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BAMBOOS HEALTH CARE HOLDINGS LIMITED

百本醫護控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code on Main Board: 2293)

(Stock Code on GEM: 8216)

**TRANSFER OF THE LISTING FROM
THE GROWTH ENTERPRISE MARKET TO THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

Reference is made to the announcement issued by the Company dated 2 September 2016 in relation to the submission of formal application to the Stock Exchange for the Transfer of Listing.

The Board is pleased to announce that the approval-in-principle of the Transfer of Listing was granted by the Stock Exchange on 21 February 2017. The last day of dealings in the Shares on GEM (Stock code: 8216) will be 28 February 2017. It is expected that dealings in the Shares on Main Board (Stock code: 2293) will commence at 9:00 a.m. on 1 March 2017.

The Board confirms that as at the date of this announcement, all pre-conditions for the Transfer of Listing have, insofar as applicable, been fulfilled in relation to the Company and the securities of the Company.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for delivery, trading, settlement and registration purposes and will not involve any transfer or exchange of the existing share certificates. No change is to be made to the English and Chinese stock short names of the Company, the existing share certificates, the board lot size, the trading currency of the Shares and the share registrars and transfer offices of the Company following the Transfer of Listing.

Reference is made to the announcement issued by the Company dated 2 September 2016 in relation to the submission of formal application to the Stock Exchange for the Transfer of Listing pursuant to the relevant provisions of the GEM Listing Rules and the Main Board Listing Rules.

TRANSFER OF LISTING OF THE SHARES FROM GEM TO MAIN BOARD

On 2 September 2016, an application was made by the Company to the Stock Exchange for the listing of and permission to deal in (i) the existing 400,000,000 Shares in issue; and (ii) 40,000,000 new Shares, being the maximum number of new Shares which may fall to be issued upon the exercise of all options which may be granted under the Share Option Scheme, on Main Board by way of transfer of the listing from GEM to Main Board.

The Board is pleased to announce that the approval-in-principle of the Transfer of Listing was granted by the Stock Exchange on 21 February 2017. The last day of dealings in the Shares on GEM (Stock code: 8216) will be 28 February 2017. It is expected that dealings in the Shares on Main Board (Stock code: 2293) will commence at 9:00 a.m. on 1 March 2017.

The Board confirms that as at the date of this announcement, all pre-conditions for the Transfer of Listing have, insofar as applicable, been fulfilled in relation to the Company and the securities of the Company.

DEALINGS IN THE SHARES ON MAIN BOARD

The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from 8 July 2014 (being the GEM Listing Date). Subject to the continued compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the Shares on Main Board commence, and that all activities under CCASS are subject to the General Rules of the CCASS and CCASS Operational Procedures in effect from time to time.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for delivery, trading, settlement and registration purposes and will not involve any transfer or exchange of the existing share certificates. Currently, the Shares are traded in a board lot of 8,000 Shares each and are traded in Hong Kong dollars. The principal share registrar and transfer office of the Company is Maples Fund Services (Cayman) Limited and the Hong Kong branch share registrar and transfer office of the Company is Union Registrars Limited. No change is to be made to the English and Chinese stock short names of the Company, the existing share certificates, the board lot size, the trading currency of the Shares and the abovementioned share registrars and transfer offices of the Company following the Transfer of Listing.

REASONS FOR THE TRANSFER OF LISTING

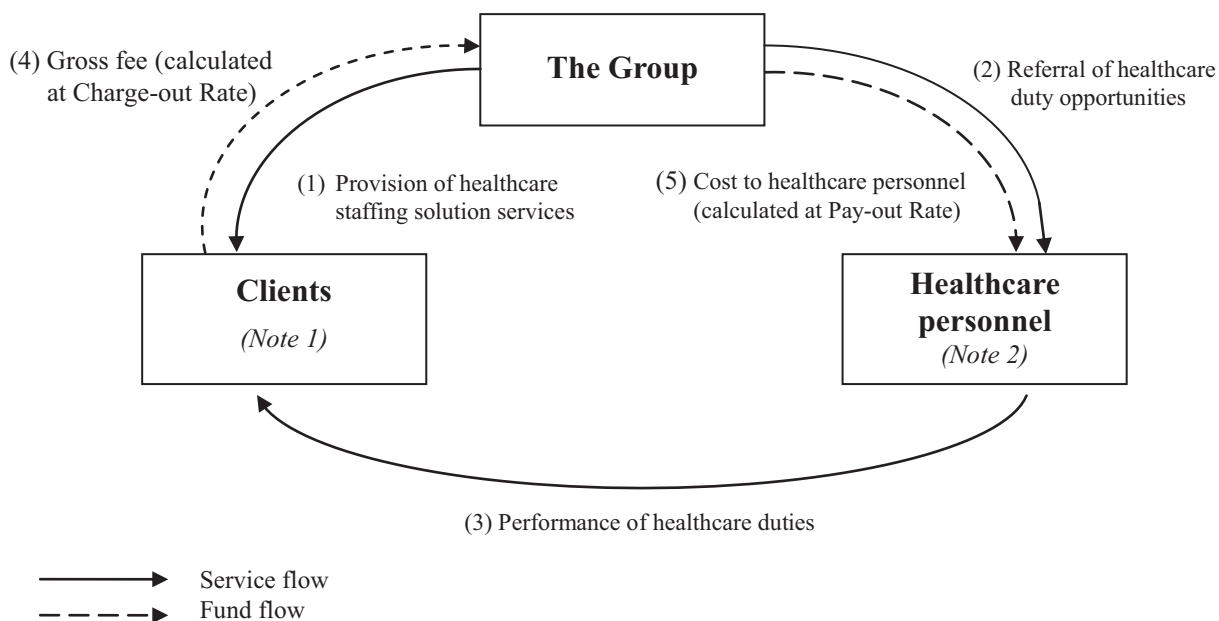
The Company has been listed on GEM since 8 July 2014. The Company is an investment holding company, and the Group engages principally in the provision of customised healthcare staffing solution services on a temporary basis to individuals and institutional clients in a timely manner as well as duty opportunities to self-employed healthcare personnel registered with the Group. The core values of the Group “*Care, Competence and Commitment*” are at the heart of who the Group is as a company, a team and a dedicated member of the community, and the Group strive for excellence at all times. The Transfer of Listing testifies its efforts, strengths and perspective in the operation of its business.

The Board expects the Transfer of Listing will enhance the corporate profile of the Company and provide increased visibility and recognition of the Group. This will, in turn, enhance the business prospects of the Group and add to its competitive strength in attracting, retaining and augmenting the Group’s qualified staff, healthcare personnel pool as well as client base. The Board also expects the Main Board trading platform will enhance trading liquidity of the Shares. All of these factors will ultimately contribute to increasing shareholder value. Accordingly, the Board is of the view that the Transfer of Listing, if successful, is beneficial to the future growth and development of the Group and is in the overall interests of the Company and the Shareholders.

As at the date of this announcement, the Board had no intention to change the nature of the business of the Group following the Transfer of Listing. The Transfer of Listing does not involve any issue of new Shares by the Company.

BUSINESS MODEL OF THE GROUP

The Group’s business model and operation in the provision of healthcare staffing solution services, through Bamboos PNS, to its clients through the placement of healthcare personnel registered with the Group since the commencement of its business in July 2009 are illustrated below:



Notes:

1. Clients include private individuals, social service organisations, hospitals, clinics and pharmaceutical companies.
2. Healthcare personnel registered with and placed by the Group include registered nurses, enrolled nurses, healthcare assistants, health workers, personal care workers, China-trained nurses, physiotherapists, occupational therapists, midwives, medical practitioners, Chinese medicine practitioners and workmen.

Relationship between the Group, the healthcare personnel registered with the Group and the Group's clients

The healthcare personnel registered with the Group are independent contractors and work in a self-employed capacity. There is no employment relationship between (i) the Group and the healthcare personnel registered with or placed by the Group and (ii) the Group's clients and the healthcare personnel placed by the Group.

As advised by the Company's Hong Kong legal advisers, Chiu & Partners (whose views are endorsed by Ms Josephine L.Y. Tjia (the "**Counsel**"), a barrister-at-law in Hong Kong, with over 12 years' experience of practice in various legal areas including resolving legal disputes in relationship to employment relationships, and a special counsel to the Company), whether there exists any employer-employee relationship between the Group and the healthcare personnel registered with or placed by the Group, or between the Group's clients and the healthcare personnel placed by the Group, in any given situation is a mixed question of law and fact.

It is accepted law that a determination of the existence or otherwise of an employment relationship requires the examination of all the features of the parties' relationship against the background of the characteristics of employment developed in case law with a view to deciding whether, as a matter of overall impression, the relationship is one of employment. Not all details in any given situation are of equal weight or importance. The details may also vary in importance from one situation to another. Every given situation is, therefore, unique and involves a subtle and not a mechanical approach.

The Courts have frequently referred to what is called the 8 criteria (the "**8 Criteria**") as set out in the academic authorities on the subject when considering whether there is any employment relationship between the relevant parties. The 8 Criteria are set out below:

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

All of the indicators must be weighed and considered in whole picture when applying the 8 Criteria in assessing whether an employment relationship existed. There is no single determinative factor.

The Company's Hong Kong legal advisers have considered (i) the applicable legal principles, leading authorities and cases with comparable facts or similar considerations, (ii) the business mode, operation and practices of the Group, (iii) the standard agreements guiding the relationship and arrangements with the healthcare personnel registered with the Group and the Group's clients (on which the Board has confirmed that no material changes have been made thereto since the listing of the Company on GEM), (iv) the pertinent facts (as summarised and disclosed in the sub-paragraph headed "*Application of the 8 Criteria*" of the section headed "*Business*" of the Company's prospectus dated 30 June 2014 (*pages 122 to 128*)) on which the analysis with regard to the application of the 8 Criteria were based, (v) management's confirmation that there have not been any material changes to the factual matters regarding the business mode and practice in the operation of the Group's business as stated in the Company's prospectus, and (vi) such other information and made such enquiries with the Group as they deemed necessary in order to make a reasonable analysis (by applying the 8 Criteria) on the legal relationships among the Group, the healthcare personnel registered with or placed by the Group and the Group's clients.

