



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

ANNUAL REPORT



2016 年報

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

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

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Kwan Chi Hong (*Chairman*)

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

Non-executive Director

Mr. Wong Kam Pui, JP

Independent Non-executive Directors

Mr. Lam Cheung Wai

Dr. Leung Yu Lung (appointed on 1 March 2016)

Dr. Luk Yim Fai

BOARD COMMITTEES

Audit Committee

Mr. Lam Cheung Wai (*Chairman*)

Dr. Leung Yu Lung (appointed on 1 March 2016)

Dr. Luk Yim Fai

Remuneration Committee

Dr. Luk Yim Fai (*Chairman*)

Mr. Lam Cheung Wai

Dr. Leung Yu Lung (appointed on 1 March 2016)

Ms. Hai Hiu Chu

Nomination Committee

Mr. Lam Cheung Wai (*Chairman*)

Dr. Luk Yim Fai

Dr. Leung Yu Lung (appointed on 1 March 2016)

Mr. Kwan Chi Hong

Compliance Committee

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

Dr. Leung Yu Lung (appointed on 1 March 2016)

Dr. Luk Yim Fai

COMPANY SECRETARY

Ms. Lam Yuen Ling Eva

COMPLIANCE OFFICER

Mr. Kwan Chi Hong

AUTHORISED REPRESENTATIVES

Mr. Kwan Chi Hong

Ms. Hai Hiu Chu

AUDITOR

PricewaterhouseCoopers

COMPLIANCE ADVISER

Halcyon Capital Limited

REGISTERED OFFICE

PO Box 309, Uglan House

Grand Cayman, KY1-1104

Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

24 Lee Chung Street

Chai Wan

Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited

PO Box 1093, Boundary Hall

Cricket Square, Grand Cayman

KY1-1102

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited

Suites 3301-04, 33rd Floor,

Two Chinachem Exchange Square

338 King's Road

North Point

Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

Bank of Communications Co., Ltd

Hong Kong Branch

STOCK CODE

8216

COMPANY WEBSITE

www.bamboos.com.hk

Chairman's Statement

Dear Shareholders,

It is my pleasure and honor to present our Group's annual results for the financial year ended 30 June 2016 (the "Year") on behalf of our board of directors (our "Board") of Bamboos Health Care Holdings Limited (our "Company", together with our subsidiaries, our "Group").

We have made steady growth of revenue and profit during the Year ended 30 June 2016. Approximately HK\$51.0 million of revenue is recorded in the Year, representing an increase of approximately 9.7% comparing to that of approximately HK\$46.5 million recorded for the last financial year. Profit for the Year amounted to approximately HK\$26.8 million, representing an increase of approximately 19.6% comparing to that of approximately HK\$22.4 million for the year ended 30 June 2015. The compound annual growth rate of our profit is about 19.3% in the recent 4 years.

At Bamboos, we serve with care, competence and commitment. While we have an ambition to achieve more, being vigilant is always in our mind. In the provision of healthcare staffing solution services, we believe that the courage to success is not from aggressiveness, but prudence and dedication. This report not only seeks to provide you with a view of our business and financial performance, but also illustrates our unique values, model and strategies in enhancing our competitiveness.

Besides our business, we believe that our effort in empowering the community and supporting charitable projects could also bring positive impact to the sustainability of the society. During the Year, we had actively participated in various community campaigns concerning social diversity and inclusion, public health, elderly care and healthcare professional development.

We are optimistic towards our Group's future development and are dedicated to serving our society with excellence as well as crediting long-term and sustainable value to our clients and shareholders.

KWAN Chi Hong

Chairman

Hong Kong, 25 August 2016

Management Discussion and Analysis

BUSINESS REVIEW

Our principal business is to provide customised healthcare staffing solution services to individuals and institutional clients in a timely manner. We aspire to build a healthy and sustainable community and we advocate for quality of life and care for the elderly.

Revenue of our Group from the provision of staffing solution services derives from the gross fee received from clients net of the cost to healthcare personnel increased. During the Year, gross fee received from institutional clients and individual clients increased by approximately 4.8% and 9.8% respectively. It is consistent with the ageing population in Hong Kong, that there has been an upward trend in the demand for healthcare and elderly services, as well as personal care, rehabilitation and home care services.

Our Group's revenue for the Year was approximately HK\$51.0 million (2015: HK\$46.5 million), representing an increase of approximately 9.7% as compared with that for the year ended 30 June 2015. Profit attributable to equity holders of our Company for the Year was approximately HK\$26.8 million, representing an increase of approximately 19.6% as compared with approximately HK\$22.4 million for the year ended 30 June 2015.

The outreach case assessment related services had further been developed during the Year and had brought approximately HK\$0.7 million revenue to our Group's business. The services provide assessment related services on health, nursing need, mobility and self-care ability, etc. We plan to further expand the services with more manpower to be engaged in the outreach team.

In order to better capture future growth opportunities, we have made effort in maintaining a vast pool of healthcare personnel registered with us. The number of healthcare personnel registered with us steadily increases, there were over 16,400 healthcare personnel registered with us as at 30 June 2016 (over 15,000 as at 30 June 2015), representing an increase of approximately 1,400 healthcare personnel registered with us in the Year.

We believe that maintaining the member service centre and our move to launch the BamBoOs! Life mobile application, which serves both a communications portal with healthcare personnel and a digital version of our Group's magazine, can continue to enhance our Group's brand recognition and attract more potential customers to use our healthcare staffing solution services and more healthcare personnel to register with our Group.

We believe our efforts in improving efficiencies and driving quality growth in our principal business can secure our position as the pioneer healthcare staffing solution services provider in Hong Kong, and in turn can create lasting value for our shareholders and stakeholders.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The revenue of our Group for the year ended 30 June 2016 comprises revenue from the provision of healthcare staffing solution services and revenue from outreach case assessment related services. The revenue was approximately HK\$51.0 million, representing an increase of approximately 9.7% as compared with that of approximately HK\$46.5 million for the year ended 30 June 2015.

Revenue from the provision of healthcare staffing solution services for the year ended 30 June 2016 was approximately HK\$50.2 million (2015: HK\$46.2 million). Among those, revenue from our institutional staffing solution services amounted to approximately HK\$19.1 million (2015: HK\$18.3 million), representing an increase of approximately 4.4%; and the revenue from our private nursing staffing service was approximately HK\$31.1 million (2015: HK\$27.9 million), representing an increase of approximately 11.5%. The increase was mainly attributable to the combining effect of (i) the increase in demand for healthcare staffing solution services from individual clients and hospitals; (ii) the decrease in healthcare personnel placement to social service organizations mainly due to keener competition in social service healthcare staffing solution services; and (iii) the improvement of differential rate earned.

Our revenue from the provision of healthcare staffing solution services as a percentage of gross fee is determined with reference to the mark-up ratio between the charge-out rate to our clients and the pay-out rate to different ranks of healthcare personnel placed by us and the number of service hours performed by respective rank of healthcare personnel. Our revenue as a percentage of gross fee remained at approximately 24% in the recent two financial years (2016: 24.4%, 2015: 24.3%).

Other income and gain

Other income and gain mainly comprised advertising income, sales of goods, activities income and others. Other income and gain increased from approximately HK\$2.8 million for the year ended 30 June 2015 to approximately HK\$3.4 million for the year ended 30 June 2016. It was mainly driven by the substantial increase in advertising income and activities income, which had an increase of approximately 50.9% and 42.9% respectively as compared with the year ended 30 June 2015. The growth was mainly due to the marketing effort in promoting the magazine in addition to the launch of the mobile application of a digital version of BamBoOs! Life magazine, which was conducive to increasing advertisement placement and health promotion activities initiatives.

Expenses

Our employee benefit expenses increased from approximately HK\$11.9 million for the year ended 30 June 2015 to approximately HK\$12.2 million for the year ended 30 June 2016, which was mainly attributable to general increment in salary paid to our employees.

The operating lease rentals increased from approximately HK\$1.2 million for the year ended 30 June 2015 to approximately HK\$1.6 million for the year ended 30 June 2016. It was mainly resulted from the launch of our member service centre in Wan Chai in December 2014.

Depreciation expenses slightly decreased from approximately HK\$0.6 million for the year ended 30 June 2015 to approximately HK\$0.5 million for the Year, which was mainly due to full depreciation of certain leasehold improvements.

Management Discussion and Analysis

Other operating expenses decreased from approximately HK\$8.2 million for the year ended 30 June 2015 to approximately HK\$7.7 million for the year ended 30 June 2016, which was mainly resulted from the offsetting effect of: (a) effective measures in controlling operating expenses; (b) the factoring out of the one-off non-recurring expenses incurred for the listing of the Company's shares on GEM (the "Listing") during the year ended 30 June 2015; and (c) increase in printing and publication expenses in relation to business development.

Net finance income

Net finance income represented the interest income on short-term bank deposits offset by interest expenses on bank borrowings. Net finance income was approximately HK\$149,000 for the year ended 30 June 2016, while there were net finance costs of approximately HK\$212,000 for the year ended 30 June 2015. Such change was primarily due to an increase of finance income from bank deposit interests and a decrease in finance expenses due to the full repayment of the bank borrowing in July 2015, amounting to HK\$7 million drawn in July 2014.

