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BAMBOOS HEALTH CARE HOLDINGS LIMITED

百本醫護控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8216)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2014

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

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

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

This announcement, for which the directors (the “Directors”) of Bamboos Health Care Holdings Limited (the “Company” or “Bamboos”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company and its subsidiaries (together, the “Group”, “we”, “us”, or “our”). The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 30 June 2014 amounted to approximately HK\$36.5 million, representing an increase of approximately 20.5% as compared with that of approximately HK\$30.3 million for the year ended 30 June 2013.
- Profit before income tax for the year ended 30 June 2014 amounted to approximately HK\$13.1 million, representing a decrease of approximately 19.6% from approximately HK\$16.3 million recorded for the year ended 30 June 2013. Excluding the impact of the non-recurring expenses in relation to the listing of the Company of approximately HK\$12.2 million for the year ended 30 June 2014 (for the year ended 30 June 2013: approximately HK\$3.6 million), profit before income tax for the year ended 30 June 2014 amounted to approximately HK\$25.3 million, representing an increase of approximately 27.1% as compared with approximately HK\$19.9 million for the year ended 30 June 2013.
- Profit attributable to equity holders of the Company for the year ended 30 June 2014 amounted to approximately HK\$8.7 million, representing a decrease of approximately 33.6% as compared with that of approximately HK\$13.1 million for the year ended 30 June 2013.
- The Board does not recommend the payment of a final dividend for the year ended 30 June 2014.

RESULTS

The board of directors (the “Board”) of Bamboos Health Care Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) is pleased to announce the audited consolidated results of the Group for the year ended 30 June 2014 (which have been reviewed by the Company’s audit committee), together with the comparative figures for the previous financial year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2014

| | <i>Note</i> | 2014 HK\$'000 | 2013 HK\$'000 |
|---|-------------|--------------------------------|------------------|
| Revenue | 4 | 36,540 | 30,258 |
| Other income | 5 | 1,863 | 1,092 |
| Employee benefit expenses | 7 | (7,363) | (6,252) |
| Operating lease rentals | | (720) | (619) |
| Other operating expenses | 6 | (16,846) | (7,808) |
| | | <hr/> | <hr/> |
| Operating profit | | 13,474 | 16,671 |
| Finance costs | 8 | (372) | (336) |
| | | <hr/> | <hr/> |
| Profit before income tax | | 13,102 | 16,335 |
| Income tax expense | 9 | (4,403) | (3,269) |
| | | <hr/> | <hr/> |
| Profit and total comprehensive income for the year attributable to equity holders of the Company | | 8,699 | 13,066 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| Earnings per ordinary share attributable to the equity holders of the Company | | | |
| Basic and diluted | 10 | HK2.90 cents | HK4.36 cents |
| | | <hr/> <hr/> | <hr/> <hr/> |

CONSOLIDATED BALANCE SHEET

As at 30 June 2014

| | Note | 2014 HK\$'000 | 2013 HK\$'000 |
|--|------|----------------------|----------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 465 | 922 |
| Prepayments and deposits | 13 | – | 299 |
| Deferred income tax assets | | 12 | – |
| | | <u>477</u> | <u>1,221</u> |
| Current assets | | | |
| Trade receivables | 12 | 15,337 | 14,764 |
| Prepayments, deposits and other receivables | 13 | 3,967 | 919 |
| Amount due from a related company | | 60 | – |
| Cash and bank balances | | 19,057 | 29,446 |
| | | <u>38,421</u> | <u>45,129</u> |
| Total assets | | <u>38,898</u> | <u>46,350</u> |
| EQUITY | | | |
| Capital and reserves attributable to the Company's equity holders | | | |
| Share capital | | – | – |
| Retained earnings | | 6,331 | 20,632 |
| Total equity | | <u>6,331</u> | <u>20,632</u> |
| Non-current liabilities | | | |
| Deferred income tax liabilities | | – | 55 |

