



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



ANNUAL REPORT

2018 年報

(Incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立的有限公司)
Stock Code 股份代號：2293

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Ms. Hai Hiu Chu (*Chairman and Chief Executive Officer*) ^(Note)

Mr. Kwan Chi Hong ^(Note)

Note: Ms. Hai Hiu Chu was appointed as the Chairman on 18 August 2018. Mr. Kwan Chi Hong was the Chairman up to 17 August 2018.

Non-executive Director

Mr. Wong Kam Pui, JP (resigned on 1 July 2018)

Independent Non-executive Directors

Mr. Lam Cheung Wai

Dr. Leung Yu Lung

Dr. Luk Yim Fai

Dr. Ko Wing Man (appointed on 18 August 2018)

BOARD COMMITTEES

Audit Committee

Mr. Lam Cheung Wai (*Chairman*)

Dr. Leung Yu Lung

Dr. Luk Yim Fai

Remuneration Committee

Dr. Luk Yim Fai (*Chairman*)

Mr. Lam Cheung Wai

Dr. Leung Yu Lung

Ms. Hai Hiu Chu

Dr. Ko Wing Man (appointed on 18 August 2018)

Nomination Committee

Mr. Lam Cheung Wai (*Chairman*)

Dr. Leung Yu Lung

Dr. Luk Yim Fai

Mr. Kwan Chi Hong

Dr. Ko Wing Man (appointed on 18 August 2018)

Compliance Committee

Mr. Wong Kam Pui, JP (*Chairman up to 30 June 2018*)

Dr. Leung Yu Lung (*Chairman appointed on 1 July 2018*)

Dr. Luk Yim Fai

Ms. Hai Hiu Chu (appointed on 1 July 2018)

COMPANY SECRETARY

Ms. Lam Yuen Ling Eva

AUTHORISED REPRESENTATIVES

Ms. Hai Hiu Chu

Mr. Kwan Chi Hong

AUDITOR

PricewaterhouseCoopers

LEGAL ADVISER AS TO HONG KONG LAWS

Chiu & Partners

REGISTERED OFFICE

PO Box 309, Ugland House

Grand Cayman, KY1-1104

Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

4/F, Star House

3 Salisbury Road

Tsim Sha Tsui

Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited

PO Box 1093, Boundary Hall

Cricket Square, Grand Cayman

KY1-1102

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited

Suites 3301-04, 33/F.

Two Chinachem Exchange Square

338 King's Road

North Point

Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

Nanyang Commercial Bank

Bank of Communications Co., Ltd

Hong Kong Branch

STOCK CODE

2293

COMPANY WEBSITE

www.bamboos.com.hk

Chairman's Statement

Dear Shareholders,

On behalf of the board of directors (our "Board" or our "Directors") of Bamboos Health Care Holdings Limited (our "Company", together with our subsidiaries, our "Group"), I am delighted to present our Group's annual results for the financial year ended 30 June 2018 (the "Year").

We have achieved remarkable growth of revenue and profit during the Year. Approximately HK\$81.4 million of revenue is recorded in the Year, representing an increase of approximately 30.2% comparing to that of approximately HK\$62.5 million recorded for the last financial year. Profit for the Year amounted to approximately HK\$42.2 million, representing an increase of approximately 29.4% comparing to that of approximately HK\$32.6 million for the year ended 30 June 2017.

We believed that sustainable business requires visionary and gigantic aspiration as well as most diligent and humble execution. During the Year, our Board had been taking initiatives to co-operate or form alliance with strategic partners to pursue new business ventures with a view to diversifying the business of our Group beyond its existing dimension and geographical location. These business endeavours include the formation of a joint venture company to principally engaged in the operation of plastic surgery clinic in Hong Kong; the embarking on a joint venture in Singapore to principally engaged in the provision of customized healthcare staffing solution services to individuals, institutional clients and healthcare institutions and placing of healthcare personnel on appropriate vacancies and duty assignments; and collaborating with Easylink Payment Network (HK) Company Limited in the promotion of UnionPay's mobile point of sales (POS) machines. We will continue to seek for new development and at the same time bear prudence and perseverance in mind for achieving plentiful result for all stakeholders.

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

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

APPRECIATION

On behalf of our Board, I would like to express my sincere gratitude to our valued customers, business partners and shareholders for their persistent support, and express my appreciation to the management team and employees for their valuable contribution to the development of our Group.

HAI Hiu Chu

Chairman

Hong Kong, 24 August 2018

Management Discussion and Analysis

BUSINESS REVIEW AND PROSPECTS

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

During the Year, our Group's revenue was approximately HK\$81.4 million (2017: HK\$62.5 million), representing an increase of approximately 30.2% from the year ended 30 June 2017. Profit attributable to equity holders of the Company for the Year was approximately HK\$42.2 million (2017: HK\$32.6 million), representing an increase of approximately 29.4% from the year ended 30 June 2017.

Revenue from the provision of healthcare staffing solution services and outreach case assessment related services increased by approximately HK\$18.0 million and HK\$0.9 million, respectively. The growth in the provision of healthcare staffing solution services was mainly attributable to, amongst other factors, (i) the effect of upward price adjustment in August 2017 for all ranks of healthcare personnel for both institutional and individual clients; and (ii) the increase in demand for healthcare staffing solution services from both institutional and individual clients, in which the rise in demand from hospitals requiring placement service of Registered Nurses and Enrolled Nurses was most notable. The growth in the provision of outreach case assessment related services was mainly attributable to the increase in demand for medical and health assessment services. Our Group had expanded the outreach team by engaging two more Registered Nurses during the Year to cater for such needs.

To maintain a vast and diversified pool of registered healthcare personnel to better seize the opportunities for growth, our Group offered various member benefits to attract and retain healthcare personnel registered with our Group. There were over 19,000 healthcare personnel registered with our Group as at 30 June 2018 (approximately 17,700 as at 30 June 2017), representing an increase of approximately 7.3% when compared to that of the year ended 30 June 2017.

In view of the ever-increasing ageing population, numerous on-going hospital development plans and escalating demand for services in both institutional and private healthcare staffing solution, our Board remains optimistic towards the continuous growth of the core business of our Group in the medium and long term.

During the Year, our Board had been taking initiatives to cooperate or form alliance with strategic partners to pursue new business ventures with a view to diversifying the business of our Group beyond its existing dimension and geographical location, which is in line with our Group's business strategy for sustainable development to optimise its business growth and return to the stakeholders. These business endeavours included: (1) the setting up of a company with two doctors, namely Garden Medical Centre Limited, to principally engage in the operation of plastic surgery clinic(s) in Hong Kong; (2) the embarking on a joint venture (namely Bamboos Professional Nursing Services PTE. Limited) in Singapore with Northville Global Limited, an investment holding company and a wholly-owned subsidiary of Lippo China Resources Limited, to principally engage in the provision of customised healthcare staffing solution services to individuals, institutional clients and healthcare institutions and placing of healthcare personnel on appropriate vacancies and duty assignments; and (3) collaborating with Easylink Payment Network (HK) Company Limited, a subsidiary owned by Guangzhou UnionPay Network Payment, in the promotion of the latter's UnionPay's mobile point of sale (POS) machines.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The revenue of our Group for the Year comprised revenue from the provision of healthcare staffing solution services and revenue from outreach case assessment related services. The revenue was approximately HK\$81.4 million for the Year, representing an increase of approximately 30.2% from approximately HK\$62.5 million for the year ended 30 June 2017.

Revenue from the provision of healthcare staffing solution services for the Year was approximately HK\$77.6 million (2017: HK\$59.6 million). Among those, revenue from the institutional staffing solution services amounted to approximately HK\$38.1 million (2017: HK\$22.2 million), representing an increase of approximately 71.6%; and the revenue from the private nursing staffing services was approximately HK\$39.5 million (2017: HK\$37.4 million), representing an increase of approximately 5.6%. The increase was mainly attributable to the combined effect of (i) the effect of upward price adjustment in August 2017 for all ranks of healthcare personnel for both institutional and individual clients; and (ii) the increase in demand for healthcare staffing solution services from both institutional and individual clients.

The revenue from the provision of healthcare staffing solution services as a percentage of gross fee is determined with reference to the mark-up ratio between the charge-out rate to the clients and the pay-out rate to different ranks of healthcare personnel placed by our Group and the number of service hours performed by respective rank of healthcare personnel. The revenue from the provision of healthcare staffing solution services as a percentage of gross fee slightly increased to approximately 26.0% for the Year from approximately 25.2% for the year ended 30 June 2017.

Revenue from the provision of outreach case assessment related services was approximately HK\$3.8 million for the Year (2017: HK\$2.9 million), representing an increase of approximately 31.0%. The growth was mainly due to the increase in demand for medical and health assessment services provided by the medical doctor and registered nurses in the outreach service team.

Other income

Other income mainly comprised advertising income, sales of goods and activity income. Other income decreased from approximately HK\$4.3 million for the year ended 30 June 2017 to approximately HK\$4.0 million for the Year, representing a slight decrease of approximately HK\$0.3 million or approximately 7.0%.

Management Discussion and Analysis

Expenses

The employee benefit expenses increased from approximately HK\$14.6 million for the year ended 30 June 2017 to approximately HK\$21.1 million for the Year, representing an increase of approximately 44.5%. It was mainly attributable to (i) increase in headcounts of our customer service (“CS”), back office and outreach team, and (ii) general employee remuneration package enhancement.

The operating lease rentals increased from approximately HK\$1.4 million for the year ended 30 June 2017 to approximately HK\$3.2 million for the Year, representing an increase of approximately 128.6%. It was mainly attributable to the increase in lease rental of the headquarters of our Group during the Year.

Other expenses decreased from approximately HK\$10.8 million for the year ended 30 June 2017 to approximately HK\$8.6 million for the Year, representing a decrease of approximately 20.4%. It was mainly attributable to the one-off professional service fees incurred for the transfer of listing of our Company’s shares from the Growth Enterprise Market (“GEM”) to the Main Board (the “Transfer of Listing”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the year ended 30 June 2017 and the decrease in charitable donation for the Year.

Finance income

Finance income represented the interest income on short-term bank deposits. Finance income increased from approximately HK\$0.3 million for the year ended 30 June 2017 to approximately HK\$0.4 million for the Year, representing an increase of approximately HK\$0.1 million or 33.3%.

Income tax expense

Income tax expense amounted to approximately HK\$8.7 million for the Year, representing an increase of approximately 20.8%, from approximately HK\$7.2 million for the year ended 30 June 2017. Our Group’s effective tax rate slightly decreased from approximately 18.0% for the year ended 30 June 2017 to approximately 17.2% for the Year.

Profit for the Year and net profit margin

Profit for the Year amounted to approximately HK\$42.2 million, increased by approximately HK\$9.6 million, or 29.4%, from approximately HK\$32.6 million for the year ended 30 June 2017, mainly resulted from the increase in revenue by approximately 30.2% from approximately HK\$62.5 million for the year ended 30 June 2017 to approximately HK\$81.4 million for the Year and the operating performance analysed above, together with the absence of the one-off professional service fees incurred for the Transfer of Listing during the year ended 30 June 2017. There was a slight decrease in net profit margin from approximately 52.2% for the year ended 30 June 2017 to approximately 51.9% for the Year.

Management Discussion and Analysis

Trade receivables

Trade receivables had a significant increase of approximately HK\$21.7 million or 97.8% from approximately HK\$22.2 million as at 30 June 2017 to approximately HK\$43.9 million as at 30 June 2018. Our Group generally does not grant credit terms to clients and payment is immediately due upon presentation of invoices to customers. As at 30 June 2018 and 2017, all trade receivables were past due but not considered to be impaired because these mainly related to a number of independent customers with limited history of default. During the year ended 30 June 2018 and 2017, our Group did not recognise any provision for trade receivables.

Trade payables

Trade payables slightly increased to approximately HK\$17.6 million as at 30 June 2018 from approximately HK\$14.4 million as at 30 June 2017, representing an increase of approximately 22.2%. It was mainly due to the increased costs payable to healthcare personnel placed by our Group during the Year.

LIQUIDITY AND FINANCIAL RESOURCES

Our Group remained in a healthy and sound liquidity position as at 30 June 2018. The working capital needs and other capital requirements have been met through a combination of shareholders' equity and cash generated from operations. Going forward, our Group intends to finance its future operations and capital expenditures with cash flow generated from operating activities and the net proceeds from the Placing. The primary uses of cash have been and are expected to continue to be operating costs and capital expenditure.

The current assets primarily comprise cash and cash equivalents, short-term bank deposits, trade receivables, prepayments, deposits and other receivables, amount due from a related company and inventories.

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

As at 30 June 2018, our Group maintained cash and cash equivalents amounting to approximately HK\$96.8 million (2017: HK\$63.1 million). Net current assets increased to approximately HK\$113.4 million as at 30 June 2018 from approximately HK\$96.7 million as at 30 June 2017, which was mainly due to net cash generated from operating activities.

FOREIGN EXCHANGE EXPOSURE RISKS

Our Group's exposure to currency risk is insignificant as our Group mainly operates in Hong Kong with most of the transactions denominated and settled in Hong Kong dollars.

Management Discussion and Analysis

USE OF NET PROCEEDS

The net proceeds from the listing of our Company's shares on GEM by way placing of a total of 100,000,000 new shares of our Company at the placing price of HK\$0.5 each (the "Placing") in 2014 were approximately HK\$39.8 million. As at 30 June 2018, our Company had utilised approximately HK\$32.1 million of net proceeds from the Placing. During the year ended 30 June 2017, our Board resolved to change the use of part of the net proceeds from the Placing of approximately HK\$10.3 million out of the remaining unutilised net proceeds from the Placing by reallocating the net proceeds originally intended for enhancing business operation efficiency and enhancing healthcare staffing solution services through introducing point-to-point pick-up service to (i) strengthening brand awareness and expanding healthcare personnel pool, and (ii) enhancing healthcare staffing solution services through strengthening the CS Department and other back office support as well as enhancing office facilities, acquire computer equipment, furniture and fixture.