Income tax expense

Income tax expense amounted to approximately HK\$5.6 million for the year ended 30 June 2016, representing an increase of approximately 14.3% as compared with that of approximately HK\$4.9 million for the year ended 30 June 2015. The Group's effective tax rate slightly decreased from approximately 17.8% for the year ended 30 June 2015 to approximately 17.4% for the year ended 30 June 2016.

Profit for the Year and net profit margin

Profit for the year ended 30 June 2016 amounted to approximately HK\$26.8 million, increased by approximately HK\$4.4 million, or 19.6%, from approximately HK\$22.4 million for the year ended 30 June 2015, mainly as a result of: (a) the increase in revenue by approximately 9.7% from approximately HK\$46.5 million for the year ended 30 June 2015 to approximately HK\$51.0 million for the year ended 30 June 2016 resulted from operating performance analysed above, with the upward price adjustment coming into force on 1 June 2015 for both individual and institutional clients and for various ranks of healthcare personnel; and (b) the factoring out of the one-off non-recurring professional service fees incurred for the Listing. This also led to a rise in net profit margin from approximately 48.1% for the year ended 30 June 2015 to approximately 52.7% for the year ended 30 June 2016.

Trade receivables

Trade receivables remained at similar level, of which there was approximately HK\$19.0 million as at 30 June 2016 and approximately HK\$18.9 million as at 30 June 2015. We generally do not grant credit terms to our clients and payment is immediately due upon presentation of invoices to customers. At 30 June 2016 and 2015, all trade receivables were past due but not considered to be impaired because these mainly relate to a number of customers with limited history of default. During the year ended 30 June 2016, we did not recognise any provision for trade receivables.

Trade payables

Trade payables slightly increased to approximately HK\$12.8 million as at 30 June 2016 from approximately HK\$12.3 million as at 30 June 2015 which was mainly because of the increased costs payable to healthcare personnel placed by us during the year ended 30 June 2016.

Management Discussion and Analysis

COMPARISON BETWEEN BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as stated in the prospectus of the Company dated 30 June 2014 (the "Prospectus") with our Group's actual business progress for the year ended 30 June 2016 is set out below:

Business objectives for the Reviewed Period as stated in the Prospectus	Actual business progress up to 30 June 2016
<p>1. Enhancing business operation efficiency</p> <ul style="list-style-type: none">• Pay the cost of the newly recruited healthcare professional in our management team• Introduce new case management system and synchronise it with our CRM system	<p>We have introduced a new case management system which is synchronised with our CRM system. The first stage of modification has completed during the Year and approximately HK\$0.1 million was recognized during the Year. The second stage of modification which includes strengthening analysis functions and tailor made reports are expected to be upgraded in next financial year.</p> <p>Our Group retained one healthcare professional in the management team as a consultant for the strategic development of the Group, for which the staff cost incurred amounted to approximately HK\$0.2 million.</p> <p>The total proceeds used for enhancing business operation efficiency were amounted to approximately HK\$0.7 million for the Year.</p>
<p>2. Strengthening brand awareness and expanding healthcare personnel pool</p> <ul style="list-style-type: none">• Continue our advertising campaign• Expand our healthcare personnel pool	<p>Our Group continued our advertising campaign which included launching advertisement in television, internet search and social media as well as outdoor displays, and sponsoring social and community events.</p> <p>In addition, our Group has designed innovative souvenirs and gimmicks for distributing to healthcare personnel and clients to strengthen our brand awareness.</p> <p>As at 30 June 2016 and 30 June 2015, the number of healthcare personnel registered in our database were over 16,400 and 15,000 respectively, representing an increase of approximately 9.3%.</p> <p>The total proceeds used for strengthening brand awareness and expanding healthcare personnel pool were amounted to approximately HK\$2.0 million for the Year.</p>

Management Discussion and Analysis

Business objectives for the Reviewed Period as stated in the Prospectus

Actual business progress up to 30 June 2016

3. Enhancing healthcare staffing solution services
 - Strengthen our customer services department and other back office support
 - Maintain and /or further expand our point-to-point pick-up service

In line with the business growth, our Group had strengthened our customer services, marketing, administration and accounting department by recruiting additional employees and enhancing remuneration package.

The cost incurred in recruitment and remuneration of the additional staff as well as remuneration package enhancement amounted to approximately HK\$1 million.

We have maintained a motor vehicle to prepare for our engagement in point-to-point pick-up service and/or for use in our business . The cost incurred in the Year amounted to approximately HK\$0.1 million. The hire care permit required for the commencement of our provision of the service is under application.

Furthermore, our Group had launched an online portal and mobile application. Our Group also renovated our corporate website to make it compatible with mobile devices in order to enhance the experience of our clients when searching for and accessing service information.

The total proceeds used for enhancing healthcare staffing solution services were amounted to approximately HK\$1.6 million for the Year.

4. Developing outreach services team

The current operation of outreach assessment related services was smooth and steady. We expect to recruit more manpower and expand the outreach services team in the next financial year.

The total proceeds used for developing outreach services team were amounted to approximately HK\$0.8 million for the Year.

5. Repayment of indebtedness

Approximately HK\$4.8 million was paid to settle the full amount of bank borrowings drawn in July 2014. As at 30 June 2016, our Group had no outstanding bank borrowings.

Management Discussion and Analysis

USE OF PROCEEDS

The net proceeds from the placing of a total of 100,000,000 new shares in our Company at the placing price of HK\$0.5 each (the "Placing") were approximately HK\$39.8 million. Accordingly, our Group adjusted the use of proceeds in the same manner as stated in the Prospectus. Details of the application of the net proceeds from the Placing are as follows:

	Planned use of proceeds in the same manner as stated in the Prospectus from the Listing Date to 30 June 2016	Actual use of proceeds from the Listing Date to 30 June 2016
	HK\$'million	HK\$'million
• Enhancing business operation efficiency (Note 1)	2.7	1.0
• Strengthening brand awareness and expanding healthcare personnel pool	3.7	3.7
• Enhancing healthcare staffing solution services (Note 2)	8.2	4.6
• Developing outreach services team (Note 3)	4.2	1.0
• Repayment of indebtedness	4.8	4.8
	23.6	15.1

Note:

1. The actual cost of the case management system first stage synchronisation was less than budgeted. System maintenance and further upgrade including analysis functions strengthening and tailor made reports are expected to be continuously carried out in the coming financial year.
2. The application process of the hire care permit required for the provision of point-to point pick-up service for enhancing the healthcare personnel staffing solution services takes longer time than expected. The application is currently in the approval process, however there is no certainty on whether approval can be obtained or the timeline of such approval process. Since the service was not yet commenced, related expenditure was less than the planned use of proceeds. If the permit cannot be obtained in the next financial year, our Directors will evaluate and consider reallocation of the budgeted fund for other business plan or operation enhancement.
3. The actual use of proceeds for developing outreach services team amounted to approximately HK\$0.8 million for the Year, which was less than the planned use of proceeds as the market for outreach assessment related services takes time to develop and generate more demand.

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

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

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

Our Group remained in a healthy and sound liquidity position as at 30 June 2016. Our working capital needs and other capital requirements have been met through a combination of shareholders' equity and cash generated from operations. Going forward, we intend to finance our future operations and capital expenditures with cash flow from operating activities and the net proceeds from the Placing. Our primary uses of cash have been and are expected to continue to be operating costs and capital expenditure.

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

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

As at 30 June 2016, our Group maintained cash and cash equivalents amounting to approximately HK\$80.7 million (2015: HK\$66.9 million). Net current assets increased to approximately HK\$79.4 million as at 30 June 2016 from approximately HK\$61.7 million as at 30 June 2015, which was mainly due to net cash generated from operating activities.

As at 30 June 2016, our Group maintained no bank borrowings (2015: HK\$5.1 million).

CAPITAL STRUCTURE

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

FOREIGN EXCHANGE EXPOSURE RISKS

Our Group's exposure to currency risk is insignificant as our Group operates in Hong Kong with all of our transactions denominated and settled in Hong Kong dollars. During the Year, our Group has not used any derivative financial instruments to hedge foreign exchange risk (2015: Nil).

GEARING RATIO

Gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as "equity" (as shown in the consolidated balance sheet) plus net debt. As at 30 June 2016 and 30 June 2015, the Group had a net cash position as its cash and cash equivalents exceeded the total balance of borrowings by approximately HK\$80.7 million and HK\$61.9 million, respectively.

CAPITAL COMMITMENTS

There is no capital commitment as at 30 June 2016 (HK\$80,000 as at 30 June 2015), details are set out in note 28 to the consolidated financial statements disclosed in this annual report.

PLEDGE OF ASSETS

As at 30 June 2016, there was no significant pledge on our Group's assets (2015: Nil).

Management Discussion and Analysis

CONTINGENT LIABILITIES

As at 30 June 2016, our Group had no significant contingent liabilities (2015: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Our Group did not have other plans for material investments or capital assets as at 30 June 2016.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

During the year ended 30 June 2016, our Group did not hold any significant investment in equity interest in any other company and there were no material acquisitions and disposal of subsidiaries and affiliated companies by our Group.