| | <i>Note</i> | 2014 <i>HK\$'000</i> | 2013 <i>HK\$'000</i> |
|--|-------------|---------------------------------------|-------------------------|
| Current liabilities | | | |
| Trade payables | <i>14</i> | 10,571 | 8,989 |
| Accruals and other payables | <i>15</i> | 8,849 | 1,994 |
| Amount due to a related company | | 115 | 752 |
| Amounts due to directors | | 160 | – |
| Tax payable | | 4,802 | 3,579 |
| Bank borrowings | | 8,070 | 10,349 |
| | | <u>32,567</u> | <u>25,663</u> |
| Total liabilities | | <u>32,567</u> | <u>25,718</u> |
| Total equity and liabilities | | <u>38,898</u> | <u>46,350</u> |
| Net current assets | | <u>5,854</u> | <u>19,466</u> |
| Total assets less current liabilities | | <u>6,331</u> | <u>20,687</u> |

1 GENERAL INFORMATION

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

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of healthcare staffing solution services.

Pursuant to a group reorganisation (the "Reorganisation") in preparation for the Listing completed on 28 March 2014, the Company acquired the entire share capital of Achiever Team Limited and became the holding company of the subsidiaries now comprising the Group, further details of which are set out in the prospectus issued by the Company dated 30 June 2014 (the "Prospectus").

On 24 June 2014, the authorised share capital of the Company was increased from HK\$10,000 to HK\$20,000,000 by the creation of 1,999,000,000 shares of HK\$0.01 each. On 8 July 2014, 299,999,980 shares were issued by way of capitalisation of share premium arising from the gross proceeds of HK\$50,000,000 from the issue of 100,000,000 shares to public investors at the offer price of HK\$0.5 per share. Upon the Listing on 8 July 2014, the Company is 67.5% held by Gold Empress Limited (which is wholly owned by Ms. Hai Hiu Chu) and 7.5% held by Gold Beyond Limited (which is wholly owned by Mr. Kwan Chi Hong), and 25% held by public investors.

These financial statements are presented in Hong Kong dollars ("HK\$"), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 24 September 2014.

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Prior to and following the Reorganisation, the Company and its subsidiaries were and are directly or indirectly controlled by the same shareholders. Accordingly, the Reorganisation has been accounted for as a reorganisation of businesses under common control in a manner similar to a uniting of interests. The consolidated financial statements of the Group for the year ended 30 June 2014 including the comparative figures have been prepared on the merger basis as if the Company has been the holding company of these companies comprising the Group since 1 July 2012, or since the dates of their incorporation or establishment.

All accounting standards, amendments and interpretation to standards effective for annual periods on or before 1 July 2013 had already been adopted upon the preparation of the financial statements underlying the comparative financial figures.

The following new standards, amendments and interpretation to existing standards have been published by the HKICPA but are not yet effective and have not been early adopted by the Group:

- HKFRS 9, “Financial instruments”⁵;
- Additions to HKFRS 9, “Financial instruments – Financial liabilities”⁵;
- HKFRS 14, “Regulatory deferral accounts”³;
- HKFRS 15, “Revenue from contracts with customers”⁴;
- HK(IFRIC)-Int 21-“Levies”¹;
- Amendments to HKAS 16 “Property, plant and equipment” and HKAS 38 “Intangible assets” – Clarification of acceptable methods of depreciation and amortisation³;
- Amendments to HKAS 16 “Property, plant and equipment” and HKAS 41 “Agriculture” – Agriculture: Bearer plants³;
- Amendment to HKAS 19, “Employee benefits” on employee contribution²;
- Amendment to HKAS 32, “Financial instruments: Presentation” on asset and liability offsetting¹;
- Amendment to HKAS 36, “Impairment of assets” on recoverable amount disclosures¹;
- Amendment to HKAS 39 “Financial instruments: Recognition and measurement” – Novation of derivatives¹;
- Amendments to HKFRS 10, 12 and HKAS 27, “Consolidation for investment entities”¹;
- Amendments to HKFRS 11, “Joint Arrangements” – Accounting for acquisitions of interests in joint operations³;
- Amendments to HKFRSs, “Improvements to HKFRSs 2010-2012 cycle”²; and
- Amendments to HKFRSs, “Improvements to HKFRSs 2011-2013 cycle”².

