(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 director included in the balance sheets 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 normally 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 generally 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 healthcare personnel which are generally made within a month 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 Financial Information.

(c) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and bank balances.

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 bank balances to meet its liquidity requirements in the short and long term.

Taking into account the repayment on demand clauses on bank borrowings, the Group's financial liabilities as at 30 June 2012 and 2013 and 31 December 2013 were all due for settlement contractually within 12 months, with their contractual undiscounted cash flows approximate their respective carrying amounts.

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

	Within 1 year HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000	Total HK\$'000
Group				
At 30 June 2012				
Trade payables	8,032	–	–	8,032
Accruals and other payables	1,250	–	–	1,250
Amount due to a director	<u>2,187</u>	<u>–</u>	<u>–</u>	<u>2,187</u>
At 30 June 2013				
Trade payables	8,989	–	–	8,989
Accruals and other payables	1,994	–	–	1,994
Amount due to a related company	752	–	–	752
Bank borrowings	<u>2,652</u>	<u>2,652</u>	<u>5,967</u>	<u>11,271</u>
At 31 December 2013				
Trade payables	9,068	–	–	9,068
Accruals and other payables	2,835	–	–	2,835
Amount due to a related company	1,477	–	–	1,477
Amount due to a director	192	–	–	192
Bank borrowings	<u>2,652</u>	<u>2,652</u>	<u>4,641</u>	<u>9,945</u>
Company				
At 30 June 2013				
Accruals	446	–	–	446
Amount due to a related company	<u>3,806</u>	<u>–</u>	<u>–</u>	<u>3,806</u>
At 31 December 2013				
Accruals	892	–	–	892
Amount due to a related company	<u>3,903</u>	<u>–</u>	<u>–</u>	<u>3,903</u>

(d) Cash flow interest-rate risks

The Group does not have any significant interest bearing financial assets or liabilities except for cash at banks and bank borrowings, details of which are disclosed in note 14 and note 19, respectively. Borrowings are all carried at floating rates which expose the Group to cash flow interest rate risk. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

At 30 June 2013 and 31 December 2013, if interest rates on floating rate borrowings had been 100 basis points higher/lower with all other variables held constant, profit before income tax for the year ended 30 June 2013 and six months ended 31 December 2013 would have been approximately HK\$191,000 and HK\$122,000 lower/higher respectively, mainly as a result of higher/lower interest expenses on floating rate borrowings.

5.2 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, issue new shares or obtain bank borrowings.

The Group also monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as "equity", as shown in the combined balance sheets, plus net debt.

As at 30 June 2013 and 31 December 2013, the Group has a net cash position and its cash and bank balances exceeded the total balance of borrowings by HK\$19,097,000 and HK\$24,480,000, respectively. Accordingly, the analysis on the Group's gearing ratio is not presented in the Financial Information.

5.3 Fair value estimation

As at 30 June 2012 and 2013, and 31 December 2013, 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 bank balances, trade receivables, deposits and other receivables and amount due from a director; and the Group's current financial liabilities including trade payables, accruals and other payables, amounts due to a related company and a director, and borrowings, approximate their fair values due to their short maturities.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the Financial Information 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 Financial Information within the next financial year are discussed below.

(a) Determination of the Bamboos PNS's role as a principal or an agent

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

(b) Impairment of receivables

The Group's management determines the provision for impairment of trade and other receivables based on an assessment of the recoverability of the receivables by reference to the credit history of its customers and other debtors and the current market condition, and requires the use of judgements and estimates. Management reassesses the provision at each balance sheet date.

7 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's principal activity is the provision of healthcare staffing solution services and has only one major operating segment.

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 Relevant Periods, revenue is all earned from external customers in Hong Kong.

8 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Computer equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 July 2011					
Cost	577	321	237	450	1,585
Accumulated depreciation	(200)	(57)	(37)	(53)	(347)
Net book amount	<u>377</u>	<u>264</u>	<u>200</u>	<u>397</u>	<u>1,238</u>
Year ended 30 June 2012					
Opening net book amount	377	264	200	397	1,238
Additions	–	18	15	–	33
Depreciation (<i>Note 22</i>)	(241)	(68)	(50)	(90)	(449)
Closing net book amount	<u>136</u>	<u>214</u>	<u>165</u>	<u>307</u>	<u>822</u>
At 30 June 2012					
Cost	577	339	252	450	1,618
Accumulated depreciation	(441)	(125)	(87)	(143)	(796)
Net book amount	<u>136</u>	<u>214</u>	<u>165</u>	<u>307</u>	<u>822</u>
Year ended 30 June 2013					
Opening net book amount	136	214	165	307	822
Additions	464	48	–	–	512
Depreciation (<i>Note 22</i>)	(202)	(70)	(50)	(90)	(412)
Closing net book amount	<u>398</u>	<u>192</u>	<u>115</u>	<u>217</u>	<u>922</u>
At 30 June 2013					
Cost	1,041	387	252	450	2,130
Accumulated depreciation	(643)	(195)	(137)	(233)	(1,208)
Net book amount	<u>398</u>	<u>192</u>	<u>115</u>	<u>217</u>	<u>922</u>

	Leasehold improvements <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Computer equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended					
31 December 2013					
Opening net book amount	398	192	115	217	922
Additions	–	3	–	–	3
Depreciation (<i>Note 22</i>)	(133)	(39)	(25)	(45)	(242)
Closing net book amount	<u>265</u>	<u>156</u>	<u>90</u>	<u>172</u>	<u>683</u>
At 31 December 2013					
Cost	1,041	390	252	450	2,133
Accumulated depreciation	(776)	(234)	(162)	(278)	(1,450)
Net book amount	<u>265</u>	<u>156</u>	<u>90</u>	<u>172</u>	<u>683</u>

Depreciation expenses are charged to “other operating expenses” in the statement of comprehensive income during the Relevant Periods.

9 FINANCIAL INSTRUMENTS BY CATEGORY

	Loans and receivables		
	As at 30 June		As at 31 December
	2012 <i>HK\$'000</i>	2013 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Group			
Assets included in the combined balance sheets			
Trade receivables (<i>Note 10</i>)	16,777	14,764	13,639
Deposits and other receivables (<i>Note 11</i>)	318	262	262
Amount due from a director (<i>Note 13</i>)	1,789	–	5,858
Cash and bank balances (<i>Note 14</i>)	<u>3,844</u>	<u>29,446</u>	<u>33,701</u>
	<u>22,728</u>	<u>44,472</u>	<u>53,460</u>

Financial liabilities at amortised costs

	As at 30 June		As at 31 December
	2012	2013	2013
	HK\$'000	HK\$'000	HK\$'000
Group			
Liabilities included in the combined balance sheets			
Trade payables (Note 16)	8,032	8,989	9,068
Accruals and other payables (Note 17)	1,250	1,994	2,835
Amount due to a related company (Note 12)	–	752	1,477
Amount due to a director (Note 13)	2,187	–	192
Bank borrowings (Note 19)	–	10,349	9,221
	<u>11,469</u>	<u>22,084</u>	<u>22,793</u>
Company			
Liabilities included in the balance sheets			
Accruals (Note 17)	–	446	892
Amount due to a related company (Note 12)	–	3,806	3,903
	<u>–</u>	<u>4,252</u>	<u>4,795</u>

10 TRADE RECEIVABLES

	As at 30 June		As at 31 December
	2012	2013	2013
	HK\$'000	HK\$'000	HK\$'000
Trade receivables	<u>16,777</u>	<u>14,764</u>	<u>13,639</u>

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

As at 30 June 2012 and 2013 and 31 December 2013, balances due from the top five customers account for 13%, 13% and 13%, respectively of the total balances. There is no concentration of credit risk with respect to trade receivables as there is a dispersed number of customers. Management considers that the credit risk in respect of these customers is currently low after considering past experience with these customers.

During the Relevant Periods, the Group's trade receivables have no credit term and payment is immediately due upon presentation of invoices to customers. At 30 June 2012 and 2013 and 31 December 2013, all trade receivables were past due but not considered to be impaired because these mainly relate to a number of customers with limited history of default. The ageing analysis of trade receivables by the date on which the respective sales invoices were issued is as follows:

	As at 30 June		As at 31 December
	2012	2013	2013
	HK\$'000	HK\$'000	HK\$'000
Less than 60 days	12,786	13,824	12,656
60 days to 180 days	3,046	899	983
Over 180 days	945	41	–
	<u>16,777</u>	<u>14,764</u>	<u>13,639</u>

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 2012 and 2013 and 31 December 2013, no collateral has been received from these counterparties.

11 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Group

	As at 30 June		As at 31 December
	2012	2013	2013
	HK\$'000	HK\$'000	HK\$'000
Current			
Prepayments	193	854	501
Deposits	–	47	47
Other receivables	38	18	18
	<u>231</u>	<u>919</u>	<u>566</u>
Non-current			
Prepayments	–	102	87
Deposits	280	197	197
	<u>280</u>	<u>299</u>	<u>284</u>
Total	<u>511</u>	<u>1,218</u>	<u>850</u>

Company

	As at 30 June 2013 HK\$'000	As at 31 December 2013 HK\$'000
Current Prepayments	<u>625</u>	<u>200</u>

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

12 AMOUNT DUE TO A RELATED COMPANY

Group

	As at 30 June		As at 31 December
	2012 HK\$'000	2013 HK\$'000	2013 HK\$'000
Amount due to a related company			
The Hong Kong Health Care Federation Limited	<u>–</u>	<u>752</u>	<u>1,477</u>

Company

	As at 30 June 2013 HK\$'000	As at 31 December 2013 HK\$'000
Amount due to a related company		
Bamboos Professional Nursing Services Limited	<u>3,806</u>	<u>3,903</u>

The balance with a related company is unsecured, interest-free, repayable on demand and denominated in Hong Kong dollars.

13 AMOUNTS DUE FROM/(TO) DIRECTORS

	As at 30 June		As at 31 December
	2012 HK\$'000	2013 HK\$'000	2013 HK\$'000
Amounts due from/(to) directors			
Mr. Kwan	1,789	–	(192)
Ms. Hai	<u>(2,187)</u>	<u>–</u>	<u>5,858</u>

The maximum outstanding receivables balances during the Relevant Periods are as follows:

	Year ended 30 June		Six months ended 31 December
	2012	2013	2013
	HK\$'000	HK\$'000	HK\$'000
Mr. Kwan	3,439	1,789	–
Ms. Hai	–	–	6,000
	<u> </u>	<u> </u>	<u> </u>

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

14 CASH AND BANK BALANCES

	As at 30 June		As at 31 December
	2012	2013	2013
	HK\$'000	HK\$'000	HK\$'000
Cash at banks	3,839	29,440	33,695
Cash on hand	5	6	6
	<u> </u>	<u> </u>	<u> </u>
	<u>3,844</u>	<u>29,446</u>	<u>33,701</u>

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

15 CAPITAL

Group – combined share capital

Combined share capital as at each balance sheet date represents the combined share capital of the companies now comprising the Group after elimination of inter-company investments.

Company – share capital

	As at 30 June 2013	As at 31 December 2013
	HK\$'000	HK\$'000
Authorised:		
1,000,000 ordinary shares of HK\$0.01 each	<u>10</u>	<u>10</u>
Issued and fully paid:		
10 ordinary shares of HK\$0.01 each	<u>–</u>	<u>–</u>

The Company was incorporated under the laws of the Cayman Islands on 23 November 2012. At the time of its incorporation, the authorised share capital of the Company was HK\$10,000 divided into 1,000,000 shares of HK\$0.01 each. On 23 November 2012, 1 share was allotted and issued at par, credited as fully paid, as the initial subscriber share. The share was subsequently transferred to Gold Empress Limited (a company solely and beneficially owned by

Ms. Hai) on the same day. On 13 December 2012, 8 shares and 1 share were allotted and issued at par, credited as fully paid, to Gold Empress Limited and Gold Beyond Limited (a company solely and beneficially owned by Mr. Kwan) respectively.

16 TRADE PAYABLES

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

An ageing analysis of trade payables as at the balance sheet dates is as follows:

	As at 30 June		As at 31 December
	2012	2013	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Less than 60 days	7,882	8,989	9,068
60 days to 120 days	142	–	–
Over 120 days	8	–	–
	8,032	8,989	9,068

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

17 ACCRUALS AND OTHER PAYABLES

Group

	As at 30 June		As at 31 December
	2012	2013	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Accrued expenses	1,193	1,782	2,287
Other payables	57	212	548
	1,250	1,994	2,835

Company

	As at 30 June 2013	As at 31 December 2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Accrued expenses	446	892

The carrying amounts of the Group's and the Company's accruals and other payables are denominated in Hong Kong dollars.