EMPLOYEES, REMUNERATION POLICIES AND RETIREMENT BENEFIT

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

As at 30 June 2016, our Group engaged a total of 38 employees (2015: 32). Total staff costs including Directors' remuneration for the year ended 30 June 2016 amounted to approximately HK\$12.2 million (2015: HK\$11.9 million). Our Group's remuneration policies are in line with the prevailing market practices.

Our Company has conditionally adopted a share option scheme on 24 June 2014 (the "Share Option Scheme") under which eligible participants (including, among others, full-time employees) may be granted options to subscribe for shares in the Company. As at 30 June 2016, no options had been granted under the share option scheme.

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

Corporate Governance Report

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

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

BOARD OF DIRECTORS

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

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

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

Board Composition

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

Executive Directors:

Mr. Kwan Chi Hong (*Chairman*)

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

Non-executive Director:

Mr. Wong Kam Pui

Independent non-executive Directors:

Professor Chan Chi Fai, Andrew (resigned on 1 March 2016)

Mr. Lam Cheung Wai

Dr. Leung Yu Lung (appointed on 1 March 2016)

Dr. Luk Yim Fai

Corporate Governance Report

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

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

Note: Professor Chan Chi Fai, Andrew was appointed as a Director on 8 May 2013 and redesignated as an independent non-executive Director on 28 March 2014. Professor Chan resigned as independent non-executive Director on 1 March 2016.

A description of our Directors is set out in the section headed “Biographical Details of Directors and Senior Management” on pages 28 to 31 in this annual report.

Chairman and Chief Executive Officer

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

Director’s Appointments, Re-election and Removal

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

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

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

Corporate Governance Report

Confirmation of Independence

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

Number of Meetings and Directors' Attendance

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

As regards the meeting of the Shareholders and to comply with the requirement under Code Provision E.1.2 of the CG Code, the chairman of our Board, as well as the chairman of each of our audit, nomination and compliance committees and the duly appointed delegate of the chairman of our remuneration committee attended the annual general meeting of our Company held on 29 October 2015 (the "2015 AGM") to answer questions at the 2015 AGM.

The attendance records of each Director at the meetings of the Board and the Shareholders held during the year ended 30 June 2016 are set out as follows:

	Board	2015 AGM
<i>Executive Directors:</i>		
Mr. Kwan Chi Hong	4/4	1/1
Ms. Hai Hiu Chu	4/4	1/1
<i>Non-executive Director:</i>		
Mr. Wong Kam Pui, JP	4/4	1/1
<i>Independent non-executive Directors:</i>		
Professor Chan Chi Fai, Andrew (Note 1)	3/3	0/1
Mr. Lam Cheung Wai	4/4	1/1
Dr. Leung Yu Lung (Note 2)	1/1	–
Dr. Luk Yim Fai	4/4	1/1

Note:

1. Professor Chan Chi Fai, Andrew resigned as independent non-executive Director on 1 March 2016. Three Board meetings were held during the period from 1 July 2015 to 1 March 2016.
2. Dr. Leung Yu Lung was appointed as independent non-executive Director on 1 March 2016. From 1 March 2016 to 30 June 2016, one Board meeting was held.

Corporate Governance Report

Practice and Conduct of Meetings

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

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

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

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

BOARD COMMITTEES

Audit committee

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

Currently, our audit committee comprises three independent non-executive Directors, namely Mr. Lam Cheung Wai, Dr. Leung Yu Lung and Dr. Luk Yim Fai. Mr. Lam Cheung Wai is the chairman of our audit committee.

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

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

Corporate Governance Report

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

	Number of Meetings attended/eligible to attend
Mr. Lam Cheung Wai	4/4
Professor Chan Chi Fai, Andrew (<i>Note 1</i>)	3/3
Dr. Leung Yu Lung (<i>Note 2</i>)	1/1
Dr. Luk Yim Fai	4/4

Notes:

1. Professor Chan Chi Fai, Andrew resigned as independent non-executive Director on 1 March 2016. Three audit committee meetings were held during the period from 1 July 2015 to 1 March 2016.
2. Dr. Leung Yu Lung was appointed as independent non-executive Director on 1 March 2016. From 1 March 2016 to 30 June 2016. One audit committee meeting was held.

Remuneration committee

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

Currently, our remuneration committee comprises all the independent non-executive Directors, namely Mr. Lam Cheung Wai, Dr. Leung Yu Lung, Dr. Luk Yim Fai and our executive Director and Chief Executive Officer, Ms. Hai Hiu Chu. Dr. Luk Yim Fai is the chairman of our remuneration committee.

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

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

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

Corporate Governance Report

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

	Number of Meetings attended/eligible to attend
Dr. Luk Yim Fai	2/2
Professor Chan Chi Fai, Andrew (<i>Note 1</i>)	1/2
Mr. Lam Cheung Wai	2/2
Dr. Leung Yu Lung (<i>Note 2</i>)	–
Ms. Hai Hiu Chu	2/2

Notes:

1. Professor Chan Chi Fai, Andrew resigned as independent non-executive Director on 1 March 2016, two remuneration committee meetings were held during the period from 1 July 2015 to 1 March 2016.
2. Dr. Leung Yu Lung was appointed as independent non-executive Director on 1 March 2016. From 1 March 2016 to 30 June 2016, no remuneration committee meeting was held.

Nomination committee

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

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

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

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

During the Year, our nomination committee had reviewed the structure, size and composition of our Board, the independence of independent non-executive Directors and the appointment of Directors of our Company. Our nominations committee recommended to the Board the appointment of Dr. Leung Yu Lung as an independent non-executive Director of our Company during the Year.

Corporate Governance Report

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

	Number of Meetings attended/eligible to attend
Mr. Lam Cheung Wai	2/2
Professor Chan Chi Fai, Andrew (<i>Note 1</i>)	1/2
Dr. Leung Yu Lung (<i>Note 2</i>)	–
Dr. Luk Yim Fai	2/2
Mr. Kwan Chi Hong	2/2

Notes:

1. Professor Chan Chi Fai, Andrew resigned as independent non-executive Director on 1 March 2016. Two nomination committee meetings were held during the period from 1 July 2015 to 1 March 2016.
2. Dr. Leung Yu Lung was appointed as independent non-executive Director on 1 March 2016. From 1 March 2016 to 30 June 2016, no nomination committee meeting was held.

Compliance Committee

Our Board established the compliance committee on 24 June 2014. Currently it comprises one non-executive Director, namely Mr. Wong Kam Pui, and two independent non-executive Directors, Dr. Leung Yu Lung and Dr. Luk Yim Fai; Mr. Wong Kam Pui is the chairman of our compliance committee.

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

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

Corporate Governance Report

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

	Number of Meetings attended/eligible to attend
Mr. Wong Kam Pui	1/1
Professor Chan Chi Fai, Andrew (<i>Note 1</i>)	0/1
Dr. Leung Yu Lung (<i>Note 2</i>)	–
Dr. Luk Yim Fai	1/1

Notes:

1. Professor Chan Chi Fai, Andrew resigned as independent non-executive Director on 1 March 2016. One compliance committee meeting was held during the period from 1 July 2015 to 1 March 2016.
2. Dr. Leung Yu Lung was appointed as independent non-executive Director on 1 March 2016. From 1 March 2016 to 30 June 2016, no compliance committee meeting was held.

SENIOR MANAGEMENT'S REMUNERATION

Senior management's remuneration payment of our Group for the year ended 30 June 2016 falls within the following band:

	Number of individuals
Nil to HK\$1,000,000	5

CORPORATE GOVERNANCE FUNCTIONS

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

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

Corporate Governance Report

DIRECTORS' CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT

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

During the Year, all Directors participated in the continuous professional developments regarding the duties and responsibility of our Directors under the relevant legal and regulatory requirement which included reading materials in relation to directors' liability and insurance and other legal or regulatory update. All Directors have participated in training regarding GEM Listing Rules and CG code updates conducted by our Company Secretary during the Year.

SECURITIES TRANSACTIONS BY DIRECTORS

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

CONSTITUTIONAL DOCUMENTS

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

AUDITOR'S REMUNERATION

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

Services rendered during the Year	HK\$'000
Statutory audit services	1,000

DIRECTORS' RESPONSIBILITY STATEMENT

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

Corporate Governance Report

RISK MANAGEMENT AND INTERNAL CONTROLS

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

COMPANY SECRETARY

All Directors have access to the advice and services of our Company Secretary to ensure that the Board procedures and all applicable laws are followed. Moreover, our Company Secretary is responsible for facilitating communications among Directors as well as with the management. Ms. Lam Yuen Ling Eva is the Company Secretary of our Company. The biographical details of Ms. Lam are set out under the section headed "Biographical Details of Directors and Senior Management." Ms. Lam has confirmed that she has undertaken no less than 15 hours of professional training to update her skills and knowledge during the Year.

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

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

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

PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

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

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

Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS

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

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

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

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

Attention: Union Registrars Limited
Address: Suites 3301-04, 33rd Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong
Telephone no.: (852) 2849 3399
Fax no.: (852) 2849 3319

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

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

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

Hong Kong, 25 August 2016

Environmental, Social and Governance Report

Our Group's core values of "Care•Competence•Commitment " drive our business' growth and sustainability. Our Group is committed to striving for excellence in service quality, caring for the community and the environment.