¹ Effective for annual periods beginning on or after 1 January 2014

² Effective for annual periods beginning on or after 1 January 2015

³ Effective for annual periods beginning on or after 1 January 2016

⁴ Effective for annual periods beginning on or after 1 January 2017

⁵ Effective for annual periods beginning on or after 1 January 2018

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

3 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group’s principal activity is the provision of healthcare staffing solution services and has only one major operating segment.

The Group primarily operates in Hong Kong with all of its non-current assets located at and capital expenditure incurred in Hong Kong. During the years ended 30 June 2014 and 2013, all revenue is earned from external customers in Hong Kong.

4 REVENUE

| | 2014 <i>HK\$’000</i> | 2013 <i>HK\$’000</i> |
|---|-------------------------|-------------------------|
| Turnover | | |
| Revenue from provision of healthcare staffing solution services | <u>36,540</u> | <u>30,258</u> |

An analysis of the gross components in arriving at the Group's revenue is set out below:

| | 2014 <i>HK\$'000</i> | 2013 <i>HK\$'000</i> |
|---|--------------------------------|-------------------------|
| Gross fee | 163,074 | 141,967 |
| Cost attributable to healthcare personnel | (126,534) | (111,709) |
| | 36,540 | 30,258 |

Gross fee does not represent the Group's revenue.

5 OTHER INCOME

| | 2014 <i>HK\$'000</i> | 2013 <i>HK\$'000</i> |
|--------------------|--------------------------------|-------------------------|
| Advertising income | 1,111 | 519 |
| Others | 752 | 573 |
| | 1,863 | 1,092 |

6 OTHER OPERATING EXPENSES

Included in other operating expenses are the following:

| | 2014 <i>HK\$'000</i> | 2013 <i>HK\$'000</i> |
|---|--------------------------------|-------------------------|
| Depreciation | 483 | 412 |
| Auditor's remuneration | 750 | 600 |
| Legal and professional fee | 120 | 140 |
| Professional service fees in respect of listing preparation | 12,203 | 3,627 |
| Rates and management fee | 71 | 194 |
| Building naming license fee | – | 153 |
| Postage, utilities charges and general office expenses | 802 | 606 |
| Travelling and transportation expenses | 167 | 142 |
| Printing costs | 770 | 617 |
| Advertising and promotion expenses | 332 | 397 |
| Insurance expenses | 207 | 228 |
| Other expenses | 941 | 692 |
| | 16,846 | 7,808 |

7 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' REMUNERATIONS)

| | 2014 <i>HK\$'000</i> | 2013 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Wages, salaries and bonus | 6,611 | 5,777 |
| Pension costs – defined contribution plan | 260 | 237 |
| Other staff welfare | 492 | 238 |
| | <u>7,363</u> | <u>6,252</u> |

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the “MPF Scheme”), which is a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, the Hong Kong subsidiary of the Group and its Hong Kong employees make monthly contributions to the scheme at 5% of the employees’ earnings as defined under the Mandatory Provident Fund legislation. The monthly contributions made by the Group and the employees are subject to a cap of HK\$1,250 prior to 1 June 2014 and HK\$1,500 thereafter, with contributions beyond these amounts being voluntary.

8 FINANCE COSTS

| | 2014 <i>HK\$'000</i> | 2013 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Finance costs: | | |
| – Interest expenses arising from bank borrowings | <u>372</u> | <u>336</u> |

9 INCOME TAX EXPENSE

The Group is not subject to taxation in the Cayman Islands and the British Virgin Islands. Hong Kong profits tax has been provided for at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits arising in or derived from Hong Kong.

| | 2014 <i>HK\$'000</i> | 2013 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Current income tax | | |
| – Hong Kong profits tax | 4,242 | 3,278 |
| – Under/(over) provision in previous years | 228 | (9) |
| Deferred income tax | <u>(67)</u> | <u>–</u> |
| | <u>4,403</u> | <u>3,269</u> |