18 DEFERRED INCOME TAX

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

	As at 30 June		As at 31 December
	2012	2013	2013
	HK\$'000	HK\$'000	HK\$'000
Beginning of the year/period	111	55	55
Credited to profit or loss (Note 26)	(56)	–	(35)
End of the year/period	<u>55</u>	<u>55</u>	<u>20</u>

19 BANK BORROWINGS

	As at 30 June		As at 31 December
	2012	2013	2013
	HK\$'000	HK\$'000	HK\$'000
Current			
Bank borrowings due for repayment within one year which contain a repayment on demand clause	–	2,280	2,326
Bank borrowings due for repayment after one year which contain a repayment on demand clause	–	8,069	6,895
	<u>–</u>	<u>10,349</u>	<u>9,221</u>

The Group's borrowings as at 30 June 2013 and 31 December 2013 were all denominated in Hong Kong dollars, and were secured by personal guarantees given by the directors of the Company, guarantee by the Hong Kong Mortgage Corporation Limited and corporate guarantee by Bamboos Limited, a related company of the Group (Note 29(d)).

The weighted average effective interest rate of the bank borrowings as at 30 June 2013 and 31 December 2013 were 4.01% and 4.08%, respectively.

The carrying amounts of the Group's bank borrowings as at 30 June 2013 and 31 December 2013 approximate their fair values.

Disregarding the repayment on demand clauses, the maturity of the Group's borrowings is as follows:

	As at 30 June		As at 31 December
	2012	2013	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 1 year	–	2,280	2,326
Between 1 and 2 years	–	2,372	2,420
Between 2 and 5 years	–	5,697	4,475
	<u>–</u>	<u>10,349</u>	<u>9,221</u>

20 REVENUE

	Year ended 30 June		Six months ended 31 December	
	2012	2013	2012	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
			(unaudited)	
Turnover				
Revenue from provision of healthcare staffing solution services	<u>25,216</u>	<u>30,258</u>	<u>14,607</u>	<u>17,029</u>

An analysis of the gross components in arriving at the Group's revenue is set out below:

	Year ended 30 June		Six months ended 31 December	
	2012	2013	2012	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
			(unaudited)	
Gross fee	121,385	141,967	67,941	77,132
Cost attributable to healthcare personnel	<u>(96,169)</u>	<u>(111,709)</u>	<u>(53,334)</u>	<u>(60,103)</u>
	<u>25,216</u>	<u>30,258</u>	<u>14,607</u>	<u>17,029</u>

Gross fee does not represent the Group's revenue in accordance with HKFRS.

21 OTHER INCOME

	Year ended 30 June		Six months ended 31 December	
	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000 (unaudited)	2013 HK\$'000
Management fee income from related companies (Note 29)	780	–	–	–
Recharge of operating expenses to a related company (Note 29)	238	–	–	–
Advertising income	435	519	264	573
Others	359	573	295	385
	<u>1,812</u>	<u>1,092</u>	<u>559</u>	<u>958</u>

22 OTHER OPERATING EXPENSES

Included in other operating expenses are the following:

	Year ended 30 June		Six months ended 31 December	
	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000 (unaudited)	2013 HK\$'000
Depreciation	449	412	218	242
Auditor's remuneration	624	600	300	300
Legal and professional fee	130	140	25	34
Professional service fees in respect of listing preparation	–	3,627	2,677	968
Rates and management fee	232	194	111	35
Building naming license fee	263	153	131	–
Postage, utilities charges and general office expenses	470	606	198	390
Travelling and transportation expenses	287	142	102	115
Printing costs	757	617	287	484
Advertising and promotion expenses	215	397	102	153
Insurance expenses	167	228	125	97
Other expenses	527	692	404	482
	<u>4,121</u>	<u>7,808</u>	<u>4,680</u>	<u>3,300</u>

23 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' REMUNERATIONS)

	Year ended 30 June		Six months ended 31 December	
	2012	2013	2012	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(unaudited)	
Wages and salaries	5,916	5,777	2,508	2,833
Pension costs – defined contribution plan	196	237	95	141
Other staff welfare	411	238	128	236
	<u>6,523</u>	<u>6,252</u>	<u>2,731</u>	<u>3,210</u>

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\$1,000 prior to 1 June 2012 and HK\$1,250 thereafter, with contributions beyond these amounts being voluntary.

24 DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATIONS

(a) Directors' remunerations

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

	Year ended 30 June		Six months ended 31 December	
	2012	2013	2012	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(unaudited)	
Fees	700	700	350	350
Basic salaries, bonuses, other allowances and benefits in kind	–	–	–	–
Pension costs – defined contribution plan	–	–	–	–
	<u>700</u>	<u>700</u>	<u>350</u>	<u>350</u>

The remunerations of each director for the year ended 30 June 2012 are set out below:

Names of directors	Fees HK\$'000	Salary HK\$'000	Discretionary bonuses HK\$'000	Other benefits HK\$'000	Employer's contribution to pension scheme HK\$'000	Total HK\$'000
Hai Hiu Chu	300	–	–	–	–	300
Kwan Chi Hong (chief executive)	400	–	–	–	–	400
	<u>700</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>700</u>

The remunerations of each director for the year ended 30 June 2013 are set out below:

Names of directors	Fees HK\$'000	Salary HK\$'000	Discretionary bonuses HK\$'000	Other benefits HK\$'000	Employer's contribution to pension scheme HK\$'000	Total HK\$'000
Hai Hiu Chu	300	–	–	–	–	300
Kwan Chi Hong (chief executive)	400	–	–	–	–	400
	<u>700</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>700</u>

The remunerations of each director for the six months ended 31 December 2012 are set out below (unaudited):

Names of directors	Fees HK\$'000	Salary HK\$'000	Discretionary bonuses HK\$'000	Other benefits HK\$'000	Employer's contribution to pension scheme HK\$'000	Total HK\$'000
Hai Hiu Chu	150	–	–	–	–	150
Kwan Chi Hong (chief executive)	200	–	–	–	–	200
	<u>350</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>350</u>

The remunerations of each director for the six months ended 31 December 2013 are set out below:

Names of directors	Fees HK\$'000	Salary HK\$'000	Discretionary bonuses HK\$'000	Other benefits HK\$'000	Employer's contribution to pension scheme HK\$'000	Total HK\$'000
Hai Hiu Chu	150	–	–	–	–	150
Kwan Chi Hong (chief executive)	200	–	–	–	–	200
	<u>350</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>350</u>

No directors waived or agreed to waive any emoluments during the Relevant Periods.

Mr. Lam Cheung Wai, Mr. Chan Chi Fai Andrew and Mr. Luk Yim Fai were appointed as the Company's independent non-executive directors on 24 June 2014. During the Relevant Periods, the independent non-executive directors have not yet been appointed and received no directors' remuneration in the capacity of independent non-executive directors.

(b) Five highest paid individuals

The five individuals whose remunerations were the highest in the Group are in the following capacity:

	Number of individuals Year ended 30 June		Number of individuals Six months ended 31 December	
	2012	2013	2012 (unaudited)	2013
Directors	2	2	2	2
Employees	3	3	3	3
	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>

Information relating to the remunerations of the directors has been disclosed above. Details of the remunerations of the remaining highest paid individuals not in the capacity as a director during the Relevant Periods are set out below:

	Year ended 30 June		Six months ended 31 December	
	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000 (unaudited)	2013 HK\$'000
Basic salaries, bonuses, other allowances and benefits in kind	890	1,026	686	567
Pension costs – defined contribution plan	36	41	30	23
	<u>926</u>	<u>1,067</u>	<u>716</u>	<u>590</u>

The number of highest paid individuals not in the capacity as a director whose remunerations for each of the Relevant Periods fell within the following bands:

	Number of non-directors Year ended 30 June		Number of non-directors Six months ended 31 December	
	2012	2013	2012 (unaudited)	2013
Emolument Bands				
Nil to HK\$1,000,000	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>

During the Relevant Periods, 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.

25 FINANCE COSTS

	Year ended 30 June		Six months ended 31 December	
	2012	2013	2012	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(unaudited)	
Finance costs:				
– Interest expenses arising from bank borrowings	–	336	116	198

26 INCOME TAX EXPENSE

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

	Year ended 30 June		Six months ended 31 December	
	2012	2013	2012	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(unaudited)	
Current income tax:				
– Hong Kong profits tax	2,669	3,278	1,693	1,996
– (Over)/under-provision in previous years	(12)	(9)	–	228
Deferred income tax (Note 18)	(56)	–	(31)	(35)
	<u>2,601</u>	<u>3,269</u>	<u>1,662</u>	<u>2,189</u>

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

	Year ended 30 June		Six months ended 31 December	
	2012	2013	2012	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(unaudited)	
Profit before income tax	<u>15,836</u>	<u>16,335</u>	<u>7,397</u>	<u>10,919</u>
Calculated at a taxation rate of 16.5%	2,613	2,695	1,221	1,802
Expenses not deductible	–	583	441	159
(Over)/under-provision in previous years	<u>(12)</u>	<u>(9)</u>	<u>–</u>	<u>228</u>
	<u>2,601</u>	<u>3,269</u>	<u>1,662</u>	<u>2,189</u>

27 EARNINGS PER SHARE

No earnings per share information is presented as its inclusion, for the purpose of this report, is not considered meaningful due to the presentation of the results for each of the years ended 30 June 2012 and 2013 and six months ended 31 December 2012 and 2013 on a combined basis as disclosed in Note 3.

28 DIVIDEND

Dividend during the Relevant Periods represented dividend declared by Bamboos PNS to its then equity holders. The rates for dividend and the number of shares ranking for dividend are not presented as such information is not considered meaningful for the purpose of this report.

29 RELATED PARTY TRANSACTIONS**Group**

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 Relevant Periods, except for The Hong Kong Health Care Federation Limited (being an entity in which Ms. Hai and Mr. Kwan individually hold directorship), the equity interests of all other related parties involving in transactions or having balances with the Group are controlled by Ms. Hai.

(a) Year/period-end balances

Details of balances with a related company and directors are disclosed in Note 12 and 13 respectively.

(b) Transactions with related parties

During the Relevant Periods, the Group carried out the following transactions with its related parties:

	Year ended 30 June		Six months ended 31 December	
	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000 (unaudited)	2013 HK\$'000
Management fee income from: (Note i)				
– Bamboos				
Education-School for Talents Limited	600	–	–	–
– The Hong Kong Health Care Federation Limited	150	–	–	–
– Bamboos Medicine Limited	30	–	–	–
	<u>780</u>	<u>–</u>	<u>–</u>	<u>–</u>
Recharge of operating expenses to: (Note ii)				
– Bamboos				
Education-School for Talents Limited	238	–	–	–
	<u>238</u>	<u>–</u>	<u>–</u>	<u>–</u>
Operating lease rental to: (Note iii)				
– Bamboos Limited	–	298	–	360
	<u>–</u>	<u>298</u>	<u>–</u>	<u>360</u>

Balances with related companies arising from the above transactions are unsecured, interest-free, repayment on demand and denominated in Hong Kong dollars during the Relevant Periods.

Notes:

- (i) Terms of services are mutually agreed between the relevant parties.
- (ii) Recharge of operating expense was charged on a basis mutually agreed between the relevant parties.
- (iii) Operating lease rental is charged in accordance with the agreement entered into between the relevant parties.

(c) Key management compensation

Details of key management compensations are disclosed in Note 24(a).

(d) *Personal guarantees from Ms. Hai and Mr. Kwan and corporate guarantee from a related party*

As at 30 June 2013 and 31 December 2013 and during the respective year/period then ended, the Group's bank borrowings were secured by personal guarantees provided by Ms. Hai and Mr. Kwan and corporate guarantee by Bamboos Limited.

Company

The amount due to a related company, Bamboos PNS, is unsecured, interest-free and repayable on demand.

30 COMMITMENTS

Operating lease commitments

The Group leases offices under a non-cancellable operating lease agreement from a related party (Note 29(b)(iii)). The lease terms are within two years.

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

	As at 30 June		As at 31 December
	2012	2013	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
No later than 1 year	–	720	720
Later than 1 year and no later than 5 years	–	360	–
	<u>–</u>	<u>1,080</u>	<u>720</u>

The Group has no other significant commitments.

31 CONTINGENCIES

The Group did not have any significant contingent liabilities as at 30 June 2012 and 2013 and 31 December 2013.

32 SUBSEQUENT EVENTS

The following material transactions took place subsequent to 31 December 2013 and up to the date of this report:

- (a) On 21 March 2014, an interim dividend of HK\$230,000 per share, totaling HK\$23,000,000, was declared by Bamboos PNS. The amount was subsequently settled on 27 March 2014.
- (b) The Group completed the Reorganisation on 28 March 2014 in preparation for a listing of shares of the Company on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, the details of which are set out in Note 2 of Section II of this report.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared for the Company or any of the companies comprising the Group in respect of any period subsequent to 31 December 2013 and up to the date of this report. Save as disclosed in this report, no dividend or distribution has been declared or made by the Company or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2013.

Yours faithfully,
PricewaterhouseCoopers
Certified Public Accountants
Hong Kong

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The information set forth in this appendix does not form part of the Accountant's Report from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, the reporting accountant of the Company, as set forth in Appendix I to this prospectus, and is included herein for information only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the "Accountant's Report" set forth in Appendix I to this prospectus

A. UNAUDITED PRO FORMA ADJUSTED COMBINED NET TANGIBLE ASSETS

The following is an illustrative unaudited pro forma statement of adjusted combined net tangible assets of the Group prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Placing on the combined net tangible assets of the Group attributable to the equity holders of the Company as if the Placing had taken place on 31 December 2013.