Details of the original allocation of the net proceeds (the "Original Allocation"), the revised allocation of the net proceeds (the "Revised Allocation") and the utilisation of the net proceeds (the "Utilisation") as at 30 June 2018 are set out below:

	Original Allocation HK\$'million	Revised Allocation HK\$'million	Utilisation HK\$'million
Enhancing business operation efficiency	3.9	1.5	1.5
Strengthening brand awareness and expanding healthcare personnel pool	5.8	13.7	7.7
Enhancing healthcare staffing solution services	15.2	9.7	9.5
Developing outreach services team	7.9	7.9	6.4
Repayment of indebtedness	4.8	4.8	4.8
General working capital	2.2	2.2	2.2
	<hr/>	<hr/>	<hr/>
	39.8	39.8	32.1

Management Discussion and Analysis

Reasons for the change of use of net proceeds during the year ended 30 June 2017

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

Our Board considered that the change of use of net proceeds is fair and reasonable and is in line with the interests of our Company and our shareholders as a whole.

CAPITAL STRUCTURE

During the Year and the year ended 30 June 2017, our Group mainly relied on its equity and internally generated cash flows to finance its operations.

GEARING RATIO

Gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as "equity" (as shown in the consolidated balance sheet) plus net debt. As at 30 June 2018 and 30 June 2017, our Group had no outstanding bank and other borrowings.

CAPITAL COMMITMENTS

There was a capital commitment for HK\$2.5 million to Bamboos Professional Nursing Services PTE. Limited (the joint venture company set up in Singapore) as at 30 June 2018 (2017: Nil).

PLEDGE OF ASSETS

As at 30 June 2018, there was no significant pledge on our Group's assets (2017: Nil).

CONTINGENT LIABILITIES

As at 30 June 2018, our Group had no significant contingent liabilities (2017: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Our Group did not have other plans for material investments or capital assets as at 30 June 2018 (2017: Nil).

Management Discussion and Analysis

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Except for the investments disclosed in notes 16 and 17 to the consolidated financial statements, during the Year, our Group did not hold any significant investment in equity interest in any other company and there were no material acquisitions or disposals of subsidiaries and affiliated companies by our Group (2017: Nil).

EMPLOYEES, REMUNERATION POLICIES AND RETIREMENT BENEFIT

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

As at 30 June 2018, our Group engaged a total of 38 employees (2017: 43). Total staff costs including Directors' remuneration for the Year amounted to approximately HK\$21.1 million (2017: HK\$14.6 million). Our Group's remuneration policies are in line with the prevailing market practices.

Our Company has conditionally adopted a share option scheme on 24 June 2014 (the "Share Option Scheme") under which eligible participants (including, among others, full-time employees) may be granted options to subscribe for shares in our Company. As at 30 June 2018 and 2017, no options had been granted under the share option scheme.

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

DIVIDEND

On 24 August 2018, our Board resolved to declare a final dividend of HK\$10,000,000 (HK2.50 cents per ordinary share) for the year ended 30 June 2018 (2017: HK5.00 cents per ordinary share, totally HK\$20,000,000), to our Company's shareholders whose names appear on the register of members of our Company on Friday, 12 October 2018. Subject to the approval of our Company's shareholders at the forthcoming annual general meeting of our Company to be held on Thursday, 4 October 2018 (the "AGM"), the final dividend, which is payable in cash, is expected to be paid on or about Monday, 22 October 2018.

Our Board did not recommend the payment of an interim dividend for the six months ended 31 December 2017 (for the six months ended 31 December 2016: HK3.75 cents per ordinary share, totalling HK\$15,000,000).

OTHER INFORMATION AND EVENTS AFTER THE REPORTING PERIOD

As announced by our Board on 13 August 2018, Dr. Ko Wing Man was appointed as an independent non-executive Director, Mr. Kwan Chi Hong resigned as Chairman of our Board and Ms. Hai Hiu Chu was appointed as the new Chairman of our Board, all with effect from 18 August 2018.

Corporate Governance Report

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

Our Company's corporate governance practices are based on the principles of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for relevant periods. During the year ended 30 June 2018 (the "Year") and up to the date of this Corporate Governance Report, our Company had complied with the applicable code provisions (the "Code Provisions") set out in the CG Code.

BOARD OF DIRECTORS

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

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

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

Corporate Governance Report

Board Composition

During the Year, our Board comprises the following Directors and their respective roles are set out as follows:

Executive Directors:

Mr. Kwan Chi Hong (*Chairman*)

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

Non-executive Director:

Mr. Wong Kam Pui

Independent Non-executive Directors:

Mr. Lam Cheung Wai

Dr. Leung Yu Lung

Dr. Luk Yim Fai

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

Name of company	Principal business	Nature of relationship
Bamboos Group Limited	Principally engaged in tenancy holding and is the head tenant of the head office and principal place of business of our Company in Hong Kong since January 2017 (namely, 4/F, Star House, 3 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong)	Business relationship – Bamboos Group Limited is directly owned as to 90% and 10% by Ms. Hai Hiu Chu and Mr. Kwan Chi Hong respectively, both of whom are directors of Bamboos Group Limited
Bamboos Education — School for Talents Limited ("BEST")	Principally engaged in the provision of healthcare related training service in Hong Kong	Business relationship – BEST is directly owned as to 90% and 10% by Ms. Hai Hiu Chu and Mr. Kwan Chi Hong respectively, both of whom are directors of BEST

A description of our Directors is set out in the section headed "Biographical Details of Directors and Senior Management" on pages 40 to 44 in this annual report.

Corporate Governance Report

Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer are separate and are not performed by the same individual for the year ended 30 June 2018. During the Year, Mr. Kwan Chi Hong held the position of the Chairman of our Group and performed a leadership role in monitoring and evaluating our Group's business, strategic planning and major decision making of our Group. Ms. Hai Hiu Chu held the position of the Chief Executive Officer of our Group and was responsible for the overall management, strategic development and major decision making for our Group.

Director's Appointments, Re-election and Removal

During the Year, each of the executive Directors and the non-executive Director has entered into a service agreement with our Company for a fixed term of one year and may be terminated by not less than three months' written notice or subject to the terms and conditions thereunder.

During the Year, Independent non-executive Directors were appointed for a fixed term of one year and may be terminated by not less than three months' written notice.

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

Confirmation of Independence

Each of the independent non-executive Directors had made a confirmation of independence by reference to Rule 3.13 of the Listing Rules for relevant periods and our Board is satisfied that all the independent non-executive Directors were independent and met the independent guidelines set out in Rule 3.13 of the Listing Rules for relevant periods since the date of their respective appointments, up to the date of this annual report.

Number of Meetings and Directors' Attendance

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

As regards the meeting of the Shareholders and to comply with the requirement under Code Provision E.1.2 of the CG Code, the chairman of our Board, as well as the chairman of each of our audit, nomination, remuneration and compliance committees attended the annual general meeting of our Company held on 11 October 2017 (the "2017 AGM") to answer questions at the 2017 AGM.

Corporate Governance Report

The attendance records of each Director at the meetings of the Board and the Shareholders held during the Year are set out as follows:

	<u>Board</u>	<u>2017 AGM</u>
<i>Executive Directors:</i>		
Mr. Kwan Chi Hong	5/5	1/1
Ms. Hai Hiu Chu	5/5	1/1
<i>Non-executive Director:</i>		
Mr. Wong Kam Pui, JP	5/5	0/1
<i>Independent Non-executive Directors:</i>		
Mr. Lam Cheung Wai	5/5	1/1
Dr. Leung Yu Lung	3/5	1/1
Dr. Luk Yim Fai	5/5	1/1

Practice and Conduct of Meetings

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

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

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

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

Corporate Governance Report

BOARD COMMITTEES

Audit committee

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

During the Year, our audit committee comprised three independent non-executive Directors, namely Mr. Lam Cheung Wai, Dr. Leung Yu Lung and Dr. Luk Yim Fai. Mr. Lam Cheung Wai was the chairman of our audit committee during the Year.

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

During the Year, our audit committee had approved the nature and scope of the statutory audits, and reviewed the interim and annual financial statements of our Group, and was satisfied that the accounting policies and standards of our Group complied with the applicable accounting standards and requirements and that adequate disclosures have been made. Our audit committee also carried out annual review on the continuing connected transactions of our Group during the Year. In addition, our audit committee had initiated internal control measures and reviewed the semi-annual internal audit reports conducted by our Company's internal audit officer and evaluated the effectiveness of the internal audit system of our Group, there was no non-compliance issue noted. During the Year, our audit committee adopted risk management policy and relevant risk management review process of our Group.

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

	Number of Meetings attended/eligible to attend
Mr. Lam Cheung Wai	2/2
Dr. Leung Yu Lung	1/2
Dr. Luk Yim Fai	2/2

Corporate Governance Report

Remuneration committee

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

During the Year, our remuneration committee comprised three independent non-executive Directors, namely Mr. Lam Cheung Wai, Dr. Leung Yu Lung, Dr. Luk Yim Fai and our executive Director and Chief Executive Officer, Ms. Hai Hiu Chu. Dr. Luk Yim Fai was the chairman of our remuneration committee during the Year.

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

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

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

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

	Number of Meetings attended/eligible to attend
Dr. Luk Yim Fai	2/2
Mr. Lam Cheung Wai	2/2
Dr. Leung Yu Lung	1/2
Ms. Hai Hiu Chu	2/2

Corporate Governance Report

Nomination committee

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

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

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

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

During the Year, our nomination committee had reviewed the structure, size and composition of our Board, the independence of independent non-executive Directors and the appointment of Directors of our Company.

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

	Number of Meetings attended/eligible to attend
Mr. Lam Cheung Wai	2/2
Dr. Leung Yu Lung	2/2
Dr. Luk Yim Fai	2/2
Mr. Kwan Chi Hong	2/2

Corporate Governance Report

Compliance Committee

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

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

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

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

	Number of Meetings attended/eligible to attend
Mr. Wong Kam Pui	2/2
Dr. Leung Yu Lung	1/2
Dr. Luk Yim Fai	2/2

SENIOR MANAGEMENT'S REMUNERATION

Senior management's remuneration payment of our Group for the year ended 30 June 2018 falls within the following band:

	Number of individuals
Nil to HK\$1,000,000	4

Corporate Governance Report

CORPORATE GOVERNANCE FUNCTIONS

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

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

Our Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code for securities transactions by Directors. Our Directors, after specific enquiries by our Company, confirmed their compliance with the required standards set out in the Model Code throughout the Year.

CORPORATE GOVERNANCE

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

Our Company's corporate governance practices are based on the principles of the CG Code as set out in Appendix 14 to the Listing Rules. During the Year and up to the date of this annual report, our Company had complied with the applicable code provisions set out in the CG Code, except for the deviation from Code provision A.2.1 which is explained below.

Code provision A.2.1

Under Code provision A.2.1, the roles of the chairman and the chief executive officer should be segregated and should not be performed by the same individual.

With effect from 18 August 2018, Ms. Hai Hiu Chu ("Ms. Hai") acted as the Chairman of our Board and the Chief Executive Officer of our Company. Ms. Hai is the founder of our Group and has extensive experience in the medical field and the pharmaceutical industry. Ms. Hai is responsible for the effective running of our Board and for formulating business strategies. Our Board considers that Ms. Hai, by serving as the Chairman of our Board and the Chief Executive Officer of our Company, is able to lead our Board in major business decision making for our Group. The management structure enables our Board's decision to be more effectively made and facilitates implementation of business strategies under the leadership of Ms. Hai, which is conducive to effective management and the business development of our Group.

Our Board will continue to review the effectiveness of our Group's corporate governance structure to assess whether changes, including the separation of the roles of the chairman and the chief executive officer, are necessary.

Corporate Governance Report

DIRECTORS' CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT

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

During the Year, all Directors (namely Ms. Hai Hiu Chu, Mr. Kwan Chi Hong, Mr. Wong Kam Pui, Mr. Lam Cheung Wai, Dr. Leung Yu Lung and Dr. Luk Yim Fai) participated in the continuous professional developments regarding the duties and responsibility of our Directors under the relevant legal and regulatory requirement which included reading materials in relation to directors' liability and insurance and other legal or regulatory update. All Directors have participated in training regarding Listing Rules and CG Code updates conducted by our Company Secretary during the Year.

CONSTITUTIONAL DOCUMENTS

During the Year, there were no changes in any of the Company's constitutional documents. The latest version of our Company's constitutional documents is available on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.bamboos.com.hk.

AUDITOR'S REMUNERATION

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

Services rendered during the Year	HK\$'000
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Statutory audit services	880
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DIRECTORS' RESPONSIBILITY STATEMENT

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

Corporate Governance Report

RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

Risk Management System

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

- Identification: Identify the category and ownership of risks, risks that could affect the achievement of objectives and the risk appetite.
- Assessment: Analyse the likelihood and impact of risks and evaluate the risk portfolio semi-annually.
- Management: Consider the risk action plan, ensure effective communication to the Board and on-going monitoring.

Internal Control System

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

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

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

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

Corporate Governance Report

Internal control in relation to insider information

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

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

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

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

COMPANY SECRETARY

All Directors have access to the advice and services of our Company Secretary to ensure that our Board procedures and all applicable laws are followed. Moreover, our Company Secretary is responsible for facilitating communications among Directors as well as with the management. The company secretary of our Company, Ms. Lam Yuen Ling Eva ("Ms. Lam"), is delegated by an external service provider. The external service provider's primary contact person at our Company is Ms. Hai Hiu Chu, the Chief Executive Officer of our Company. The biographical details of Ms. Lam are set out under the section headed "Biographical Details of Directors and Senior Management". Ms. Lam has confirmed that she has undertaken no less than 15 hours of professional training to update her skills and knowledge during the Year.

Corporate Governance Report

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

According to article 12.3 of our Company's articles of association, two or more Shareholders (or a Shareholder who is a recognised clearing house (or its nominee(s)) (the "Requisitionists"), holding not less than 10% of the paid-up capital of our Company can convene an extraordinary general meeting (the "EGM") by depositing a requisition (the "Requisition") in writing to our Directors or our Company Secretary for the purpose of requiring the convening of the EGM. The written requisition shall be deposited to our Company's principal place of business at 4/F, Star House, 3 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong or through email at the e-mail address designated by our Company from time to time and marked for the attention of our Board of Directors/Company Secretary.

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

PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

To put forward proposals at a general meeting of our Company, a Shareholder should lodge a written notice of his/her/its proposal (the "Proposal") with his/her/its detailed contact information at our Company's office at 4/F, Star House, 3 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong.