10 EARNINGS PER SHARE

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

The weighted average number of ordinary shares in issue during the year ended 30 June 2014 used in the basic earnings per share calculation is determined on the assumption that the 20 ordinary shares issued during the Reorganisation (Note 1) and the 299,999,980 ordinary shares issued upon the capitalisation issue (Note 1) had been in issue throughout the years ended 30 June 2014 and 2013.

| | 2014 | 2013 |
|---|----------------|----------------|
| Profit attributable to equity holders of the Company (HK\$'000) | <u>8,699</u> | <u>13,066</u> |
| Weighted average number of ordinary shares in issue ('000) | <u>300,000</u> | <u>300,000</u> |
| Basic earnings per ordinary share (HK cents) | <u>2.90</u> | <u>4.36</u> |

No adjustment has been made to the basic earnings per share amount for the years ended 30 June 2014 and 2013 as the Group had no potentially dilutive ordinary shares in issue during these years.

11 DIVIDENDS

Interim dividends of HK\$23,000,000 were declared by a subsidiary of the Group before the completion of the Reorganisation to its then equity holders. The amount of dividend per share is not presented as the disclosure is not considered meaningful for the purpose of these consolidated financial statements.

No final dividends were declared by the Company during the years 30 June 2014 and 2013.

12 TRADE RECEIVABLES

| | 2014 | 2013 |
|-------------------|-----------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Trade receivables | <u>15,337</u> | <u>14,764</u> |

The carrying amounts of the Group's trade receivables are denominated in Hong Kong dollars.

As at 30 June 2014, balances due from the top five customers account for 14% (2013: 13%) of the total balances. There is no concentration of credit risk with respect to trade receivables as there is a dispersed number of customers. The directors consider that the credit risk in respect of these customers is currently low after considering past experience with these customers.

During the years ended 30 June 2014 and 2013, the Group's trade receivables have no credit term and payment is immediately due upon presentation of invoices to customers. At 30 June 2014 and 2013, all trade receivables were past due but not considered to be impaired because these mainly relate to a number of customers with limited history of default. The ageing analysis of trade receivables by the date on which the respective sales invoices were issued is as follows:

| | 2014 <i>HK\$'000</i> | 2013 <i>HK\$'000</i> |
|---------------------|--------------------------------|-------------------------|
| Less than 60 days | 14,573 | 13,824 |
| 60 days to 180 days | 764 | 899 |
| Over 180 days | — | 41 |
| | <u>15,337</u> | <u>14,764</u> |

The credit quality of trade receivables neither past due nor impaired has been assessed by reference to historical information about the counterparty default rates. The existing counterparties do not have significant defaults in the past.

As at 30 June 2014 and 2013, no collateral has been received from these counterparties.

13 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | 2014 <i>HK\$'000</i> | 2013 <i>HK\$'000</i> |
|---|--------------------------------|-------------------------|
| Current | | |
| Prepaid professional service fees in respect of listing preparation | 3,496 | 625 |
| Other prepayments | 207 | 229 |
| Deposits | 244 | 47 |
| Other receivables | 20 | 18 |
| | <u>3,967</u> | <u>919</u> |
| Non-current | | |
| Prepayments | — | 102 |
| Deposits | — | 197 |
| | <u>—</u> | <u>299</u> |
| Total | <u>3,967</u> | <u>1,218</u> |

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

14 TRADE PAYABLES

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

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

| | 2014 <i>HK\$'000</i> | 2013 <i>HK\$'000</i> |
|-------------------|-------------------------|-------------------------|
| Less than 30 days | <u>10,571</u> | <u>8,989</u> |

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

15 ACCRUALS AND OTHER PAYABLES

| | 2014 <i>HK\$'000</i> | 2013 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Accrued professional service fees in respect of listing preparation | 6,643 | 446 |
| Other accrued expenses | 1,925 | 1,336 |
| Other payables | <u>281</u> | <u>212</u> |
| | <u>8,849</u> | <u>1,994</u> |

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

16 COMMITMENTS

Operating lease commitments

The Group leases offices under a non-cancellable operating lease agreement from a related party. The lease terms are within two years.