This unaudited pro forma statement of adjusted combined net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the combined net tangible assets of the Group as at 31 December 2013 or at any future dates following the Placing.

	Unadjusted audited combined net tangible assets of the Group attributable to the equity holders of the Company as at 31 December 2013 ⁽¹⁾ HK\$'000	Estimated net proceeds from the Placing ⁽²⁾ HK\$'000	Unaudited pro forma adjusted combined net tangible assets of the Group attributable to the equity holders of the Company as at 31 December 2013 HK\$'000	Unaudited pro forma adjusted combined net tangible assets per share ⁽³⁾ HK\$
Based on a Placing Price of HK\$0.4 per share	29,362	22,445	51,807	0.13
Based on a Placing Price of HK\$0.5 per share	29,362	30,993	60,355	0.15

Notes:

- (1) The unadjusted audited combined net tangible assets attributable to the equity holders of the Company as of 31 December 2013 is extracted from the Accountant's Report set out in Appendix I to this prospectus, which is based on the audited combined net tangible assets of the Group attributable to the equity holders of the Company as at 31 December 2013 of approximately HK\$29.4 million.
- (2) The estimated net proceeds from the Placing are based on 100,000,000 Placing Shares and the indicative Placing Price of HK\$0.4 per Share and HK\$0.5 per Share, being the low-end and high-end of Placing Pricing range, respectively, after deduction of the

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underwriting fees and related expenses payable by the Company (excluding listing expenses of approximately HK\$4.6 million which have been incurred as at 31 December 2013).

- (3) The unaudited pro forma adjusted combined net tangible assets per Share is calculated based on 400,000,000 Shares in issue immediately following the completion of the Placing and the Capitalisation Issue but takes no account of any Shares which may be allotted and issued upon the exercise of the Offer Size Adjustment Option or any options which may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares referred to in Appendix IV to this prospectus.
- (4) The unaudited pro forma adjusted combined net tangible assets of the Group does not take into account the dividend of HK\$23.0 million declared by Bamboos PNS in March 2014. The unaudited pro forma adjusted combined net tangible assets per Share would have been approximately HK\$0.07 and HK\$0.09 per Share based on the Placing Price of HK\$0.4 and HK\$0.5, respectively, after taking into account the declaration of such dividend of HK\$23.0 million.
- (5) No adjustment has been made to reflect any trading result or other transaction of the Group entered into subsequent to 31 December 2013.

**B. LETTER FROM THE REPORTING ACCOUNTANT OF THE COMPANY ON
UNAUDITED PRO FORMA FINANCIAL INFORMATION RELATING TO THE
UNAUDITED PRO FORMA ADJUSTED COMBINED NET TANGIBLE ASSETS**

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



羅兵咸永道

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION INCLUDED
IN A PROSPECTUS**

TO THE DIRECTORS OF BAMBOOS HEALTH CARE HOLDINGS LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Bamboos Health Care Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted combined net tangible assets of the Group as at 31 December 2013, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages II-1 to II-2 of the Company's prospectus dated 30 June 2014, in connection with the proposed listing of the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described in pages II-1 to II-2 of the prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the proposed placing of shares on the Group's financial position as at 31 December 2013 as if the proposed placing of shares had taken place at 31 December 2013. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's financial information for the year ended 31 December 2013, on which an accountant's report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the HKICPA. This standard requires that the reporting accountant complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed placing of shares at 31 December 2013 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

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The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

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

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 30 June 2014

SUMMARY OF THE CONSTITUTION OF OUR COMPANY**1 Memorandum of Association**

The Memorandum was conditionally adopted on 24 June 2014 and states, inter alia, that the liability of the members of our Company is limited, that the objects for which our Company is established are unrestricted and our Company shall have full power and authority to carry out any object not prohibited by the Companies Law or any other law of the Cayman Islands.

The Memorandum is available for inspection at the address specified in the section headed "Documents available for inspection" in Appendix V to this prospectus.

2 Articles of Association

The Articles were conditionally adopted on 24 June 2014 and include provisions to the following effect:

2.1 Classes of Shares

The share capital of our Company consists of ordinary shares. The capital of our Company at the date of adoption of the Articles is HK\$20,000,000 divided into 2,000,000,000 shares of HK\$0.01 each.

2.2 Directors***(a) Power to allot and issue Shares***

Subject to the provisions of the Companies Law and the Memorandum and Articles, the unissued shares in our Company (whether forming part of its original or any increased capital) shall be at the disposal of the Directors, who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration, and upon such terms, as the Directors shall determine.

Subject to the provisions of the Articles and to any direction that may be given by our Company in general meeting and without prejudice to any special rights conferred on the holders of any existing shares or attaching to any class of shares, any share may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and to such persons at such times and for such consideration as the Directors may determine. Subject to the Companies Law and to any special rights conferred on any shareholders

or attaching to any class of shares, any share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of our Company or the holder thereof, liable to be redeemed.

(b) Power to dispose of the assets of our Company or any subsidiary

The management of the business of our Company shall be vested in the Directors who, in addition to the powers and authorities by the Articles expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done or approved by our Company and are not by the Articles or the Companies Law expressly directed or required to be exercised or done by our Company in general meeting, but subject nevertheless to the provisions of the Companies Law and of the Articles and to any regulation from time to time made by our Company in general meeting not being inconsistent with such provisions or the Articles, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

(c) Compensation or payment for loss of office

Payment to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must first be approved by our Company in general meeting.

(d) Loans to Directors

There are provisions in the Articles prohibiting the making of loans to Directors or their respective associates which are equivalent to the restrictions imposed by the Companies Ordinance.

(e) Financial assistance to purchase Shares

Subject to all applicable laws, our Company may give financial assistance to Directors and employees of our Company, our subsidiaries or any holding company or any subsidiary of such holding company in order that they may buy shares in our Company or any such subsidiary or holding company. Further, subject to all applicable laws, our Company may give financial assistance to a trustee for the acquisition of shares in our Company or shares in any such subsidiary or holding company to be held for the benefit of employees of our Company, our subsidiaries, any holding company of our Company or any subsidiary of any such holding company (including salaried Directors).

(f) *Disclosure of interest in contracts with our Company or any of our subsidiaries*

No Director or proposed Director shall be disqualified by his office from contracting with our Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of our Company with any person, company or partnership of or in which any Director shall be a member or otherwise interested be capable on that account of being avoided, nor shall any Director so contracting or being any member or so interested be liable to account to our Company for any profit so realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall, if his interest in such contract or arrangement is material, declare the nature of his interest at the earliest meeting of the board of Directors at which it is practicable for him to do so, either specifically or by way of a general notice stating that, by reason of the facts specified in the notice, he is to be regarded as interested in any contracts of a specified description which may be made by our Company.

A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Directors in respect of any contract or arrangement or any other proposal in which the Director or any of his associates has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

- (i) the giving to such Director or any of his associates of any security or indemnity in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of our Company or any of its subsidiaries;
- (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of our Company or any of its subsidiaries for which the Director or any of his associates has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning an offer of shares, debentures or other securities of or by our Company or any other company which our Company may promote or be interested in for subscription or purchase where the Director or any of his associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(iv) any proposal or arrangement concerning the benefit of employees of our Company or any of our subsidiaries including:

(A) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or any of his associates may benefit; or

(B) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors, their associates and employees of our Company or any of our subsidiaries and does not provide in respect of any Director or any of his associates, as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(v) any contract or arrangement in which the Director or any of his associates is/are interested in the same manner as other holders of shares or debentures or other securities of our Company by virtue only of his/their interest in shares or debentures or other securities of our Company.

(g) Remuneration

The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Directors, or our Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided amongst the Directors in such proportions and in such manner as they may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in our Company may be entitled by reason of such employment or office.

The Directors shall also be entitled to be paid all expenses, including travel expenses, reasonably incurred by them in or in connection with the performance of their duties as Directors including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of our Company or in the discharge of their duties as Directors.

The Directors may grant special remuneration to any Director who shall perform any special or extra services at the request of our Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be agreed.

The remuneration of an executive Director or a Director appointed to any other office in the management of our Company shall from time to time be fixed by the Directors and may be by way of salary, commission or participation in profits or otherwise or by all or any of those modes and with such other benefits (including share option and/or pension and/or gratuity and/or other benefits on retirement) and allowances as the Directors may from time to time decide. Such remuneration shall be in addition to such remuneration as the recipient may be entitled to receive as a Director.

(h) Retirement, appointment and removal

The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next annual general meeting of our Company and shall then be eligible for re-election at that meeting.

Our Company may by ordinary resolution remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in the Articles or in any agreement between our Company and such Director (but without prejudice to any claim for compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment of office as a result of the termination of this appointment as Director). Our Company may by ordinary resolution appoint another person in his place. Any Director so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed. Our Company may also by ordinary resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following annual general meeting of our Company and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting. No person shall, unless recommended by the Directors, be eligible for election to the office of Director at any general meeting unless, during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than

seven days prior to the date of such meeting, there has been given to the Secretary of our Company notice in writing by a member of our Company (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

There is no shareholding qualification for Directors nor is there any specified age limit for Directors.

The office of a Director shall be vacated:

- (i) if he resigns his office by notice in writing to our Company at its registered office or its principal office in Hong Kong;
- (ii) if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Directors resolve that his office be vacated;
- (iii) if, without leave, he is absent from meetings of the Directors (unless an alternate Director appointed by him attends) for 12 consecutive months, and the Directors resolve that his office be vacated;
- (iv) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (v) if he ceases to be or is prohibited from being a Director by law or by virtue of any provision in the Articles;
- (vi) if he is removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) for the time being then in office; or
- (vii) if he shall be removed from office by an ordinary resolution of the members of our Company under the Articles.

At every annual general meeting of our Company one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring

Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. Our Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

(i) Borrowing powers

The Directors may from time to time at their discretion exercise all the powers of our Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of our Company and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof.

(j) Proceedings of the Board

The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit in any part of the world. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

2.3 Alteration to constitutional documents

No alteration or amendment to the Memorandum or Articles may be made except by special resolution.

2.4 Variation of rights of existing shares or classes of shares

If at any time the share capital of our Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Companies Law, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of the Articles relating to general meetings shall *mutatis mutandis* apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.

The special rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

2.5 Alteration of capital

Our Company in general meeting may, from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

Our Company may from time to time by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares. On any consolidation of fully paid shares and division into shares of larger amount, the Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Directors for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to our Company for our Company's benefit;
- (b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled subject to the provisions of the Companies Law; and
- (c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Companies Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as our Company has power to attach to unissued or new shares.

Our Company may by special resolution reduce its share capital or any capital redemption reserve in any manner authorised and subject to any conditions prescribed by the Companies Law.

2.6 Special resolution – majority required

A “special resolution” is defined in the Articles to have the meaning ascribed thereto in the Companies Law, for which purpose, the requisite majority shall be not less than three-fourths of the votes of such members of our Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution approved in writing by all of the members of our Company entitled to vote at a general meeting of our Company in one or more instruments each signed by one or more of such members, and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments (if more than one) is executed.

In contrast, an “ordinary resolution” is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of our Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles and includes an ordinary resolution approved in writing by all the members of our Company aforesaid.

2.7 Voting rights

Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a poll every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register of members of our Company.

Where any member is, under the GEM Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

In the case of joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that

one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.

A member of our Company in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote by any person authorised in such circumstances to do so and such person may vote by proxy.

Save as expressly provided in the Articles or as otherwise determined by the Directors, no person other than a member of our Company duly registered and who shall have paid all sums for the time being due from him payable to our Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member of our Company), or to be reckoned in a quorum, either personally or by proxy at any general meeting.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of a poll save that the chairman of the meeting may allow a resolution which relates purely to a procedural or administrative matter as prescribed under the GEM Listing Rules to be voted on by a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of our Company it may authorise such person or persons as it thinks fit to act as its proxy(ies) or representative(s) at any general meeting of our Company or at any general meeting of any class of members of our Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if it were an individual member of our Company holding the number and class of shares specified in such authorisation, including, where a show of hands is allowed, the right to vote individually on a show of hands.

2.8 Annual general meetings

Our Company shall in each year hold a general meeting as its annual general meeting in addition to any other general meeting in that year and shall specify the meeting as such in the notice calling it; and not more than

15 months (or such longer period as the Stock Exchange may authorise) shall elapse between the date of one annual general meeting of our Company and that of the next.

2.9 Accounts and audit

The Directors shall cause to be kept such books of account as are necessary to give a true and fair view of the state of our Company's affairs and to show and explain its transactions and otherwise in accordance with the Companies Law.

The Directors shall from time to time determine whether, and to what extent, and at what times and places and under what conditions or regulations, the accounts and books of our Company, or any of them, shall be open to the inspection of members of our Company (other than officers of our Company) and no such member shall have any right of inspecting any accounts or books or documents of our Company except as conferred by the Companies Law or any other relevant law or regulation or as authorised by the Directors or by our Company in general meeting.