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

Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS

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

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

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

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

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

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

Attention: The Company Secretary
Address: 4/F, Star House, 3 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong
Email: financial@bamboos.com.hk
Telephone no.: (852) 2575 5617
Fax no.: (852) 2575 5836

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

Hong Kong, 24 August 2018

Environmental, Social and Governance Report

ABOUT THIS REPORT

Bamboos Health Care Holdings Limited (our “Company”, together with our subsidiaries, our “Group”) is pleased to present the 2018 Environmental, Social and Governance Report (the “Report”) to provide an overview of our Group’s management of significant issues affecting the operation, including environmental, social and governance issues. This Report is prepared by our Group with the professional assistance of APAC Compliance Consultancy and Internal Control Services Limited.

Preparation Basis and Scope

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

This Report summarises the performance of our Group in respect of corporate social responsibility, covering its operating activities which are considered as material by our Group – provision of healthcare staffing solution services to individuals and institutional clients in Hong Kong. With the aim to optimise and improve the disclosure requirements in the Report, our Group has taken the initiative to formulate policies, record relevant data as well as implement and monitor measures. This Report shall be published both in Chinese and English on the website of the Stock Exchange. Should there be any discrepancy between the Chinese and the English versions, the English version shall prevail. The Board of Directors of our Company confirmed that during the reporting period, our Company complied with the applicable provisions contained in the “Environmental, Social and Governance Reporting Guide” of the Listing Rules.

Reporting Period

This Report demonstrates our sustainability initiatives during the reporting period from 1 July 2017 to 30 June 2018.

Contact Information

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

Environmental, Social and Governance Report

INTRODUCTION

Our Group is dedicated to the provision of healthcare staffing solution services to individuals and institutional clients including hospitals and social service organisations in Hong Kong. With over 19,000 qualified healthcare personnel registered under our Group, we serve as a trusted strategic advisor to provide our clients with the most comprehensive, professional and reliable services. Services offered by healthcare personnel include healthcare institution support and private nursing solutions.

Bamboos embraces the Three Cs core values – Care, Competence and Commitment. Our Group is committed to our standards of service excellence and dedicated to exceeding the expectations of those we serve. In addition, we seek to build a professional team with a positive contribution to the society, for which our business and future success will depend on. With the aim to build a healthy community, our Group devotes substantial effort to advance the quality of health care services and promote public awareness about health issues.

Sustainable development is an integral part of our Group's business strategy in order to achieve business excellence and enhance capabilities for long-term competitiveness. Our Group is committed to maintaining its operation in a manner that is economically, environmentally and economically sustainable while balancing the interests of our stakeholders and fostering a positive impact on the society. Our Chief Executive Officer and operations manager ensure that our operation is in a responsible and sustainable manner and monitor the progress on related activities. Our Group has established and implemented various policies to manage and monitor the risks related to the environment, employment, operating practices and community. Details of the management approaches to sustainable development of different areas are illustrated in this Report.

Environmental, Social and Governance Report

STAKEHOLDER ENGAGEMENT

Our Group understands that stakeholder engagement is one of the key drivers in the continuous improvement of our performance. Our Group has established multiple communication channels to a broad spectrum of stakeholders to enable better formulation of its business strategies in order to respond to their concerns and expectations. The following table provides an overview of our Group's key stakeholders and various platforms and methods of communication.

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

Environmental, Social and Governance Report

ENVIRONMENTAL ASPECTS

EMISSIONS

Environmental consideration remains one of the key focuses in fulfilling our obligation to both the environment and community. Our Group is committed to continuously improving our sustainability performance by establishing relevant emission reduction and energy saving initiatives to manage its emissions and maintain green operation. Our Group has implemented a “Environmental Policy” which outlines the environmental objectives and targets of our Group.

During the reporting period, our Group was not aware of any specific laws and regulations that had significant impact on our Group related to air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous waste.

Air Pollutant Emission

The operation of our Group is mainly office-based and we are not involved in the combustion of stationary sources. The air pollutants emitted by our Group are mainly generated from the Company’s vehicles. Our Group encourages employees to adopt alternative communication means, such as telephone conferences and video conferences, to reduce air pollutants emission that arise from additional traffic.

During the reporting period, the air pollutants emission was as follows:

Type of air pollutants	Unit	2018	2017
Nitrogen oxides (NO _x)	kg	1.82	2.01
Sulphur oxides (SO _x)	kg	0.05	0.06
Particulate matter (PM)	kg	0.13	0.15

Environmental, Social and Governance Report

Greenhouse Gas (“GHG”) Emission

GHG is considered as one of the major contributors to the climate change and global warming. During the operation of our Group, electricity and fuel consumptions account for a major part of its GHG emission. In an effort to minimise our carbon footprint, our Group is devoted to maintaining an efficient and effective use of resources by adopting energy-saving initiatives which will be further elaborated in the section “Use of Resources” of this Report.

During the reporting period, the GHG emission was as follows:

Type of GHG emission	Unit	2018	2017
Scope 1 ¹	tonnes of CO ₂ e	9.84	10.85
Scope 2 ²	tonnes of CO ₂ e	87.15	60.27
Scope 3 ³	tonnes of CO ₂ e	0.16	0.12
Total GHG emission	tonnes of CO₂e	97.15	71.24
GHG emission intensity by revenue	tonnes of CO ₂ e/HK\$'000	0.0012	0.0011

Notes:

- ¹ Scope 1: Direct emission from sources that are owned or controlled by our Group.
- ² Scope 2: Indirect emissions from the generation of purchased electricity consumed by our Group.
- ³ Scope 3: All other indirect emissions that occur outside our Group, including emissions from paper waste disposal and the electricity used for fresh water processing and sewage processing.

The total GHG emission increased in 2018 as our Group relocated our office and its area increased, leading to higher electricity consumption.

Hazardous and Non-hazardous Wastes

Regarding the business nature of our Group, we do not generate any hazardous waste. The non-hazardous waste is generated from our office operation and is considered as insignificant to our Group's business. In spite of this, our Group endeavours to reduce the amount of waste and strengthen the environmental awareness of our employees.

In order to reduce our paper waste, we have introduced paper consumption reduction initiatives and promoted recycling of paper. Employees are encouraged to use double sides of paper and recycled paper. Besides, we have reduced the thickness of our printing paper from 80gsm to 70gsm as an initiative to reduce our paper consumption. Our Group has implemented recycling scheme for paper waste. During the reporting period, our Group recycled approximately 93.5 kg of paper (2017: 79.4 kg).

As our Group is only involved in office operation, water discharge from office use is systematically collected by building sewage system and treated in sewage treatment plant. Besides, our office solid waste is properly collected and handled by a cleaning company engaged by property management department. The discharges into water and land is relatively small and insignificant to the Group's business.

Environmental, Social and Governance Report

USE OF RESOURCES

Our Group places great emphasis on ensuring efficient use of resources. We strive to promote resource saving by adopting green office practices and motivating our employees to participate in resource conservation activities. We have incorporated the guidelines of using resources efficiently into the staff handbook in order to enhance their environmental awareness.

Energy

The energy consumption of our Group comes from purchased electricity for premises operation and fuel used by the Company's vehicles. In order to reduce the energy consumption, we have advocated various energy conservation strategies. Our Group has implemented lighting zone control and adopted efficient lamps in the office. By posting energy-saving notices, employees are reminded to switch off the electrical appliance when they are not in use. Besides, room temperature is maintained at an energy-efficient level of 25 degrees Celsius and monitored by designated personnel.

During the reporting period, the energy consumption was as follows:

Type of energy	Unit	2018	2017
Purchased electricity	MWh	170.88	87.91
Petrol	MWh	32.29	35.60
Total energy consumption	MWh	203.17	123.51
Energy consumption intensity by revenue	MWh/HK\$'000	0.0025	0.0020

As aforementioned, we relocated our office and its area increased as compared with 2017, hence, the amount of purchased electricity increased in 2018.

Water

Water is another important resource. The water we used is supplied by Water Supplies Department. Our Group strives to reduce our water consumption by strengthening the water-saving awareness of our employees. We remind our employee to conserve water by emails and posting signs.

Water	Unit	2018	2017
Total water consumption	m³	190.43	N/A ¹
Water consumption intensity by revenue	m ³ /HK\$'000	0.0023	N/A ¹

Note:

¹ As the water supply service is provided by the landlord of the office building and shared by other tenants in last year, it is not feasible for our Group to provide water consumption data.

Environmental, Social and Governance Report

THE ENVIRONMENT AND NATURAL RESOURCES

Regarding the business nature of our Group, we are not aware of any significant impact of our business activities on the environment and natural resources. With the implementation of “Environmental Policy” and aforementioned green office practices to reduce air pollutants and GHG emissions, waste generation and resources consumption, our Group strives to enhance environmental sustainability and minimise our impacts on the environment.

SOCIAL ASPECTS

EMPLOYMENT AND LABOUR PRACTICES

EMPLOYMENT

Our Group believes people are the most valuable assets and resources to the continuing development and success of our Group. We strive to construct a working environment where our employees can demonstrate their capabilities, create values and achieve comprehensive development. The staff handbook covers our Group’s standard in respect of compensation and dismissal, recruitment and promotion, working hours, rest periods and other benefits and welfare. Our Group is in strict compliance with the Employment Ordinance (Cap. 57).

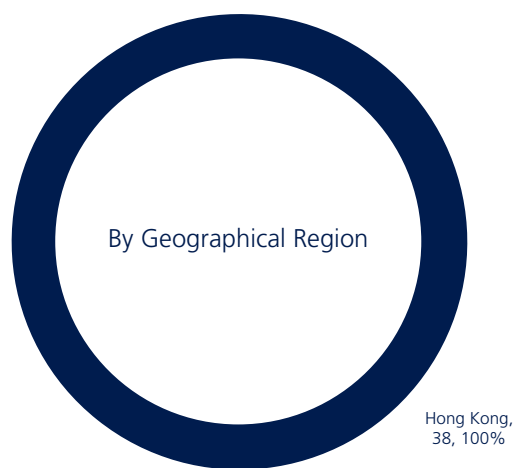
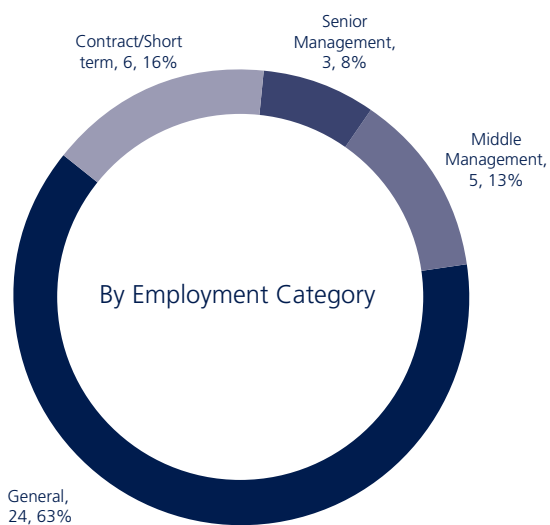
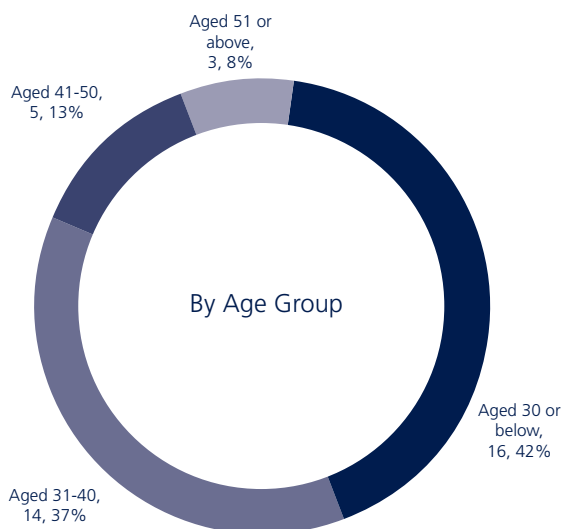
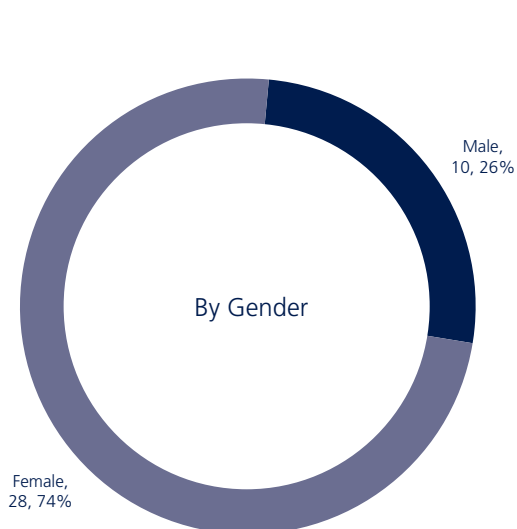
Our Group strives to construct a diverse and inclusive workplace where all its employees are treated with dignity and respect. Our Group adheres to the principles of fairness in all aspects of employment and strictly prohibits all forms of discrimination or harassment against any individual on the basis of seniority, nationality, gender, age, marital status, disability, race, colour, religion or sexual preference. Our Group participates in the Hong Kong government’s “Talent-Wise Employment Charter and Inclusive Organisations Recognition Scheme”, where we support disabled people in unleashing their potential and create an inclusive working environment.

Remuneration and employee benefits are crucial to retain and motivate employees in achieving key objectives of our Group. We provide competitive remuneration and benefits for our employees in accordance with the Employment Ordinance (Cap. 57). Our Group offers a five-day work week, medical insurance and mandatory provident fund (“MPF”) to our employees. We are recognised as a “Good MPF Employer” by the Mandatory Provident Fund Schemes Authority. Employees are also entitled to various leaves, such as paid annual leave, sick leave and maternity leave. Our Group also provides a fresh supply of snacks, fruits and drinks for our employees. Recognising the importance of a work-life balance to a motivated and productive workforce, we organise recreational activities, such as birthday celebrations, Christmas and spring dinners, seafood fest and health seminars to create a relaxing working environment and enrich the staff relations.

During the reporting period, our Group was not aware of any non-compliance with the relevant laws and regulations that had significant impact on our Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.

Environmental, Social and Governance Report

As at 30 June 2018, the employee composition (in numbers of employees) by gender, employment category, age group and geographical region were as follows:



Environmental, Social and Governance Report

HEALTH AND SAFETY

Given the nature of our business operation, chances of occupational accidents are comparatively lower than other industries. In spite of this, we place the highest priority on securing health and safety of our employees. Our Group is in strict compliance with the Occupational Safety and Health Ordinance (Cap. 509) and strives to provide and maintain a safe and hygienic working environment for our employees to protect them from work-related injuries. Our "Guidelines on Occupational Health and Safety" covers potential hazards in the office and guidelines to minimise the potential health and safety risks. Below are some of the examples:

Lighting

Sufficient lightings in the workplace enable employees to recognise hazards and reduce visual strain. Louver or diffuser is installed for fluorescent lights to control the distribution of light. To reduce glare and screen reflection, daylight may be shielded by blinds or curtains.