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

| | 2014 <i>HK\$'000</i> | 2013 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| No later than 1 year | 360 | 720 |
| Later than 1 year and no later than 5 years | <u>–</u> | <u>360</u> |
| | <u>360</u> | <u>1,080</u> |

The Group has no other significant commitments.

BUSINESS REVIEW

We are a leading provider of healthcare staffing solution services in Hong Kong. Our principal business is to provide customized healthcare staffing solution services on a temporary basis to individuals and institutional clients in a timely manner as well as duty opportunities to self-employed healthcare personnel registered with us. We place healthcare personnel registered with us in the capacity of self-employed persons, in appropriate vacancies and refer them duty assignments which fit their preference including nature of duty assignments, location and working hours. The Company's shares are listed on the GEM of the Stock Exchange on 8 July 2014 (the "Listing Date"). The listing has strengthened further our Group's leading position as a pioneer healthcare staffing solution service provider.

As at 30 June 2014, the number of healthcare personnel registered with us was over 13,500, of which healthcare personnel with healthcare assistant (HCA)/health worker (HW)/personal care worker (PCW) (collectively, the "Healthcare Supporting Personnel") and registered nurse/enrolled nurse (collectively, the "Healthcare Professional Personnel") qualifications registered with us accounted for approximately 63% and 30% of our healthcare personnel database respectively.

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

The ageing of Hong Kong's population and the associated need for quality or customized healthcare services have driven greater demand for personal care, rehabilitation and home care services over the years. With our leading position, industry experience, brand awareness, comprehensive and efficient healthcare staffing solution services, vast pool of healthcare personnel registered with us, well established and diversified client base, proven track record (in terms of number of service hours provided by the healthcare personnel placed by us and the increase in our revenue during the previous financial years) and dedicated and experienced management team, we have managed to achieve a satisfactory pace of business growth. Our management is confident that we will continue to solidify our position as a market leader in the healthcare staffing solution service industry in Hong Kong and our business will continue to flourish.

As to industry outlook, our management is optimistic as to the overall demand for healthcare staffing solution services, taking into account the combined factors of increase in demand for healthcare and elderly services (such as personal care, rehabilitation and home care services) with the ageing population in Hong Kong, increased budget of the government of Hong Kong to enhance general healthcare services and social welfare, planned investments by the government of Hong Kong in the redevelopment and expansion projects in healthcare infrastructure as well as prolonged shortage of permanent workforce of both Healthcare Professional Personnel and Healthcare Supporting Personnel. Having said that and as with other business sectors, our management recognises that our future business and financial performance are subject to risks and uncertainties which may be beyond our control. Any adverse

change or disruption in market conditions, operation and business environment or government policies may materially affect the business of our Group. Our management will, as always, closely monitor the industry and market development, take steps to mitigate such risks and uncertainties in a proactive and prudent manner and, to the extent practicable and within our management's best ability, turn such crisis into our opportunities to create enduring values for our Group and our shareholders.

FINANCIAL REVIEW

Revenue

Our revenue (being gross fee from provision of healthcare staffing solution services to clients net of cost payable to healthcare personnel placed by us) is determined with reference to the difference between the rate that we charge our clients for provisions of healthcare staffing solution services (the "Charge-out Rate") and the rate that we pay to different ranks of healthcare personnel placed by us for their services rendered (the "Pay-out Rate") and the number of service hours performed by those healthcare personnel. The revenue of the Group for the year ended 30 June 2014 was approximately HK\$36.5 million, representing an increase of approximately 20.5% as compared to that of HK\$30.3 million for the year ended 30 June 2013. The increase in revenue was mainly due to our effort in the improvement of differential rate earned and the increasing demand of healthcare personnel assignment from private clients, social service organisations, clinics and pharmaceutical companies, slightly offset by the decrease of nursing staffing service to hospitals.

Revenue from our institutional staffing solution services was approximately HK\$14.9 million for the year ended 30 June 2014, representing an increase of approximately 9.6% from approximately HK\$13.6 million for the year ended 30 June 2013. The increase was mainly attributable to the rise in placement of PCWs and HCA/HWs to institutional clients (in particular, social service organisations), as well as the increase of average Charge-out Rate per hour of certain ranks of healthcare personnel in December 2013 and April 2014 respectively in the range of approximately 8.6% and approximately 13.8% for institutional clients.