The Directors shall, commencing with the first annual general meeting, cause to be prepared and to be laid before the members of our Company at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of our Company and, in any other case, since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up and a Director's report with respect to the profit or loss of our Company for the period covered by the profit and loss account and the state of our Company's affairs as at the end of such period, an auditor's report on such accounts and such other reports and accounts as may be required by law. Copies of those documents to be laid before the members of our Company at an annual general meeting shall not less than 21 days before the date of the meeting, be sent in the manner in which notices may be served by our Company as provided in the Articles to every member of our Company and every holder of debentures of our Company provided that our Company shall not be required to send copies of those documents to any person of whose address our Company is not aware or to more than one of the joint holders of any shares or debentures.

Our Company shall at any annual general meeting appoint an auditor or auditors of our Company who shall hold office until the next annual general meeting. The remuneration of the auditors shall be fixed by our Company at the annual general meeting at which they are appointed provided that in respect of any particular year our Company in general meeting may delegate the fixing of such remuneration to the Directors.

2.10 Notice of meetings and business to be conducted thereat

An annual general meeting and any extraordinary general meeting called for the passing of a special resolution shall be called by not less than 21 days' notice in writing and any other extraordinary general meeting shall be called by not less than 14 days' notice in writing. The notice shall be inclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place and agenda of the meeting, particulars of the resolutions to be considered at the meeting and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the auditors and all members of our Company (other than those who, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notice from our Company).

Notwithstanding that a meeting of our Company is called by shorter notice than that mentioned above, it shall be deemed to have been duly called if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all members of our Company entitled to attend and vote thereat or their proxies; and
- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right.

All business shall be deemed special that is transacted at an extraordinary general meeting and also all business shall be deemed special that is transacted at an annual general meeting with the exception of the following, which shall be deemed ordinary business:

- (a) the declaration and sanctioning of dividends;
- (b) the consideration and adoption of the accounts and balance sheets and the reports of the Directors and the auditors and other documents required to be annexed to the balance sheet;
- (c) the election of Directors in place of those retiring;
- (d) the appointment of auditors;

- (e) the fixing of, or the determining of the method of fixing of, the remuneration of the Directors and of the auditors;
- (f) the granting of any mandate or authority to the Directors to offer, allot, grant options over or otherwise dispose of the unissued shares of our Company representing not more than 20% (or such other percentage as may from time to time be specified in the GEM Listing Rules) in nominal value of its then existing issued share capital and the number of any securities repurchased pursuant to sub-paragraph (g) below; and
- (g) the granting of any mandate or authority to the Directors to repurchase securities of our Company.

2.11 Transfer of shares

Transfers of shares may be effected by an instrument of transfer in the usual common form or in such other form as the Directors may approve which is consistent with the standard form of transfer as prescribed by the Stock Exchange.

The instrument of transfer shall be executed by or on behalf of the transferor and, unless the Directors otherwise determine, the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members of our Company in respect thereof. All instruments of transfer shall be retained by our Company.

The Directors may refuse to register any transfer of any share which is not fully paid up or on which our Company has a lien. The Directors may also decline to register any transfer of any shares unless:

- (a) the instrument of transfer is lodged with our Company accompanied by the certificate for the shares to which it relates (which shall upon the registration of the transfer be cancelled) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (b) the instrument of transfer is in respect of only one class of shares;
- (c) the instrument of transfer is properly stamped (in circumstances where stamping is required);
- (d) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four;

- (e) the shares concerned are free of any lien in favour of our Company; and
- (f) a fee of such maximum as the Stock Exchange may from time to time determine to be payable (or such lesser sum as the Directors may from time to time require) is paid to our Company in respect thereof.

If the Directors refuse to register a transfer of any share they shall, within two months after the date on which the transfer was lodged with our Company, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on 14 days' notice being given by advertisement published on the Stock Exchange's website, or, subject to the GEM Listing Rules, by electronic communication in the manner in which notices may be served by our Company by electronic means as provided in the Articles or by advertisement published in the newspapers, be suspended and the register of members of our Company closed at such times for such periods as the Directors may from time to time determine, provided that the registration of transfers shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members of our Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

2.12 Power of our Company to purchase its own shares

Our Company is empowered by the Companies Law and the Articles to purchase its own shares subject to certain restrictions and the Directors may only exercise this power on behalf of our Company subject to the authority of its members in general meeting as to the manner in which they do so and to any applicable requirements imposed from time to time by the Stock Exchange and the Securities and Futures Commission of Hong Kong. Shares which have been repurchased will be treated as cancelled upon the repurchase.

2.13 Power of any subsidiary of our Company to own shares

There are no provisions in the Articles relating to the ownership of shares by a subsidiary.

2.14 Dividends and other methods of distribution

Subject to the Companies Law and Articles, our Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Directors. No dividend may be declared or paid other than out of profits and reserves of our Company lawfully available for distribution, including share premium.

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For these purposes no amount paid up on a share in advance of calls shall be treated as paid up on the share.

The Directors may from time to time pay to the members of our Company such interim dividends as appear to the Directors to be justified by the profits of our Company. The Directors may also pay half-yearly or at other intervals to be selected by them at a fixed rate if they are of the opinion that the profits available for distribution justify the payment.

The Directors may retain any dividends or other moneys payable on or in respect of a share upon which our Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The Directors may also deduct from any dividend or other moneys payable to any member of our Company all sums of money (if any) presently payable by him to our Company on account of calls, instalments or otherwise.

No dividend shall carry interest against our Company.

Whenever the Directors or our Company in general meeting have resolved that a dividend be paid or declared on the share capital of our Company, the Directors may further resolve: (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted are to be of the same class as the class already held by the allottee, provided that the members of our Company entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or (b) that the members of our Company entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Directors may think fit on the basis that the shares so allotted are to be of the same class as the class already held by the allottee. Our Company may upon the recommendation of the Directors by ordinary resolution resolve in respect of any one particular dividend of our Company that notwithstanding the foregoing a

dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to members of our Company to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to a holder of shares may be paid by cheque or warrant sent through the post addressed to the registered address of the member of our Company entitled, or in the case of joint holders, to the registered address of the person whose name stands first in the register of members of our Company in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register of members of our Company in respect of such shares, and shall be sent at his or their risk and the payment of any such cheque or warrant by the bank on which it is drawn shall operate as a good discharge to our Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Our Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, our Company may exercise its power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Any dividend unclaimed for six years from the date of declaration of such dividend may be forfeited by the Directors and shall revert to our Company.

The Directors may, with the sanction of the members of our Company in general meeting, direct that any dividend be satisfied wholly or in part by the distribution of specific assets of any kind, and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, and where any difficulty arises in regard to such distribution the Directors may settle it as they think expedient, and in particular may disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of our Company, and may fix the value for distribution of such specific assets and may determine that cash payments shall be made to any members of our Company upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

2.15 Proxies

Any member of our Company entitled to attend and vote at a meeting of our Company shall be entitled to appoint another person who must be an individual as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. A proxy need not be a member of our Company.

Instruments of proxy shall be in common form or in such other form as the Directors may from time to time approve provided that it shall enable a member to instruct his proxy to vote in favour of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates provided that the meeting was originally held within 12 months from such date.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney authorised in writing or if the appointor is a corporation either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

The instrument appointing a proxy and (if required by the Directors) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of our Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member of our Company from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

2.16 Calls on shares and forfeiture of shares

The Directors may from time to time make calls upon the members of our Company in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed times and each member of our Company shall (subject to our Company serving upon him at least 14 days' notice specifying the time and place of payment and to whom such payment shall be made) pay to the person at the time and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of the shares in respect of which the call was made.

A call may be made payable either in one sum or by instalments and shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect of such share or other moneys due in respect thereof.

If a sum called in respect of a share shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 15% per annum, as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

If any call or instalment of a call remains unpaid on any share after the day appointed for payment thereof, the Directors may at any time during such time as any part thereof remains unpaid serve a notice on the holder of such shares requiring payment of so much of the call or instalment as is unpaid together with any interest which may be accrued and which may still accrue up to the date of actual payment.

The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or instalment is unpaid will be liable to be forfeited.

If the requirements of such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments and interest due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in

respect of the forfeited shares and not actually paid before the forfeiture. A forfeited share shall be deemed to be the property of our Company and may be re-allotted, sold or otherwise disposed of.

A person whose shares have been forfeited shall cease to be a member of our Company in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to our Company all moneys which at the date of forfeiture were payable by him to our Company in respect of the shares, together with (if the Directors shall in their discretion so require) interest thereon at such rate not exceeding 15% per annum as the Directors may prescribe from the date of forfeiture until payment, and the Directors may enforce payment thereof without being under any obligation to make any allowance for the value of the shares forfeited, at the date of forfeiture.

2.17 Inspection of register of members

The register of members of our Company shall be kept in such manner as to show at all times the members of our Company for the time being and the shares respectively held by them. The register may, on 14 days' notice being given by advertisement published on the Stock Exchange's website, or, subject to the GEM Listing Rules, by electronic communication in the manner in which notices may be served by our Company by electronic means as provided in the Articles or by advertisement published in the newspapers, be closed at such times and for such periods as the Directors may from time to time determine either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members of our Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

Any register of members kept in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Directors may impose) be open to inspection by any member of our Company without charge and by any other person on payment of such fee not exceeding HK\$2.50 (or such higher amount as may from time to time be permitted under the GEM Listing Rules) as the Directors may determine for each inspection.

2.18 Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairman which shall not be treated as part of the business of the meeting.

Two members of our Company present in person or by proxy shall be a quorum provided always that if our Company has only one member of record the quorum shall be that one member present in person or by proxy.

A corporation being a member of our Company shall be deemed for the purpose of the Articles to be present in person if represented by its duly authorised representative being the person appointed by resolution of the directors or other governing body of such corporation or by power of attorney to act as its representative at the relevant general meeting of our Company or at any relevant general meeting of any class of members of our Company.

The quorum for a separate general meeting of the holders of a separate class of shares of our Company is described in paragraph 2.4 above.

2.19 Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles concerning the rights of minority shareholders in relation to fraud or oppression.

2.20 Procedure on liquidation

If our Company shall be wound up, and the assets available for distribution amongst the members of our Company as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members of our Company in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution amongst the members of our Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members of our Company in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. The foregoing is without prejudice to the rights of the holders of shares issued upon special terms and conditions.

If our Company shall be wound up, the liquidator may with the sanction of a special resolution of our Company and any other sanction required by the Companies Law, divide amongst the members of our Company in specie or kind the whole or any part of the assets of our Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members of our Company. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the

members of our Company as the liquidator, with the like sanction and subject to the Companies Law, shall think fit, but so that no member of our Company shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

2.21 Untraceable members

Our Company shall be entitled to sell any shares of a member of our Company or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if: (a) all cheques or warrants, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (b) our Company has not during that time or before the expiry of the three month period referred to in (d) below received any indication of the whereabouts or existence of the member; (c) during the 12 year period, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and (d) upon expiry of the 12 year period, our Company has caused an advertisement to be published in the newspapers or subject to the GEM Listing Rules, by electronic communication in the manner in which notices may be served by our Company by electronic means as provided in the Articles, giving notice of its intention to sell such shares and a period of three months has elapsed since such advertisement and the Stock Exchange has been notified of such intention. The net proceeds of any such sale shall belong to our Company and upon receipt by our Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds.

SUMMARY OF CAYMAN ISLANDS COMPANY LAW AND TAXATION

1 Introduction

The Companies Law is derived, to a large extent, from the older Companies Acts of England, although there are significant differences between the Companies Law and the current Companies Act of England. Set out below is a summary of certain provisions of the Companies Law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of corporate law and taxation which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

2 Incorporation

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 23 November 2012 under the Companies Law. As such, its operations must be conducted mainly outside the Cayman Islands.

Our Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the size of its authorised share capital.

3 Share Capital

The Companies Law permits a company to issue ordinary shares, preference shares, redeemable shares or any combination thereof.

The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premia on those shares shall be transferred to an account called the "share premium account". At the option of a company, these provisions may not apply to premia on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Companies Law provides that the share premium account may be applied by a company, subject to the provisions, if any, of its memorandum and articles of association, in such manner as our Company may from time to time determine including, but without limitation:

- (a) paying distributions or dividends to members;
- (b) paying up unissued shares of our Company to be issued to members as fully paid bonus shares;
- (c) in the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Law);
- (d) writing-off the preliminary expenses of our Company;
- (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of our Company; and
- (f) providing for the premium payable on redemption or purchase of any shares or debentures of our Company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid our Company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

Subject to the detailed provisions of the Companies Law, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of our Company or a shareholder. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. The manner of such a purchase must be authorised either by the articles of association or by an ordinary resolution of our Company. The articles of association may provide that the manner of purchase may be determined by the directors of our Company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any member of our Company holding shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, our Company shall be able to pay its debts as they fall due in the ordinary course of business.