Besides business growth, we are committed to bringing more values to our stakeholders and achieving a high level in social responsibility, environmental preservation and governance.

OUR CORE VALUES

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

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

We summarise below our Group's business practices and major implemented policies and strategies to our Group's (i) operational practices, (ii) working environment, (iii) environmental protection and (iv) community engagement.

OPERATIONAL PRACTICES

Quality Assurance and Service Responsibility

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

ISO 9001:2008 Quality Management System

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

Environmental, Social and Governance Report

ISO 10002:2004 Complaints Handling Management System

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

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

Intellectual Property Rights

Our Group respects and protects intellectual property rights. Our Group has taken active steps to protect our trademarks and other intellectual property rights by making the necessary filing or registration. We have maintained registration of our logos and our representing cartoon characters. During the Year, we had been reinforcing the practice of genuine innovation with our corporate designers regarding various corporate designs, publications and gimmicks. In addition, we observe intellectual property rights on sound recordings and music. Our Group has maintained a licence with PPSEAL (Phonographic Performance (South East Asia) Ltd) in public performance of sound recordings and music in our member service centre.

Protection of Personal Data

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

The use of internal server system and the system for managing our Group's interactions with clients and healthcare personnel registered with us (the "CRM system") are restricted with different access levels, staff is only granted with authority access to certain data on a "need-to-know" basis. During the Year, our Group had reviewed the access authorities of the CRM and developed more refined access authority levels so as to further safeguard data and information.

The employment contracts signed with all our staff contain clauses to ensure that confidential information is protected and the information of our Group will be kept in strict confidence and our staff will not disclose any information which are protected against disclosure and have come to their possession as a result of their employment with us to any person without the prior approval of the designated officer(s) of our Group. Exit interview with our leaving staff has come into practice during the Year, in which the importance of confidentiality and personal data protection after the termination of employment is emphasized in the relevant declaration signed by the leaving staff.

Environmental, Social and Governance Report

Anti-corruption

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

WORKING ENVIRONMENT

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

Training and Development

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

Employee Engagement

Considerate employee benefits and engagement activities enhances productivity. Large supply of snacks and drink are provided to our staff in the office, it is always an exciting day for our staff when snacks shopping and ordering were done in every month. Besides Christmas and spring dinners, we also initiate seafood fest and health seminars to encourage work-life balance among our employees.

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

ENVIRONMENTAL PROTECTION

Our Group advocates environmental protection in our daily business operation. We adopt a variety of environmental friendly practices in our office premises. Staff is encouraged to minimize paper and electricity consumption. For example double-sided printing, less colour printing, reusing and recycling used papers as well as implementing lighting zone control and using various efficient lamps in our office is implemented in our office. During the Year, we have also engaged our electricity supplier to conduct energy audit for corporate office premise, in which the report showed the current energy performance of our Group is good.

Environmental, Social and Governance Report

COMMUNITY ENGAGEMENT

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

During the Year, we had supported over 40 community initiatives and campaigns in various manners including cash sponsorship, sponsoring gift bags, volunteering in initiatives, supporting in promotion and media and supporting in event management. The details are set out as below:

Nature of support	Value	
	2016 (HK\$'000)	2015 (HK'000)
Cash sponsorship	208	215
Sponsorship in kind	583	323
– Sponsoring gift bags and lucky draw gifts to activities		
– Supporting charity sales		
– Volunteering in initiatives		
– Support in promotion and media		
– Support in event management		
Total	791	538

We treasure every opportunity to build a healthier and harmonious community. Besides empowering various charitable organizations, elderly services operators and professional development institutions of healthcare, we also initiate regular volunteer programmes such as fruit delivery visit campaigns to hospitals and elderly homes in Chinese New Year and Mid- Autumn Festival every year. During the Year, our Group collaborated with a famous local designer, Chocolate Rain, and published a picture book, blending our Chairman’s moto and management insight with cheerful and warm pictures. The charity sales of the picture book with Hong Kong Rehabilitation Power as beneficiary organization was very encouraging, our clients and collaborators were brought together in the event, for the well-being of disabled persons and embracing social diversity and inclusion.

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

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

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

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

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

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

Ms. Hai Hiu Chu, aged 45, is an executive Director, the chief executive officer and one of the controlling shareholders of our Company and a member of our remuneration committee. Ms. Hai co-founded our Group in May 2009. She was appointed as a Director on 23 November 2012 and redesignated as an executive Director on 28 March 2014. Ms. Hai is responsible for the overall management, strategic development and major decision making for our Group. Ms. Hai obtained a bachelor's degree in pharmacy in Chinese Medicine and a master's degree of Science in Chinese Medicines from The University of Hong Kong in November 2008 and November 2012 respectively. She has completed a programme in Executive MBA and obtained a master's degree in Business Administration from The Chinese University of Hong Kong in December 2010.

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

Ms. Hai currently serves as a division president in Hong Kong St John Ambulance Brigade and a director of Hong Kong Rehabilitation Power. Ms. Hai is the winner of the Most Promising Entrepreneurship Award in Asia Pacific Entrepreneurship Awards 2012.

Biographical Details of Directors and Senior Management

NON-EXECUTIVE DIRECTOR

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

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lam Cheung Wai, aged 59 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 had served as the president of its council of management from April 1995 to December 2013. He is also a co-founder of Empowering Life Network Limited, a charitable organisation aiming to serve deprived youths. Mr. Lam was awarded The Ten Outstanding Young Persons (十大傑出青年) in 1996. Mr. Lam has been a member of the Rehabilitation Advisory Committee of the government of Hong Kong Special Administrative Region since January 2016.

Dr. Leung Yu Lung, aged 44, is an independent non-executive Director and a member of our audit committee, nomination committee, remuneration committee and compliance committee. He was appointed as an independent non-executive Director on 1 March 2016. Dr. Leung is responsible for providing independent judgment on issues of strategy, performance, resources and standards of conduct of our Group. Dr. Leung graduated from The Chinese University of Hong Kong in December 1994 and holds the qualifications of BMedSc (First Class Hons, CUHK), MBChB (CUHK), FCOphth (Hong Kong), MRCS (Edinburgh) (Ophthalmology), GMC (UK), FHKAM (Ophthalmology), FRCOphth (London) and FRCS (Glasgow) (Ophthalmology).

Biographical Details of Directors and Senior Management

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

Dr. Luk Yim Fai, aged 64, 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's teaching career in Hong Kong started in January 1985 at The Chinese University of Hong Kong as an assistant lecturer of the Department of Economics. He then moved on to be a lecturer and began his teaching at the School of Economics and Finance at The University of Hong Kong (HKU) in September 1993. He has been associate professor from May 2004 to June 2016 there. During his employment at HKU, Dr. Luk served as director of the School of Economics and Finance from July 2001 to February 2012, and associate dean (IMBA and special projects) of the Faculty of Business and Economics from August 2012 to February 2016. Dr. Luk retired from his long-term position as associate professor in June 2016 and serves as principal lecturer and IMBA program director at HKU.

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

SENIOR MANAGEMENT

Mr. Lau Tak Kie, Anthony, aged 38, is the Finance Manager of our Group. He joined our Group in May 2016 and is responsible for financial operations of our Group. Mr. Lau graduated from the City University of Hong Kong with a bachelor's degree of Business Administration in Accountancy in November 2000. Mr. Lau has been a member of the Hong Kong Institute of Certified Public Accountants since September 2005. He has over 12 years of experience in various areas including accounting, auditing and compliance prior to joining our Group.

Ms. Liu Huanming, aged 44, is the consultant of our Group. She joined our Group in January 2012 and is responsible for strategic planning and providing assistance from the medical perspective. Ms. Liu obtained a bachelor's degree in clinical medicine and a master's degree in ophthalmology from Shandong Medical University, which later merged with other institutions to form Shandong University, the PRC in July 1995 and June 2000 respectively. Ms. Liu was awarded a doctorate degree of Philosophy in Ophthalmology and Visual Sciences from The Chinese University of Hong Kong in December 2010. Ms. Liu has completed a programme in Executive MBA and obtained a master's degree in Business Administration from The Chinese University of Hong Kong in December 2013. Ms. Liu has been a qualified doctor in the PRC since May 1999 and practised at Shandong Province Qianfushan Hospital from December 1999 to June 2006.

Biographical Details of Directors and Senior Management

Ms. Lui Yin Ping, aged 44, is the general manager (customer service) of our Group. Ms. Lui joined our Group in July 2009, and is responsible for the supervision of operation and performance of the CS Department. Ms. Lui obtained an Executive Secretarial Diploma from Professional of Career Youth Department of Hong Kong Young Women's Christian Association in October 1996. She has over 20 years of experience in the customer service field. Prior to joining our Group, she worked in various positions relating to customer relations in Reader's Digest Association Far East Limited, a publisher from June 1995 to February 2008, where she was mainly responsible for handling customer inquiries and complaints and assisting the manager to carry out the customer loyalty program. From April 2008 to June 2009, Ms. Lui worked as a customer service executive of Bamboos Limited, responsible for providing general customer services.