Indoor Air Quality and Ventilation

Efficient ventilation can provide a comfortable working environment and avoid invisible health hazard. Our Group prohibits smoking within the office area. Air outlets are cleaned on a regular basis to improve the indoor air quality and increase the efficiency of the ventilation system.

Working Posture

Our Group provides employees with adjustable chairs and encourage them to pay attention to their usual sitting posture to reduce stress and strain on their bodies.

During the reporting period, there was no work-related fatality or injury. Our Group was not aware of any non-compliance with the relevant laws and regulations that had significant impact on our Group in providing a safe and healthy working environment during the reporting period.

Environmental, Social and Governance Report

DEVELOPMENT AND TRAINING

Our Group considers the skills and knowledge of its employees as the key elements of our Group's continued business growth and success. With the implementation of our "Training Policies", we encourage our employees to participate in training programs to enhance their skills and competencies to meet the business needs and personal growth.

For newly recruited employee, our Group provides induction orientation, which covers corporate culture and responsibilities of the position. For existing employees, our Group provides various training opportunities, covering complaint handling procedures, branding and customer service, ISO9001 implementation, healthcare and nursing knowledge, etc.

During the reporting period, the percentage of employees trained by gender was as follows:

Training	Unit	2018	2017
Male	%	80	82
Female	%	100	88
Overall	%	97	86

During the reporting period, the average training hours was as follows:

Training hours	Unit	2018	2017
Male	hours/employee	12.3	12.5
Female	hours/employee	9.4	7.9
Overall	hours/employee	10.2	9.1

LABOUR STANDARDS

With the implementation of our Group's "Labour Standards Policy", our Group is committed to supporting the effective abolition of child labour and upholding the elimination of all forms of compulsory labour. Our Group adheres to the relevant laws and regulations, including the Employment Ordinance (Cap. 57) and strictly prohibits recruitment of children aged under 15. During the recruitment process, applicants are required to present their identity documents to Human Resources Department for age verification as prevention of engaging child labour. Besides, all work should be performed on a voluntary basis. Working hours and rest periods are stipulated in the staff handbook.

During the reporting period, our Group was not aware of any non-compliance with relevant laws and regulations related to recruitment of child labour or forced labour practices.

Environmental, Social and Governance Report

OPERATING PRACTICES

SUPPLY CHAIN MANAGEMENT

Our Group mainly cooperates with third-party services providers such as information technology service, property management service, advertising service, legal and consulting service. Our Group also works with suppliers that supply office equipment, printing and stationery.

With our “Green Procurement Policy” covering guidelines in making sustainable procurement decisions, we strive to promote and support the environmental initiatives in the supply chain. Our Group has priority in procuring products that with greater energy efficiency, recyclable and with less packaging materials, in order to reduce the environmental impacts.

PRODUCT RESPONSIBILITY

Our Group regards service quality as one of the key competitive advantages of our business. We continue to provide high-quality services in order to meet the expectations of our clients and enhance their satisfaction. Our Group adheres with the Personal Data (Privacy) Ordinance (Cap. 486), the Books Registration Ordinance (Cap. 142) and the Trade Description Ordinance (Cap. 362).

Quality Management System

In order to maintain the high-quality services, our Group has established the training manual which covers the customer service procedures. Our Group ensures that our employees are familiarise with the work procedures in order to deliver standardised and high-quality services. Our Group has obtained certification of ISO9001:2008 Quality Management System.

In addition, to ensure healthcare personnel registered under Bamboos are qualified to deliver high-quality services, our Group has a stringent healthcare personnel registration procedure. We conduct interviews with healthcare personnel and requires them to provide relevant certifications and employment proofs.

Complaints Handling Management System

Our Group believes the opinions from our clients are valuable input for our continuous improvement and vital to its pursuit for excellence. Our Group conducts customer satisfaction survey and phone interview regularly to monitor client satisfaction and understand their needs for our continuous improvement.

We are committed to the efficient and fair resolution of all complaints. We have obtained accreditation of ISO10002:2004 Complaints Handling Management System. Our “Complaint Handling Policy” outlines our Group’s complaint handling process. In the receipt of complaints, the relevant information including the description of complaint, the requested remedy and the action taken, will be recorded immediately. Our Group will then assess its severity and investigate the complaints thoroughly. Following the investigation, we will contact the complainant and provide the complainant with a response and remedy.

Environmental, Social and Governance Report

With our “Complaints Handling Procedures”, our Group ensures that employees are adequately trained and provided with sufficient support to handle complaints appropriately. Training is provided at the induction stage for all employees and will be updated and reinforced as necessary.

Personal Data Privacy and Protection

Our Group is aware of the importance in handling personal information. We take high precaution in ensuring their confidentiality to avoid misuse or leakage of personal data. We have engaged an independent information technology consultant under a service agreement which specifies that information and data must be managed with strict care to restrict any unauthorised access and avoid careless leakage. Besides, our internal server system and customer relationship management system are restricted with different access levels. Employees can only access to certain data on a “need-to-know” basis in order to reduce the risk of data leakage.

Our Group has incorporated its requirements in relation of confidentiality into staff handbook and employment contracts. Employees are required to fully abide by the guidance on prohibiting any unauthorised disclosure of confidential information. Besides, we conduct exit interviews with leaving employees to emphasise the importance of confidential data protection after the termination of employment and requires them to be aware of by signing a declaration.

Intellectual Property Rights

Our Group has always attached great importance to the protection of our intellectual property rights by ensuring necessary filing or registration. Our Group has registered our logos and our representing cartoon characters.

Advertising

Our Group ensures that information for service introduction is real. All external advertisements were produced in accordance with the relevant request and scope of legislations. They would only be put on the websites and other advertising platforms after being reviewed by our Group’s management.

Labelling

Our Group mainly provides health care services, which do not involve any labelling issues relating to the services provided.

During the reporting period, our Group was not aware of any non-compliance with the relevant laws and regulations that had significant impact on our Group relating to health and safety, advertising, labelling and privacy matters relating to services provided and methods of redress.

Environmental, Social and Governance Report

ANTI-CORRUPTION

Our Group is committed to upholding the high standards of business ethics and integrity. Our Group strictly complies with the Prevention of Bribery Ordinance (Cap. 201) and forbids any form of corruption, extortion, bribery, fraud, money laundering and embezzlement. As stipulated in the staff handbook, Directors and employees shall not solicit or accept any banquets, gifts, rebate or other forms of bribing benefits for the sake of relation, influence, interests or activities that could compromise the best interest of our Group.

Our Group's "Whistle-blowing Policy" allows whistleblowers to report any unlawful conduct, any incident of corruption, avoidance of internal controls, incorrect or improper financial or other reporting to the management by our compliance hotline. The case of suspected corruption will be handled in an unbiased and confidential manner.

During the reporting period, our Group was not aware of any non-compliance with the relevant laws and regulations that had significant impact on our Group relating to bribery, extortion, fraud and money laundering. There was no legal case regarding corrupt practices brought against our Group during the reporting period.

COMMUNITY

COMMUNITY INVESTMENT

As a socially responsible enterprise, our Group is constantly aware of the community needs and strives to bring a positive impact on community development. Our Group has been a Caring Company of Hong Kong Council of Social Service's Caring Company Scheme since our Group's establishment. Our Group continues to participate in various community activities concerning public health, elderly care, healthcare professional development and social diversity and inclusion. We encourage service to the community through staff voluntary efforts and in-kind donations.

Our Group supports community development by cash donation and in-kind donation. During the reporting period, we made cash donation to various charitable organisations and sponsored charity activities with in-kind donation.

Natural of support	2018 (HK\$'000)	2017 (HK\$'000)
Cash sponsorship	170	1,188
Sponsorship in-kind to:	226	10
– Sponsoring gift bags and lucky draw gifts to activities		
– Supporting charity sales		
– Volunteering in initiatives		
– Support in promotion and media		
– Support in event management		
Total	396	1,198

Environmental, Social and Governance Report

The organisations our Group supported with cash and in-kind sponsorship (in alphabetical order):

- Agency for Volunteer Service
- Canossa Hospital
- Central & Western District for Culture & Art Association
- Empowering Life Network Limited
- Golden Age Foundation
- Great Roc
- Hoi Tin Tong Company Limited
- Hong Kong Adventist Hospital – Stubbs Road
- Hong Kong Adventist Hospital – Tsuen Wan
- Hong Kong Association of Critical Care Nurses
- Hong Kong College of Chinese Medicinal Nursing
- Hong Kong College of Health Service Executives
- Hong Kong Chinese Orchestra Limited
- Hong Kong Doctors Union
- Hong Kong Federation of Senior Citizen Industries
- Hong Kong Pharmaceutical Care Foundation
- Hong Kong Rehabilitation Power
- Hospital Authority – Pamela Youde Nethersole Eastern Hospital
- Innovative Entrepreneur Association Company Limited
- International Nurses Day Celebration Organizing Committee
- Junior Chamber International Lion Rock
- Lifewire Foundation Limited
- Little People of Hong Kong
- Mindful Heart Foundation
- Min Kong Association
- Po Tang Home for the Aged of Cham Shan Monastery
- Prudential
- Recreation and Sports Club for Hong Kong Professional Bodies
- Regeneration Society
- Rhema Social Services
- Run To Your Home
- SevOne
- Social Innovation Charity Limited
- Stimulus Investor Relations Limited
- The Association of Hong Kong Auxiliary Medical Service Members
- The Chinese University of Hong Kong
- The Hong Kong Management Association
- The Hong Kong Medical Association
- The Hong Kong Pharmaceutical Care Foundation Limited
- The Neighborhood Advice-Action Council
- The Samaritan Befrienders Hong Kong
- The Society for the Advancement of Family Social Responsibility

Environmental, Social and Governance Report

In addition, our Group encourages our employees to dedicate their time and skills to participate in different voluntary activities and support local community. During the reporting period, we initiated and participated in various volunteer programmes in supporting community development with the aim to create a harmonious community.

Event	Organisation
50th Distinguished Salesperson Award	The Hong Kong Management Association
Charity PB Run	Little People of Hong Kong
Elderly Fitness Day	The Neighborhood Advice-Action Council
Elderly home visit hosted by our Group and sponsored by Min Kong Association Limited	Po Tang Home for the Aged of Cham Shan Monastery
Feast for the elderly (耆樂無窮愛心宴)	Hoi Tin Tong Company Limited
Fong Yim-fun Art Sustainability Project of Shaw College – Visit the home for the aged blind	The Chinese University of Hong Kong
Fundraising Dinner	The Hong Kong Pharmaceutical Care Foundation Limited
Golden Age Expo & Summit 2018	Golden Age Foundation
Home visit for elderly	Rhema Social Services
“Lifewire Run (愛跑•香港地)” Charity Run	Lifewire Foundation Limited
《重新站起來》Charity dinner	Mindful Heart Foundation
《救救地球 一張就夠》Campaign	Junior Chamber International Lion Rock

KEY REFERENCES OF CALCULATING KPIS IN THIS REPORT

1. 2017 In Essence Sustainability Report, CLP Group
2. Annual Report 2016/17, Water Supplies Department
3. Appendix 27 to the rules governing the Listing Rules – “Environmental, Social and Governance Reporting Guide”
4. Appendix 2: Reporting Guidance on Environmental KPI
5. Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, the Environmental Protection Department and the Electrical and Mechanical Services Department
6. Heat Values of Various Fuels, World Nuclear Association
7. Sustainability Report 2016-17, Drainage Services Department

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Ms. Hai Hiu Chu, aged 47, is an executive Director, the Chief Executive Officer and one of the controlling shareholders of our Company and a member of our remuneration committee and compliance committee (appointed on 1 July 2018). Ms. Hai is appointed as the Chairman of the Board with effect from 18 August 2018. Ms. Hai co-founded our Group in May 2009. She was appointed as a Director on 23 November 2012 and redesignated as an executive Director on 28 March 2014. Ms. Hai is responsible for the overall management, strategic development and major decision making for our Group.

Ms. Hai obtained a bachelor's degree in Chinese Medicine and a master's degree of Chinese Medicine from The University of Hong Kong in November 2008 and November 2012 respectively. She has also completed a programme in EMBA and obtained a master's degree in Business Administration from The Chinese University of Hong Kong in December 2010. She obtained an EN qualification from the Nursing Council of Hong Kong in February 1993.

Ms. Hai has over 20 years of experience in the medical field and the pharmaceutical industry. From September 2005 to April 2009, Ms. Hai was a managing director of Bamboos Limited. Ms. Hai currently serves as the director of Agency for Volunteer Service and Hong Kong Rehabilitation Power; the chairman of Hong Kong Health Care Federation; and the honorary president of Junior Police Call Honorary Presidents' Association (Tseung Kwan O) and Senior Police Call Honorary Presidents' Association (Sau Mau Ping). Also, Ms. Hai is a member of Registration Committee of Chiropractors Council and assistant liaison officer II of Emergency response task force of Auxiliary Medical Service.

Ms. Hai is currently an independent non-executive director of Hans Energy Company Limited, a company whose shares are listed on Main Board of the Stock Exchange (Stock code: 554).

Mr. Kwan Chi Hong, aged 45, is an executive Director, the Chairman of the Board (up to 18 August 2018), one of the controlling shareholders of our Company and a member of our nomination committee. Mr. Kwan co-founded our Group in May 2009. He was appointed as a Director on 23 November 2012 and redesignated as an executive Director on 28 March 2014. He is also a director of Hong Kong Health Care Federation. Mr. Kwan performs a leadership role in monitoring and evaluating our business, strategic planning and major decision making for our Group.

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

Biographical Details of Directors and Senior Management

Mr. Kwan had over 10 years of managerial experience in the public sector, from February 1995 to December 2007, including working as an executive officer in various government departments including Registration and Electoral Office, Urban Services Department, Home Affairs Department, Hong Kong Police Force and Chief Secretary for Administration's Office Government Secretariat, mainly responsible for human resources management including manpower and succession planning, financial resources management including planning and allocating financial resources and exercising control over revenue and expenditure, policy support including analysing the information collected and liaising with parties concerned to facilitate the formulation of policies, and general administration.