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if our directors of our Company consider, in discharging their duties of care and to act in good faith, for a proper purpose and in the interests of our Company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

4 Dividends and Distributions

With the exception of section 34 of the Companies Law, there are no statutory provisions relating to the payment of dividends. Based upon English case law which is likely to be persuasive in the Cayman Islands in this area, dividends may be paid only out of profits. In addition, section 34 of the Companies Law permits, subject to a solvency test and the provisions, if any, of our Company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see paragraph 3 above for details).

5 Shareholders' Suits

The Cayman Islands courts can be expected to follow English case law precedents. The rule in *Foss v. Harbottle* (and the exceptions thereto which permit a minority shareholder to commence a class action against or derivative actions in the name of our Company to challenge (a) an act which is *ultra vires* our Company or illegal, (b) an act which constitutes a fraud against the minority where the wrongdoers are themselves in control of our Company, and (c) an

action which requires a resolution with a qualified (or special) majority which has not been obtained) has been applied and followed by the courts in the Cayman Islands.

6 Protection of Minorities

In the case of a company (not being a bank) having a share capital divided into shares, the Grand Court of the Cayman Islands may, on the application of members holding not less than one-fifth of the shares of our Company in issue, appoint an inspector to examine into the affairs of our Company and to report thereon in such manner as the Grand Court shall direct.

Any shareholder of a company may petition the Grand Court of the Cayman Islands which may make a winding up order if the court is of the opinion that it is just and equitable that our Company should be wound up.

Claims against a company by its shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by our Company's memorandum and articles of association.

The English common law rule that the majority will not be permitted to commit a fraud on the minority has been applied and followed by the courts of the Cayman Islands.

7 Disposal of Assets

The Companies Law contains no specific restrictions on the powers of directors to dispose of assets of a company. As a matter of general law, in the exercise of those powers, the directors must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of our Company.

8 Accounting and Auditing Requirements

The Companies Law requires that a company shall cause to be kept proper books of account with respect to:

- (a) all sums of money received and expended by our Company and the matters in respect of which the receipt and expenditure takes place;
- (b) all sales and purchases of goods by our Company; and
- (c) the assets and liabilities of our Company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of our Company's affairs and to explain its transactions.

9 Register of Members

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as its directors may from time to time think fit. There is no requirement under the Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection.

10 Inspection of Books and Records

Members of a company will have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of our Company. They will, however, have such rights as may be set out in our Company's articles of association.

11 Special Resolutions

The Companies Law provides that a resolution is a special resolution when it has been passed by a majority of not less than two-thirds (or such greater number as may be specified in the articles of association of our Company) of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given. Written resolutions signed by all the members entitled to vote for the time being of our Company may take effect as special resolutions if this is authorised by the articles of association of our Company.

12 Subsidiary Owning Shares in Parent

The Companies Law does not prohibit a Cayman Islands company acquiring and holding shares in its parent company provided its objects so permit. The directors of any subsidiary making such acquisition must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the subsidiary.

13 Mergers and Consolidations

The Companies Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and

liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorised by (a) a special resolution of each constituent company and (b) such other authorisation, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

14 Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing 75% in value of shareholders or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting shareholder would have the right to express to the Grand Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Grand Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management and if the transaction were approved and consummated the dissenting shareholder would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of his shares) ordinarily available, for example, to dissenting shareholders of United States corporations.

15 Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may at any time within two months after the expiration of the said four months, by notice require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Grand Court of the Cayman Islands within one month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Grand Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

16 Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

17 Liquidation

A company may be placed in liquidation compulsorily by an order of the court, or voluntarily (a) by a special resolution of its members if our Company is solvent, or (b) by an ordinary resolution of its members if our Company is insolvent. The liquidator's duties are to collect the assets of our Company (including the amount (if any) due from the contributories (shareholders)), settle the list of creditors and discharge our Company's liability to them, rateably if insufficient assets exist to discharge the liabilities in full, and to settle the list of contributories and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

18 Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

19 Taxation

Pursuant to section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, our Company may obtain an undertaking from the Governor in Cabinet:

- (a) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to our Company or its operations; and
- (b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by our Company:
 - (i) on or in respect of the shares, debentures or other obligations of our Company; or
 - (ii) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Law (2011 Revision).

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to our Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties that are applicable to any payments made by or to our Company.

20 Exchange Control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

21 General

Maples and Calder, our Company's legal advisers on Cayman Islands law, have sent to our Company a letter of advice summarising aspects of Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the section headed "Documents delivered to the Registrar of Companies and available for inspection" in Appendix V to this prospectus. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he/she is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY**1. Incorporation of our Company**

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 23 November 2012. Our Company has established its principal place of business in Hong Kong at Unit B and C, 16/F, E-Trade Plaza, 24 Lee Chung Street, Chai Wan, Hong Kong and has been registered as a non-Hong Kong company under Part XI of the Predecessor Companies Ordinance since 27 December 2012. In connection with such registration, our Company has appointed Ms. Hai of Room 3519, 35th Floor, Sutton Court, Gateway Apartment, Tsim Sha Tsui, Kowloon, Hong Kong, as the authorised representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company is incorporated in the Cayman Islands, it operates subject to the Companies Law and to its constitution comprising the Memorandum and the Articles. A summary of various provisions of our Company's constitution and certain relevant aspects of the Companies Law is set out in Appendix III to this prospectus.

2. Changes in the share capital of our Company

- (a) The authorised share capital of our Company as of the date of its incorporation was HK\$10,000 divided into 1,000,000 Shares of HK\$0.01 each, of which one Share was allotted and issued at par to Mapcal Limited as the initial subscriber credited as fully paid on the same day.
- (b) On 23 November 2012, the one subscriber Share was transferred to Gold Empress.
- (c) On 13 December 2012, 8 Shares of HK\$0.01 each were allotted and issued at par, credited as fully paid, to Gold Empress (together with the said 1 Share transferred from the initial subscriber, in aggregate representing 90% of the entire issued share capital of our Company) and 1 Share of HK\$0.01 each was allotted and issued at par, credited as fully paid, to Gold Beyond (representing 10% of the entire issued share capital of our Company).
- (d) On 28 March 2014, 9 Shares were allotted and issued, credited as fully paid, to Gold Empress and 1 Share was allotted and issued, credited as fully paid, to Gold Beyond, in return for the transfer of 18 shares and 2 shares in Achiever Team by Gold Empress and Gold Beyond respectively to the Company.
- (e) Pursuant to the resolutions in writing of the shareholders of our Company passed on 24 June 2014, the authorised share capital of our Company was increased from HK\$10,000 to HK\$20,000,000 by the creation of 1,999,000,000 Shares.

- (f) Immediately following completion of the Placing and the Capitalisation Issue but not taking into account any Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option or any options which may be granted under the Share Option Scheme, the issued share capital of our Company will be HK\$4,000,000 divided into 400,000,000 Shares, all fully paid or credited as fully paid and 1,600,000,000 Shares will remain unissued.
- (g) Save as aforesaid and as mentioned in the paragraph headed "Written resolutions of all the Shareholders passed on 24 June 2014" below, there has been no alteration in the share capital of our Company since incorporation.

3. Written resolutions of all the Shareholders passed on 24 June 2014

On 24 June 2014, written resolutions of all the Shareholders were passed pursuant to which, among others:

- (a) the authorised share capital of our Company was increased from HK\$10,000 to HK\$20,000,000 by the creation of 1,999,000,000 Shares;
- (b) our Company approved and adopted the Memorandum and the Articles to be effective conditional on the Listing;
- (c) conditional on (A) the Listing Committee granting the listing of, and permission to deal in, the Shares in issue and the Shares to be issued as mentioned herein (including any Shares which may be issued pursuant to the Placing, the Offer Size Adjustment Option and the Share Option Scheme); and (B) the obligations of the Underwriters under the Underwriting Agreement becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the Sole Sponsor on behalf of itself, the Joint Lead Managers and the Underwriters) and not being terminated in accordance with the terms of such agreements or otherwise, in each case on or before the date determined in accordance with the terms of the Underwriting Agreement:
 - (i) the Placing was approved and our Directors were authorised to effect the same and to allot and issue the Placing Shares;
 - (ii) the Offer Size Adjustment Option was approved and our Directors were authorised to allot and issue any Shares which may be required to be issued if the Offer Size Adjustment Option is exercised;

- (iii) the rules of the Share Option Scheme were approved and adopted and our Directors were authorised, at their absolute discretion, to grant options to subscribe for Shares under the Share Option Scheme and to allot, issue and deal with Shares issued pursuant thereunder and to take all such steps as they consider necessary or desirable to implement the Share Option Scheme and to vote on any matter connected therewith notwithstanding that they or any of them may be interested in the same; and
- (iv) conditional upon the share premium amount of our Company being credited as a result of the Placing, our Directors were authorised to capitalise the amount of HK\$2,999,999.80 from the amount standing to the credit of the share premium account of our Company and applying such sum to pay up in full at par 299,999,980 Shares for allotment and issue to the person(s) whose name(s) appears on the register of members of our Company at the close of business on 24 June 2014, pro-rata (or as nearly as possible without involving fractions) to its/their then existing shareholdings in our Company;
- (d) a general unconditional mandate was given to our Directors to exercise all the powers of our Company to allot, issue and deal with (otherwise than by way of rights issue or an issue of shares upon the exercise of any subscription or conversion rights attached to any warrants or any securities which are convertible into Shares or pursuant to the exercise of any options which may be granted under the Share Option Scheme, any other option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of our Company and/or any of its subsidiaries or any other person of share or rights to acquire Shares or any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles or a specific authority granted by the Shareholders in general meeting) Shares with a total nominal value not exceeding 20% of the aggregate of the total nominal value of the share capital of our Company in issue immediately following completion of the Placing and the Capitalisation Issue (excluding any Shares that may be issued upon exercise of the Offer Size Adjustment Option and the options that may be granted under the Share Option Scheme), such mandate to remain in effect until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of our Company;

- (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing such mandate;
- (e) a general unconditional mandate (“Share Repurchase Mandate”) was given to our Directors authorising them to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on which the Shares may be listed and which is recognised by the SFC and the Stock Exchange for this purpose such number of Shares with a total nominal value not exceeding 10% of the aggregate of the total nominal value of the share capital of our Company in issue immediately following completion of the Placing and the Capitalisation Issue (excluding any Shares that may be issued upon exercise of the Offer Size Adjustment Option and the options that may be granted under the Share Option Scheme), such mandate to remain in effect until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of our Company;
 - (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or applicable laws of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing such mandate;
- (f) the Share Repurchase Mandate was extended by the addition to the aggregate nominal value of the share capital of our Company which may be allotted or agreed conditionally or unconditionally to be allotted by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of our Company repurchased by our Company pursuant to the Share Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate of the total nominal value of the share capital of our Company in issue immediately following completion of the Placing.

4. Corporate reorganisation

Please refer to the section headed “History, Reorganisation and Group structure – Reorganisation” in this prospectus for further details.

5. Changes in the share capital of subsidiaries of our Company

Our Company's subsidiaries are referred to in the Accountant's Report for our Company, the text of which is set out in Appendix I to this prospectus. Save for the allotment and issue of 9 shares and 1 share to Gold Empress and Gold Beyond respectively by Achiever Team pursuant to the Reorganisation, there has been no alternation in the share capital of any subsidiary of our Company within the two years preceding the date of this prospectus.

6. Particulars of Subsidiaries

Our Group has interests in one major subsidiary incorporated in Hong Kong, namely Bamboos PNS. Set out below is a summary of the corporate information of Bamboos PNS:

Date of incorporation:	11 March 2009
Registered Office:	Unit B and C, 16th Floor, E-Trade Plaza, 24 Lee Chung Street, Chai Wan, Hong Kong
Nature:	Limited liability company
Principle business activities:	Provision of healthcare staffing solution services in Hong Kong
Authorised share capital:	HK\$10,000
Issued share capital:	HK\$100
Shareholder:	Achiever Team

7. Repurchase by our Company of our own securities

This paragraph includes the information required by the Stock Exchange to be included in this prospectus concerning the repurchase by our Company of our own securities.

(a) Regulations of the GEM Listing Rules

The GEM Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(i) Shareholders' approval

All repurchases of securities on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval in relation to specific transactions.

Note: Pursuant to the written resolution of all the Shareholders passed on 24 June 2014, the Share Repurchase Mandate was given to our Directors authorising any repurchase by our Company of Shares as described above in the section headed "Further information about our Company – Written resolutions of all the Shareholders passed on 24 June 2014" in this Appendix IV.

(ii) Source of funds

Any repurchases must be financed out of funds legally available for the purpose in accordance with the Memorandum and the Articles and the applicable laws and regulations of the Cayman Islands.

(iii) Connected persons

The GEM Listing Rules prohibit our Company from knowingly repurchasing the Shares on the Stock Exchange from a "connected person", which includes a Director, chief executive or Substantial Shareholder of our Company or any of the subsidiaries or an associate of any of them and a connected person shall not knowingly sell their Shares to our Company.