Ms. Lao Liling, aged 43, is the internal audit officer of our Group. She joined our Group in April 2013. Ms. Lao is responsible for the overall quality control and the compliance with internal procedures and certifications of our Company. She obtained her master's degree of business administration in executive management from Royal Roads University, British Columbia, Canada in June 2010. She also completed the SA8000 Introduction & basic auditor course in Guangzhou China conducted by the Social Accountability International in August 2009.

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

COMPANY SECRETARY

Ms. Lam Yuen Ling Eva, aged 49, was appointed as company secretary of the Company in October 2014. Ms. Lam obtained a Higher Certificate in Company Secretaryship and Administration from the Hong Kong Polytechnic University in November 1993 and was awarded a degree of Master of Science in Corporate Governance and Directorship by the Hong Kong Baptist University in November 2015.

Ms. Lam is a director of BMI Listed Corporate Services Limited. She has over 20 years of experience in company secretarial services and commercial solutions. Ms. Lam is a fellow of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. Currently, Ms. Lam is also acting as company secretary or joint company secretary for six companies whose shares are listed on the Stock Exchange.

Directors' Report

The directors of the Company (the "Directors" or the "Board") are pleased to present to the shareholders their annual report together with the audited financial statements for the year ended 30 June 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's principal subsidiary are set out in note 32 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the Year.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 30 June 2016 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 43 to 77.

An interim dividend of HK2.50 cents (2015: HK2.00 cents) per ordinary share totalling HK\$10,000,000 was paid during the Year.

On 4 February 2016, the Board resolved to declare and pay an interim dividend of HK\$10,000,000 (HK2.50 cents per ordinary share) for the six months ended 31 December 2015. Save for such interim dividend, the Board does not recommend the payment of a final dividend for the year ended 30 June 2016 (2015: nil).

Total dividend paid in respect of the year ended 30 June 2016 amounted to HK\$10,000,000 (2015: HK\$8,000,000).

SUMMARY OF FINANCIAL INFORMATION

A summary of the results, assets and liabilities of the Group for the past four financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out on page 78. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

BANK BORROWINGS

There is no bank borrowing maintained by the Group as at 30 June 2016 (HK\$5.1 million as at 30 June 2015).

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in note 22 to the consolidated financial statements.

Directors' Report

DISTRIBUTABLE RESERVES

As at 30 June 2016, the Company's reserves available for distribution amounted to approximately HK\$323,000 (2015: 447,000) as set out in note 31 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

DIRECTORS

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

Executive Directors

Mr. Kwan Chi Hong (Chairman)

Ms. Hai Hiu Chu (Chief Executive Officer)

Non-executive Director

Mr. Wong Kam Pui, JP

Independent non-executive Directors

Professor Chan Chi Fai, Andrew (resigned on 1 March 2016)

Mr. Lam Cheung Wai

Dr. Leung Yu Lung (appointed on 1 March 2016)

Dr. Luk Yim Fai

Biographical details of the Directors and the senior management of the Group are set out on pages 28 to 31 of this annual report.

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

Confirmation of Independence

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

Directors' Report

DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

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

As at 30 June 2016, no contract of significance had been entered into between our Company, or any of its subsidiaries and the controlling Shareholders or any of its subsidiaries.

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

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

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

COMPLIANCE WITH NON-COMPETITION UNDERTAKING BY OUR CONTROLLING SHAREHOLDERS

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

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

Directors' Report

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

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

As at 30 June 2016 and the date of this annual report, the interests and short positions in the shares, underlying shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) held by the Directors and chief executives of our Company which have been notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or have been entered in the register maintained by our Company pursuant to section 352 of the SFO, or otherwise have been notified to our Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

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

Note:

- Ms. Hai Hiu Chu is deemed to be interested in the Shares held by Gold Empress Limited ("Gold Empress") by virtue of the SFO as Gold Empress is wholly owned by Ms. Hai Hiu Chu.
- Mr. Kwan Chi Hong is deemed to be interested in the Shares held by Gold Beyond Limited ("Gold Beyond") by virtue of the SFO as Gold Beyond is wholly owned by Mr. Kwan Chi Hong.
- Ms. Hai Hiu Chu and Mr. Kwan Chi Hong, being our executive Directors, are deemed to be parties acting in concert under the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). As such, Ms. Hai Hiu Chu, Mr. Kwan Chi Hong, Gold Empress and Gold Beyond are all regarded as parties acting in concert under the Takeovers Code and are therefore deemed to be interested in the Shares held by each other.
- All the interests stated above represent long positions. The percentage of shareholding is calculated on the basis of 400,000,000 shares in the Company in issue as at 30 June 2016 and the date of this annual report.

Directors' Report

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

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

So far as our Directors are aware, as at 30 June 2016 and the date of this annual report, other than the Directors and chief executives of our Company, the following persons/entities had interests or short positions in the shares or underlying shares of our Company which were required to be disclosed to our Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register required to be kept under section 336 of the SFO:

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

Note:

- Under the SFO, Ms. Hai Hiu Chu is deemed to be interested in 270,000,000 Shares held by Gold Empress by virtue of Ms. Hai Hiu Chu holding the entire issued share capital of Gold Empress.
- Under the SFO, Mr. Kwan Chi Hong is deemed to be interested in 30,000,000 Shares held by Gold Beyond by virtue of Mr. Kwan Chi Hong holding the entire issued share capital of Gold Beyond.
- Ms. Hai Hiu Chu and Mr. Kwan Chi Hong, being our executive Directors, are deemed to be parties acting in concert under the Takeovers Code. As such, Ms. Hai Hiu Chu, Mr. Kwan Chi Hong, Gold Empress and Gold Beyond are all regarded as parties acting in concert under the Takeovers Code and are therefore deemed to be interested in the Shares held by each other.
- All the interests stated above represent long positions. The percentage of shareholding is calculated on the basis of 400,000,000 shares in the Company in issue as at 30 June 2016 and the date of this annual report.

Save as disclosed above, as at 30 June 2016 and the date of this annual report, no other person had any interests or short positions in the shares or underlying shares of our Company which were required to be disclosed to our Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of our Company required to be kept under section 336 of the SFO.

Directors' Report

SHARE OPTION SCHEME

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

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

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

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

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

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

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

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

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

Directors' Report

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

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

INTERESTS OF THE COMPLIANCE ADVISER

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

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

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 30 June 2016, the revenue attributable to our five largest clients accounted for less than 15% of our revenue for the Year. Costs payable to our five largest healthcare personnel placed by us also accounted for less than 10% of our total pay-out costs for the Year. During the Year, none of our Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had any interest in these clients or healthcare personnel of our Group.

RELATED PARTY TRANSACTIONS

Related party transactions in relation to the rental fee paid to a related party during the year ended 30 June 2016 as set out in note 29 to the financial statements fall under the definition of "continuing connected transaction" in Chapter 20 of the GEM Listing Rules but are exempted from the reporting, annual review, announcement and independent shareholders' approval requirement set out in Chapter 20 of the GEM Listing Rules. Further details are set out in the section headed "Connected Transactions" in the Prospectus.

Save as disclosed above, our Directors consider that those material related party transactions disclosed in note 29 to the financial statements did not fall under the definition of "connected transactions" or "continuing connected transactions" (as the case may be) in Chapter 20 of the GEM Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the GEM Listing Rules. Our Company confirmed that we have complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by the Company are set out in the section headed "Corporate Governance Report" on pages 13 to 23.

Directors' Report

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

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

SUFFICIENCY OF PUBLIC FLOAT

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

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION

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

CHARITABLE DONATIONS

Charitable donations in cash made by the Group during the Year amounted to approximately HK\$208,000. Please also refer to the section headed "Environmental, Social and Governance Report" contained in this annual report for details of sponsorship in kind made by the Group during the Year.

LEGAL COMPLIANCE

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

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

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

Directors' Report

RELATIONSHIPS WITH EMPLOYEES, HEALTHCARE PERSONNEL AND CLIENTS

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

CLOSURE OF REGISTER OF MEMBERS

In order to determine entitlements to attend and vote at the annual general meeting, the register of members of the Company will be closed from Tuesday, 18 October 2016 to Thursday, 20 October 2016, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to be eligible to attend and vote at the forthcoming annual general meeting of the Company, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33rd Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on Monday, 17 October 2016.