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

Mr. Kwan is currently an independent non-executive director of China Brilliant Global Limited (formerly known as Prosten Health Holdings Limited), a company whose shares are listed on GEM Board of the Stock Exchange (Stock code: 8026), Stream Ideas Group Limited, a company whose shares are listed on GEM Board of the Stock Exchange (Stock code: 8401) and Bexcellent Group Holdings Limited, a company whose shares are listed on the Main Board of the Stock Exchange (Stock code: 1775).

NON-EXECUTIVE DIRECTOR

Mr. Wong Kam Pui, JP, aged 63, is a non-executive Director and the chairman of our compliance committee. He was appointed as a non-executive Director on 25 September 2014. He resigned from the position of non-executive Director and the chairman of our compliance committee with effect from 1 July 2018. Mr. Wong is responsible for advising on matters relating to business opportunities for investment, development and expansion. Mr. Wong obtained a bachelor's degree and a master's degree in Business Administration from The Chinese University of Hong Kong in December 1996 and November 2013 respectively.

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

Biographical Details of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lam Cheung Wai, aged 61, is an independent non-executive Director, the chairman of our audit committee and nomination committee and a member of our remuneration committee. He was appointed as an independent non-executive Director on 24 June 2014. Mr. Lam is responsible for providing independent judgement on issues of strategy, performance, resources and standards of conduct of our Group. Mr. Lam graduated from The Chinese University of Hong Kong with a bachelor's degree in Business Administration in December 1981.

Mr. Lam has been a member of the Hong Kong Institute of Certified Public Accountants (formerly known as Hong Kong Society of Accountants) since February 1998 and Mr. Lam has been a certified internal auditor of the Institute of Internal Auditors since March 2009. He has been an Accounting Officer in The Treasury of HKSAR Government since July 1986 and was retired in April 2017.

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

Dr. Leung Yu Lung, aged 46, is an independent non-executive Director, the chairman of our compliance committee (appointed on 1 July 2018) and a member of our audit committee, nomination committee and remuneration committee. He was appointed as an independent non-executive Director on 1 March 2016. Dr. Leung is responsible for providing independent judgment on issues of strategy, performance, resources and standards of conduct of our Group. Dr. Leung graduated from The Chinese University of Hong Kong in December 1994 and holds the qualifications of BMedSc (First Class Hons, CUHK), MBChB (CUHK), FCOphth (Hong Kong), MRCS (Edinburgh) (Ophthalmology), GMC (UK), FHKAM (Ophthalmology), FRCOphth (London) and FRCS (Glasgow) (Ophthalmology).

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

Biographical Details of Directors and Senior Management

Dr. Luk Yim Fai, aged 66, is an independent non-executive Director, the chairman of our remuneration committee and a member of our audit committee, nomination committee and compliance committee. He was appointed as an independent non-executive Director on 24 June 2014. Dr. Luk is responsible for providing independent judgment on issues of strategy, performance, resources and standards of conduct of our Group. Dr. Luk graduated from the University of Chicago, the United States with a bachelor's degree in economics in June 1974. He also obtained a master's degree of Arts and a doctorate degree of Philosophy in economics from Cornell University, the United States in May 1983 and August 1989 respectively.

Dr. Luk's teaching career in Hong Kong started in January 1985 at The Chinese University of Hong Kong as an assistant lecturer of the Department of Economics. He then moved on to be a lecturer and began his teaching at the School of Economics and Finance at The University of Hong Kong (HKU) in September 1993. He has been associate professor from May 2004 to June 2016 there. During his employment at HKU, Dr. Luk served as director of the School of Economics and Finance from July 2001 to February 2012, and associate dean (IMBA and special projects) of the Faculty of Business and Economics from August 2012 to February 2016. Dr. Luk retired from his long-term position as associate professor in June 2016 and served as principal lecturer and IMBA program director at HKU until June 2017. He is currently adjunct associate professor at HKU.

Dr. Ko Wing Man, aged 61, is an independent non-executive Director appointed on 18 August 2018. Dr. Ko is an orthopaedic surgeon. Dr. Ko holds the degrees of Bachelor of Medicine and Bachelor of Surgery from the University of Hong Kong in 1981. He received a Fellowship from the Royal College of Surgeons of Edinburgh, the United Kingdom in 1986 and was awarded a degree of Master of Health Administration from The University of New South Wales, Australia in 1993. He became a Fellow of the Hong Kong Academy of Medicine in the specialty of Orthopaedic Surgery and Hong Kong College of Community Medicine in Administrative Medicine in 1993 and 2000, respectively. In 2002, he became a Fellow of the Faculty of Public Health Medicine of the Royal Colleges of Physicians of the United Kingdom.

Dr. Ko is an independent non-executive director of The People's Insurance Company (Group) of China Limited (stock code 1339).

Dr. Ko was the Secretary for Food and Health of the Government of Hong Kong Special Administrative Region from July 2012 to June 2017. He is a member of the 13th National Committee of the Chinese People's Political Consultative Conference. He was appointed as Justice of the Peace in 2001 and was awarded the Bronze Bauhinia Star and Gold Bauhinia Star by the Government of Hong Kong in 2008 and 2017, respectively.

Biographical Details of Directors and Senior Management

SENIOR MANAGEMENT

Ms. Liu Huanming, aged 46, is the consultant of our Group. She joined our Group in January 2012 and is responsible for strategic planning and providing assistance from the medical perspective. Ms. Liu obtained a bachelor's degree in clinical medicine and a master's degree in ophthalmology from Shandong Medical University, which later merged with other institutions to form Shandong University, the PRC in July 1995 and June 2000 respectively. Ms. Liu was awarded a doctorate degree of Philosophy in Ophthalmology and Visual Sciences from The Chinese University of Hong Kong in December 2010. Ms. Liu has completed a programme in Executive MBA and obtained a master's degree in Business Administration from The Chinese University of Hong Kong in December 2013. Ms. Liu has been a qualified doctor in the PRC since May 1999 and practised at Shandong Province Qianfushan Hospital from December 1999 to June 2006. Her service contract with our Group ended on 30 April 2018.

Ms. Lui Yin Ping, aged 46, is the general manager (customer service) of our Group. Ms. Lui joined our Group in July 2009, and is responsible for the supervision of operation and performance of the CS Department. Ms. Lui obtained an Executive Secretarial Diploma from Professional of Career Youth Department of Hong Kong Young Women's Christian Association in October 1996. She has over 20 years of experience in the customer service field. Prior to joining our Group, she worked in various positions relating to customer relations in Reader's Digest Association Far East Limited, a publisher from June 1995 to February 2008, where she was mainly responsible for handling customer inquiries and complaints and assisting the manager to carry out the customer loyalty program. From April 2008 to June 2009, Ms. Lui worked as a customer service executive of Bamboos Limited, responsible for providing general customer services.

Ms. Lao Liling, aged 45, is the internal audit officer of our Group. She joined our Group in April 2013. Ms. Lao is responsible for the overall quality control and the compliance with internal procedures and certifications of our Company. She obtained her master's degree of business administration in executive management from Royal Roads University, British Columbia, Canada in June 2010. She also completed the SA8000 Introduction & basic auditor course in Guangzhou China conducted by the Social Accountability International in August 2009.

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

COMPANY SECRETARY

Ms. Lam Yuen Ling Eva, aged 51, is a fellow of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators with over 20 years of experience in company secretarial services and commercial solutions. She is currently a director of BMI Listed Corporate Services Limited and is responsible for supervising our company secretarial teams to provide full range of listed and private company secretarial services to clients. Ms. Lam obtained a Higher Certificate in Company Secretaryship and Administration from the Hong Kong Polytechnic University and was awarded a degree of Master of Science in Corporate Governance and Directorship by the Hong Kong Baptist University. Ms. Lam is currently the company secretary of several companies listed on the Stock Exchange of Hong Kong.

Directors' Report

The directors of our Company (the "Directors" or the "Board") are pleased to present to the shareholders their annual report together with the audited financial statements for the year ended 30 June 2018.

PRINCIPAL ACTIVITIES

The principal activity of our Company is investment holding. The principal activities of our Company's principal subsidiaries are set out in note 33 to the financial statements. There were no significant changes in the nature of our Group's principal activities during the Year.

BUSINESS REVIEW

A fair review of the business of our Group as required under Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) comprising analysis of our Group's performance during the Year, assessment of the principal risks and uncertainties faced by our Group, particulars of important events affecting our Group that have occurred subsequent to the end of the Year, as well as indication of likely future development in the business of our Group are set out in the sections headed "Chairman's Statement" on page 2 and "Management Discussion and Analysis" on pages 4 to 10.

Discussions on the environmental policies and performance, compliance by our Group with the relevant laws and regulations that have a significant impact on our Group and the account of the key relationships of our Group with our stakeholders are contained in the "Environmental, Social and Governance Report" on pages 25 to 39.

RESULTS AND APPROPRIATIONS

Our Group's results for the year ended 30 June 2018 and the state of affairs of our Company and our Group at that date are set out in the consolidated financial statements on pages 61 to 107.

On 24 August 2018, the Board resolved to declare a final dividend of HK\$10,000,000 (HK2.50 cents per ordinary share) for the year ended 30 June 2018 (2017: HK5.00 cents per ordinary share, totally HK\$20,000,000) to our Company's shareholders whose names appear on the register of members of our Company on 12 October 2018.

The Board did not recommend the payment of an interim dividend for the six months ended 31 December 2017 (for the six months ended 31 December 2016: HK3.75 cents per ordinary share, totalling HK\$15,000,000).

SUMMARY OF FINANCIAL INFORMATION

A summary of the results, assets and liabilities of our Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out on page 108. This summary does not form part of the audited financial statements.

Directors' Report

PROPERTY, PLANT AND EQUIPMENT

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

BANK BORROWING

There was no bank borrowing maintained by our Group as at 30 June 2018 (2017: Nil).

SHARES ISSUED IN THE YEAR

Details of the shares issued in the Year are set out in note 24 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 30 June 2018, our Company's reserves available for distribution, calculated in accordance with the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately HK\$11,189,000 (2017: HK\$21,420,000).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

DIRECTORS

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

Executive Directors

Ms. Hai Hiu Chu (Chairman and Chief Executive Officer) (Note)

Mr. Kwan Chi Hong (Note)

Note: Ms. Hai Hiu Chu was appointed as the Chairman on 18 August 2018. Mr. Kwan Chi Hong was the Chairman up to 17 August 2018.

Non-executive Director

Mr. Wong Kam Pui, JP (resigned on 1 July 2018)

Directors' Report

Independent Non-executive Directors

Mr. Lam Cheung Wai
Dr. Leung Yu Lung
Dr. Luk Yim Fai
Dr. Ko Wing Man (appointed on 18 August 2018)

Biographical details of the Directors and the senior management of our Group are set out on pages 40 to 44 of this annual report.

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

Mr. Wong Kam Pui, JP resigned on 1 July 2018 as non-executive Director of our Company. Mr. Wong Kam Pui, JP has confirmed that he has no disagreement with the Board and nothing relating to the affairs of our Company needed to be brought to the attention of the Shareholders of our Company.

Confirmation of Independence

Each independent non-executive Director has given our Company an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules for relevant periods. Our Company considers that all the independent non-executive Directors are independent and meet the independent guidelines set out in Rule 3.13 of the Listing Rules for relevant periods.

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' AND CONTROLLING SHAREHOLDERS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Except for the agreements disclosed under the heading of "Connected Transactions" below and the transactions disclosed in note 30 to the consolidated financial statements, no transactions, arrangements and contracts of significance in relation to our Group's business to which our Company's subsidiaries, fellow subsidiaries or its parent companies was a party and in which a Director or his or her connected party had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

Directors' Report

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

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

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

COMPLIANCE WITH NON-COMPETITION UNDERTAKING BY OUR CONTROLLING SHAREHOLDERS

Our controlling Shareholders (namely Ms. Hai Hiu Chu, Mr. Kwan Chi Hong, Gold Empress Limited and Gold Beyond Limited) entered into deeds of non-competition undertaking dated 24 June 2014 and 21 February 2017 (the "DNUs") in favour of our Company (for ourselves and as trustee for and on behalf of each of our subsidiaries) regarding the non-competition undertaking as more particularly set out in the section headed "Relationship with Controlling Shareholders and non-competition undertakings" in the Prospectus.

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

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

Directors' Report

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

As at 30 June 2018, the interests and short positions in the shares, underlying shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) held by the Directors and chief executives of our Company which have been notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or have been entered in the register maintained by our Company pursuant to section 352 of the SFO, or otherwise have been notified to our Company and the Stock Exchange pursuant to Model Code as set out in Appendix 10 to the Listing Rules were as follows:

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

Notes:

- Ms. Hai Hiu Chu is deemed to be interested in the 270,000,000 Shares held by Gold Empress Limited ("Gold Empress") by virtue of the SFO as Gold Empress is wholly owned by Ms. Hai Hiu Chu.
- Mr. Kwan Chi Hong is deemed to be interested in the 30,000,000 Shares held by Gold Beyond Limited ("Gold Beyond") by virtue of the SFO as Gold Beyond is wholly owned by Mr. Kwan Chi Hong.
- Ms. Hai Hiu Chu and Mr. Kwan Chi Hong, both being our executive Directors, are deemed to be parties acting in concert under the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). Accordingly, Ms. Hai Hiu Chu, Mr. Kwan Chi Hong, Gold Empress and Gold Beyond are all regarded as parties acting in concert under the Takeovers Code and are therefore deemed to be interested in the Shares held by each of them.
- All the interests stated above represent long positions. The percentage of shareholding is calculated on the basis of 400,000,000 shares in our Company in issue as at 30 June 2018.

Save as disclosed above, none of the Directors and chief executives of our Company had an interest or short position in the shares, underlying shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by our Company pursuant to section 352 of the SFO, or which were required to be notified to our Company and the Stock Exchange pursuant to Model Code as set out in Appendix 10 to the Listing Rules.