(b) Exercise of the Share Repurchase Mandate

Exercise in full of the Share Repurchase Mandate, on the basis of 400,000,000 Shares in issue immediately after completion of the Placing and the Capitalisation Issue (but taking no account of any Shares which may be issued upon the exercise of the Offer Size Adjustment Option and any options which may be granted under the Share Option Scheme), could accordingly result in up to 40,000,000 Shares being repurchased by our Company during the course of the period prior to the earliest of:

- (i) the conclusion of the next annual general meeting of our Company;
- (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles and the applicable laws and regulations of the Cayman Islands to be held; or

- (iii) the revocation, variation or renewal of the Share Repurchase Mandate by ordinary resolution of the Shareholders in general meeting.

(c) *Reasons for repurchases*

Repurchases of Shares will only be made when our Directors believe that such a repurchase will benefit our Company and our Shareholders. Such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value of our Company and/or our earnings per Share.

(d) *Funding of repurchases*

In repurchasing securities, our Company may only apply funds legally available for such purpose in accordance with the Memorandum, the Articles and the applicable laws and regulations of the Cayman Islands. Pursuant to the Share Repurchase Mandate, repurchases will be made out of funds of our Company legally permitted to be utilised in this connection, including profits of our Company or out of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the Articles and subject to the Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of the profits of our Company or from sums standing to the credit of the share premium account of our Company or, if authorised by the Articles and subject to the Companies Law, out of capital of our Company. Our Company may not repurchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(e) *General*

There might be a material adverse impact on the working capital or gearing position of our Company (as compared with the position disclosed in this prospectus) in the event that the Share Repurchase Mandate is exercised in full. However, our Directors do not propose to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or on our gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate in accordance with the GEM Listing Rules, the Memorandum, the Articles and the applicable laws and regulations of the Cayman Islands.

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the GEM Listing Rules), has any present intention, if the Share Repurchase Mandate is approved by our Shareholders, to sell any Shares to our Company or our subsidiaries.

No connected person (as defined in the GEM Listing Rules) of our Company has notified our Company that he has a present intention to sell any Shares to our Company or has undertaken not to do so, if the Share Repurchase Mandate is exercised.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the interest of the Shareholder(s), could obtain or consolidate control of our Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of a repurchase of Shares made after the Listing. Save as aforesaid, our Directors are not aware of any other consequence under the Takeovers Code as a result of a repurchase of Share made immediately after the Listing.

B. SHARE OPTION SCHEME

For the purpose of this section only, unless the context otherwise requires, the following words shall have the following meanings:

"Adoption Date"	the date on which the Share Option Scheme was conditionally adopted by written resolutions of all our Shareholders;
"Associate"	Has the meaning ascribed to it under the GEM Listing Rules;
"Auditor"	the auditor of our Company for the time being;
"Business Day"	any day (excluding a Saturday and Sunday) on which banks are generally open for business in Hong Kong;
"Date of Grant"	in respect of an Option, the Business Day on which our Board resolves to make an Offer, or the grant of an Option to a Participant, whether or not the Offer is subject to Shareholders' approval on the terms of the Share Option Scheme;

"Grantee"	any Participant who accepts an Offer in accordance with the terms of the Share Option Scheme, or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee, or the personal representative of such person;
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Individual Limit"	the meaning ascribed thereto in paragraph (a)(v)(cc);
"Offer"	the offer of the grant of an Option;
"Option"	an option to subscribe for Shares pursuant to the Share Option Scheme and for the time being subsisting;
"Option Period"	in respect of any particular Option, the period to be determined and notified by our Board to the Grantee at the time of making an Offer which shall not expire later than 10 years from the Date of Grant;
"Participants"	directors (including executive Directors, non-executive Directors 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;
"Scheme Mandate Limit"	has the meaning ascribed to it in paragraph (v)(aa);
"Subscription Price"	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to paragraph (iv) below; and

(a) Summary of terms

The Share Option Scheme contains the following terms:

(i) Purpose

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

(ii) Who may join

Our Directors may, at their discretion, invite Participants to take up Options at a price calculated in accordance with paragraph (iv) below. An Offer shall remain open for acceptance by the Participant concerned for a period of 28 days from the Date of Grant provided that no such Offer shall be open for acceptance after the expiry of the Option Period or after the Share Option Scheme is terminated or after the Participant has ceased to be a Participant. An Offer is deemed to be accepted when our Company receives from the Grantee the Offer letter signed by the Grantee specifying the number of Shares in respect of which the Offer is accepted, and a remittance to our Company of HK\$1.00 as consideration for the grant of Option. Such remittance is not refundable in any circumstances. The Offer shall specify the terms on which the Option is granted. Such terms may at the discretion of our Board, include, among other things, (aa) the minimum period for which an Option must be held before it can be exercised; and/or (bb) a performance target that must be reached before the Option can be exercised in whole or in part; and (cc) any other terms, all of which may be imposed (or not imposed) either on a case-by-case basis or generally.

Any Offer may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of a whole board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. To the extent that the Offer is not accepted within 28 days from the date on which the letter containing the Offer is delivered to that Participant in the manner indicated above, it shall be deemed to have been irrevocably declined.

No Offer shall be made to, nor shall any Offer be capable of acceptance by, any Participant at a time when the Participant would or might be prohibited from dealing in the Shares by the GEM Listing Rules or by any other applicable rules, regulations or law.

Our Directors may or may not set performance targets that must be achieved before the options can be exercised, but no such performance targets are presently prescribed under the Share Option Scheme.

The rules of the Share Option Scheme enable our Directors to determine the terms and conditions of any option based in each case on relevant factors as they consider appropriate. Our Directors believe that the authority given to them under the Share Option Scheme to set any minimum holding period and/or performance targets as conditions in any option granted and the requirement for a minimum subscription price as well as the selection criteria prescribed by the rules of the Share Option Scheme will serve to protect the value of our Company and any of our subsidiaries as well as to achieve the purpose of the Share Option Scheme.

(iii) Grant of Options to connected persons or any of their associates

Any grant of Options to any Director, chief executive or Substantial Shareholder (as such term is defined in the GEM Listing Rules) of our Company, or any of their respective associates under the Share Option Scheme or any other share option schemes of our Company or any of our Subsidiaries shall be subject to the prior approval of the independent non-executive Directors (excluding independent non-executive Directors who are the proposed Grantees of the Options in question). Where any grant of Options to a Substantial Shareholder or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled or outstanding) to such person in the 12 month period up to and including the date of such grant:

(aa) representing in aggregate over 0.1 per cent. of the Shares in issue on the date of such grant; and

(bb) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant, in excess of HK\$5 million,

such further grant of Options shall be subject to prior approval by resolution of our Shareholders (voting by way of poll). Our Company shall send a circular to our Shareholders in accordance with the GEM Listing Rules and all connected persons of our Company shall abstain from voting in favour of the resolution at such general meeting of our Shareholders.

(iv) Subscription Price

The Subscription Price shall be determined by our Board in its absolute discretion but in any event shall not be less than the higher of:

- (aa) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant which must be a Business Day;
- (bb) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the Date of Grant; and
- (cc) the nominal value of the Shares.

(v) Maximum number of Shares

- (aa) 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% in nominal amount of the aggregate of Shares in issue on the Listing Date (not taking into account any Shares which may be allotted and issued under the Offer Size Adjustment Option) (the "**Scheme Mandate Limit**"). Options lapsed in accordance with the terms of the Share Option Scheme and (as the case may be) such other share option schemes of our Company will not be counted for the purpose of calculating the Scheme Mandate Limit.

Our Company may renew the Scheme Mandate Limit at any time subject to prior Shareholders' approval but in any event, the total 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 under the limit as refreshed must not exceed 10% of the Shares in issue (including Shares which may be allotted and issued under the Offer Size Adjustment Option) as at the date of the Shareholders' approval of the renewed limit. Options previously granted under the Share Option Scheme and any other share option schemes of our Company (including those outstanding, cancelled, lapsed in accordance with the terms or exercised options) will not be counted for the purpose of calculating the limit as renewed.

- (bb) Notwithstanding the foregoing, our Company may grant Options beyond the Scheme Mandate Limit to Participants if:
- (1) separate Shareholders' approval has been obtained for granting Options beyond the Scheme Mandate Limit to Participants specifically identified by our Company before such Shareholders' approval is sought; and
 - (2) our Company, in connection with the seeking of such separate Shareholders' approval, has first sent a circular to Shareholders containing such information as may be required by the GEM Listing Rules then prevailing to be included in such circular.
- (cc) Subject to paragraph (dd) below, the maximum number of Shares issued and to be issued upon exercise of the Options granted to each Grantee under the Share Option Scheme (including both exercised and outstanding Options) in any 12-month period shall not (when aggregated with any Shares subject to options granted during such period under any other share option scheme(s) of our Company other than those options granted pursuant to specific approval by the Shareholders in a general meeting) exceed 1% of the Shares in issue for the time being (the "**Individual Limit**").
- (dd) Where any further grant of Options to a Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by Shareholders in general meeting with such Participant and his associates abstaining from voting. Our Company must send a circular to our Shareholders disclosing the identity of the Participant in question, the number and terms of the Options to be granted (and Options previously granted to such Participant) and such other information required under the GEM Listing Rules.
- (ee) At any time, the maximum number of Shares which may be issued upon exercise of all Options which then have been granted and have yet to be exercised 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 30% of the Shares in issue from time to time.

(vi) Time of exercise of option

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during 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.

(vii) Rights are personal to grantees

An Option is personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Option.

(viii) (aa) Rights on termination of employment by dismissal

- (1) If the Grantee ceases to be a Participant by reason of the termination of his employment or directorship on the grounds of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or, has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily, his Option will lapse automatically and not be exercisable (to the extent not already exercised) on or after the date of termination of his employment. To the extent that the Grantee has exercised the Option in whole or in part pursuant to paragraph (xxiii) below, but the Shares have not been allotted to him, the Grantee shall be deemed not to have so exercised such Option and our Company shall return to the Grantee the amount of the Subscription Price for the Shares received by our Company in respect of the purported exercise of such Option.

- (2) If the Grantee who is an employee or a Director of our Company or another member of our Group ceases to be a Participant for any reason other than his death or termination of his employment or directorship on one or more of the grounds specified in paragraph (viii)(aa)(1) above, the Option shall lapse (to the extent not already exercised) on the date of cessation or termination of his employment (which date shall be the Grantee's last actual working day with our Company or the relevant Subsidiary whether salary is paid in lieu of notice or not) and shall on that day cease to be exercisable;

(bb) Rights on death

If the Grantee ceases to be a Participant by reason of his death before exercising his Option in full and none of the events which would be a ground for termination of his employment as described in paragraph (viii)(aa)(1) above have arisen, his personal representative(s) may exercise the Option up to the Grantee's entitlement as at the date of death (to the extent not already exercised) within a period of twelve months following the date of his death provided that where any of the events set out in paragraphs (x), (xi), (xii) and (xiii) occurs prior to his death or within such period of 6 months following his death, then his personal representative(s) may so exercise the Option only within such of the various periods set out in such paragraphs provided further that if within a period of 3 years prior to the Grantee's death, the Grantee had committed any of the acts specified in paragraph (vii)(aa)(1) which would have entitled our Company to terminate his employment prior to his death, our Board may at any time forthwith terminate the Option (to the extent not already exercised) by written notice to the Grantee's legal personal representative(s) and/or to the extent the Option has been exercised in whole or in part by his legal personal representative(s), but Shares have not been allotted, he shall be deemed not to have so exercised such Option and our Company shall return to him the amount of the Subscription Price for the Shares received by our Company in respect of the purported exercise of such Option.

(ix) Effect of alterations to share capital

In the event of an alteration in the capital structure of our Company, whilst any Option remains exercisable, by way of capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or, consolidation of shares, or reduction of the share capital of our Company in accordance with legal requirements and requirements of the Stock Exchange (other than any alteration in the

capital structure of our Company as a result of an issue of Shares as consideration in a transaction to which our Company is a party), such corresponding adjustments (if any) shall be made to:

(aa) the number or nominal amount of Shares subject to the Option so far as unexercised; or

(bb) the Subscription Price,

or any combination thereof, provided that:

- (1) any such adjustments give a Grantee the same proportion of the equity capital of our Company as that to which that Grantee was previously entitled; and
- (2) notwithstanding paragraph (ix)(1) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue shall be made in accordance with the provisions of Chapter 23 of the GEM Listing Rules and the notes thereto and the supplementary guidance on the interpretation of the GEM Listing Rules issued by the Stock Exchange from time to time.

but no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value. In respect of any such adjustments, an independent financial adviser or auditor must confirm to our Directors in writing that the adjustments are in their opinion fair and reasonable.

(x) Rights on a general offer by way of takeover

In the event of a general offer by way of takeover (other than by way of scheme of arrangement) being made to all our Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, our Company shall forthwith notify all the Grantees and any Grantee (or his legal personal representative) shall be entitled to exercise the Option in full (to the extent not already exercised) or to the extent as notified by our Company at any time within such period as shall be notified by our Company.