AUDITOR

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

By order of the Board of

Bamboos Health Care Holdings Limited

Kwan Chi Hong

CHAIRMAN

Hong Kong, 25 August 2016

Independent Auditor's Report



羅兵咸永道

TO THE SHAREHOLDERS OF BAMBOOS HEALTH CARE HOLDINGS LIMITED

(incorporated in Cayman Islands with limited liability)

We have audited the consolidated financial statements of Bamboos Health Care Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 43 to 77, which comprise the consolidated balance sheet as at 30 June 2016, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

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T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com*

Independent Auditor's Report



羅兵咸永道

OPINION

In our opinion, the consolidated financial statements give a true and fair view of financial position of the Company and its subsidiaries as at 30 June 2016, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 25 August 2016

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2016

	Note	2016 HK\$'000	2015 HK\$'000
Revenue	6	50,966	46,496
Other income and gain	7	3,417	2,835
Employee benefit expenses	9	(12,210)	(11,863)
Operating lease rentals		(1,560)	(1,223)
Depreciation		(526)	(613)
Other operating expenses	8	(7,748)	(8,175)
Operating profit		32,339	27,457
Finance income	11	166	21
Finance expenses	11	(17)	(233)
Finance income/(expenses), net		149	(212)
Profit before income tax		32,488	27,245
Income tax expense	12	(5,646)	(4,858)
Profit and total comprehensive income for the year attributable to equity holders of the Company		26,842	22,387
Earnings per ordinary share attributable to the equity holders of the Company			
Basic and diluted	13	HK6.71 cents	HK5.63 cents

The notes on pages 48 to 77 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

As at 30 June 2016

	Note	2016 HK\$'000	2015 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	1,338	1,616
Prepayments and deposits	19	3	567
		1,341	2,183
Current assets			
Inventories	18	131	139
Trade receivables	17	18,990	18,854
Prepayments, deposits and other receivables	19	1,033	667
Amount due from a related company	20	72	72
Cash and cash equivalents	21	80,690	66,942
		100,916	86,674
Total assets		102,257	88,857
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	22	4,000	4,000
Share premium	22	39,123	39,123
Reserves	23	37,560	20,718
Total equity		80,683	63,841
Non-current liabilities			
Deferred income tax liabilities	27	46	80

Consolidated Balance Sheet

As at 30 June 2016

	Note	2016 HK\$'000	2015 HK\$'000
Current liabilities			
Trade payables	24	12,838	12,286
Accruals and other payables	25	2,504	1,895
Tax payable		6,186	5,691
Bank borrowings	26	–	5,064
		21,528	24,936
Total liabilities		21,574	25,016
Total equity and liabilities		102,257	88,857

The financial statements on pages 43 to 77 were approved by the Board of Directors on 25 August 2016 and were signed on its behalf

Kwan Chi Hong
Director

Hai Hiu Chu
Director

The notes on pages 48 to 77 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2016

	Share capital (Note 22) HK\$'000	Share premium (Note 22) HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 July 2014	–	–	6,331	6,331
Total comprehensive income				
Profit for the year	–	–	22,387	22,387
Transaction with owners:				
Dividends (Note 14)	–	–	(8,000)	(8,000)
Capitalisation issue of shares (Note 22)	3,000	(3,000)	–	–
Issue of shares by way of placing (Note 22)	1,000	42,123	–	43,123
At 30 June 2015	4,000	39,123	20,718	63,841
At 1 July 2015	4,000	39,123	20,718	63,841
Total comprehensive income				
Profit for the year	–	–	26,842	26,842
Transaction with owners:				
Dividends (Note 14)	–	–	(10,000)	(10,000)
At 30 June 2016	4,000	39,123	37,560	80,683

The notes on pages 48 to 77 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2016

	2016	2015
	HK\$'000	HK\$'000
Cash flows from operating activities		
Cash generated from operations (Note 30)	34,097	21,833
Interest paid	(17)	(233)
Income tax paid	(5,186)	(3,877)
	<hr/>	<hr/>
Net cash generated from operating activities	28,894	17,723
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Cash flows from investing activities		
Purchase of property, plant and equipment	(248)	(1,884)
Proceeds from disposal of property, plant and equipment	-	200
Interest received	166	4
	<hr/>	<hr/>
Net cash used in investing activities	(82)	(1,680)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Cash flows from financing activities		
Balances with directors and related companies	-	(275)
Dividend paid (Note 14)	(10,000)	(8,000)
Repayment of bank borrowings	(5,064)	(3,006)
Payment of professional fees related to listing preparation	-	(3,427)
Net proceeds from issuance of shares by way of placing	-	46,550
	<hr/>	<hr/>
Net cash (used in)/generated from financing activities	(15,064)	31,842
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net increase in cash and cash equivalents	13,748	47,885
Cash and cash equivalents at 1 July	66,942	19,057
	<hr/>	<hr/>
Cash and cash equivalents at 30 June	80,690	66,942
	<hr/>	<hr/>

The notes on pages 48 to 77 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

Bamboos Health Care Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 23 November 2012 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and its principal place of business is Unit B-C, 16/F, E-Trade Plaza, 24 Lee Chung Street, Chai Wan, Hong Kong. The Company’s shares are listed on the Growth Enterprise Market (“GEM”) of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 8 July 2014 (the “Listing”).

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

These financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 25 August 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

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

- (a) During the year, the Group has adopted all amendments to existing accounting standards effective for the first time for the financial year beginning on 1 July 2015, which do not have any significant impact on the Group’s results and financial position.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

- (b) The following new standards and amendments to existing standards have been published by the HKICPA but are not yet effective for the financial year beginning on or after 1 July 2015 and have not been early adopted by the Group:

HKFRSs (amendment)	Annual improvements to HKFRSs 2012-2014 cycle ⁽¹⁾
HKFRS 9	Financial instruments ⁽²⁾
HKFRS 10 and HKAS 28 (amendment)	Sale or contribution of assets between an investor and its associate or joint venture ⁽⁴⁾
HKFRS 10 and HKFRS 12 and HKAS 28 (amendment)	Investment entities: applying the consolidation exception ⁽¹⁾
HKFRS 11 (amendment)	Accounting for acquisitions of interests in joint operations ⁽¹⁾
HKFRS 14	Regulatory deferral accounts ⁽¹⁾
HKFRS 15	Revenue from contracts with customers ⁽²⁾
HKFRS 16	Leases ⁽³⁾
HKAS 1 (amendment)	Disclosure initiative ⁽¹⁾
HKAS 16 and HKAS 38 (amendment)	Clarification of acceptable methods of depreciation and amortisation ⁽¹⁾
HKAS 16 and HKAS 41 (amendment)	Agriculture: bearer plants ⁽¹⁾
HKAS 27 (amendment)	Equity method in separate financial statements ⁽¹⁾

⁽¹⁾ Effective for the Company for annual period beginning on 1 January 2016

⁽²⁾ Effective for the Company for annual period beginning on 1 January 2018

⁽³⁾ Effective for the Company for annual period beginning on 1 January 2019

⁽⁴⁾ Effective date to be determined

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

2.2 Subsidiaries

2.2.1 Consolidation

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Subsidiaries (continued)

2.2.1 Consolidation (continued)

(a) *Business combinations (continued)*

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

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

Acquisition-related costs are expensed as incurred.

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

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

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

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

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Subsidiaries (continued)

2.2.2 *Separate financial statements*

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

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

2.3 Foreign currency translation

Functional and presentation currency

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

2.4 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 executive directors of the Company who make strategic decisions.

2.5 Property, plant and equipment

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

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

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

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment (continued)

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

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

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

2.6 Impairment of non-financial assets

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

2.7 Financial assets

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

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

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

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Impairment of financial assets carried at amortised cost

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

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

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

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

2.9 Trade and other receivables

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

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

2.10 Cash and cash equivalents

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

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. Financial liabilities (as disclosed in Note 16) are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. An equity instrument is any contract that does not meet the definition of financial liability and evidences a residual interest in the assets of the Group after deducting all of its liabilities.

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

2.12 Borrowings

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

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

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

2.13 Borrowing costs

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

2.14 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.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Current and deferred income tax (continued)

(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.

2.15 Employee benefits

(a) *Pension obligations*

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

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

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Employee benefits (continued)

(b) Bonus plan

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

2.16 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.

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

2.17 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.

2.18 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.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Inventories

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

(a) Foreign exchange risk

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

(b) Credit risk

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

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

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

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

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(c) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and cash equivalents.

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

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

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000	Total HK\$'000
At 30 June 2016				
Trade payables	12,838	–	–	12,838
Accruals and other payables	1,989	–	–	1,989
	14,827	–	–	14,827
At 30 June 2015				
Trade payables	12,286	–	–	12,286
Accruals and other payables	1,738	–	–	1,738
Bank borrowings	2,357	2,357	589	5,303
	16,381	2,357	589	19,327

(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 21 and Note 26, 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 2016, 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 years ended 30 June 2016 would have been approximately nil (2015: HK\$51,000) lower/higher respectively, mainly as a result of higher/lower interest expenses on floating rate borrowings.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management

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

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

As at 30 June 2016, the Group has a net cash position and its cash and bank balances exceeded the total balance of borrowings by HK\$80,690,000 (2015: HK\$61,878,000) respectively.

3.3 Fair value estimation

As at 30 June 2016 and 2015, the Group did not have any financial assets or financial liabilities that are measured at fair value.

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

Notes to the Consolidated Financial Statements

5 SEGMENT INFORMATION

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

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

The Group primarily operates in Hong Kong with all of its non-current assets located at and capital expenditure incurred in Hong Kong. During the years ended 30 June 2016 and 2015, all revenue was earned from external customers in Hong Kong.

6 REVENUE

	2016	2015
	HK\$'000	HK\$'000
Revenue from provision of healthcare staffing solution services	50,231	46,244
Revenue from provision of outreach case assessment related services	735	252
	50,966	46,496

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

	2016	2015
	HK\$'000	HK\$'000
Gross fee	205,622	190,576
Cost attributable to healthcare personnel	(155,391)	(144,332)
Revenue from provision of healthcare staffing solution services	50,231	46,244

Gross fee does not represent the Group's revenue.