Taking all the factors into consideration in the balancing exercise, the Company's Hong Kong legal advisers (whose views are endorsed by Counsel) have confirmed that the approach and views taken in the application and analysis of the 8 Criteria to the legal relationships among the Group, the healthcare personnel registered with or placed by the Group and the Group's clients as disclosed in the Company's prospectus dated 30 June 2014 remain sound (that is, there is no employment relationship, whether between the Group and the healthcare personnel registered with or placed by the Group, or between the Group's clients and the healthcare personnel placed by the Group).

Applicability of the Employment Ordinance and/or Employment Agency Regulations

Under section 50(2) of the Employment Ordinance, "*employment agency*" means a person who operates a business the purpose of which is (a) to obtain employment for another person; or (b) to supply the labour of another person to an employer, whether or not the person who operates the business will derive any pecuniary or other material advantage from either the employer or such other person.

The Company's Hong Kong legal advisers are of the view (whose views are endorsed by Counsel) that, given that there is no employment relationship between (i) the Group and the healthcare personnel registered with or placed by the Group and (ii) the Group's clients and the healthcare personnel placed by the Group, the provision of healthcare staffing solution services by the Group in the past did not, and for now does not, fall within the scope of business of an "employment agency" under the Employment Ordinance and no employment agency licence or a certificate of exemption from the Labour Department was or is otherwise required. On the above basis, the requirements under the Employment Ordinance and/or Employment Agency Regulations do not apply to the Group and its business operation.

Nevertheless, as part of the Company's strategic planning and to allow for flexibility in future business development of the Group which may otherwise require an employment agency licence, Bamboos PNS has obtained, and continued to renew and maintain, an employment agency licence since 22 August 2012. The current employment agency licence held by Bamboos PNS is valid for 12 months until 21 August 2017.

THE LBT JUDGMENT

During the three financial years ended 30 June 2016, two actions (the “**Actions**”) were brought before the Labour Tribunal in September and October 2015 respectively by two healthcare personnel (the “**Claimants**”), who were personal care workers, against the Group.

In the Actions, one of the Claimants alleged to have worked for the Group from 2013 to 2015 and claimed against the Group for wages in lieu of notice, unpaid wages, and pay for annual leave and statutory holidays under the Employment Ordinance. The other Claimant alleged to have worked for the Group from 2011 to 2015 and claimed against the Group for pay for annual leave and statutory holidays under the Employment Ordinance.

The Actions were heard together by a presiding officer of the Labour Tribunal. In April 2016, the presiding officer delivered her judgment and held that the Claimants were the employees of the Group primarily on the basis (without detailed elaboration) that the Claimants were not carrying on their own businesses because (1) they did not provide any working equipment; (2) they had little financial risk; (3) they could not hire their own helper; and (4) they could not benefit from deploying managing skills, and awarded the amounts of approximately HK\$21,000 and HK\$29,000 respectively to the two Claimants (the “**LBT Judgment**”). The Group was dissatisfied with the LBT Judgment and applied to the same presiding officer (by whom the LBT Judgment was made) for a review of the LBT Judgment. The presiding officer, however, dismissed the application and confirmed her previous order and award. According to the Company, in light of the four bases of the LBT Judgment, the Group had attempted to provide more details and factual evidence to support its case if the application for review was granted. The presiding officer dismissed the Group’s application mainly for the reason that those additional materials or evidence intended to be submitted or put forward to the Labour Tribunal in further support of the Group’s case should have been made available at the original hearing of the Actions.

According to the “*Guide to Court Services*” issued by the Labour Tribunal, the Labour Tribunal offers a fast, informal and inexpensive way of settling monetary disputes between employees and employers. As the aim is to dispose of cases brought to the Labour Tribunal as quickly as possible, neither party may be legally represented. The strict rules of evidence that apply in most other courts are not rigidly adhered to in Labour Tribunal hearings.

Taking into consideration the pertinent facts available and all the relevant factors into consideration in the context of the 8 Criteria in the balancing exercise, and taking into account the basis of the LBT Judgment as disclosed above, the Company’s Hong Kong legal advisers maintain the views (as broadly summarised in the table below) (whose views are endorsed by Counsel and concurred by the Directors) that most of the indicators point to the conclusion that there is no employment relationship between the Group and the healthcare personnel registered with and placed by the Group.

The 8 Criteria

Views of the Company's Hong Kong legal advisers

1. The degree of control exercised by the employer

The Claimants (as well as other healthcare personnel registered with the Group) basically retain the freedom and flexibility to decide for themselves when and where to work.

They are free to take up jobs for others and do not require the Group's permission to do so (except in the case where they wish to enter into engagements directly for clients which were introduced by the Group, consent from the Group must be obtained or a referral fee is paid).

The Claimants (or as in the case of other healthcare personnel registered with the Group) generally follow the instruction and direction of clients, if any, as to the nature of the work required to be performed, and the clients are to supervise them as to how the work is to be performed.

The Group does not instruct or supervise the Claimants (or as in the case of other healthcare personnel registered with the Group) in the performance of services for clients. The most the Group does is to refer and place the healthcare personnel to the clients' working place.

It appears that the degree of control exercised by the Group towards the healthcare personnel (including the Claimants) is very limited.

Further, according to the Group, one of the Claimants had once been asked by a client to end her service prematurely before the scheduled time, which such Claimant put down in her own record as "*being asked to leave*". It appears that if the client concerned was entitled to dismiss such Claimant (or the healthcare personnel generally), or terminate any specific engagement prematurely, this tilts the balance to the *non-existence* of employment relationship between the Group and the healthcare personnel, as it clearly indicates that the Group has very little (if any) control over the healthcare personnel once the referral was made.

Given that the Claimants are relatively front-line personal care workers, proper consideration to the necessity of clients' instructions in the Claimants' performance of their duties should be given.

The “control” factor is therefore important in the context of determining the two Actions. Although the presiding officer of the Labour Tribunal did not, on balance of the facts and materials then presented to the Labour Tribunal, dispute the fact that the Group had minimum control over the Claimants, it is not certain if it had attached *appropriate* weight to this “control” factor.

The lack of restriction and control is a strong indication that the contract with each Claimant was not a contract of service, which points *against* an employment relationship.

2. Whether the worker’s interest in the relationship involved any prospect of profit or risk of loss

One of the main basis on which the LBT Judgement was made by the Labour Tribunal is that the Claimants had little financial risk.

Based on the pertinent facts available, the healthcare personnel (including the Claimants) are not guaranteed any fixed income, and registration with the Group has no guarantee that the healthcare personnel will obtain any work.

Under the standard agreement with the healthcare personnel registered with the Group (such as the Claimants), the healthcare personnel would be paid a service fee from clients via the Group in consideration of their due performance of the services, which service fee shall be inclusive of all fees, costs, charges and disbursements incurred by the healthcare personnel in the performance of services. In other words, the healthcare personnel will not be reimbursed by the Group for any travelling costs or other costs incurred by them in relation to their provision of services to the clients.

Apart from travelling costs, the healthcare personnel are also required to prepare tidy uniform, proper shoes, stationaries, scissors, watches or other necessities for the performance of their duties. The healthcare personnel would not be reimbursed for their costs incurred in this regard.

In the LBT Judgment, the Labour Tribunal considered that the Claimants would only incur costs in (i) paying the HK\$50 registration fee to the Group; and (ii) purchasing uniform (which was not mandatory) from the Group. However, for reasons not clear from the LBT Judgment, the Labour Tribunal failed to take into account that the healthcare personnel are also required to incur other costs in performing the work arranged through the Group.

The Group bears the role of an agent to collect a service fee from clients on behalf of the healthcare personnel. It is clearly stated in the standard agreement that the Group may not be able to pay the service fee to the healthcare personnel if the clients decline to pay the service fee for any reason.

In such circumstances and *contrary to the views of the Labour Tribunal*, the healthcare personnel clearly **bear the financial risks on their own** in performing the work arranged through the Group (that is, they might have incurred travelling costs, costs on necessities or equipment or other costs but do not enjoy the right to recover their service fees if the clients decline to pay).

The factor is therefore one pointing against the healthcare personnel enjoying any employee status.

3. Whether the worker was properly regarded as part of the employer's organisation

The Group does not treat the healthcare personnel as employees in its accounts.

This factor, however, does not carry much weight in the overall context of the parties' relationship.

4. Whether the worker was carrying on business on his own account or carrying on the business of the employer

One of the main basis on which the LBT Judgement was made by the Labour Tribunal is that the Claimants could not hire their own helper and they could not benefit from deploying managing skills.

This factor, however, should be balanced by other considerations, such as the Group's interest to ensure competent healthcare personnel are provided to the clients. If the healthcare personnel were allowed to appoint any individual of their own choice to take up their duties, that individual might not possess the same qualification or experience as requested by the clients.

The purpose of the restriction is therefore necessary to ensure that the healthcare personnel such as the Claimants referred by the Group would meet the standard required by the clients.

According to the Group, the Claimants (or other healthcare personnel registered with the Group) were not *absolutely* prohibited from finding other people to take over their duties if and so long as the request is not objected to by the relevant client with whom the healthcare personnel is placed. The call is on the relevant client(s) (rather than on the Group), which is reasonable and understandable. From the perspective of clients of the Group, although the healthcare personnel placed by the Group are generally replaceable by other healthcare personnel with similar skills and/or qualifications available in the market, the Group's services are valued by its clients partly because of its proven ability to offer administrative and other convenience to them by screening, identifying and providing efficient healthcare staffing solution services that suit clients' needs. The services may not otherwise be capably provided by the healthcare personnel concerned and/or acceptable to the relevant client(s).