(xi) Rights on a general offer by way of scheme of arrangement

In the event of a general offer by way of scheme of arrangement being made to all our Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, our

Company shall forthwith notify all the Grantees and any Grantee (or his legal personal representative) may at any time thereafter, (but before such time as shall be notified by our Company) exercise the Option either to its full extent or to the extent notified by our Company.

(xii) Rights on winding up

In the event a notice is given by our Company to our Shareholders to convene a Shareholders' meeting to consider and, if thought fit, approve a resolution to voluntarily wind up our Company, our Company shall forthwith give notice thereof to all Grantees and any Grantee (or his legal personal representative) may at any time thereafter (but before such time as shall be notified by our Company) exercise the Option either to its full extent or to the extent notified by our Company, and our Company shall as soon as possible and in any event no later than three days prior to the date of the proposed Shareholders' meeting, allot and issue and register in the name of the Grantee such number of Shares to the Grantee which fall to be issued on such exercise.

(xiii) Rights on a compromise or arrangement

In the event a compromise or arrangement (other than a scheme of arrangement) between our Company and our members or creditors is proposed in connection with a scheme for the reconstruction or amalgamation of our Company, our Company shall give notice to all the Grantees on the same date as we give notice of the meeting to our members or creditors to consider such a compromise or arrangement, and any Grantee (or his legal personal representative) may at any time thereafter (but before such time as shall be notified by our Company) exercise the Option either to its full extent or to the extent notified by our Company and our Company shall as soon as possible and in any event no later than three days prior to the date of the proposed Shareholders' meeting, allot and issue and register in the name of the Grantee such number of Shares which fall to be issued on such exercise.

(xiv) Rights of Grantee ceasing to be Participant

In the event of a Grantee who is not an employee or a director of our Company or another member of our Group ceasing to be a Participant as and when determined by our Board by resolution for any reason other than his death our Board may by written notice to such Grantee within one month from the date of such cessation determine the period within which the Option (or such remaining part thereof) shall be exercisable following the date of such cessation.

(xv) Ranking of Shares

The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the Memorandum and Articles for the time being in force and shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which these Shares are allotted on exercise of the Option and accordingly shall entitle the holders to participate in all dividend or other distributions paid or made after the date on which the Shares are allotted other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the date on which the Shares are allotted.

(xvi) Period of the Share Option Scheme

The Share Option Scheme was adopted for a period of ten years commencing from the Adoption Date. Our Company may, by ordinary resolution in a general meeting or, our Board, on such date as the Board determines, terminate the Share Option Scheme at any time without prejudice to the exercise of Options granted prior to such termination.

(xvii) Alterations to the Share Option Scheme

Those specific provisions of the Share Option Scheme which relate to the matters set out in Rule 23.03 of the GEM Listing Rules cannot be altered to the advantage of Participants, and changes to the authority of our Board in relation to any alteration of the terms of the Share Option Scheme shall not be made, in either case, without the prior approval of Shareholders in general meeting. Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature, or any change to the terms of Options granted, must be approved by our Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme. The Share Option Scheme so altered must comply with Chapter 23 of the GEM Listing Rules.

(xviii) Conditions of the Share Option Scheme

The Share Option Scheme shall take effect subject to:

- (aa) the passing of the resolution by our Shareholders to approve and adopt the Share Option Scheme and to authorise our Board to grant Options thereunder and to allot and issue Shares pursuant to the exercise of any Options;

(bb) the Listing Committee (as defined in the GEM Listing Rules) of the Stock Exchange granting approval of the listing of and permission to deal in the Shares which fall to be issued pursuant to the exercise of Options (subject to an initial limit of 10% of the aggregate number of Shares in issue on the Listing Date; and

(cc) the commencement of trading of the Shares on GEM.

(xix) Lapse of Option

An Option shall lapse automatically and shall not be exercisable, to the extent not already exercised, on the earliest of:

(aa) the expiry of the Option Period;

(bb) the expiry of the periods referred to in paragraphs (viii)(aa), (viii)(bb), (x), (xi), (xii), (xiii) and (xiv) above respectively;

(cc) the expiry of the period referred to in paragraph (x) above, subject to any court of competent jurisdiction not making an order to prohibit the offeror from acquiring the remaining Shares in the Offer, the relevant period within which Options may be exercised shall not begin to run until the discharge of the order in question or unless the Offer lapses or is withdrawn before that date;

(dd) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph (xi) above;

(ee) the date of commencement of the winding-up of our Company;

(ff) the date on which the Grantee ceases to be a Participant as referred to in paragraph (viii)(aa)(1) above;

(gg) the date on which the Grantee commits a breach by selling, transferring, charging, mortgaging, encumbering or creating any interest in favour of any third party over or in relation to any Option; and

(hh) subject to paragraph (viii)(aa)(2), the date the Grantee ceases to be a Participant for any other reason.

(xx) Termination of the Share Option Scheme

Our Company by ordinary resolution in general meeting or our Board may at anytime terminate the Share Option Scheme and in such event no further Options may be granted but in all other respects the Share Option Scheme shall remain in full force and effect in respect of Options which are granted during the life of the Share Option Scheme and which remain unexpired immediately prior to termination of the operation of the Share Option Scheme.

(xxi) Restriction on Grant of Option

Our Company may not grant any options after inside information has come to its knowledge until it has announced the information. In particular, it may not grant any option during the period commencing one month immediately before the earlier of:

- (aa) the date of the board meeting of our Company (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of our Company's results for any year, half-year, quarterly or, any other interim period (whether or not required under the GEM Listing Rules); and
- (bb) the deadline for our Company to publish an announcement of our results for any year or half-year under the GEM Listing Rules, or quarterly or any other interim period (whether or not required under the GEM Listing Rules);

and ending on the date of the results announcement.

(xxii) Cancellation

Our Board may at any time in its absolute discretion cancel any Options previously granted to, but not yet exercised by such Grantee. Where our Company cancels Options and offers Options to the same Grantee, the offer of such new Options may only be made with available Options under the Share Option Scheme (to the extent not yet granted and excluding the cancelled Options) within the Scheme Mandate Limit or refreshed Scheme Mandate Limit approved by our Shareholders as mentioned in paragraph (v) above from time to time.

(xxiii) Exercise of Options

- (aa) An Option may, subject to the provisions of paragraph (v), be exercised in whole or in part (but if in part only, in respect of a board lot in which the Shares are traded on the Stock Exchange from time to time or an integral multiple thereof) in the manner set out in paragraphs (vi), (viii), (x), (xi), (xii), (xiii)

and (xiv) by the Grantee (or, as the case may be, his legal personal representative(s)) by giving notice in writing to our Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Subscription Price multiplied by the number of Shares in respect of which the notice is given. Within 10 Business Days after receipt of the notice and the remittance of the full amount of the relevant aggregate Subscription Price and, where appropriate, receipt of the Auditor's certificate or the certificate from the independent financial adviser to our Company pursuant to paragraph (v), our Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, as the case may be, his legal personal representative(s)) credited as fully paid and issue to the Grantee (or, as the case may be, his legal personal representative(s)) share certificates in respect of the Shares so allotted.

- (bb) The exercise of any Option shall be subject to the members of our Company in general meeting approving any necessary increase in the authorised share capital of our Company. Subject thereto our Board shall make available sufficient authorised but unissued share capital of our Company to meet subsisting requirements on the exercise of Options.
- (cc) The Options do not carry any right to vote in general meeting of our Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of our Company.
- (dd) No Grantee shall enjoy any of the rights of a shareholder by virtue of the grant of an Option pursuant to the Share Option Scheme, unless and until Shares are actually issued to the Grantee pursuant to exercise of such Option.

(b) Present Status of the Share Option Scheme

As at the date of this prospectus, no Option has been granted or agreed to be granted pursuant to the Share Option Scheme.

C. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

The following contracts (not being contracts in the ordinary course of business of our Group) have been entered into by members of our Group within the two years preceding the date of this prospectus and are or may be material:

- (a) the sale and purchase agreement dated 26 March 2014 entered into among Ms. Hai, Mr. Kwan and Achiever Team, pursuant to which Ms. Hai and Mr. Kwan agreed to sell and Achiever Team agreed to purchase the entire issued shares of Bamboos PNS in consideration of Achiever Team allotting and issuing 9 shares and 1 share in its share capital to Gold Empress and Gold Beyond respectively;
- (b) the sale and purchase agreement dated 27 March 2014 entered into among Gold Empress, Gold Beyond and our Company, pursuant to which Gold Empress and Gold Beyond agreed to sell and our Company agreed to purchase the entire issued shares of Achiever Team in consideration of our Company allotting and issuing 9 Shares and 1 Share to Gold Empress and Gold Beyond respectively;
- (c) the Underwriting Agreement;
- (d) the Deed of Indemnity; and
- (e) the Deed of Non-competition.

2. Intellectual property rights

- (a) As at the Latest Practicable Date, we had registered the following trademark which is material in relation to our business:

Trademark	Class	Place of registration	Trade mark number	Name of registrant	Registration date	Expiry date
	35, 44, 45 (Note 1)	Hong Kong	301100159	Bamboos PNS	23 April 2008	22 April 2018

- (b) As at the Latest Practicable Date, our Group had applied for registration of the following trademark which are or may be material to the business of our Group:

Trademark	Class	Place of application	Application/Registration number	Applicant	Application date
	33,44,45 (note 2)	Hong Kong	302887453	Bamboos PNS	6 February 2014



Notes:

- (1) Class 35: Advertising, marketing, promotion & recruitment services; Class 44: Nursing & medical services; Class 45: Personal and social services.
- (2) Class 35: Advertising, marketing, promotion & recruitment services, recruitment agency services, employment agency services, employment agency and administration of payroll services; Class 44: Nursing & medical services; Class 45: Personal and social services.
- (c) As at the Latest Practicable Date, we had registered the following domain names which are material to our business:

Domain names	Expiry dates	Registrant
bamboos.com.hk	5 April 2014	Bamboos PNS
mybamboos.hk	4 June 2015	Bamboos PNS

D. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors

(a) *Interest of Directors and the Chief Executive of our Company in Shares*

Immediately following completion of the Placing and the Capitalisation Issue but not taking into account any Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option or any options which may be granted under the Share Option Scheme, the interests or short positions of each of our Directors and the chief executives in the share capital, underlying shares and debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO) which, once the Shares are listed, will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register required to be kept therein or which, once the Shares are listed, will be required pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to our Company and the Stock Exchange are set out as follows:

Name	Long/Short position	Capacity and nature of interests	Number of Shares	Approximate percentage of shareholding in our Company
Ms. Hai	Long	Interest of a controlled corporation	270,000,000 (Note 1)	75%
		Deemed interest	30,000,000 (Note 3)	
Mr. Kwan	Long	Interest of a controlled corporation	30,000,000 (Note 2)	75%
		Deemed interest	270,000,000 (Note 3)	

Notes:

- (1) Ms. Hai is deemed to be interested in the Shares held by Gold Empress as Gold Empress is wholly owned by Ms. Hai.
- (2) Mr. Kwan is deemed to be interested in the Shares held by Gold Beyond as Gold Beyond is wholly owned by Mr. Kwan.
- (3) Ms. Hai and Mr. Kwan being our executive Directors will be deemed to be parties acting in concert under the Takeovers Code. As such, Ms. Hai, Mr. Kwan, Gold Empress and Gold Beyond are all regarded as parties acting in concert under the Takeovers Code and are therefore deemed be interested in the Shares held by each other.

(b) Particulars of service agreements

Each of the executive Directors and non-executive Director has entered into a service agreement with our Company for a term of three years commencing from the Listing Date. Particulars of the service agreements of our Directors are in all material respects the same. The salary of the executive Directors and non-executive Director is subject to review each year.

Pursuant to the service agreements between our Company and each of Ms. Hai and Mr. Kwan (all of whom are executive Directors), their salaries are HK\$1,400,000 and HK\$1,400,000 per annum respectively. Pursuant to the service agreement between our Company and Mr. Mok Gar Lon, Francis, a non-executive Director, who is entitled to a salary of HK\$96,000 per annum.

None of the independent non-executive Directors has entered into any service agreement with our Group. Pursuant to the letters of appointment of the independent non-executive Directors, the term of appointment of each of such Directors is three years commencing from the Listing Date which may be terminated by either party by giving three months' written notice.

Pursuant to the letters of appointment between our Company and each of Professor Chan Chi Fai, Andrew and Dr. Luk Yim Fai (both are independent non-executive Directors), their fees are HK\$96,000 and HK\$96,000 per annum respectively. Mr. Lam Cheung Wai, an independent non-executive Director, will not be entitled to any director's fee.

Save as disclosed above, none of our Directors has entered or has proposed to enter into any service agreements with our Company or any members of our Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

(c) Directors' remuneration

- (i) HK\$700,000 was paid to our Directors by our Group as remuneration (excluding any management bonus, if any) in respect of the financial year ended 30 June 2013.
- (ii) Approximately HK\$700,000 (excluding any management bonus, if any) as remuneration is estimated to be paid to our Directors by our Group in respect of the financial year ending 30 June 2014 pursuant to the present arrangement.
- (iii) Save as disclosed in this prospectus, no Director received any remuneration or benefits in kind from our Group for the financial year ended 30 June 2013.