Notes to the Consolidated Financial Statements

7 OTHER INCOME AND OTHER GAIN

	2016	2015
	HK\$'000	HK\$'000
Other income		
— Activities income	313	219
— Advertising income	1,384	917
— Sales of goods	742	678
— Others	978	941
	3,417	2,755
Other gain		
— Gain on disposal of a motor vehicle	—	80
Total	3,417	2,835

8 OTHER OPERATING EXPENSES

	2016	2015
	HK\$'000	HK\$'000
Auditor's remuneration	1,000	1,000
Legal and professional fee	1,670	1,719
Professional service fees in respect of listing preparation	—	178
Rates and management fee	101	127
Postage, utilities charges and general office expenses	1,026	1,028
Travelling and transportation expenses	538	564
Printing costs	1,094	904
Advertising and promotion expenses	964	1,178
Insurance expenses	348	355
Cost of inventories sold	130	133
Other expenses	877	989
	7,748	8,175

Notes to the Consolidated Financial Statements

9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' REMUNERATIONS)

	2016 HK\$'000	2015 HK\$'000
Wages, salaries and bonus	11,384	11,061
Pension costs — defined contribution plan	368	371
Other staff welfare	458	431
	12,210	11,863

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

10 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive's emoluments

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

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

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

Notes to the Consolidated Financial Statements

10 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

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

The remuneration of every director and the chief executive for the year ended 30 June 2015 is set out below:

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

	Fees HK\$'000	Salaries HK\$'000	Discretionary bonuses HK\$'000	Housing allowance HK\$'000	Estimated money value of other benefits HK\$'000	Employer's contribution to a retirement benefit scheme HK\$'000	Remunerations paid or receivable in respect of accepting office as director HK\$'000	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiaries undertaking HK\$'000	Total HK\$'000
<i>Executive directors:</i>									
Mr. Kwan Chi Hong	-	1,177	-	-	-	18	-	-	1,195
Ms. Hai Hiu Chu (Chief executive)	-	1,177	-	-	-	18	-	-	1,195
<i>Non-executive directors:</i>									
Mr. Mok Gar Lon, Francis (Note i)	21	-	-	-	-	-	-	-	21
Mr. Wong Kam Pui (Note ii)	74	-	-	-	-	-	-	-	74
<i>Independent non-executive directors:</i>									
Mr. Lam Cheung Wai	-	-	-	-	-	-	-	-	-
Professor Chan Chi Fai, Andrew (Note iii)	94	-	-	-	-	-	-	-	94
Dr. Luk Yim Fai	94	-	-	-	-	-	-	-	94
	283	2,354	-	-	-	36	-	-	2,673

No directors waived or agreed to waive any emoluments during the years ended 30 June 2016 and 2015.

Notes:

- (i) Mr. Mok Gar Lon, Francis resigned as the Company's non-executive director with effect from 25 September 2014.
- (ii) Mr. Wong Kam Pui was appointed as the Company's non-executive director with effect from 25 September 2014.
- (iii) Professor Chan Chi Fai Andrew resigned as the Company's independent non-executive director with effect from 1 March 2016.
- (iv) Dr. Leung Yu Lung was appointed as the Company's independent non-executive director with effect from 1 March 2016.

Notes to the Consolidated Financial Statements

10 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(b) Five highest paid individuals

The five individuals whose emolument were the highest in the Group for the year include two (2015: two) directors whose emoluments are reflected in the analysis presented in Note 10(a) above. The emoluments payable to the remaining three (2015: three) individuals during the year are as follows:

	2016	2015
	HK\$'000	HK\$'000
Basic salaries, bonuses, others allowances and benefits in kind	1,366	1,391
Pension costs — defined contribution plan	53	49
	1,419	1,440

The emoluments fell within the following bands:

	2016	2015
Emolument Bands		
Nil to HK\$1,000,000	3	3

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

(c) Directors' retirement benefits and termination benefits

None of the directors received or will receive any retirement benefits under a defined benefit scheme or termination benefits during the year (2015: Nil).

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

The Company did not pay consideration to any third parties for making available directors' services during the year (2015: Nil).

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

No loans, quasi-loans and other dealings were made available in favour of directors, controlled bodies corporate by and connected entities with such directors subsisted at the end of the period or at any time during the year (2015: Nil).

Notes to the Consolidated Financial Statements

10 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

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

Save as disclosed in Note 29, no significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the year (2015: Nil).

11 FINANCE INCOME/(EXPENSES), NET

	2016	2015
	HK\$'000	HK\$'000
Interest income on bank deposits	166	21
Interest expenses arising from bank borrowings	(17)	(233)
	149	(212)

12 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% (2015: 16.5%) on the estimated assessable profits arising in or derived from Hong Kong.

	2016	2015
	HK\$'000	HK\$'000
Current income tax		
— Hong Kong profits tax	5,700	4,727
— (Over)/under provision in previous years	(20)	39
Deferred income tax (credit)/expense (Note 27)	(34)	92
	5,646	4,858

Notes to the Consolidated Financial Statements

12 INCOME TAX EXPENSE (CONTINUED)

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:

	2016	2015
	HK\$'000	HK\$'000
Profit before income tax	32,488	27,245
Calculated at a taxation rate of 16.5% (2015: 16.5%)	5,360	4,495
Income not subject to tax	(27)	(3)
Expenses not deductible	333	327
(Over)/under provision in previous years	(20)	39
	5,646	4,858

13 EARNINGS PER SHARE

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

The weighted average number of ordinary shares in issue during the year ended 30 June 2015 used in the basic earnings per share calculation is determined on the assumption that the 299,999,980 ordinary shares issued upon the capitalisation issue (Note 22(b)) had been in issue throughout the year ended 30 June 2015.

	2016	2015
Profit attributable to equity holders of the Company (HK\$'000)	26,842	22,387
Weighted average number of ordinary shares in issue ('000)	400,000	397,808
Basic earnings per ordinary share (HK cents)	6.71	5.63

Diluted earnings per share for the years ended 30 June 2016 and 2015 were the same as basic earnings per share as the Group had no potentially dilutive ordinary shares in issue during these years.

Notes to the Consolidated Financial Statements

14 DIVIDENDS

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

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

No final dividends were declared by the Company during the years ended 30 June 2016 and 2015.

15 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Computer equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
At 1 July 2014					
Cost	1,041	389	276	450	2,156
Accumulated depreciation	(908)	(273)	(187)	(323)	(1,691)
Net book amount	133	116	89	127	465
Year ended 30 June 2015					
Opening net book amount	133	116	89	127	465
Additions	269	64	124	1,427	1,884
Disposal	–	–	–	(120)	(120)
Depreciation	(211)	(80)	(64)	(258)	(613)
Closing net book amount	191	100	149	1,176	1,616
At 30 June 2015					
Cost	1,311	453	400	1,427	3,591
Accumulated depreciation	(1,120)	(353)	(251)	(251)	(1,975)
Net book amount	191	100	149	1,176	1,616
Year ended 30 June 2016					
Opening net book amount	191	100	149	1,176	1,616
Additions	–	2	246	–	248
Depreciation	(143)	(39)	(58)	(286)	(526)
Closing net book amount	48	63	337	890	1,338
At 30 June 2016					
Cost	1,311	455	646	1,427	3,839
Accumulated depreciation	(1,263)	(392)	(309)	(537)	(2,501)
Net book amount	48	63	337	890	1,338

Notes to the Consolidated Financial Statements

16 FINANCIAL INSTRUMENTS BY CATEGORY

	Loans and receivables	
	2016	2015
	HK\$'000	HK\$'000
Assets included in the consolidated balance sheet		
Trade receivables (Note 17)	18,990	18,854
Deposits and other receivables (Note 19)	534	717
Amount due from a related company (Note 20)	72	72
Cash and cash equivalents (Note 21)	80,690	66,942
	100,286	86,585
Financial liabilities at amortised costs		
	2016	2015
	HK\$'000	HK\$'000
Trade payables (Note 24)	12,838	12,286
Accruals and other payables (Note 25)	1,989	1,738
Bank borrowings (Note 26)	–	5,064
	14,827	19,088

17 TRADE RECEIVABLES

	2016	2015
	HK\$'000	HK\$'000
Trade receivables	18,990	18,854

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

As at 30 June 2016, balances due from the top five customers account for 18% (2015: 15%) of the total balances. There is no concentration of credit risk with respect to trade receivables as there is a dispersed number of customers. The directors consider that the credit risk in respect of these customers is currently low after considering past experience with these customers.

Notes to the Consolidated Financial Statements

17 TRADE RECEIVABLES (CONTINUED)

During the years ended 30 June 2016 and 2015, the Group's trade receivables have no credit term and payment is immediately due upon presentation of invoices to customers. As at 30 June 2016 and 2015, 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 follow:

	2016 HK\$'000	2015 HK\$'000
Less than 60 days	17,321	17,397
60 days to 180 days	1,498	1,416
Over 180 days	171	41
	18,990	18,854

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 2016 and 2015, no collateral has been received from these counterparties.