The healthcare personnel have to wear the name badge containing the Group's name and phrase "*Self-employed Person*". It appears that this serves the purpose of identifying and distinguishing the healthcare personnel from other personnel of the clients.

As analysed above, there is no obligation on the part of the Group to provide any work for the healthcare personnel; the healthcare personnel are free to adjust their duty roster and plan their own work schedule. The healthcare personnel also bear their own financial risks if, for instance, they had performed the services but, for some reasons, the clients delayed or declined to pay the service fee (even though the healthcare personnel might have incurred travelling costs, costs on necessities or equipment or other costs) and they do not enjoy the right to be reimbursed or recover from the Group their service fees. As mentioned, the Labour Tribunal in the LBT Judgment did not take into account that the healthcare personnel are required to incur costs (other than (i) the registration fee to the Group; and (ii) purchase of uniform (which was not mandatory) from the Group) in performing the work arranged through the Group.

The healthcare personnel (including the Claimants) have to manage their own time, consider the nature and profitability of the placement referred by the Group and make the decision as to whether or not to take up a particular placement according to their ability, preference and availability so as to maximize their returns within personal limits. It is not incorrect to say that the healthcare personnel can exercise, and benefit from deploying, their own managing skills, which is *contrary to the views of the Labour Tribunal*.

Balancing all the above, the healthcare personnel are carrying on business more on their own account than on the Group's, which points against an employment relationship.

5. The provision of equipment

One of the main basis on which the LBT Judgement was made by the Labour Tribunal is that the Claimants did not provide any working equipment.

Based on the pertinent facts available, the healthcare personnel (including the Claimants), in fact, have to prepare their own uniform, proper work shoes, stationaries, scissors, watches or other necessities for the performance of their duties at their own costs. The Labour Tribunal in the LBT Judgment did not take into account that the healthcare personnel are required to prepare these equipment (other than tidy uniform) in performing the work arranged through the Group.

There is absolutely no provision of equipment by the Group to the healthcare personnel (including the Claimants).

The lack of provision of working equipment by the Group points against an employment relationship.

6. The incidence of tax and national insurance

It is clearly stated in the standard agreement between the Group and the healthcare personnel (including those entered into by the Claimants) that *“all matter and liabilities in respect of, but not limited to, taxation, provident fund, mandatory provident fund, long service payments, annual leave and sickness leave are acknowledged by both parties to be outside the scope of the relationship.”*

The healthcare personnel (including the Claimants) also acknowledge, upon their registration with the Group, that they shall bear the whole responsibility of providing true and valid information in order to fulfil the Hong Kong taxation requirements of being a *self-employed* person.

The Group does not file any tax returns for the Claimants (or other healthcare personnel registered with them) or make any mandatory provident fund for them. It must also be noted that even if a company makes contributions to a worker's retirement scheme, this is to be considered a wholly neutral factor as a company could so contribute whether or not there is a contract of employment between the parties.

The provision of insurance, or the lack of provision of insurance, is unlikely to be viewed as a decisive determining factor in the balancing exercise.

7. The parties' own view of their relationship

It is clearly stated in the standard agreement between the Group and the healthcare personnel (including those entered into by the Claimants) that the Group's acceptance of the healthcare personnel's registration with the Group and assignment of any work thereafter do not constitute any employer and employee relationship between the parties, and that the healthcare personnel shall not be entitled to various employment rights and benefits under the Employment Ordinance.

It is perhaps worth mentioning that the Claimants under the Actions had been registered with the Group, and been placed by the Group in appropriate vacancies and referred duty assignments which fit their preference, for a number of years. They had been enjoying the freedom and flexibility that the registration with the Group has offered to them. Not until the Actions, they had never raised any objection to the "*self-employed*" capacity as stated or expressly acknowledged by them in the standard agreement upon their registration with the Group, or raised any contentions, concerns or assertion that they were employees of the Group throughout the years of their continued registration with the Group.

On the basis of the above facts and the conduct of the Claimants, it appears that the contrary is expressly the position (that is, the Claimants did not consider themselves as employees of the Group).

While it is not incorrect to say that the parties' own view is not conclusive but merely a factor to be considered, it is an important factor if the Labour Tribunal considers that the parties' relationship is capable of being one or the other. In *Massey v Crown Life Insurance Co* [1978] 1 WLR 676 (cited with approval by the Court of Final Appeal in the *Poon Chau Nam* case referred to in this announcement below), Lord Denning (who has been highly recognised as the most famous and influential judicial figure of the century) had the following to say:

“If the parties’ relationship is ambiguous and is capable of being one or the other, then the parties can remove that ambiguity, by the very agreement itself which they make with one another. The agreement itself then becomes the best material from which to gather the true legal relationship between them.”

This is a factor pointing *against* an employment relationship.

8. The traditional structure of the trade or profession concerned and the arrangements within it

There are only a few market players in the healthcare staffing solution service industry in Hong Kong, with only two major market players (including the Company). The market is still developing and since the Group is one of the dominant service providers, its practice is the de facto market structure and, so far as it is aware, its main competitor’s business model and practice are similar to the Group’s. The Group’s practice is, in fact and therefore, the market structure for reference.

Taking into account of this relatively new industry, this factor may not be given much weight in assessing and is not particularly helpful in approving or disapproving the existence of an employment relationship, or provide a basis for the judgment in the Actions.

Overall conclusion

On balance, most of the indicators point to the conclusion that there is no employment relationship between the Group and the healthcare personnel registered with and placed by the Group.

RISK FACTORS

Risks in relation to possible claims from the healthcare personnel placed by the Group

Despite the healthcare personnel are being placed by the Group with its clients in a self-employed capacity as independent contractors and under the supervision of the Group’s clients during the performance of their duties, there is no assurance that the healthcare personnel will not bring any claim or action against the Group for benefits under the Employment Ordinance.

The Group carries on its business in the provision of healthcare staffing solution services through Bamboos PNS. In the event that the Group is considered to be an employer of the healthcare personnel placed by the Group under the applicable laws and regulations of Hong Kong, the Group may be liable for various obligations as an employer, such as making contribution to the mandatory provident fund (and all possible penalties applicable to employers under the MPFS Ordinance), compensating the healthcare personnel for entitled annual leave and statutory holidays, providing other benefits to the healthcare personnel as required under the applicable laws and regulations of Hong Kong.

To the best estimate of the Directors and for the period commencing from the GEM Listing Date (being 8 July 2014) up to 30 June 2016, the estimated potential maximum amount of benefits that may be required to be provided by the Group in the event that the Group is considered to be an employer of the healthcare personnel placed by the Group under the applicable laws and regulations of Hong Kong and the related penalty that may be imposed on the Group is approximately HK\$34.2 million, being the aggregate of the following:

- a fine of up to HK\$350,000 upon conviction and penalty of up to approximately HK\$362,000 (*Note 1*) (being the aggregate daily penalty in the amount of HK\$500 from the GEM Listing Date up to 30 June 2016) in not arranging for employees to become members of registered mandatory provident scheme as that required by section 7 of the MPFS Ordinance;
- a fine of HK\$100,000 upon first conviction (assuming that the Group is not to commit the same offence the second time) – in not making contribution as employer to registered mandatory provident scheme and not deducting from the employees' incomes as contribution by the employees to registered mandatory provident scheme as that required by section 7A(2) of the MPFS Ordinance;
- a fine of HK\$50,000 upon conviction – in not granting statutory holidays or not paying holiday pays to employees as that required under section 39 of the Employment Ordinance;
- a fine of HK\$50,000 upon conviction – in not granting annual leave to employees as that required under section 41AA of the Employment Ordinance; and
- an amount of approximately HK\$33.3 million (as to approximately HK\$15.8 million for the year ended 30 June 2015 and approximately HK\$17.5 million for the year ended 30 June 2016), being the aggregate amount of contribution that is required to be made by Bamboos PNS as employer to mandatory provident fund scheme as that required under the MPFS Ordinance (*Note 2*) and entitlements of statutory holidays and annual leaves under the Employment Ordinance (*Note 3*), and is determined with reference to pay-out rate, working hours and period of provision of services by each healthcare personnel.

Note 1 : Taking into account the period from the GEM Listing Date to 30 June 2016.

As disclosed in the Company's prospectus dated 30 June 2014, during the period from the date of incorporation of Bamboos PNS and the GEM Listing Date, all claims, penalties and fines and all losses and damages which may be suffered by the Group as a result of the Group's provision of the healthcare staffing solution services are indemnified by the Controlling Shareholders under the deed of indemnity dated 24 June 2014 given by the Controlling Shareholders in favour of the Company (for itself and as trustee for each of its subsidiaries).

Note 2 : Such aggregate amount was estimated on the bases and assumptions that all healthcare personnel placed by the Group for the period from the GEM Listing Date to 30 June 2016 are taken into account, including financial penalty and surcharge on default contributions.

Note 3 : Such aggregate amount was estimated on the bases and assumptions that only healthcare personnel placed by the Group for the period from the GEM Listing Date to 30 June 2016 who have provided services for its clients for more than 72 hours in a financial year, that is in a manner similar to the meaning of "continuous contract" of employment under the First Schedule to the Employment Ordinance (that is, an employee who has been employed continuously by the same employer for four weeks or more, with at least 18 hours worked in each week) are taken into account. The number of healthcare personnel placed by the Group who have provided services to its clients for more than 72 hours in a financial year was 2,094, 2,039 and 2,076 respectively for each of the three years ended 30 June 2016.

In the event of any claims or litigation involving the relationship or rights of any particular healthcare personnel with the Group in a particular situation, whether with or without merit, it could result in a diversion of the management time and resources of the Group. Further, in the event that the Group is held to be an employer of the healthcare personnel registered with or placed by the Group, the Group's business, financial position and results of operation may be adversely affected.