Directors' Report

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

So far as our Directors are aware, as at 30 June 2018, other than the Directors and chief executives of our Company, the following persons/entities had interests or short positions in the shares or underlying shares of our Company which were required to be disclosed to our Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register required to be kept under section 336 of the SFO:

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

Notes:

- Under the SFO, Ms. Hai Hiu Chu is deemed to be interested in the 270,000,000 Shares held by Gold Empress by virtue of Ms. Hai Hiu Chu holding the entire issued share capital of Gold Empress.
- Under the SFO, Mr. Kwan Chi Hong is deemed to be interested in the 30,000,000 Shares held by Gold Beyond by virtue of Mr. Kwan Chi Hong holding the entire issued share capital of Gold Beyond.
- Ms. Hai Hiu Chu and Mr. Kwan Chi Hong, both being our executive Directors, are deemed to be parties acting in concert under the Takeovers Code. Accordingly, Ms. Hai Hiu Chu, Mr. Kwan Chi Hong, Gold Empress and Gold Beyond are all regarded as parties acting in concert under the Takeovers Code and are therefore deemed to be interested in the Shares held by each of them.
- All the interests stated above represent long positions. The percentage of shareholding is calculated on the basis of 400,000,000 shares in our Company in issue as at 30 June 2018.

Save as disclosed above, as at 30 June 2018, no other person had any interests or short positions in the shares or underlying shares of our Company which were required to be disclosed to our Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of our Company required to be kept under section 336 of the SFO.

Directors' Report

SHARE OPTION SCHEME

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

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

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

The maximum number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of our Company shall not, in the absence of Shareholders' approval, in aggregate exceed 10% of the aggregate number of Shares in issue on the Listing Date (that is, 40,000,000 Shares).

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

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

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

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

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

Directors' Report

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

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

PERMITTED INDEMNITY PROVISION

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

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

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 30 June 2018, the revenue attributable to our five largest clients accounted for less than 14% of our revenue for the Year. Costs payable to our five largest healthcare personnel placed by us also accounted for less than 10% of our total pay-out costs for the Year. During the Year, none of our Directors, their associates or any shareholder of our Company (which to the knowledge of the Directors owns more than 5% of our Company's share capital) had any interest in these clients or healthcare personnel of our Group.

CONNECTED TRANSACTIONS

As disclosed in our Company's announcement dated 23 January 2018 (the "CCT Announcement"), Bamboos Group Limited ("BGL"), a connected person of our Company, (as tenant) and Bamboos Professional Nursing Services Limited ("BPNSL"), an indirect wholly-owned subsidiary of our Company, (as sub-tenant) entered into a sub-tenancy agreement on 1 January 2017 (the "Sub-Tenancy Agreement") in respect of the sub-leasing of part of the premises (namely, 4/F, Star House, 3 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong (the "Premises") (with a total gross floor area of approximately 4,334 square feet) at a monthly rent of HK\$130,000 for a term of three years commencing from 1 January 2017 and expiring on 31 December 2019. The Sub-Tenancy Agreement was subsequently supplemented by a supplemental agreement dated 19 January 2018 (the "Supplemental Agreement") entered into by BGL and BPNSL pursuant to which the parties agreed to increase the monthly rent from HK\$130,000 to HK\$400,000 and the total gross floor area of the Premises under lease from approximately 4,334 square feet to approximately 13,333 square feet) for the remaining term of the Sub-Tenancy Agreement. Please refer to the CCT Announcement for details.

BGL is held as to 90% by Ms. Hai Hiu Chu and 10% by Mr. Kwan Chi Hong, both of whom are the Directors and controlling shareholders of our Company. Accordingly, the leasing under the Sub-Tenancy Agreement (as supplemented) constituted continuing connected transaction (the "CCT") for our Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the aggregate annual rent is more than 5% but less than 25% and the total consideration is less than HK\$10,000,000, the CCT is subject to the reporting, announcement and annual review requirements but exempted from the independent shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules.

Having reviewed the CCT, our independent non-executive Directors (the "INEDs") confirmed that CCT was made in the ordinary and usual course of business of our Company, on normal commercial terms and in accordance with the Sub-Tenancy Agreement (as supplemented) on terms that were fair and reasonable and in the interests of our Company and our shareholders as a whole.

Directors' Report

The auditors of our Company, pursuant to Chapter 14A of the Listing Rules, confirmed that the CCT had received the approval of our Board, had been entered into in accordance with the Sub-Tenancy Agreement (as supplemented) and had not exceeded the annual caps disclosed in the CCT Announcement and nothing had come to their attention that caused them to believe that the CCT was not, in all material respects, in accordance with the pricing policies of our Group.

Except for the CCT, none of the "Related Party Transactions" as set out in note 30 to the consolidated financial statements for the Year constituted discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules.

CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by our Company are set out in the section headed "Corporate Governance Report" on pages 11 to 24.

MANAGEMENT CONTRACTS

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

Our Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as the code for securities transactions by Directors. Our Directors, after specific enquiries by our Company, confirmed their compliance with the required standards set out in the Model Code throughout the Year.

SUFFICIENCY OF PUBLIC FLOAT

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

PRE-EMPTIVE RIGHTS

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

CHARITABLE DONATIONS

Charitable donations in cash made by our Group during the Year amounted to approximately HK\$170,000 (2017: HK\$1,188,000). Please also refer to the section headed "Environmental, Social and Governance Report" contained in this annual report for details of other sustainability initiatives and efforts made by our Group during the Year.

LEGAL COMPLIANCE

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

Directors' Report

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

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

RELATIONSHIPS WITH EMPLOYEES, HEALTHCARE PERSONNEL AND CLIENTS

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

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' qualification to attend and vote at the AGM, the register of members of our Company will be closed from Friday, 28 September 2018 to Thursday, 4 October 2018 (both days inclusive) during which period no transfer of shares may be effected. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificate(s) should be lodged for registration with Union Registrars Limited (the "Hong Kong Branch Share Registrar"), at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong by no later than 4:00 p.m. on Thursday, 27 September 2018.

For the purpose of ascertaining shareholders' entitlement to the recommended final dividend for the year ended 30 June 2018, the register of members of our Company will be closed on Thursday, 11 October 2018 and Friday, 12 October 2018 during which period no transfer of the Shares may be effected. In order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificate(s) should be lodged for registration with the Hong Kong Branch Share Registrar at the above address by no later than 4:00 p.m. on Wednesday, 10 October 2018.

AUDITORS

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

By order of the Board of
Bamboos Health Care Holdings Limited
Hai Hiu Chu
CHAIRMAN

Hong Kong, 24 August 2018

Independent Auditor's Report



羅兵咸永道

To the Shareholders of Bamboos Health Care Holdings Limited

(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Bamboos Health Care Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 61 to 107, which comprise:

- the consolidated balance sheet as at 30 June 2018;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

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

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Independent Auditor's Report



羅兵咸永道

Independence

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

KEY AUDIT MATTERS

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

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

Key Audit Matter

How our audit addressed the Key Audit Matter

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

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

During the year ended 30 June 2018, the Group recognised revenue from the provision of healthcare staffing solution services of HK\$77,578,000 to private and institutional customers.

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

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

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

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

We also sighted the legal opinion obtained by the Group which concluded that no employment relationship exists between the Group and the healthcare personnel. We discussed with the Group's legal advisor and confirmed that no significant change in current regulations and the legal opinion remains valid.

Independent Auditor's Report



羅兵咸永道

Key Audit Matter

How our audit addressed the Key Audit Matter

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

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

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

We reviewed, on a sample basis, the standard term sheet and invoices issued by the Group to the customers, which stated that i) the Group will only perform a referral service for the customers based on their requested level of qualification of the healthcare personnel subject to the availability, which is not guaranteed by the Group; and ii) the Group does not directly participate in the performance of healthcare services and is not contractually responsible for the conduct, professional expertise or any liability in relation to the work of healthcare personnel so assigned to the customers.

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

OTHER INFORMATION

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

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

Independent Auditor's Report



羅兵咸永道

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report



羅兵咸永道

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

Independent Auditor's Report



羅兵咸永道

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

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

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 24 August 2018

Consolidated Income Statement

For the year ended 30 June 2018

	Note	2018 HK\$'000	2017 HK\$'000
Revenue	6	81,359	62,476
Other income	7	3,965	4,251
Employee benefit expenses	9	(21,125)	(14,551)
Operating lease rentals		(3,202)	(1,386)
Depreciation	15	(523)	(486)
Other expenses	8	(8,601)	(10,782)
Operating profit		51,873	39,522
Finance income	11	367	264
Share of losses of an associate	16	(1,016)	–
Share of losses of a joint venture	17	(257)	–
Profit before income tax		50,967	39,786
Income tax expense	12	(8,746)	(7,175)
Profit for the year attributable to equity holders of the Company		42,221	32,611
Earnings per share attributable to equity holders of the Company for the year (expressed in HK cents per share)			
Basic and diluted	13	HK10.56 cents	HK8.15 cents

The notes on pages 67 to 107 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2018

	2018 HK\$'000	2017 HK\$'000
Profit for the year	42,221	32,611
Other comprehensive income		
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences	2	–
Total comprehensive income for the year	42,223	32,611
Total comprehensive income for the year attributable to equity holders of the Company	42,223	32,611

The notes on pages 67 to 107 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

As at 30 June 2018

	Note	2018 HK\$'000	2017 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	1,609	1,254
Advance to an associate	16	1,984	–
Investment in a joint venture	17	2,245	–
Prepayments and deposits	21	1,387	441
		7,225	1,695
Current assets			
Inventories	20	84	142
Trade receivables	19	43,929	22,198
Prepayments, deposits and other receivables	21	4,197	1,440
Amount due from a related company	22	10	–
Short-term bank deposits	23	–	36,138
Cash and cash equivalents	23	96,806	63,118
		145,026	123,036
Total assets		152,251	124,731
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the Company			
Share capital	24	4,000	4,000
Share premium	24	39,123	39,123
Reserves	25	77,394	55,171
Total equity		120,517	98,294
Non-current liabilities			
Deferred income tax liabilities	28	119	150

The notes on pages 67 to 107 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

As at 30 June 2018

	Note	2018 HK\$'000	2017 HK\$'000
Current liabilities			
Trade payables	26	17,571	14,412
Accruals and other payables	27	3,898	3,863
Tax payable		10,146	8,012
		<u>31,615</u>	<u>26,287</u>
Total liabilities		<u>31,734</u>	<u>26,437</u>
Total equity and liabilities		<u>152,251</u>	<u>124,731</u>

The financial statements on pages 61 to 107 were approved by the Board of Directors on 24 August 2018 and were signed on its behalf

Hai Hiu Chu
Director

Kwan Chi Hong
Director

The notes on pages 67 to 107 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2018

	Attributable to equity holders of the Company				
	Share	Share	Translation	Retained	Total
	capital	premium			
	(Note 24)	(Note 24)	reserve	earnings	Total
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 July 2016	4,000	39,123	–	37,560	80,683
Total comprehensive income					
Profit for the year	–	–	–	32,611	32,611
Transaction with owners:					
Dividends relating to 2017 (Note 14)	–	–	–	(15,000)	(15,000)
At 30 June 2017	4,000	39,123	–	55,171	98,294
At 1 July 2017	4,000	39,123	–	55,171	98,294
Profit for the year	–	–	–	42,221	42,221
Currency translation differences	–	–	2	–	2
Total comprehensive income	–	–	2	42,221	42,223
Transaction with owners:					
Dividends relating to 2017 (Note 14)	–	–	–	(20,000)	(20,000)
At 30 June 2018	4,000	39,123	2	77,392	120,517

The notes on pages 67 to 107 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2018

	Note	2018 HK\$'000	2017 HK\$'000
Cash flows from operating activities			
Cash generated from operations	31	30,204	39,075
Income tax paid		(6,643)	(5,245)
Net cash generated from operating activities		23,561	33,830
Cash flows from investing activities			
Purchase of property, plant and equipment	15	(878)	(402)
Investment and advance to an associate	16	(3,000)	–
Capital injection for a joint venture	17	(2,500)	–
Short-term bank deposits	23	36,138	(36,138)
Interest received		367	138
Net cash generated from/(used in) investing activities		30,127	(36,402)
Cash flows from financing activities			
Dividends paid	14	(20,000)	(15,000)
Net cash used in financing activities		(20,000)	(15,000)
Net increase/(decrease) in cash and cash equivalents		33,688	(17,572)
Cash and cash equivalents at beginning of the year	23	63,118	80,690
Cash and cash equivalents at end of the year	23	96,806	63,118

The notes on pages 67 to 107 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

Bamboos Health Care Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the provision of healthcare staffing solution services.

The Company was incorporated in the Cayman Islands on 23 November 2012 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is PO Box 309, Ugland House, Grand Cayman, KYI-1104, Cayman Islands and its principal place of business is 4/F, Star House, 3 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong.

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

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (“HK\$’000”), unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

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

(a) Amended standards adopted by the Group

The following amended standards are mandatory for the accounting period beginning on 1 July 2017 and are adopted by the Group during the year:

HKAS 7 (amendments)	Disclosure Initiative
HKAS 12 (amendments)	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRS 12 (amendments)	Annual Improvement 2014-2016 Cycle

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

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

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

The following new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2018 and have not been applied in preparing these consolidated financial statements:

		Effective for annual periods beginning on or after
HKFRS 1 and HKAS 28 (amendments)	Annual Improvements 2014-2016 Cycle	1 January 2018
HKFRS 2 (amendments)	Classification and Measurement of Share-based Payment Transactions	1 January 2018
HKFRS 4 (amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts	1 January 2018
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 9 (amendments)	Prepayment Features with Negative Compensation	1 January 2019
HKFRS 10 and HKAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 15 (amendments)	Clarifications to HKFRS 15	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRS 17	Insurance Contracts	1 January 2021
HKAS 28 (amendments)	Investments in Associates and Joint Ventures	1 January 2019
HKAS 40 (amendments)	Transfer of Investment Property	1 January 2018
HK(IFRIC)-Int22	Foreign Currency Transactions and Advance Consideration	1 January 2018
HK(IFRIC)-Int23	Uncertainty over Income Tax Treatments	1 January 2019

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

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

The Group's assessment of the impact of these new standards, amendments to standards and interpretations is set out below:

HKFRS 9, "Financial Instruments"

Nature of change

HKFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

Impact

The Group has reviewed its financial assets and liabilities and does not expect the new guidance to affect the classification and measurement of its financial assets and financial liabilities.

The new impairment model requires the recognition of impairment provisions based on expected credit losses ("ECL") rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets under HKFRS 15 "Revenue from Contracts with Customers", lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken up to date, the Group does not expect the new model to have material impact on the recognition of the Group's credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

Date of adoption by the Group

HKFRS 9 is mandatory for financial years commencing on or after 1 January 2018. The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 July 2018 and that comparatives will not be restated.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

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

HKFRS 15, “Revenue from Contracts with Customers”

Nature of change

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

Impact

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

- revenue from service – the application of HKFRS 15 may result in the identification of separate performance obligations which could affect the timing of the recognition of revenue, and
- accounting for certain costs incurred in fulfilling a contract – certain costs which are currently expensed may need to be recognised as an asset under HKFRS 15.