18 INVENTORIES

	2016 HK\$'000	2015 HK\$'000
Trading merchandise	131	139

Cost of inventories sold recognised as expenses and included in "other operating expenses" amounted to HK\$130,000 (2015: HK\$133,000).

Notes to the Consolidated Financial Statements

19 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2016	2015
	HK\$'000	HK\$'000
Current		
Prepayments	499	437
Deposits	507	144
Other receivables	27	86
	1,033	667
Non-current		
Prepayments	3	80
Deposits	–	487
	3	567
Total	1,036	1,234

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

20 AMOUNT DUE FROM A RELATED COMPANY

	2016	2015
	HK\$'000	HK\$'000
Amount due from a related company		
Bamboos Limited	72	72

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

	2016	2015
	HK\$'000	HK\$'000
Bamboos Limited	72	72

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

Notes to the Consolidated Financial Statements

21 CASH AND CASH EQUIVALENTS

	2016 HK\$'000	2015 HK\$'000
Cash at banks	80,650	36,882
Short-term bank deposits	–	30,000
Cash on hand	40	60
Total cash and cash equivalents	80,690	66,942

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

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

22 SHARE CAPITAL AND SHARE PREMIUM

Share capital

	Number of shares	Ordinary shares of HK\$0.01 each HK\$'000
Authorised:		
At 30 June 2015 and 30 June 2016	2,000,000,000	20,000
Issued and fully paid:		
At 1 July 2014	20	–
Capitalisation issue of shares (Note b)	299,999,980	3,000
Issuance of shares by way of placing (Note a)	100,000,000	1,000
At 30 June 2015 and 30 June 2016	400,000,000	4,000

Notes to the Consolidated Financial Statements

22 SHARE CAPITAL AND SHARE PREMIUM (CONTINUED)

Share premium

	2016 HK\$'000	2015 HK\$'000
At 1 July	39,123	–
Issue of shares by placing (Note a)	–	42,123
Capitalisation issue of shares (Note b)	–	(3,000)
At 30 June	39,123	39,123

Notes:

- (a) On 8 July 2014, an aggregate of 100,000,000 new ordinary shares with par value of HK\$0.01 each were issued to investors by way of placing at a subscription price of HK\$0.5 per share for a gross proceeds of HK\$50,000,000, among which HK\$1,000,000 was credited to the share capital account and HK\$42,123,000 (net of professional fees of HK\$6,877,000) was credited to the share premium account.
- (b) On 8 July 2014, 299,999,980 shares were issued at HK\$0.01 each by way of capitalisation of share premium arising from the gross proceeds of HK\$50,000,000 from the issue of 100,000,000 shares to public investors at the offer price of HK\$0.5 per share.

23 RESERVES

Movement in reserves of the Group are set out in the consolidated statement of changes in equity in page 46.

24 TRADE PAYABLES

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

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

	2016 HK\$'000	2015 HK\$'000
Less than 30 days	12,838	12,286

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

25 ACCRUALS AND OTHER PAYABLES

	2016 HK\$'000	2015 HK\$'000
Accrued expenses	1,359	1,291
Deferred income	515	157
Other payables	630	447
	2,504	1,895

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

Notes to the Consolidated Financial Statements

26 BANK BORROWINGS

	2016	2015
	HK\$'000	HK\$'000
Current		
Bank borrowings due for repayment within one year which contain a repayment on demand clause	-	2,195
Bank borrowings due for repayment after one year which contain a repayment on demand clause	-	2,869
	-	5,064

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

The weighted average effective interest rate of the bank borrowings as at 30 June 2015 was 3.92%.

The carrying amounts of the Group's bank borrowings as at 30 June 2015 approximated their fair values.

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

	2016	2015
	HK\$'000	HK\$'000
Within 1 year	-	2,195
Between 1 and 2 years	-	2,284
Between 2 and 5 years	-	585
	-	5,064

27 DEFERRED INCOME TAX LIABILITIES

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 16.5% (2015: 16.5%). The movement on deferred income tax liabilities in respect of accelerated/decelerated tax depreciation is as follows:

	2016	2015
	HK\$'000	HK\$'000
At 1 July	(80)	12
Credited/(charged) to profit or loss (Note 12)	34	(92)
At 30 June	(46)	(80)

Notes to the Consolidated Financial Statements

28 COMMITMENTS

(a) Capital commitments

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

	2016 HK\$'000	2015 HK\$'000
Contracted but not provided for	–	80

(b) Operating lease commitments

The Group leases offices and shops under non-cancellable operating lease agreements from a related party (Note 29(b)) and a third party. The lease terms are generally within two years.

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

	2016 HK\$'000	2015 HK\$'000
No later than 1 year	664	1,560
Later than 1 year and no later than 5 years	–	664
	664	2,224

As at 30 June 2016 and 2015, the Company has no significant commitments.

29 RELATED PARTY TRANSACTIONS

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

(a) Year-end balances

As at 30 June 2016, apart from those balances disclosed in Note 20, the Group also has a rental deposit placed with a related company amounting to approximately HK\$234,000 (2015: HK\$234,000).

(b) Transactions with related parties

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

	2016 HK\$'000	2015 HK\$'000
Operating lease rental to Bamboos Limited	(864)	(792)
Advertising income from Hong Kong Health Care Federation	–	79
Advertising income from Bamboos Education School for Talents	–	18

Notes to the Consolidated Financial Statements

29 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties (continued)

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

(c) Key management compensation

Details of key management compensations are disclosed in Note 10.

30 CASH GENERATED FROM OPERATIONS

	2016 HK\$'000	2015 HK\$'000
Cash flow from operating activities		
Profit before income tax	32,488	27,245
Adjustments for:		
— Depreciation	526	613
— Interest expenses	17	233
— Gain on disposal of a motor vehicle (Note)	—	(80)
— Interest income	(165)	(21)
	32,866	27,990
Changes in working capital:		
— Trade receivables	(136)	(3,517)
— Prepayments, deposits and other receivables	198	2,750
— Balances with related companies	—	(12)
— Trade payables, accruals and other payables	1,161	(5,239)
— Inventories	8	(139)
Cash generated from operations	34,097	21,833

Note:

Proceeds from disposal of a motor vehicle

	2016 HK\$'000	2015 HK\$'000
Net book amount (Note 15)	—	120
Gain on disposal of a motor vehicle (Note 7)	—	80
Proceeds from disposal of a motor vehicle	—	200

Notes to the Consolidated Financial Statements

31 BALANCE SHEET AND RESERVES MOVEMENTS OF THE COMPANY

	2016 HK\$'000	2015 HK\$'000
ASSETS		
Non-current assets		
Investments in subsidiaries	16,672	16,672
Prepayments	2	48
	16,674	16,720
Current assets		
Prepayments and other receivables	136	136
Cash and cash equivalents	36,563	36,382
Amount due from a subsidiary	6,749	7,008
	43,448	43,526
Total assets	60,122	60,246
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	4,000	4,000
Share premium	39,123	39,123
Reserves	16,995	17,119
	60,118	60,242
Total equity	60,118	60,242
LIABILITIES		
Current liabilities		
Accruals and other payables	4	4
Amounts due to subsidiaries	-	-
	4	4
Total liabilities	4	4
Total equity and liabilities	60,122	60,246

The balance sheet of the Company was approved by the Board of Directors on 25 August 2016 and was signed on its behalf

Kwan Chi Hong
Director

Hai Hiu Chu
Director

Notes to the Consolidated Financial Statements

31 BALANCE SHEET AND RESERVES MOVEMENTS OF THE COMPANY (CONTINUED)

Note (a) Reserves movements of the Company

	Contributed surplus HK\$'000	(Accumulated losses)/retained earnings HK\$'000	Total HK\$'000
Balance at 1 July 2014	16,672	(15,830)	842
Profit for the year	–	24,277	24,277
Dividend (Note 14)	–	(8,000)	(8,000)
Balance at 30 June 2015 and 1 July 2015	16,672	447	17,119
Profit for the year	–	9,876	9,876
Dividend (Note 14)	–	(10,000)	(10,000)
Balance at 30 June 2016	16,672	323	16,995

32 PARTICULARS OF PRINCIPAL SUBSIDIARY

Details of the principal subsidiary at 30 June 2016 is as follows:

Name of company	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particular of issued share capital	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares held by the Group (%)
Bamboos Professional Nursing Services Limited	Hong Kong, limited liability company	Healthcare staffing solution services in Hong Kong	100 Ordinary shares	–	100%

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

Financial Summary

	For the year ended 30 June				
	2016 HK\$'000	2015 HK\$'000	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000
Results					
Revenue	50,966	46,496	36,540	30,258	25,216
Profit for the year attributable to equity holders of the Company	26,842	22,387	8,699	13,066	13,235
Dividend	10,000	8,000	23,000	–	16,500

	As at 30 June				
	2016 HK\$'000	2015 HK\$'000	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000
Assets and liabilities					
Total assets	102,257	88,857	38,898	46,350	23,743
Total liabilities	(21,574)	(25,016)	(32,567)	(25,718)	(16,177)
Total equity	80,683	63,841	6,331	20,632	7,566

Note:

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

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

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