Risks in relation to the LBT Judgment

The uncertainty or risk that the Group may possibly face is that, while the Labour Tribunal's general approach towards the Actions (or towards any particular case, if arisen in the future, where the existence of employment relationship has to be determined) might not be flawed if it has correctly directed itself on the applicable *law*, it is not certain (or may not be absolutely predictable) whether the outcome of any judicial decision will be favourable to the Group or in support of the Group's position that no employment relationship exists between the Group and any of its healthcare personnel registered with the Group after considering and weighing all facts and evidence unique to each particular case.

The uncertainty may potentially open further claims or may create undesirable impact on the Company in the running of the Group's business as it will potentially increase the costs of its operation in the event that (i) the ruling of any future claim(s), if arisen, is not in favour of the Group or (ii) the Group is considered liable for various obligations as an employer. These may negatively affect the business, financial condition and results of operation of the Group.

LEGAL VIEWS REGARDING THE IMPACT OF THE LBT JUDGMENT

As advised by the Company's Hong Kong legal advisers (whose views are endorsed by Counsel):

- The LBT Judgment is binding on the Group and the Claimants only, and no other healthcare personnel registered with the Group. Even if other healthcare personnel registered with the Group commence legal action(s) against the Group in the future, the Labour Tribunal cannot, as a matter of law, automatically apply the finding of facts in the LBT Judgment in determining the relationship between the Group and those other healthcare personnel. The LBT Judgment will be more relevant to the relationship of other healthcare personnel with the Group only if their circumstances or evidence adduced are exactly identical to that of the two Claimants in the Actions.

Factors such as the needs, degree of control/supervision of clients towards the healthcare personnel placed with clients vary in terms of type, duration, time and circumstances. Likewise, the healthcare services provided, skills possessed by or required from and the conditions under which each healthcare personnel serves a particular client may also vary from case to case. These are possible variables that may lead to different factual findings in a given case whenever the existence of employment relationship has to be determined.

- the Labour Tribunal could only decide the outcome of the Actions on the basis of the evidence that had been brought to the Labour Tribunal's attention in the Actions. Therefore, if the Labour Tribunal did not take into account certain circumstances in delivering the LBT Judgment, the LBT Judgment might not be indicative of the relationship between the Group and other healthcare personnel whose circumstances had not been addressed or considered in the Actions.

- It should be emphasized and reiterated that, for the determination of the existence of an employer-employee relationship, it is a fundamental, established and accepted principle from leading cases and authorities that, in order to decide whether a person carries on business on his/her own account, it is necessary to consider many different aspects of *that particular person's* work activity. This is not a mechanical exercise of running through item on a checklist to see whether they are present in, or absent from, a given situation. No exhaustive list has been compiled and perhaps no exhaustive list can be compiled of the considerations which are relevant in determining that question, nor can strict rules be laid down as to the relative weight which the various considerations should carry in particular cases. It is a matter of evaluation of the overall effect of the details. Not all details are of equal weight or importance in any given situation. The details may also vary in importance from one situation to another.
- It is recognized by the Court of Final Appeal in *Poon Chau Nam v Yim Siu Cheung* [2007] 10 HKCFAR 156 (the *Poon Chau Nam* case) at paragraph 9 that in certain instances, the answer to the question as to whether an employer-employee relationship exists is elusive. For example, in the leading authority of *Cheng Yuen v. The Royal Hong Kong Golf Club* [1997] HKLRD 1132, the Labour Tribunal held that the claimant, in that case, was an employee. The Labour Tribunal's decision was upheld by a judge in the High Court. The Court of Appeal reversed the Labour Tribunal and the High Court Judge's decisions. The claimant subsequently appealed to the Privy Council, which (by a majority and not a unanimous decision of five judges) upheld the Court of Appeal's decision, i.e. that the claimant was not an employee. It can be seen that, even judges at the highest court in England were unable to agree among themselves on the legal relationship of the parties based on the facts of that case.

The established cases and authorities themselves indicate how difficult the question is: many cases were reversed on appeal, and even at the top court, and by non-unanimous decisions, and the Privy Council's decision in the *Cheng Yuen* case was itself a majority and not unanimous decision.

On the above basis, the Company's Hong Kong legal advisers are of the views (whose views are endorsed by Counsel) that the LBT Judgment relating to the Claimants under the Actions is not a precedent case or an authoritative decision on the relationship between the Group and the other healthcare personnel registered with the Group.

In summary, the Company's Hong Kong legal advisers are of the views (whose views are endorsed by Counsel) that:

- The determination of any employment relationship in any given case is fact sensitive. Each case depends on its own facts.
- The LBT Judgment does not have the umbrella effect or universal application of turning the rest of the healthcare personnel registered with the Group into its employees.
- The LBT Judgment does not affect their opinion that there is no employment relationship between the Group and the healthcare personnel registered with or placed by the Group.

DIRECTORS' VIEW ON THE IMPACT OF THE LBT JUDGMENT

The Directors consider that the Group is no more than a matching platform to facilitate, through its placement, the appropriate healthcare personnel registered with the Group to find the appropriate clients of the Group that match their preference and needs (or vice versa).

Having considered that (i) the LBT Judgment has no application beyond those Actions; (ii) the insignificant amount awarded by the Labour Tribunal under the LBT Judgment; and (iii) there has not been any other similar claims brought before the Labour Tribunal against the Group since the GEM Listing Date (not even after the two Actions and the delivery of the LBT Judgment in April 2016 which have been widely publicised in the media and internet), the Directors are of the view that those Actions were isolated cases and that the LBT Judgment does not pose any real, imminent or significant risk or have any material adverse impact on the Group's business model, operations or financial position.

While the Directors have reservation over the LBT Judgment (as to whether proper weight or objective consideration of certain matters which the Group considers important to tilt the balance to the non-existence of employment relationship were taken into account by the Labour Tribunal in the LBT Judgment), the Directors took the commercial decision that it was not significant enough to warrant incurring additional costs and resources of the Group to pursue the matter further.

Shareholders and prospective investors should be aware of the potential risks of investing in the securities of the Company and should make the decision to invest only after due and careful consideration. Investors are advised to exercise caution when dealing in the Shares.

COMPETITION ORDINANCE AND ITS IMPACT ON THE GROUP'S BUSINESS

The Competition Ordinance has come into force since 14 December 2015. The primary purpose of the Competition Ordinance is to prohibit conduct that prevents, restricts or distorts competition in Hong Kong through the following three major competition rules:

- The **first conduct rule** (the “**First Conduct Rule**”) prohibits agreements and concerted practices among undertakings, as well as undertakings' involvement in decisions of trade associations that have the object or effect of restricting competition in Hong Kong.

It applies not only to arrangements between competitors but also to agreements between undertakings active at a different level in the production, distribution and/or the supply of goods or services. It aims to capture hardcore cartel activities such as price-fixing, market-sharing, bid-rigging and out-put (quantity) restriction which hamper fair competition.

- The **second conduct rule** (the “**Second Conduct Rule**”) prohibits undertakings that have a substantial degree of market power from abusing that power by engaging in conduct that has the object or effect of restricting competition in Hong Kong.

The factors which the competition authorities may generally take into account when determining whether an undertaking has such power include (i) the market share of the undertaking; (ii) the undertaking's power to make pricing and other decisions; and (iii) any barriers to entry to competitions into the relevant market.

- The **merger rule** prohibits mergers or acquisitions that have the effect (or likely effect) of substantially lessening competition in Hong Kong. This, however, only applies to mergers of telecommunication carriers within the meaning of the Telecommunications Ordinance (Chapter 106 of the Laws of Hong Kong).

The Company encourages and supports a fair, efficient and competitive marketplace. It can spur a commitment to self-improvement and is the best available way for promoting consumer well-being. The Group offers customised healthcare staffing solutions services to cater for specific needs at competitive but affordable prices with a view to generating a brand image that increases its value-added proposition. The Group provides the healthcare personnel registered with it, its clients and consumers with information they need to make informed choices of their own free will. The Group has not been involved in any predatory behaviour towards its competitors, or engaged in activities which limit or may limit market development (such as dealings or sharing pricing, strategic or other information with other market participants or competitors) to the detriment of the healthcare personnel registered with the Group, the Group's clients and consumers in the operation of its business.

The Company's Hong Kong legal advisers have considered the business model and practice of the Group, the respective standard agreements governing the relationship and business arrangements between the Group, the healthcare personnel registered with the Group and the Group's clients, and make all reasonable enquiries as to the way the Group copes with competition in the healthcare staffing solutions services industry. The Company's Hong Kong legal advisers have advised and/or confirmed that:

- they did not identify any anti-competitive conduct (and there is no evidence that tends to suggest that the Group has engaged in any anti-competitive conduct) caught by the First Conduct Rule in the Group's provision of healthcare staffing solutions services which was or is likely to cause the Group to contravene the First Conduct Rule under the Competition Ordinance.
- The Second Conduct Rule only prohibits the abuse of a substantial degree of market power by engaging in predatory behavior towards competitors or by limiting markets to the prejudice of consumers. It does not prohibit the Group from having market power or from striving to achieve the gaining of market share. They did not identify any anti-competitive conduct (and there is no evidence that tends to suggest that the Group has engaged in anti-competitive conduct) which may constitute an abuse of its market power caught by the Second Conduct Rule in the provision of healthcare staffing solution services or was or is likely to cause the Group to contravene the Second Conduct Rule under the Competition Ordinance.

Measures taken by the Group to ensure compliance with the Competition Ordinance

To prevent anti-competitive conducts which may contravene the Competition Ordinance, the Company has adopted the following measures:

- the Company has established a compliance committee comprising Mr Wong Kam Pui, Dr Leung Yu Lung and Dr Luk Yim Fai (being the non-executive or independent non-executive Directors) to oversee regulatory-related compliance matters. The compliance committee reviews the policies and practices in the management and operation of the Group's business periodically, identifies any possible risk areas and makes recommendations to the Board from the perspective of compliance with the laws, rules and regulations (including but not limited to the Competition Ordinance) applicable to the Group and the adequacy and effectiveness of the measures and the risk management system in place to ensure compliance and to prevent or minimise any potential risk of violation.
- the Company will, if considered necessary, consult and/or engage independent professional advisers to advise on, and/or review the business practices, commercial contracts and arrangements of the Group and/or any possible future dealings of whatever nature with other market participants as and when appropriate to ensure compliance with, and reduce any potential violation of, the Competition Ordinance.
- the Company encourages its Directors, senior management and employees of the Group to possess up-to-date knowledge regarding the law, rules and regulations (including but not limited to the Competition Ordinance) applicable to the Group. To instill a compliance culture within the Group, the Group circulates from time to time education materials, brochures and publication (including but not limited to those issued by the Competition Commission) and organise seminars periodically to increase their awareness and understanding of the regulatory requirements, their implication on the Group so that they are mindful of the need for compliance at all times.