Based on the assessments undertaken up to date, the Group does not expect the new standard to have any material impact on the Group’s consolidated financial statements.

Date of adoption by the Group

HKFRS 15 is mandatory for financial years commencing on or after 1 January 2018. The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 July 2018 and that comparatives will not be restated.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

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

HKFRS 16, “Leases”

Nature of change

The Group is a lessee of office premises which are currently classified as operating leases. The Group's current accounting policy for such leases, as set out in Note 2.16, is to record the rental expenses in the Group's consolidated income statement for the current year with the related operating lease commitments being separately disclosed in Note 29. HKFRS 16 provides new provisions for the accounting treatment of leases which no longer allows lessees to recognise leases outside of the consolidated balance sheet. Instead, all non-current leases must be recognised in the form of assets (for the right of use) and financial liabilities (for the payment obligations) in the Group's consolidated balance sheet. Short-term leases of less than twelve months and leases of low-value assets are exempt from such reporting obligation. The new standard will therefore result in a derecognition of prepaid operating leases, increase in right-of-use assets and increase in lease liabilities in the consolidated balance sheet. In the consolidated income statement, as a result, the annual rental and amortisation expenses of prepaid operating lease under otherwise identical circumstances will decrease, while depreciation of right of use of assets and interest expense arising from the financial liabilities will increase.

Impact

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK\$10,040,000 and account for 31.5% of the total liabilities of the Group as at 30 June 2018. Management expects that the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's financial position.

Date of adoption by the Group

The new standard is not expected to apply until the financial year beginning on or after 1 January 2019.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Principles of consolidation and equity accounting

2.2.1 *Subsidiaries*

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

2.2.2 *An associate*

An associate is the entity over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investment in an associate is accounted for using the equity method of accounting (see 2.2.4 below), after initially being recognised at cost.

2.2.3 *A joint venture*

Investment in a joint venture is accounted for using the equity method (see 2.2.4 below), after initially being recognised at cost in the consolidated balance sheet.

2.2.4 *Equity accounting*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associate and joint venture are recognised as a reduction in the carrying amount of the investments.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.7.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Separate financial statements

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

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

2.4 Segment reporting

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

2.5 Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Foreign currency translation (continued)

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(iv) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the equity holders of the company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Property, plant and equipment

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Impairment of non-financial assets

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

2.8 Financial assets

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

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

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

2.9 Impairment of financial assets carried at amortised cost

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

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

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of financial assets carried at amortised cost (continued)

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

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

2.10 Trade and other receivables

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

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

2.11 Cash and cash equivalents

In the consolidated cash flow statement, cash and cash equivalents comprise cash at bank and on hand and bank deposits with original maturities of three months or less that are really convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.12 Financial liabilities and equity instruments

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

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

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Current and deferred income tax

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

(a) Current income tax

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

(b) Deferred income tax

Inside basis differences

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

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

Outside basis differences

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

(c) Offsetting

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

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Employee benefits

(a) Pension obligations

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

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

(b) Bonus plan

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

2.15 Revenue and income recognition

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

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

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Revenue and income recognition (continued)

- (e) Activity income is recognised at the time when the services are rendered.
- (f) Interest income is recognised using the effective interest method.

2.16 Leases

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

2.17 Dividend distribution

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

2.18 Inventories

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

- (a) Foreign exchange risk

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

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk

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

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

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

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

(c) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and cash equivalents.

The Group's primary cash requirements have been the payment of service fees to healthcare personnel on behalf of the respective service demanders, and operating expenses.

The Group mainly finances its working capital requirements through internal resources.

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

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

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

	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 30 June 2018				
Trade payables	17,571	–	–	17,571
Accruals and other payables	3,656	–	–	3,656
	<u>21,227</u>	<u>–</u>	<u>–</u>	<u>21,227</u>
At 30 June 2017				
Trade payables	14,412	–	–	14,412
Accruals and other payables	3,140	–	–	3,140
	<u>17,552</u>	<u>–</u>	<u>–</u>	<u>17,552</u>

(d) Cash flow interest-rate risks

The Group does not have any significant interest bearing financial assets or liabilities except for cash at banks, details of which are disclosed in Note 23, respectively. Accordingly, the directors are of the opinion that the Group does not have significant cash flow interest rate risk and no sensitivity analysis is performed.

3.2 Capital risk management

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

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

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation

As at 30 June 2018 and 2017, the Group did not have any financial assets or financial liabilities that are measured at fair value.

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

The management considers that under the Group's healthcare staffing solution services, it is acting as an agent, taking into account the totality of all relevant attributes underlying the existing service arrangements. The major features that indicate that the Group is acting as an agent include:

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

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

- ***Credit risk***

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

Notes to the Consolidated Financial Statements

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

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

– *Contractual exposure*

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

The management reassesses the Group's position upon any subsequent changes in the existing service arrangements.

5 SEGMENT INFORMATION

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

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

The Group primarily operates in Hong Kong and most of its non-current assets are located in Hong Kong. During the years ended 30 June 2018 and 2017, all revenue was earned from external customers in Hong Kong.

Notes to the Consolidated Financial Statements

6 REVENUE

	2018	2017
	HK\$'000	HK\$'000
Revenue from provision of healthcare staffing solution services	77,578	59,570
Revenue from provision of outreach case assessment related services	3,781	2,906
	81,359	62,476

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

	2018	2017
	HK\$'000	HK\$'000
Gross fee	298,937	236,497
Cost attributable to healthcare personnel	(221,359)	(176,927)
Revenue from provision of healthcare staffing solution services	77,578	59,570

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

7 OTHER INCOME

	2018	2017
	HK\$'000	HK\$'000
Other income		
– Advertising income	1,603	1,590
– Sales of goods	948	971
– Activity income	313	441
– Others	1,101	1,249
Total	3,965	4,251

Notes to the Consolidated Financial Statements

8 OTHER EXPENSES

	2018 HK\$'000	2017 HK\$'000
Auditor's remuneration	880	1,000
Legal and professional fee	1,688	3,809
Advertising and promotion expenses	1,079	1,118
Rates and management fee	784	244
Postage, utilities and general office expenses	749	728
Printing costs	669	929
Travelling and transportation expenses	636	497
Entertainment	311	81
Insurance expenses	301	352
Cost of inventories sold	289	183
Activity expenses	228	242
Sponsorship	226	10
Bank charges	218	204
Donation	170	1,188
Other expenses	373	197
	8,601	10,782

9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2018 HK\$'000	2017 HK\$'000
Wages, salaries and bonus	19,555	13,350
Pension costs – defined contribution plan	522	432
Other staff welfare	1,048	769
	21,125	14,551

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

Notes to the Consolidated Financial Statements

10 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive for the year ended 30 June 2018 is set out below:

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

	Fees HK\$'000	Salaries HK\$'000	Discretionary bonuses HK\$'000	Housing allowance HK\$'000	Estimated money value of other benefits HK\$'000	Employer's contribution to a retirement benefit scheme HK\$'000	Remunerations paid or receivable in respect of office as director HK\$'000	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiaries undertaking HK\$'000	Total HK\$'000
<u>Executive directors:</u>									
Mr. Kwan Chi Hong	-	1,800	-	-	-	18	-	-	1,818
Ms. Hai Hiu Chu (Chief executive officer)	-	1,800	-	-	-	18	-	-	1,818
<u>Non-executive director:</u>									
Mr. Wong Kam Pui	120	-	-	-	-	-	-	-	120
<u>Independent non-executive directors:</u>									
Mr. Lam Cheung Wai	-	-	-	-	-	-	-	-	-
Dr. Leung Yu Lung	120	-	-	-	-	-	-	-	120
Dr. Luk Yim Fai	120	-	-	-	-	-	-	-	120
	360	3,600	-	-	-	36	-	-	3,996

Notes to the Consolidated Financial Statements

10 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

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

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

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

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

No directors waived or agreed to waive any emoluments during the years ended 30 June 2018 and 2017.

Notes to the Consolidated Financial Statements

10 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(b) Five highest paid individuals

The five individuals whose emolument were the highest in the Group for the year include two (2017: two) directors whose emoluments are reflected in the analysis presented in Note 10(a) above. The emoluments payable to the remaining three (2017: three) individuals during the year are as follows:

	2018	2017
	HK\$'000	HK\$'000
Basic salaries, bonuses, others allowances and benefits in kind	2,123	1,482
Pension costs – defined contribution plan	36	36
	2,159	1,518

The emoluments fell within the following bands:

	2018	2017
Emolument bands		
Nil to HK\$1,000,000	3	3

No emoluments have been paid to the directors of the Company or the highest paid individuals as an inducement to join or upon joining the Company or as compensation for loss of office during the year (2017: Nil).

(c) Directors' retirement benefits and termination benefits

None of the directors received or will receive any retirement benefits under a defined benefit scheme or termination benefits during the year (2017: Nil).

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

The Company did not pay consideration to any third parties for making available directors' services during the year (2017: Nil).

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

No loans, quasi-loans and other dealings were made available in favour of directors, controlled bodies corporate by and connected entities with such directors subsisted at the end of the period or at any time during the year (2017: Nil).

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

Save as disclosed in Note 30, no significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the year (2017: Nil).

Notes to the Consolidated Financial Statements

11 FINANCE INCOME

	2018	2017
	HK\$'000	HK\$'000
Interest income on bank deposits	367	264

12 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profit for the year arising in or derived from Hong Kong.

	2018	2017
	HK\$'000	HK\$'000
Current income tax:		
– Current tax on profit for the year	8,789	7,065
– (Over)/under provision in prior years	(12)	6
Deferred income tax (credit)/expense (Note 28)	(31)	104
	8,746	7,175

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

	2018	2017
	HK\$'000	HK\$'000
Profit before income tax	50,967	39,786
Calculated at a tax rate of 16.5% (2017: 16.5%)	8,410	6,565
Income not subject to tax	(61)	(111)
Expenses not deductible for tax purpose	409	715
(Over)/under provision in prior years	(12)	6
	8,746	7,175

Notes to the Consolidated Financial Statements

13 EARNINGS PER SHARE

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

	2018	2017
Profit attributable to equity holders of the Company (HK\$'000)	42,221	32,611
Weighted average number of ordinary shares in issue (thousands)	400,000	400,000
Basic earnings per share (HK cents)	10.56	8.15

Diluted earnings per share for the years ended 30 June 2018 and 2017 were the same as basic earnings per share as the Group had no potentially dilutive ordinary shares in issue during these years.

14 DIVIDENDS

On 24 August 2018, the Board resolved to declare a final dividend of HK\$10,000,000 (HK2.50 cents per ordinary share) for the year ended 30 June 2018 to the Company's shareholders whose names appear on the register of members of the Company on 12 October 2018. This proposed dividend is not reflected as dividend payable in these consolidated financial statements.

On 25 August 2017, the Board resolved to declare a final dividend of HK\$20,000,000 (HK5.00 cents per ordinary share) for the year ended 30 June 2017 to the Company's shareholders whose names appear on the register of members of the Company on 24 October 2017.

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

Notes to the Consolidated Financial Statements

15 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Computer equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
At 1 July 2016					
Cost	1,311	455	646	1,427	3,839
Accumulated depreciation	(1,263)	(392)	(309)	(537)	(2,501)
Net book amount	48	63	337	890	1,338
Year ended 30 June 2017					
Opening net book amount	48	63	337	890	1,338
Additions	261	116	25	–	402
Depreciation	(87)	(33)	(81)	(285)	(486)
Closing net book amount	222	146	281	605	1,254
At 30 June 2017					
Cost	261	571	671	1,427	2,930
Accumulated depreciation	(39)	(425)	(390)	(822)	(1,676)
Net book amount	222	146	281	605	1,254
Year ended 30 June 2018					
Opening net book amount	222	146	281	605	1,254
Additions	40	117	721	–	878
Depreciation	(89)	(49)	(101)	(284)	(523)
Closing net book amount	173	214	901	321	1,609
At 30 June 2018					
Cost	301	688	1,392	1,427	3,808
Accumulated depreciation	(128)	(474)	(491)	(1,106)	(2,199)
Net book amount	173	214	901	321	1,609

Notes to the Consolidated Financial Statements

16 ADVANCE TO AN ASSOCIATE

	2018 HK\$'000
	<u> </u>
Investment in an associate	2
Advance to an associate	2,998
Share of losses of an associate	<u>(1,016)</u>
	<u>1,984</u>

Movement of investment and advance to an associate are analysed as below:

	2018 HK\$'000
	<u> </u>
As at 1 July 2017	–
Investment in an associate	2
Advance to an associate	2,998
Share of losses of an associate	<u>(1,016)</u>
As at 30 June 2018	<u>1,984</u>

Set out below is the associate of the Group as at 30 June 2018 which, in the opinion of the directors, is material to the Group. The associate as listed below has share capital consisting solely of ordinary shares, which are held directly by the subsidiary of the Company. The country of incorporation or registration is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Nature of investment in an associate as at 30 June 2018 are as follows:

Name	Place of incorporation	% of ownership interest		Principal activity
		2018	2017	
Garden Medical Centre Limited ("GMC") (Note)	Hong Kong	30%	–	Operation of plastic surgery clinic in Hong Kong

GMC is a private company and there is no quoted market price available for its shares. There are no contingent liabilities relating to the Group's investment and advance to the associate.

Note:

On 14 August 2017, Achiever Ventures Limited ("Achiever Ventures"), a direct wholly-owned subsidiary of the Company, has entered into an agreement with Dr. Chan Hau Ngai ("Dr. HN Chan") and Dr. Chan Chiu Lung ("Dr. CL Chan") to form an associate, GMC. GMC is principally engaged in operation of plastic surgery clinic in Hong Kong. Upon signing of the agreement, the associate is owned as to 30% by Achiever Ventures, as to 50% by Dr. HN Chan and as to 20% by Dr. CL Chan. Achiever Ventures, Dr. HN Chan and Dr. CL Chan each agreed to advance to the associate of amount of HK\$3,000,000, HK\$5,000,000 and HK\$2,000,000, respectively. The advances are interest free, no demand of repayment or any part thereof is expected within 12 months.