Revenue from the provision of private nursing staffing services was approximately HK\$21.6 million for the year ended 30 June 2014, representing an increase of approximately 30.1% from approximately HK\$16.6 million for the year ended 30 June 2013 due to an increase in service hours of private nursing services for the year ended 30 June 2014, as well as the increase of average Charge-out Rate per hour of certain ranks of healthcare personnel in December 2013 and April 2014 respectively in the range of approximately 11.9% and approximately 13.3% for individual clients.

Revenue as a percentage of gross fee

Our revenue as a percentage of gross fee is determined with reference to the mark-up ratio between the Charge-out Rate to our clients and Pay-out Rate to different ranks of healthcare personnel placed by us and the number of service hours performed by respective rank of healthcare personnel. Our revenue as a percentage of the gross fee increased from approximately 21.3% for the year ended 30 June 2013 to approximately 22.4% for the year ended 30 June 2014, mainly as a result of enhanced differences and mark-up ratios between the Charge-out Rates to our clients and Pay-out Rates to healthcare personnel placed by us, arisen from the upward price adjustment exercises in December 2013 and April 2014.

Other income

Other income comprised advertising income (which mainly represents income from advertisements placed by advertisers in our BamBoOs! Life, a magazine edited and published by our Group for free distribution) and sundry income. The increase of other income from approximately HK\$1.1 million for the year ended 30 June 2013 to approximately HK\$1.9 million for the year ended 30 June 2014 was mainly driven by the increase in advertising income generated from BamBoOs! Life following the change in publication interval from a bi-monthly basis to monthly basis since May 2013. This led to an increase in the number of advertisements or the frequency of the publication of advertisements placed by advertisers in the magazine.

Employee benefit expenses

Employee benefit expenses mainly represent salaries and discretionary bonus paid to our staff, directors' remuneration and pension costs relating to a defined contribution retirement plan. For the year ended 30 June 2014, our employee benefit expenses increased from approximately HK\$6.3 million for the year ended 30 June 2013 to approximately HK\$7.4 million for the year ended 30 June 2014 which was mainly attributable to the increase in average number of employees for the year ended 30 June 2014 as compared to the year ended 30 June 2013.

Operating lease rentals

Operating lease rentals mainly represent expenses incurred for our office premises located at Chai Wan, Hong Kong. Operating lease rentals were approximately HK\$0.7 million for the year ended 30 June 2014, representing an increase of approximately HK\$0.1 million, or 16.7%, from approximately HK\$0.6 million for the year ended 30 June 2013. The increase was primarily due to the increase in the rental charges for our office premises since our relocation of office from Kwun Tong to Chai Wan in early 2013.

Other operating expenses

Other operating expenses were approximately HK\$16.8 million for the year ended 30 June 2014, representing an increase of approximately HK\$9.0 million, or approximately 115.4%, from approximately HK\$7.8 million for the year ended 30 June 2013. The increase was primarily due to recognition of professional service fees in respect of the preparation of the listing of our Company's shares on the GEM of the Stock Exchange of approximately HK\$12.2 million compared to HK\$3.6 million recognised for the year ended 30 June 2013.

Finance costs

Finance costs represented the interest expenses on bank borrowings. Finance costs were approximately HK\$0.4 million for the year ended 30 June 2014, representing an increase of approximately HK\$0.1 million from approximately HK\$0.3 million for the year ended 30 June 2013. The increase was primarily due to the whole period effect of interest expenses in the year ended 30 June 2014 arising from the bank borrowings drawn in September 2012.

Income tax expense

Income tax expense increased from approximately HK\$3.3 million for the year ended 30 June 2013 to approximately HK\$4.4 million for the year ended 30 June 2014, which was mainly due to the non-deductible nature of the professional service fees incurred for the preparation of the Listing. All professional service fees incurred for the preparation of the Listing were not deductible for Hong Kong profits tax purpose for the year ended 30 June 2014, which led to the effective tax rate for the year ended 30 June 2014 being higher than 16.5%.