The Directors have confirmed that, during the three financial years ended 30 June 2016 and up to the date of this announcement and to the best of their knowledge, information and belief have made all reasonable enquiries (including conducting litigation searches against all members within the Group prior to the issue of this announcement), they are not aware that the Group is in contravention of any material law, rules and regulations which are applicable to the Group and/or its operations in any material respects.

BUSINESS PERFORMANCE OF THE GROUP

Set out below is a breakdown of the revenue of the Group comprises (i) revenue from the provision of healthcare staffing solution services (being gross fee from provision of healthcare staffing solution services to its clients net of cost payable to healthcare personnel placed by the Group) by client category; and (ii) revenue from the provision of outreach case assessment related services for the three years ended 30 June 2016 and the three months ended 30 September 2015 and 2016:

Revenue	For the year ended 30 June						For the three months ended 30 September			
	2014		2015		2016		2015		2016	
	HK\$'000 (audited)	%	HK\$'000 (audited)	%	HK\$'000 (audited)	%	HK\$'000 (unaudited)	%	HK\$'000 (unaudited)	%
(i) Healthcare staffing solution services (by client category)										
(a) Individual clients	21,644	59%	27,938	60%	31,137	61%	7,554	63%	9,237	63%
(b) Institutional clients										
– Social service organisations	13,130	36%	15,716	34%	16,120	32%	4,044	33%	4,030	28%
– Hospitals	1,202	3%	1,148	2%	2,062	4%	255	2%	403	3%
– Clinics and pharmaceutical companies	564	2%	1,442	3%	912	2%	167	1%	159	1%
(ii) Outreach case assessment related services	–	–	252	1%	735	1%	126	1%	749	5%
Total	36,540	100%	46,496	100%	50,966	100%	12,146	100%	14,578	100%

The revenue from the provision of healthcare staffing solution services for the three years ended 30 June 2016 and the three months ended 30 September 2016 was approximately HK\$36.5 million, HK\$46.2 million, HK\$50.2 million and HK\$13.8 million, respectively. The Group has commenced the provision of outreach case assessment related services during the year ended 30 June 2015. The revenue from the provision of outreach case assessment related services for the two years ended 30 June 2016 and the three months ended 30 September 2016 was approximately HK\$0.3 million, HK\$0.7 million and HK\$0.7 million, respectively.

The Group earns a differential between the Charge-out Rate to its clients against the Pay-out Rate to the healthcare personnel registered with the Group by placing healthcare personnel registered with the Group to its clients. The revenue from the provision of healthcare staffing solution services is determined with reference to such differentials and the number of service hours performed by those healthcare personnel.

The number of the healthcare personnel registered with the Group in its database for the three years ended 30 June 2016 and the three months ended 30 September 2016 was approximately 13,490, 15,040, 16,410 and 16,810, respectively. The number of the healthcare personnel placed by the Group for the three years ended 30 June 2016 and the three months ended 30 September 2016 was approximately 3,450, 3,430, 3,360 and 1,820 respectively. The table below sets out the number of service hours provided by the healthcare personnel placed by the Group by rank:

Number of service hours provided by healthcare personnel (by rank)	For the year ended 30 June						For the three months ended 30 September			
	2014		2015		2016		2015		2016	
	<i>No. of hours</i> '000	%	<i>No. of hours</i> '000	%	<i>No. of hours</i> '000	%	<i>No. of hours</i> '000	%	<i>No. of hours</i> '000	%
Registered nurse (“RN”)	159	9%	186	10%	228	12%	51	11%	67	14%
Enrolled nurse (“EN”)	170	9%	167	9%	154	8%	37	8%	42	9%
Healthcare assistant (“HCA”)/Health worker (“HW”) (Note 1)	473	26%	476	25%	514	27%	125	26%	135	29%
Personal care worker (“PCW”)	961	51%	962	50%	894	47%	242	50%	199	42%
Others (Note 2)	85	5%	123	6%	113	6%	26	5%	27	6%
Total number of service hours	1,848	100%	1,914	100%	1,903	100%	481	100%	470	100%

Notes:

1. Include senior healthcare assistants (“SHCA”), senior health workers (“SHW”), HCA and HW.
2. Others mainly include China-trained nurses (“CTN”), physiotherapists, occupational therapists, midwives, medical practitioners, Chinese medicine practitioners and workmen.

Set out below is a general summary of (i) the average Charge-out Rates per hour of major ranks of healthcare personnel to the clients of the Group; (ii) the average Pay-out Rates per hour of major ranks of healthcare personnel registered with the Group; and (iii) the difference between the average Charge-out Rate per hour and the average Pay-out Rate per hour as at 30 June 2014, 2015 and 2016 and 30 September 2016:

	As at 30 June											
	2014			2015			2016			As at 30 September 2016		
Average Charge-out Rate per hour	Average Pay-out Rate per hour	Differences (A-B)	Average Charge-out Rate per hour	Average Pay-out Rate per hour	Differences (A-B)	Average Charge-out Rate per hour	Average Pay-out Rate per hour	Differences (A-B)	Average Charge-out Rate per hour	Average Pay-out Rate per hour	Differences (A-B)	
(A)	(B)	(A-B)	(A)	(B)	(A-B)	(A)	(B)	(A-B)	(A)	(B)	(A-B)	
(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	
(Note 1)	(Note 2)	(Note 3)	(Note 1)	(Note 2)	(Note 3)	(Note 1)	(Note 2)	(Note 3)	(Note 1)	(Note 2)	(Note 3)	
(i) Individual clients												
RN	270	204	66	270	204	66	270	204	66	290	219	71
EN	226	171	55	226	171	55	226	171	55	243	183	60
HCA/HW	114	81	33	128	85	43	128	85	43	139	92	47
PCW	92	66	26	108	74	34	108	74	34	118	79	39
Others (Note 4)	126-144	89-100	37-44	140-166	92-107	48-59	140-166	92-107	48-59	152-176	96-115	56-61
(ii) Institutional clients												
RN	270	204	66	270	204	66	270	204	66	290	219	71
EN	226	171	55	226	171	55	226	171	55	243	183	60
HCA/HW	131	87	44	131	87	44	131	87	44	146	97	49
PCW	95	67	28	116	78	38	116	78	38	130	87	43
Others (Note 5)	90	65	25	113	75	38	113	75	38	127	84	43

Notes:

- (1) The average Charge-out Rates per hour is calculated from the sum of the Charge-out Rates per hour applicable to different number of service hours ranged from 1-hour service to 12-hour service (as shown on the standard term sheet to the clients of the Group as applicable on the respective dates) divided by 12.
- (2) The average Pay-out Rates per hour is calculated from the sum of the Pay-out Rates per hour applicable to different number of service hours ranged from 1-hour service to 12-hour service (as shown on the standard term sheet to the healthcare personnel registered with the Group as applicable on the respective dates) divided by 12.
- (3) Differences between the average Charge-out Rates per hour and the average Pay-out Rates per hour.
- (4) Include CTNs, SHCA and SHWs.
- (5) Include workmen only.

Financial year ended 30 June 2015 compared to financial year ended 30 June 2014

Revenue from the provision of healthcare staffing solution services was approximately HK\$46.2 million for the year ended 30 June 2015, representing an increase of approximately HK\$9.7 million, or approximately 26.6% from approximately HK\$36.5 million for the year ended 30 June 2014.

Revenue from the provision of private nursing staffing services was approximately HK\$27.9 million for the year ended 30 June 2015, representing an increase of approximately 29.2% from approximately HK\$21.6 million for the year ended 30 June 2014. Such increase was primarily attributable to an increase in the number of service hours provided by healthcare personnel placed by the Group to individual clients of approximately 54,000 hours, or 5.0% for the year ended 30 June 2015, where such increase was mainly driven by the increase in the placement of registered nurses, enrolled nurses, senior healthcare assistants and senior health workers, which the Group earned higher differentials as compared to other ranks of healthcare personnel, and was partially offset by the decrease in the placement of healthcare assistants and health workers, which the Group earned lower differentials, to individual clients.

Revenue from the institutional staffing solution services was approximately HK\$18.3 million for the year ended 30 June 2015, representing an increase of approximately 22.8% from approximately HK\$14.9 million for the year ended 30 June 2014 which was primarily attributable to (i) the increase in number of service hours provided by healthcare personnel placed by the Group to social service organisations of approximately 23,000 hours; and (ii) the enhanced differentials between the Charge-out Rates to the institutional clients and the Pay-out Rates to healthcare personnel placed by the Group, arisen from upward price adjustment exercises in October 2014 (for institutional clients and for certain ranks of healthcare personnel). Such increase was partially offset by the decrease in number of service hours provided by healthcare personnel placed by the Group to hospital clients of approximately 8,000 hours due to the decrease in ward relief services required by hospitals and thus resulted in a decrease in RNs and ENs placements to hospital clients.

Financial year ended 30 June 2016 compared to financial year ended 30 June 2015

Revenue from the provision of healthcare staffing solution services was approximately HK\$50.2 million for the year ended 30 June 2016, representing an increase of approximately HK\$4.0 million, or approximately 8.7% from approximately HK\$46.2 million for the year ended 30 June 2015.