Notes to the Consolidated Financial Statements

16 ADVANCE TO AN ASSOCIATE (CONTINUED)

Summarised financial information for an associate

Summarised balance sheet

	2018 HK\$'000
Current	
Cash and cash equivalents	972
Other current assets (excluding cash)	723
Total current assets	<u>1,695</u>
Current financial liabilities (excluding trade payables)	(1,088)
Other current financial liabilities	(76)
Total current liabilities	<u>(1,164)</u>
Non-current	
Assets	6,082
Liabilities	(9,995)
Net liabilities	<u>(3,913)</u>

Summarised statement of comprehensive income

	2018 HK\$'000
Revenue	<u>2,557</u>
Other income	(2,827)
Depreciation	(829)
Loss and total comprehensive loss	<u>(3,387)</u>

Notes to the Consolidated Financial Statements

16 ADVANCE TO AN ASSOCIATE (CONTINUED)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its investment and advance to an associate

	2018 HK\$'000
Summarised financial information	
Opening net assets	–
Capital injection and advance from shareholders	10,000
Loss for the period	(3,387)
Closing net assets	6,613
Group's share in %	30%
Advance to an associate	1,984
Carrying amount as at 30 June 2018	1,984

17 INVESTMENT IN A JOINT VENTURE

	2018 HK\$'000
Capital injection to a joint venture	2,500
Share of losses of a joint venture	(257)
Currency translation differences	2
	2,245

Movement of investment in a joint venture is analysed as below:

	2018 HK\$'000
As at 1 July 2017	–
Capital injection to a joint venture	2,500
Share of losses of a joint venture	(257)
Currency translation differences	2
As at 30 June 2018	2,245

Notes to the Consolidated Financial Statements

17 INVESTMENT IN A JOINT VENTURE (CONTINUED)

Set out below is the joint venture of the Group as at 30 June 2018 which, in the opinion of the directors, is material to the Group. The joint venture as listed below has share capital consisting solely of ordinary shares, which are held directly by the subsidiary of the Company. The country of incorporation or registration is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Nature of investment in a joint venture as at 30 June 2018 are as follows:

Name	Place of incorporation	% of ownership interest		Principal activity
		2018	2017	
Bamboos Professional Nursing Services PTE. Limited ("PNS PTE") (Note)	Singapore	50%	–	Healthcare staffing solution services in Singapore

PNS PTE is a private company and there is no quoted market price available for its shares. There are no contingent liabilities relating to the Group's investment in the joint venture.

Note:

On 15 December 2017, the Company through its subsidiary, Achiever Vantage Limited, formed a joint venture, PNS PTE, with Northville Global Limited, an investment holding company and a wholly-owned subsidiary of Lippo China Resources Limited. PNS PTE is principally engaged in the provision of customised healthcare staffing solution services to individuals, institutional clients and healthcare institutions and the placing of healthcare personnel (in their capacity as self-employed persons) on appropriate vacancies and duty assignments. Each party holds as to 50% of the joint venture company and a total of HK\$2,500,000 was contributed by each party in proportion to their respective shareholdings in the joint venture company. An additional HK\$2,500,000 is to be contributed by each party in proportion to their respective shareholdings upon completion of the second stage milestones specified in the projected timeline as set out in the joint venture agreement.

Notes to the Consolidated Financial Statements

17 INVESTMENT IN A JOINT VENTURE (CONTINUED)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its investment in a joint venture

	2018
	HK\$'000
Summarised financial information	
Opening net assets	–
Capital injection from shareholders	5,000
Loss for the period	(514)
Exchange difference	4
	<hr/>
Closing net assets	4,490
	<hr/>
Group's share in %	50%
Investment in a joint venture	2,245
	<hr/>
Carrying amount as at 30 June 2018	2,245
	<hr/>

18 FINANCIAL INSTRUMENTS BY CATEGORY

	Loans and receivables	
	2018	2017
	HK\$'000	HK\$'000
Assets included in the consolidated balance sheet		
Advance to an associate (Note 16)	1,984	–
Trade receivables (Note 19)	43,929	22,198
Deposits and other receivables (Note 21)	4,743	1,114
Amount due from a related company (Note 22)	10	–
Short-term bank deposits (Note 23)	–	36,138
Cash and cash equivalents (Note 23)	96,806	63,118
	<hr/>	<hr/>
	147,472	122,568
	<hr/>	<hr/>

Notes to the Consolidated Financial Statements

18 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	Financial liabilities at amortised costs	
	2018	2017
	HK\$'000	HK\$'000
Liabilities included in the consolidated balance sheet		
Trade payables (Note 26)	17,571	14,412
Accruals and other payables	3,656	3,140
	21,227	17,552

19 TRADE RECEIVABLES

	2018	2017
	HK\$'000	HK\$'000
Trade receivables	43,929	22,198

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

As at 30 June 2018, balances due from the top five customers accounted for 26% (2017: 22%) of the total balances. There is no concentration of credit risk with respect to trade receivables as there is a dispersed number of independent customers. The directors consider that the credit risk in respect of these customers is currently low after considering past experience with these customers.

The Group's trade receivables had no credit term and payment was immediately due upon presentation of invoices to customers. As at 30 June 2018 and 2017, all trade receivables were past due but not considered to be impaired because these mainly related to a number of customers with limited history of default. The ageing analysis of trade receivables by the date on which the respective sales invoices were issued was as follow:

	2018	2017
	HK\$'000	HK\$'000
Less than 60 days	37,031	21,313
61 to 90 days	5,045	763
91 to 180 days	1,631	17
Over 180 days	222	105
	43,929	22,198

Notes to the Consolidated Financial Statements

19 TRADE RECEIVABLES (CONTINUED)

The credit quality of trade receivables past due but not impaired has been assessed by reference to historical information about the counterparty default rates. The existing counterparties do not have significant defaults in the past.

As at 30 June 2018 and 2017, no collateral has been received from these counterparties.

20 INVENTORIES

	2018	2017
	HK\$'000	HK\$'000
Trading merchandise	84	142

Cost of inventories sold recognised as expenses and included in "other expenses" amounted to HK\$289,000 (2017: HK\$183,000).

21 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2018	2017
	HK\$'000	HK\$'000
Current		
Prepayments	841	737
Deposits	2,835	516
Other receivables	521	187
	4,197	1,440
Non-current		
Prepayments	–	30
Deposits	1,387	411
	1,387	441
Total	5,584	1,881

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

Notes to the Consolidated Financial Statements

22 AMOUNT DUE FROM A RELATED COMPANY

	2018	2017
	HK\$'000	HK\$'000
Bamboos Professional Nursing Services PTE. Limited	10	–

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

	2018	2017
	HK\$'000	HK\$'000
Bamboos Professional Nursing Services PTE. Limited	10	–

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

23 CASH AND BANK BALANCES

(a) Cash and cash equivalents

	2018	2017
	HK\$'000	HK\$'000
Cash at banks	59,726	63,062
Bank deposits	37,072	–
Cash on hand	8	56
Total cash and cash equivalents	96,806	63,118

The effective interest rate on the bank deposits was 1% per annum. These deposits had original maturity of three months or less.

(b) Short-term bank deposits

	2018	2017
	HK\$'000	HK\$'000
Time deposits with original maturity over 3 months	–	36,138

The effective interest rate on the time deposits was 1% per annum.

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

Notes to the Consolidated Financial Statements

24 SHARE CAPITAL AND SHARE PREMIUM

Share capital

	Number of shares	Ordinary shares of HK\$0.01 each HK\$'000
Authorised:		
At 1 July 2016, 30 June 2017 and 30 June 2018	2,000,000,000	20,000
Issued and fully paid:		
At 1 July 2016, 30 June 2017 and 30 June 2018	400,000,000	4,000

Share premium

	2018 HK\$'000	2017 HK\$'000
At 30 June 2017 and 30 June 2018	39,123	39,123

25 RESERVES

Movement in reserves of the Group are set out in the consolidated statement of changes in equity in page 65.

26 TRADE PAYABLES

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

The ageing analysis of trade payables based on invoice date was as follows:

	2018 HK\$'000	2017 HK\$'000
Less than 30 days	17,571	14,412

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

Notes to the Consolidated Financial Statements

27 ACCRUALS AND OTHER PAYABLES

	2018	2017
	HK\$'000	HK\$'000
Accrued expenses	2,710	2,739
Other payables	1,157	612
Deferred income	31	512
	3,898	3,863

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

28 DEFERRED INCOME TAX LIABILITIES

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 16.5% (2017: 16.5%). The movement on deferred income tax liabilities in respect of decelerated tax depreciation is as follows:

	2018	2017
	HK\$'000	HK\$'000
At 1 July	(150)	(46)
Credited/(charged) to profit or loss (Note 12)	31	(104)
At 30 June	(119)	(150)

29 COMMITMENTS

(a) Capital commitment

Capital injection to PNS PTE contracted for at the end of the year but not yet incurred is as follows:

	2018	2017
	HK\$'000	HK\$'000
Capital injection	2,500	-

Notes to the Consolidated Financial Statements

29 COMMITMENTS (CONTINUED)

(b) Operating lease commitments

The Group leases offices under non-cancellable operating lease agreements from a related party (Note 30(b)) and a third party. The lease terms are generally within three years.

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

	2018	2017
	HK\$'000	HK\$'000
No later than 1 year	6,135	1,560
Later than 1 year and no later than 5 years	3,905	2,340
	10,040	3,900

30 RELATED PARTY TRANSACTIONS

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

(a) Year-end balances

As at 30 June 2018, apart from those balances disclosed in Note 22, the Group also has following deposits placed with related companies:

	2018	2017
	HK\$'000	HK\$'000
Rental and management fee deposit to Bamboos Limited	234	234
Rental and management fee deposit to Bamboos Group Limited	1,274	416

Notes to the Consolidated Financial Statements

30 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties

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

	2018	2017
	HK\$'000	HK\$'000
Operating lease rental to Bamboos Limited	–	504
Operating lease rental to Bamboos Group Limited	3,190	650
Management fee to Bamboos Group Limited	771	–
Consulting fee from Garden Medical Centre Limited	22	–

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

(c) Key management compensation

The emoluments of the key management include two executive directors (2017: same) whose emoluments are disclosed in Note 10(a).

31 CASH GENERATED FROM OPERATIONS

	2018	2017
	HK\$'000	HK\$'000
Cash flow from operating activities		
Profit before income tax	50,967	39,786
Adjustments for:		
– Depreciation	523	486
– Interest income	(367)	(264)
– Share of losses of an associate and a joint venture	1,273	–
	52,396	40,008
Changes in working capital:		
– Trade receivables	(21,731)	(3,208)
– Prepayments, deposits and other receivables	(3,703)	(719)
– Balances with related companies	(10)	72
– Trade payables, accruals and other payables	3,194	2,933
– Inventories	58	(11)
Cash generated from operations	30,204	39,075

Notes to the Consolidated Financial Statements

32 BALANCE SHEET AND RESERVES MOVEMENTS OF THE COMPANY

	2018 HK\$'000	2017 HK\$'000
ASSETS		
Non-current assets		
Investments in subsidiaries	17,062	16,672
Current assets		
Prepayments and other receivables	203	253
Amount due from subsidiaries	17,284	28,074
Short-term bank deposits	–	36,138
Cash and cash equivalents	37,072	563
	54,559	65,028
Total assets	71,621	81,700
EQUITY AND LIABILITIES		
Capital and reserves attributable to equity holders of the Company		
Share capital	4,000	4,000
Share premium	39,123	39,123
Reserves	27,861	38,092
	70,984	81,215
Total equity	70,984	81,215
Current liabilities		
Accruals and other payables	247	485
Amount due to a subsidiary	390	–
	637	485
Total liabilities	637	485
Total equity and liabilities	71,621	81,700

The balance sheet of the Company was approved by the Board of Directors on 24 August 2018 and was signed on its behalf

Hai Hiu Chu
Director

Kwan Chi Hong
Director

Notes to the Consolidated Financial Statements

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

Note (a) Reserves movements of the Company

	Contributed surplus HK\$'000	Retained earnings HK\$'000	Total HK\$'000
Balance at 1 July 2016	16,672	323	16,995
Profit for the year	–	36,097	36,097
Dividends (Note 14)	–	(15,000)	(15,000)
Balance at 30 June 2017 and 1 July 2017	16,672	21,420	38,092
Profit for the year	–	9,769	9,769
Dividends (Note 14)	–	(20,000)	(20,000)
Balance at 30 June 2018	16,672	11,189	27,861

33 PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries at 30 June 2018 is as follows:

Name of company	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particular of issued share capital	Percentage of equity held by the Company	
				Direct	Indirect
Achiever Team Limited	BVI, limited liability company	Investment holding	10 Ordinary shares	100%	–
Achiever Empire Limited	BVI, limited liability company	Investment holding	1 Ordinary share	100%	–
Achiever Matrix Limited	BVI, limited liability company	Investment holding	1 Ordinary share	100%	–
Achiever Ventures Limited	BVI, limited liability company	Investment holding	1 Ordinary share	100%	–
Achiever Vantage Limited	BVI, limited liability company	Investment holding	1 Ordinary share	100%	–
Bamboos Professional Nursing Services Limited	Hong Kong, limited liability company	Healthcare staffing solution services in Hong Kong	100 Ordinary shares	–	100%
Bamboos FinTech Limited	Hong Kong, limited liability company	Dormant	1 Ordinary share	–	100%
Bamboos Marketing and Consulting Limited	Hong Kong, limited liability company	Marketing and consulting services in Hong Kong	1 Ordinary share	–	100%
Ocean Force Limited	BVI, limited liability company	Investment holding	50,000 Ordinary shares	100%	–

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

Financial Summary

	For the year ended 30 June				
	2018 HK\$'000	2017 HK\$'000	2016 HK\$'000	2015 HK\$'000	2014 HK\$'000
Results					
Revenue	81,359	62,476	50,966	46,496	36,540
Profit for the year attributable to equity holders of the Company	42,221	32,611	26,842	22,387	8,699
Dividend	10,000	35,000	10,000	8,000	23,000
	As at 30 June				
	2018 HK\$'000	2017 HK\$'000	2016 HK\$'000	2015 HK\$'000	2014 HK\$'000
Assets and liabilities					
Total assets	152,251	124,731	102,257	88,857	38,898
Total liabilities	(31,734)	(26,437)	(21,574)	(25,016)	(32,567)
Total equity	120,517	98,294	80,683	63,841	6,331

Note:

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

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