2. Substantial Shareholders

So far as our Directors are aware, immediately following completion of the Placing and the Capitalisation Issue but not taking into account any Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option or any options which may be granted under the Share Option Scheme, in addition to the interests disclosed under the section headed "Further information about our Directors and Substantial Shareholders – Directors" in this Appendix IV above, the persons (not being a director or chief executive of our Company) who will have interests or short positions in the Shares and underlying Shares which are required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO are as follows:

Name	Capacity and nature of interests	Number of Shares held (Note 1)	Approximately percentage of shareholding
Gold Empress	Beneficial owner Deemed interest	270,000,000 30,000,000 (Note 4) (L)	75%
Ms. Hai	Interest of a controlled corporation Deemed interest	270,000,000 (Note 2) 30,000,000 (Note 4) (L)	75%

Name	Capacity and nature of interests	Number of Shares held (Note 1)	Approximately percentage of shareholding
Gold Beyond	Beneficial owner Deemed interest	30,000,000 270,000,000 (Note 4) (L)	75%
Mr. Kwan	Interest of a controlled corporation Deemed interest	30,000,000 (Note 3) 270,000,000 (Note 4) (L)	75%

Notes:

1. The letter "L" denotes a long position in the shareholder's interest in the share capital of the relevant member of our Group.
2. Under the SFO, Ms. Hai is deemed to be interested in 270,000,000 Shares held by Gold Empress by virtue of Ms. Hai holding the entire issued share capital of Gold Empress.
3. Under the SFO, Mr. Kwan is deemed to be interested in 30,000,000 Shares held by Gold Beyond by virtue of Mr. Kwan holding the entire issued share capital of Gold Beyond.
4. Ms. Hai and Mr. Kwan being our executive Directors will be deemed to be parties acting in concert under the Takeovers Code. As such, Ms. Hai, Mr. Kwan, 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.

3. Interest in customers of our Group

As at the Latest Practicable Date, so far as our Directors were aware, no Director or their respective associates or Shareholder (which to the knowledge of our Directors owns more than 5% of the issued share capital of our Company) had any interest in the five largest customers of our Group.

4. Related party transactions

Our Group entered into the related party transactions within the two years immediately preceding the date of this prospectus as mentioned in note 29 of the Accountant's Report set out in Appendix I to this prospectus.

E. OTHER INFORMATION

1. Estate duty, tax and other indemnity

Our Controlling Shareholders (the "Indemnifiers") have entered into a Deed of Indemnity with and in favour of our Company (for itself and as trustee for each of our present subsidiaries) (being the material contract (d)

referred to in the paragraph headed "Summary of material contracts" above of this appendix) to provide indemnities on a joint and several basis, in respect of, among other matters:

- (a) any liability for Hong Kong estate duty which might be incurred by any member of our Group by reason of any transfer of property (within the meaning of sections 35 and 43 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) or the equivalent thereof under the laws of any jurisdiction outside Hong Kong) to any member of our Group at any time on or before the Listing Date; and
- (b) tax liabilities (including all fines, penalties, costs, charges, expenses and interests incidental to or relating to taxation) and claims falling on any member of our Group resulting from or by reference to any income, profits, gains earned, accrued or received, or any transactions or events entered into or occurring, on or before the Listing Date, whether alone or in conjunction with any other circumstances whenever occurring and whether or not such tax liabilities or claims are chargeable against or attributable to any other person, firm, company or corporation.

The Indemnifiers are under no liability under the Deed of Indemnity in respect of any taxation:

- (a) to the extent that provision or reserve has been made for such taxation, liabilities or claims in the audited accounts of any member of our Group up to the end of the Track Record Period;
- (b) to the extent that such taxation or liability falling on any of the members of our Group in respect of any accounting period commencing on the day immediately after the end of the Track Record Period and ending on the Listing Date, where such taxation or liability would not have arisen but for some act or omission of, or transaction voluntarily entered into by, any member of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) without the prior written consent or agreement of the Indemnifiers, otherwise than any such act, omission or transaction:
 - (i) carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets after the end of the Track Record Period; or
 - (ii) carried out, made or entered into pursuant to a legally binding commitment created on or before the end of the Track Record Period or pursuant to any statement of intention made in this prospectus; or

- (c) to the extent that such taxation, liabilities or claims arise or are incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law, rules and regulations or the interpretation or practice thereof by the Hong Kong Inland Revenue Department or the taxation authority of the PRC, or any other relevant authority (whether in Hong Kong or the PRC or any other part of the world) coming into force after the date of the Deed of Indemnity or to the extent such taxation, liabilities or claims arise or are increased by an increase in rates of taxation after the date of the Deed of Indemnity with retrospective effect; or
- (d) to the extent that any provision or reserve made for taxation in the audited accounts of any member of our Group up to the end of the Track Record Period which is finally established to be an over-provision or an excessive reserve, in which case the Indemnifier's liability (if any) in respect of such taxation shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied referred to in this paragraph to reduce the Indemnifiers' liability in respect of taxation shall not be available in respect of any such liability arising thereafter.

Under the Deed of Indemnity, the Indemnifiers have also undertaken to each member of our Group that they will indemnify and at all times keep each member of our Group fully indemnified, on a joint and several basis, from and against all depletion in or reduction in value of assets, increase in liabilities, losses, claims, actions, proceedings, demands, orders, notices, liabilities, damages, costs (including legal costs on a full indemnity basis), expenses, interest, fines, penalties, payments of whatever nature suffered or incurred by any member of our Group directly or indirectly arising out of or in connection with any of the following (collectively, the **"Indemnified Matters"**):

- (a) the implementation of the corporate reorganisation of our Group in the preparation of Listing as described in this prospectus;
- (b) all breaches, non-compliance and/or violation of, by any member of our Group on or before the Listing Date, any applicable PRC laws, rules and/or regulations of Hong Kong and the PRC in relation to all the matters as referred to in the paragraph headed "Compliance with statutory requirements in Hong Kong and regulatory requirements in the PRC" in the section headed "Business" in this prospectus; and
- (c) all claims, penalties and fines and all losses and damages which may be suffered by our Group as a result of Bamboos PNS's provision of the healthcare staffing solution services during the period between the date of incorporation of Bamboos PNS and the Listing Date,

provided that the Indemnifiers are under no liability under the Deed of Indemnity in respect of the Indemnified Matters:

- (i) to the extent that provision or reserve has been made for the relevant Indemnified Matters in the audited accounts of any member of our Group for any accounting period up to the end of the Track Record Period; or
- (ii) to the extent that any provision or reserve made for the Indemnified Matters in the audited accounts of any member of our Group for any accounting period up to the end of the Track Record Period which is finally established to be over-provision or an excessive reserve, in which case the Indemnifiers' liability (if any) in respect of the Indemnified Matters shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied to reduce the Indemnifiers' liability in respect of the Indemnified Matters shall not be available in respect of any such liability arising thereafter.

2. Litigation

Save as disclosed in the section headed "Business – Legal proceedings" in this prospectus, no member of our Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to our Directors to be pending or threatened by or against any member of our Group which would have a material adverse effect on our business, result of operations or financial conditions.

3. Sole Sponsor

Halcyon Capital Limited has made an application on behalf of our Company to the Listing Division for listing of, and permission to deal in, the Shares in issue and Shares to be issued as mentioned herein (including any Shares falling to be issued pursuant to the exercise of the Offer Size Adjustment Option or any options which may be granted under the Share Option Scheme).

The Sole Sponsor is independent from our Company pursuant to Rule 6A.07 of the GEM Listing Rules.

The sponsor's fees payable by us in respect of Halcyon Capital Limited's services as sole sponsor for the Listing is HK\$3,500,000 (excluding any disbursements).

4. Preliminary expenses

The preliminary expenses of our Company incurred or proposed to be incurred are approximately US\$2,630 and are payable by our Company.

5. Promoter

Our Company has no promoter. Save as disclosed in this prospectus, within the two years preceding the date of this prospectus, no cash, securities or other benefit had been paid, allotted or given, nor are any such cash, securities or other benefit intended to be paid, allotted or given, to the promoter of our Company in connection with the Placing or the related transactions described in this prospectus.

6. Qualifications of experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this prospectus:

Name of expert	Qualification
Halcyon Capital Limited	Licensed to conduct Type 6 (advising on corporate finance) regulated activity under the SFO
PricewaterhouseCoopers	Certified Public Accountants
Jones Lang Lasalle Corporate Appraisal and Advisory Limited	Property valuers
Troutman Sanders	Legal advisers as to Hong Kong laws
King & Wood Mallesons	Legal advisers as to PRC laws
Maples and Calder	Cayman Islands attorneys-at-law

7. Consents of experts

Each of the experts referred to under the heading "Qualifications of experts" of this Appendix IV has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or the references to its name included herein in the form and context in which they are respectively included.

8. Compliance adviser

In accordance with the requirements of the GEM Listing Rules, our Company will appoint the Sole Sponsor as our compliance adviser to provide advisory services to our Company to ensure compliance with the GEM Listing Rules for a period commencing on the Listing Date and ending on the date on which our Company complies with Rule 18.03 of the GEM Listing Rules in respect of its financial results for the second full year commencing after the Listing Date or until the agreement is terminated, whichever is the earlier.

9. Agency fees or commission received

The Underwriters will receive an underwriting commission, and the Sole Sponsor will receive a documentation/advisory fee, as referred to under the section headed "Underwriting – Commission and expenses" in this prospectus.

10. Disclaimers

Save as disclosed in this prospectus:

- (a) none of our Directors nor any of the persons whose names are listed in the section headed "Other information – Consents of experts" in this Appendix IV is interested in the promotion of our Company, or in any assets which have been within the two years immediately preceding the issue of this prospectus, or are proposed to be, acquired or disposed of by or leased to any member of our Group nor will any Director apply for the Placing Shares either in his own name or in the name of a nominee;
- (b) none of our Directors nor any of the persons whose names are listed in the section headed "Other Information – Consents of experts" in this Appendix IV is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group; and
- (c) save in connection with the Underwriting Agreement, none of the parties whose names are listed in the section headed "Other Information – Consents of experts" in this Appendix IV: (i) is interested legally or beneficially in any securities of any member of us; or (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of us.

11. Miscellaneous

Save as disclosed in this prospectus:

- (a) within the two years immediately preceding the date of this prospectus:
 - (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of our Company or any of our subsidiaries; and

- (iii) no commission has been paid or payable (excluding commission payable to sub-underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares in our Company;
- (b) no founders, management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued;
- (c) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (d) none of the experts referred to under the heading “Consents of experts” of this Appendix IV:
 - (i) is interested beneficially or non-beneficially in any shares in any member of our Group; or
 - (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;
- (e) there has not been any interruption in the business of our Group which has had a material adverse effect on the financial position of our Group in the 24 months preceding the date of this prospectus;
- (f) no company within our Group is presently listed on any stock exchange or traded on any trading system;
- (g) our Company has no outstanding convertible debt securities;
- (h) all necessary arrangements have been made to enable the Shares to be admitted into CCASS for clearing and settlement;
- (i) there are no arrangements in existence under which future dividends are to be or agreed to be waived; and
- (j) as at the Latest Practicable Date, there is no restriction affecting the remittance of profits or repatriation of capital of our Company into Hong Kong from outside Hong Kong.

12. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penalty provisions) of sections 44A and 44B of the Companies Ordinance (Cap 32) so far as applicable.

13. Bilingual prospectus

Pursuant to Rule 14.25 of the GEM Listing Rules and section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), the English language and Chinese language versions of this prospectus are being published separately but are available to the public at the same time at each place where this prospectus is distributed by or on behalf of our Company.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were the written consents referred to in the paragraph headed "Other information – Consents of experts" of Appendix IV to this prospectus, and copies of the material contracts referred to in the paragraph headed "Summary of material contracts" of Appendix IV to this prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Troutman Sanders, 34/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this prospectus:

- (a) the Memorandum and Articles;
- (b) the Accountant's Report of our Group from PricewaterhouseCoopers, the text of which is set out in Appendix I to this prospectus;
- (c) the report on unaudited pro forma financial information from PricewaterhouseCoopers, the text of which is set out in Appendix II to this prospectus;
- (d) the letter prepared by Maples and Calder summarising certain aspects of Cayman Islands company law referred to in Appendix III to this prospectus;
- (e) the Companies Law;
- (f) the legal opinion issued by our Hong Kong legal adviser in respect of certain statements referred to in this prospectus;
- (g) the service contracts referred to in the paragraph headed "Further Information about our Directors and Substantial Shareholders – (b) Particulars of service agreements" in Appendix IV to this prospectus;
- (h) the rules of the Share Option Scheme referred to in the paragraph headed "Share Option Scheme" in Appendix IV to this prospectus;
- (i) the material contracts referred to in the section headed "Further Information about our Business – Summary of material contracts" in Appendix IV to this prospectus; and
- (j) the written consents referred to in the paragraph headed "Other information – Consents of experts" in Appendix IV to this prospectus.