Revenue from the provision of private nursing staffing services was approximately HK\$31.1 million for the year ended 30 June 2016, representing an increase of approximately 11.5% from approximately HK\$27.9 million for the year ended 30 June 2015. Such increase was primarily attributable to (i) the enhanced differentials between the Charge-out Rates to the individual clients and the Pay-out Rates to healthcare personnel placed by the Group, arisen from upward price adjustment exercises in June 2015 for both individual and institutional clients and for certain ranks of healthcare personnel; and (ii) an increase in number of service hours provided by healthcare personnel placed by the Group to individual clients of approximately 19,000 hours, or 1.7% for the year ended 30 June 2016, where such increase was mainly driven by the increase in the placement of registered nurses, which the Group earned a higher differentials as compared to other ranks of healthcare personnel, to individual clients.

Revenue from the institutional staffing solution services was approximately HK\$19.1 million for the year ended 30 June 2016, representing an increase of approximately 4.4% from approximately HK\$18.3 million for the year ended 30 June 2015 which was primarily attributable to (i) the enhanced differentials between the Charge-out Rates to the institutional clients and the Pay-out Rates to healthcare personnel placed by the Group, arisen from upward price adjustment exercise in June 2015 for both individual and institutional clients and for certain ranks of healthcare personnel; and (ii) an increase in service hours provided by healthcare personnel placed by the Group to hospital clients of approximately 19,000 hours, or 59.4% for the year ended 30 June 2016. Such increase was partially offset by the decrease in number of service hours provided by healthcare personnel placed by the Group to social service organisations of approximately 51,000 hours, or 7.0% for the year ended 30 June 2016 due to keener competition in social service healthcare staffing solution services.

Three months ended 30 September 2016 compared to three months ended 30 September 2015

Revenue from the provision of healthcare staffing solution services was approximately HK\$13.8 million for the three months ended 30 September 2016, representing an increase of approximately HK\$1.8 million, or approximately 15.0% from approximately HK\$12.0 million for the three months ended 30 September 2015.

Revenue from the provision of private nursing staffing services was approximately HK\$9.2 million for the three months ended 30 September 2016, representing an increase of approximately 21.1% from approximately HK\$7.6 million for the three months ended 30 September 2015. Such increase was primarily attributable to (i) the enhanced differentials between the Charge-out Rates to the individual clients and the Pay-out Rates to healthcare personnel placed by the Group, arisen from upward price adjustment exercises in August 2016 for both individual and institutional clients and for all ranks of healthcare personnel; and (ii) an increase in number of service hours provided by healthcare personnel placed by the Group to individual clients of approximately 22,000 hours, or 7.6% for three months ended 30 September 2016, where such increase was mainly driven by the increase in the placement of registered nurses and enrolled nurses, which the Group earned a higher differentials as compared to other ranks of healthcare personnel, to individual clients.

Revenue from the institutional staffing solution services was approximately HK\$4.6 million for the three months ended 30 September 2016, representing an increase of approximately 2.2% from approximately HK\$4.5 million for the three months ended 30 September 2015 which was primarily attributable to the enhanced differentials between the Charge-out Rates to the institutional clients and the Pay-out Rates to healthcare personnel placed by the Group, arisen from upward price adjustment exercises in August 2016 for both individual and institutional clients and for all ranks of healthcare personnel. Such increase was partially offset by the decrease in number of service hours provided by healthcare personnel placed by the Group to social service organisations of approximately 35,000 hours, or 19.2% for the three months ended 30 September 2016 due to keener competition in social service healthcare staffing solution services.

SHARE OPTION SCHEME

The Share Option Scheme was adopted by the Company on 24 June 2014. The Share Option Scheme will remain valid and effective following the Transfer of Listing subject to certain immaterial amendments to the Share Option Scheme and will be implemented in full compliance with the requirements of Chapter 17 of the Main Board Listing Rules.

As at the date of this announcement, no option has been granted under the Share Option Scheme and the total number of Shares in respect of which options may be granted under the Share Option Scheme shall not exceed 40,000,000 Shares. Following the Transfer of Listing, the Shares to be issued upon exercise of options which may be granted under the Share Option Scheme will be listed on Main Board.

Save for 400,000,000 Shares in issue as at the date of this announcement, there are no outstanding options, warrants or similar rights or convertible equity securities issued by the Company, which will be transferred to the Main Board.

PUBLIC FLOAT

The Directors confirm that no less than 25% of the total issued share capital of the Company was held by the public (as defined in the Main Board Listing Rules) as at the date of this announcement. Accordingly, the minimum 25% public float requirement has been maintained in compliance with Rule 8.08 of the Main Board Listing Rules.

COMPETING INTERESTS OF CONTROLLING SHAREHOLDERS AND DIRECTORS

Principal business of the Group

The Group principally engages in the provision of customised healthcare staffing solution services on a temporary basis to individuals and institutional clients in a timely manner as well as duty opportunities to self-employed healthcare personnel registered with the Group.

Principal business of BML

Bamboos Medicine Limited (“**BML**”) is wholly owned by Ms Hai and Ms Hai is a director of BML. BML principally engages in the provision of Chinese medicine consultation and treatment services in Hong Kong, including acupuncture, bone setting treatment and cupping. BML operates a Chinese medicine centre in Hong Kong (that is, a fully facilitated and equipped site with private consultation rooms, treatment rooms and a dispensary) which provides Chinese medicine consultation and treatment services to out-patients.

During the financial years ended 30 June 2014, 2015 and 2016, all revenue of BML was generated from the provision of Chinese medicine consultation and treatment services. The following table shows the financial information in relation to the business of BML (the “**Excluded BML Business**”) during the periods indicated below:

	For the year ended		
	30 June 2014	30 June 2015	30 June 2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Total revenue	610	353	183
Net profit/(loss)	(51)	(94)	79

CMP staffing services provided by the Group

Upon request of the individual clients of the Group, the Group provides healthcare staffing solution services by placing Chinese medicine practitioners (“**CMPs**”) registered with the Group, in self-employed capacity, who in turn provide outreach Chinese medicine consultation and treatment services, at the place and time designated by the Group’s clients. As both BML and the CMPs placed by the Group are engaged in the provision of Chinese medicine consultation and treatment services, the Excluded BML Business may indirectly compete with the Group’s CMP staffing services in the sense that the CMPs from both camps are providing the same kind of services.

During the financial years ended 30 June 2014, 2015 and 2016, the gross fee and revenue derived from the CMP staffing services of the Group are as follows:–

	For the year ended					
	30 June 2014		30 June 2015		30 June 2016	
	<i>% to the</i>		<i>% to the</i>		<i>% to the</i>	
	<i>total gross</i>		<i>total gross</i>		<i>total gross</i>	
	<i>fee/total</i>		<i>fee/total</i>		<i>fee/total</i>	
	<i>revenue of</i>		<i>revenue of</i>		<i>revenue of</i>	
	<i>HK\$'000</i>	<i>the Group</i>	<i>HK\$'000</i>	<i>the Group</i>	<i>HK\$'000</i>	<i>the Group</i>
Gross fee	8	0.005	20	0.010	36	0.018
Revenue	3	0.008	4	0.009	11	0.022

As shown in the above table, the CMP staffing services of the Group did not form any part of, and are included only to complement, the core business of the Group. The CMP staffing services contributed only an insignificant portion to the total gross fee and total revenue of the Group during those periods indicated above.

Overlapping management

As at the date of this announcement, Ms Hai is the sole director of BML. There was no involvement of Ms Hai in the daily operation of BML since the GEM Listing Date and up to the date of this announcement. Save and except for Ms Hai, there is no overlapping management between BML and the Group as at the date of this announcement. The business partner of BML, who is a Chinese Medicine Practitioner, is responsible for the overall management and daily operation of BML. As at the date of this announcement and after the Transfer of Listing, BML is and will be managed under the principal supervision of the business partner of BML completely different from the Group.

Reasons for non-inclusion of the Excluded BML Business

As disclosed above, BML and the Group have a totally different business nature. The main business of BML is the operation of a Chinese medicine centre which provides Chinese medicine consultation and treatment services to out-patients only whereas the Group places CMPs, in self-employed capacity, to provide outreach health consultation or treatment services to the clients of the Group upon their requests. Also, BML and the healthcare personnel placed by the Group serve different target customers. The target customers of BML are those whose physical condition allows them to travel around easily whereas the clients of the Group who request such services are generally individual clients who encounter difficulty in travelling to hospitals or medical centres for consultation or treatment services. The clients of the Group are also a group of customers who are able to afford the charges of such outreach services which are substantially higher than the charges of the outpatient services provided by BML. As confirmed by the Directors, there are no overlapping clients between the Group and BML since the GEM Listing Date and up to the date of this announcement.

Principal business of BEST

Bamboos Education – School for Talents Limited (“BEST”) is owned as to 90% and 10% by Ms Hai and Mr Kwan, respectively. Each of Ms Hai and Mr Kwan is a director of BEST. BEST principally engages in the provision of healthcare related training services in Hong Kong, including organising healthcare skills trainings seminars and certificate programmes. BEST operates a training centre in Hong Kong (that is, a fully facilitated and equipped site with classrooms, medical training devices and equipment) and organises a variety of training ranging from corporate training to professional training courses to its clients. BEST’s training services includes advising on the topic, scope of the training (or to tailor-make the training based on topic designated by its clients), designing the contents, schedules and materials of the training, providing suitable trainers to deliver training, providing venue and managing the rundown and logistics for the training.

During the financial years ended 30 June 2014, 2015 and 2016, all revenue of BEST was generated from the provision of training services. The following table shows the financial information in relation to the business of BEST (the “**Excluded BEST Business**”) during the periods indicated below:

	For the year ended		
	30 June 2014	30 June 2015	30 June 2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Total revenue	4,223	2,633	3,213
Net profit/(loss)	(352)	(1,993)	1,487

Training related staffing services provided by the Group

Upon request of the clients of the Group, the Group provides healthcare staffing solution services by placing healthcare personnel registered with the Group, in self-employed capacity, to the Group’s clients to deliver seminars held at the place of the clients or other places designated by the clients to the audiences designated by the clients. As BEST and the healthcare personnel placed by the Group (to deliver such seminars) both deliver healthcare related seminars or provide healthcare related training services, the Excluded BEST Business may indirectly compete with the Group’s training related staffing services in the sense that the responsible personnel from both camps are providing the same kind of services.

During the financial years ended 30 June 2014, 2015 and 2016, the gross fee and revenue derived from the training related staffing services of the Group are as follows:–

	30 June 2014		For the year ended 30 June 2015		30 June 2016	
	<i>HK\$'000</i>	<i>% to the total gross fee/total revenue of the Group</i>	<i>HK\$'000</i>	<i>% to the total gross fee/total revenue of the Group</i>	<i>HK\$'000</i>	<i>% to the total gross fee/total revenue of the Group</i>
Gross fee	31	0.019	42	0.022	57	0.028
Revenue	7	0.019	10	0.022	15	0.029

As shown in the above table, the training related staffing services of the Group did not form any part of, and are included only to complement, the core business of the Group. The training related staffing services contributed only an insignificant portion to the total gross fee and total revenue of the Group for the periods indicated above.

Overlapping management

As at the date of this announcement, Ms Hai and Mr Kwan are the directors of BEST. There was no involvement of Ms Hai and Mr Kwan in the daily operation of BEST since the GEM Listing Date and up to the date of this announcement. Save and except for Ms Hai and Mr Kwan, there was no overlapping management between BEST and the Group as at the date of this announcement. The senior manager of BEST, who is a full-time employee of BEST, is responsible for the overall management and daily operation of BEST. As at the date of this announcement and after the Transfer of Listing, BEST is and will be managed by a management team and operated by the operational staff completely different from the Group.

Reasons for non-inclusion of the Excluded BEST Business

As disclosed above, BEST and the Group have a totally different business nature. BEST operates training centre and it organizes and designs trainings to its clients. BEST is the organiser of such trainings and certificates in respect of such trainings will be issued by BEST if necessary. However, the Group only places healthcare personnel registered with the Group, in a self-employed capacity, to deliver the trainings to the clients of the Group upon their requests. The contents and the relevant materials of the seminars are readily designed and prepared by the Group's clients and the Group does not take any role in organizing or managing such seminars held by the Group's clients. Also, due to the differences in business nature, the pricing method adopted by BEST and the Group is also different. The Group charges a fixed fee based on the rank of the healthcare personnel placed by the Group while the fee charged by BEST is determined on a case-by-case basis, depending various factors such as the complexity of the training content and whether evaluations or assessments are involved. In addition, the target audience and clients served by BEST and the healthcare personnel placed by the Group are different. The target audiences of the training services provided by BEST are in general the staff of its clients and sometimes, certain trainings, seminars and certificate programmes organized by BEST are also offered to the general public. In contrast, the target audiences of the seminars organized by the clients of the Group are not in control of the Group. As confirmed by the Directors, there was no overlapping client between the Group and BEST since the GEM Listing Date and up to the date of this announcement.

Therefore, the Group's business nature in providing healthcare staffing solution services is totally different from the Excluded BML Business and the Excluded BEST Business, and the management team and operational staff for daily operation of each of BML and BEST are different from those of the Group. Accordingly, the Directors are of the view that potential competition between the Group and the Excluded BML Business and the Excluded BEST Business, if any, are insignificant and manageable and the Group is capable to carrying on its principle business independently of, and at arms' length from the Excluded BML Business and the Excluded BEST Business.

Save as disclosed above, as at the date of this announcement, none of the Controlling Shareholders or Directors or their respective close associates has any interest in a business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with the Group's business.

Non-Competition Undertaking

In order to minimise any potential competition between the Excluded BML Business and the Excluded BEST Business and the Group, the Controlling Shareholders entered into the deed of non-competition undertaking (the “**Existing Deed**”) in favour of the Company (for itself and as trustee for and on behalf of each of its subsidiaries) on 24 June 2014, details of which are set out in the section headed “Relationship with Controlling Shareholders and non-competition undertakings” in the prospectus of the Company dated 30 June 2014.

As the terms of the Existing Deed entered into by the Controlling Shareholders have made several references to the GEM Listing Rules, a new deed of non-competition undertaking (the “**New Deed**”) was executed by the Controlling Shareholders on 21 February 2017 pursuant to the Transfer of Listing to continue the undertakings pursuant to the Existing Deed. Terms of the New Deed succeed those set out in the Existing Deed and make reference to Main Board Listing Rules.

Pursuant to the New Deed, each of the Controlling Shareholders has given a non-competition undertaking in favour of the Company, pursuant to which each of the Controlling Shareholders has jointly and severally, unconditionally and irrevocably covenanted and undertaken to the Company (for itself and as trustee for and on behalf of each of its subsidiaries) that, he, she or it will not, and will procure that none of his, her or its respective associates (other than members of the Group) will, during the Restricted Period (as defined below), directly or indirectly, either on their own account, in conjunction with, on behalf of, or through any person, entities, organisations, firm or company, among other things, (i) carry on, participate or be interested, engaged or otherwise involved in or acquire or hold (in each case whether as an investor, a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) any business (including but not limited to the core business in Hong Kong but save and except for the Excluded BML Business and the Excluded BEST Business) which is or is likely to be in competition with the core business of the Group, and any other new business that the Group may undertake from time to time (the “**Restricted Business**”) and where they become aware of such engagement of the Restricted Business they shall notify the Company forthwith; (ii) without the consent from the Company, make use of any information pertaining to the business of the Group which may have come to its knowledge in its capacity as the Controlling Shareholders for any purpose of engaging, investing or participating in any Restricted Business; and (iii) if there is any project or new business opportunity that relates to the Restricted Business, he, she or it will refer such project or new business opportunity to the Group for consideration.

Each of the Controlling Shareholders has also covenanted to give written notice to the Company shall any business investment or other commercial opportunity relating to the Restricted Business (the “**New Opportunity**”) be identified by or offered to he/she/it and/or his/her/its associates, it shall provide the Company all reasonably necessary information. Upon receipt of such written notice, the Company shall seek opinions and decisions from a committee of the Board consisting the Directors who do not have a material interest in the matter as to whether (i) such New Opportunity would constitute competition with the Company’s core business, and (ii) it is in the interest of the Company and the Shareholders as a whole to pursue the New Opportunity.

Such non-competition undertaking does not apply to:

- (a) any interests in the shares of any member of the Group; or
- (b) interests in the shares of a company other than the Group provided that:
 - (i) any Restricted Business conducted or engaged in by such company (and assets relating to any Restricted Business) accounts for less than 30% of that company's consolidated sales or consolidated assets, as shown in that company's latest audited accounts; and
 - (ii) the total number of shares held by the Controlling Shareholders and their associates in aggregate does not exceed 30% of the issued shares of that class of the company in question and the Controlling Shareholders and their associates are not entitled to appoint a majority of the directors of that company.

The "Restricted Period" stated in the New Deed refers to the period during which:

- (a) the Shares remain listed on the Stock Exchange; and
- (b) the Controlling Shareholders and their associates (other than members of the Group), individually or jointly, are entitled to exercise, or control the exercise of, not less than 30% of the voting power at general meetings of the Company; or
- (c) the Controlling Shareholders or the relevant associates remain as a director of any member of the Group.

BML Specific Undertakings

Pursuant to the New Deed, Ms Hai has unconditionally and irrevocably covenanted and undertaken to procure that, during the Restricted Period, any business investment or other commercial opportunity relating to the Excluded BML Business (the "**BML New Opportunity**") identified by or offered to her and/or BML, which is capable or reasonably practicable for the Company to take up, is first referred to the Company in the following manner:

- (a) Ms Hai is required to, and shall procure BML to refer, the BML New Opportunity to the Company, and shall notify the Company any BML New Opportunity including all information reasonably necessary for the Company to consider whether it is capable or reasonable practicable and is in the interest of the Group to pursue the BML New Opportunity.
- (b) BML will be entitled to pursue the BML New Opportunity only if (i) Ms Hai or BML has obtained a confirmation from the Company declining the BML New Opportunity, or (ii) Ms Hai or BML has not received any response from the Company within one Business Day from the receipt of such notification by the Company.

Ms Hai has further unconditionally and irrevocably undertaken to the Company that she will use her best endeavours to procure that BML shall observe the restrictions and undertakings above.

BEST Specific Undertakings

Pursuant to the New Deed, each of Ms Hai and Mr Kwan has unconditionally and irrevocably, jointly and severally, covenanted and undertaken to procure that, during the Restricted Period, any business investment or other commercial opportunity relating to the Excluded BEST Business (the “**BEST New Opportunity**”) identified by or offered to Ms Hai, Mr Kwan and/or BEST is first referred to the Company in the following manner:

- (a) Ms Hai and Mr Kwan are required to, and shall procure BEST to refer, the BEST New Opportunity to the Company, and shall notify the Company any BEST New Opportunity including all information reasonably necessary for the Company to consider whether it is capable or reasonable practicable and is in the interest of the Group to pursue the BEST New Opportunity.
- (b) BEST will be entitled to pursue the BEST New Opportunity only if (i) Ms Hai, Mr Kwan and/or BEST has obtained a confirmation from the Company declining the BEST New Opportunity, or (ii) Ms Hai, Mr Kwan and/or BEST has not received any response from the Company within one Business Day from the receipt of such notification by the Company.

Each of Ms Hai and Mr Kwan has further unconditionally and irrevocably undertaken to the Company that he or she will use his or her best endeavours to procure that BEST shall observe the restrictions and undertakings above.

Annual confirmation

As disclosed in the annual report of the Company for the two financial years ended 30 June 2016, the Controlling Shareholders had provided to the Company a written confirmation confirming that, since the GEM Listing Date, they and their respective associates had complied with the undertakings contained in the Existing Deed, and that there was no matter in relation to their compliance with or enforcement of the Existing Deed that needs to be brought to the attention of the Stock Exchange, the Company and/or the Shareholders.

GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

Pursuant to Rule 9A.12 of the Main Board Listing Rules, the general mandates granted to the Directors to allot and issue new Shares and buy back Shares by the Shareholders on 20 October 2016 will continue to be valid and remain in effect until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law of the Cayman Islands to be held; or
- (c) the date on which such mandate granted under the resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

PUBLICATION OF RESULTS

Upon the Transfer of Listing, the Company will cease the practice of quarterly reporting of financial results and will follow the relevant requirements of the Main Board Listing Rules which include publishing its interim results and annual results within two months and three months from the end of the relevant periods or financial year ends, respectively. The Board is of the view that the investors and Shareholders will continue to have access to relevant information on the Company following the reporting requirements under the Main Board Listing Rules.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr KWAN Chi Hong (關志康), aged 44, is an executive Director, the chairman of the Board, the compliance officer and a member of the nomination committee of the Board. He is also one of the directors of the subsidiaries of the Company. Mr Kwan co-founded the Group in May 2009. He was appointed as a Director on 23 November 2012 and re-designated as an executive Director on 28 March 2014. Mr Kwan performs a leadership role in monitoring and evaluating the business, strategic planning and major decision making for the 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 the 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.

Mr Kwan did not hold any directorship in other listed public companies in the three years preceding the date of this announcement.

Ms HAI Hiu Chu (奚曉珠), aged 45, is an executive Director, the chief executive officer of the Company and a member of the remuneration committee of the Board. She is also one of the directors of the subsidiaries of the Company. Ms Hai co-founded the Group in May 2009. She was appointed as a Director on 23 November 2012 and re-designated as an executive Director on 28 March 2014. Ms Hai is responsible for the overall management, strategic development and major decision making for the 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 completed a programme in Executive MBA and obtained a master's degree in Business Administration from The Chinese University of Hong Kong in December 2010. She obtained an EN (enrolled nurse) qualification from the Nursing Council of Hong Kong in February 1993. Ms Hai has over 16 years of experience in the medical field and the pharmaceutical industry. Ms Hai worked as an enrolled nurse with United Christian Hospital from March 1993 to March 1994, Christian Family Service Centre from March 1994 to November 1994, Chuen On Laboratory from November 1994 to February 1995 and a Hong Kong doctor's clinic from March 1995 to September 1995, mainly responsible for general nursing care duties and healthcare administration support.

Ms Hai then worked at various pharmaceutical and medical device companies responsible for sales and marketing, including working as a product specialist at United Italian Corp. (HK) Ltd. which is a medical and pharmaceutical product distributor from August 1999 to February 2001 responsible for promoting medical consumable products and expanding their distribution among hospitals, and had worked as a territory manager – spinal products, at Medtronic International Ltd., which is principally engaged in development and manufacturing of medical device technology and therapies, from March 2001 to November 2002 responsible for medical device sales. Ms Hai is currently a visiting professor of the Guangdong Pharmaceutical University, a director of Hong Kong Rehabilitation Power and a director of Agency for Volunteer Service (a non-profit organisation dedicated to providing value added and quality volunteer service to the society). Ms Hai is the winner of the Most Promising Entrepreneurship Award of Asia Pacific Entrepreneurship Awards 2012.

Ms Hai did not hold any directorship in other listed public companies in the three years preceding the date of this announcement.

Non-Executive Director

Mr WONG Kam Pui (黃錦沛), aged 62, is a non-executive Director and the chairman of the compliance committee of the Board. He was appointed as a non-executive Director on 25 September 2014. He is responsible for advising the Group 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. He had extensive experience in human resources management and administration with renowned local and international organisations. 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 the founder and a director of a company 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 Hong Kong, 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.

Mr Wong did not hold any directorship in other listed public companies in the three years preceding the date of this announcement.

Independent Non-Executive Directors

Mr LAM Cheung Wai (林章偉), aged 60, is an independent non-executive Director, the chairman of the audit committee and the nomination committee and a member of the remuneration committee of the Board. 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 the 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 Hong Kong 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 has been a member of the Rehabilitation Advisory Committee of the Government of Hong Kong Special Administrative Region since January 2016. Mr Lam was awarded The Ten Outstanding Young Persons(十大傑出青年)in 1996.

Mr Lam did not hold any directorship in other listed public companies in the three years preceding the date of this announcement.

Dr LEUNG Yu Lung (梁裕龍), aged 45, is an independent non-executive Director and a member of the audit committee, the nomination committee, the remuneration committee and the compliance committee of the Board. 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 the Group.

Dr Leung graduated from The Chinese University of Hong Kong in December 1994 and holds the qualifications of BMedSc (First Class Hons, CUHK), MBChB (CUHK), FCOphth (Hong Kong), MRCS (Edinburgh) (Ophthalmology), GMC (UK), FHKAM (Ophthalmology), FRCOphth (London) and FRCS (Glasgow) (Ophthalmology). Dr Leung is an ophthalmologist with diverse experience in ophthalmic clinical service, research, teaching, and administrative exposure. He was previously appointed as an Associate Consultant of the Department of Ophthalmology of Hong Kong Eye Hospital (2006-2011). Dr Leung is currently appointed as the Honorary Clinical Professor of the Department of Ophthalmology of Shantou University Medical College, the Honorary Clinical Assistant Professor of the Department of Ophthalmology & Visual Sciences of The Chinese University of Hong Kong and the Honorary Consultant and Specialist in Ophthalmology of the Department of Ophthalmology of Hong Kong Sanatorium & Hospital.

Dr Leung did not hold any directorship in other listed public companies in the three years preceding the date of this announcement.

Dr LUK Yim Fai (陸炎輝), aged 64, is an independent non-executive Director, the chairman of the remuneration committee and a member of the audit committee, the nomination committee and the compliance committee of the Board. 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 the 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 Banking and Finance Industrial Training Board, Vocational Training Council and a member of Economics Subject Committee, Hong Kong Examinations Authority from January 1999 to December 1999 and September 1989 to August 1992 respectively.

Dr Luk did not hold any directorship in other listed public companies in the three years preceding the date of this announcement.

Senior Management

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

Ms Liu did not hold any directorship in other listed public companies in the three years preceding the date of this announcement.

Ms Lui Yin Ping (雷燕萍), aged 44, is the general manager (customer service) of the Group. Ms Lui joined the 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 the 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 Lui did not hold any directorship in other listed public companies in the three years preceding the date of this announcement.

Ms Lao Liling (勞麗靈), aged 43, is the internal audit officer of the Group. She joined the Group in April 2013. Ms Lao is responsible for the overall quality control and the compliance with internal procedures and certifications of the 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 worked in various positions, including general manager of business development, in Hong Kong Quality Assurance Agency from July 2006 to January 2013 responsible for operations management prior to joining the Group.

Ms Lao did not hold any directorship in other listed public companies in the three years preceding the date of this announcement.

DOCUMENTS AVAILABLE FOR VIEWING

Copies of the following documents are available for viewing on the respective websites of the Company at www.bamboos.com.hk and of the Stock Exchange at www.hkexnews.hk:

- 1) the Directors' report and annual report of the Company for the year ended 30 June 2016;
- 2) the interim report of the Company for the six months ended 31 December 2016;
- 3) the amended and restated memorandum of association and the second amended and restated articles of association of the Company;
- 4) the circular of the Company dated 24 September 2015 in relation to the proposals for (i) the grant of general mandates to issue and buy-back Shares and (ii) the re-election of Directors and notice of annual general meeting;
- 5) the circular of the Company dated 31 August 2016 in relation to the proposals for (i) the grant of general mandates to issue and buy-back Shares, (ii) the re-election of Directors, (iii) the amendments to the articles of association and (iv) the adoption of new articles of association and notice of annual general meeting;
- 6) the announcements and other corporate communications made by the Company prior to the date of this announcement as required under the Main Board Listing Rules and the GEM Listing Rules.

DEFINITIONS

In this announcement, the following definitions shall have the meanings set out below unless the context requires otherwise:

“Bamboos PNS”	Bamboos Professional Nursing Services Limited (百本專業護理服務有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday) on which licensed banks in Hong Kong are open for normal banking business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Charge-out Rate(s)”	the rate(s) that the Group charges its client for provision of healthcare staffing solution services
“close associate(s)”	has the meaning ascribed to it under the Main Board Listing Rules
“Company”	Bamboos Health Care Holdings Limited (百本醫護控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM (stock code: 8216)
“Competition Ordinance”	the Competition Ordinance (Chapter 619 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Main Board Listing Rules
“Director(s)”	director(s) of the Company
“Employment Ordinance”	the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Date”	8 July 2014, being the date on which the Shares were first listed on GEM

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong dollar”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, Main Board excludes GEM
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MPFS Ordinance”	the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Mr Kwan”	Mr Kwan Chi Hong, an executive Director and the chairman of the Company and a Controlling Shareholder
“Ms Hai”	Ms Hai Hiu Chu, an executive Director and the chief executive officer of the Company and a Controlling Shareholder
“Pay-out Rate(s)”	the rate(s) that the Group pays to the healthcare personnel placed by the Group to the Group’s clients for the services rendered
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 24 June 2014

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer of Listing”	the transfer of listing of Shares from GEM to Main Board pursuant to the relevant provisions of the GEM Listing Rules and the Main Board Listing Rules

By Order of the Board
Bamboos Health Care Holdings Limited
 百本醫護控股有限公司
Kwan Chi Hong
Chairman

Hong Kong, 21 February 2017

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr Kwan Chi Hong (Chairman) and Ms Hai Hiu Chu (Chief Executive Officer); one non-executive Director, namely, Mr Wong Kam Pui; and three independent non-executive Directors, namely, Mr Lam Cheung Wai, Dr Luk Yim Fai and Dr Leung Yu Lung.

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

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the day of its publication and on the Company’s website at www.bamboos.com.hk.