Profit for the year and net profit margin

Profit for the year decreased by approximately HK\$4.4 million, or 33.6%, from approximately HK\$13.1 million for the year ended 30 June 2013 to approximately HK\$8.7 million for the year ended 30 June 2014, mainly as a result of: (a) the increase in revenue by approximately 20.5% from approximately HK\$30.3 million for the year ended 30 June 2013 to approximately HK\$36.5 million for the year ended 30 June 2014 resulted from an increase of service hours provided by healthcare personnel placed by us to our clients; such increase was mainly driven by increase in placements of PCWs and HCA/HWs to individual clients and social service organisations; and enhanced differences and mark-up ratios between the Charge-out Rates to our clients and Pay-out Rates to healthcare personnel placed by us, arisen from upward price adjustment exercises in December 2013 and in April 2014 for both individual and institutional clients and for various ranks of healthcare personnel; and (b) offset by the recognition of professional service fees in preparation for the Listing of approximately HK\$12.2 million for the year ended 30 June 2014 compared to HK\$3.6 million recognised for the year ended 30 June 2013. This also led to the drop in net profit margin from approximately 43.2% for the year ended 30 June 2013 to approximately 23.8% for the year ended 30 June 2014.

Trade receivables

Trade receivables increased to approximately HK\$15.3 million as at 30 June 2014 from approximately HK\$14.8 million as at 30 June 2013 which was mainly due to the increase in revenue generated from increased assignment of healthcare personnel for the year ended 30 June 2014. The trade receivables turnover days for the year ended 30 June 2014 decreased to approximately 35.4 days from approximately 43.9 days for the year ended 30 June 2013, which was mainly due to the improvement of ageing of trade receivables as at 30 June 2014 as a result of our efforts in collecting trade receivables.

We generally do not grant credit terms to our clients and payment is immediately due upon presentation of invoices to customers. At 30 June 2013 and 2014, all trade receivables were past due but not considered to be impaired because these mainly relate to a number of customers with limited history of default. During the year ended 30 June 2014, we did not recognise any provision for trade receivables.

Trade payables

Trade payables increased to approximately HK\$10.6 million as at 30 June 2014 from approximately HK\$9.0 million as at 30 June 2013 which was mainly because of the increased costs payable to healthcare personnel placed by us along with the increased assignment during the year ended 30 June 2014. The trade payables turnover days for year ended 30 June 2013 and the year ended 30 June 2014 were approximately 30.7 days and approximately 30.1 days respectively, which remained at similar level and was in line with our normal payment schedule to the healthcare personnel.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

Our working capital needs and other capital requirements have been met through a combination of shareholders' equity, cash generated from operations and bank borrowings. Going forward, we intend to finance our future operations and capital expenditures with cash flow from operating activities, banking facilities made available to us and the net proceeds from the Placing. Our primary uses of cash have been and are expected to continue to be operating costs and capital expenditure.

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

Our current liabilities primarily comprise trade payables, bank borrowings, amounts due to directors and a related company, accruals and other payables and tax payable.

As at 30 June 2014, our Group maintained cash and cash equivalents amounting to approximately HK\$19.1 million (2013: HK\$29.4 million). Net current assets decreased from approximately HK\$19.5 million as at 30 June 2013 to approximately HK\$5.9 million as at 30 June 2014, which was mainly due to decrease of cash and bank balances in relation to the settlement of professional service fees in respect of the preparation of the Listing.

As at 30 June 2014, our Group's total bank borrowings, all being denominated in Hong Kong dollars, amounted to approximately HK\$8.1 million (2013: HK\$10.3 million).

GEARING RATIO

Gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as "equity" (as shown in the consolidated balance sheet) plus net debt. As at 30 June 2014 and 30 June 2013, the Group had a net cash position as its cash and bank balances exceeded the total balance of borrowings by approximately HK\$11.0 million and HK\$19.1 million, respectively.

CAPITAL COMMITMENTS

As at 30 June 2014, our Group had no significant capital commitments.

PLEDGE OF ASSETS

As at 30 June 2014, there was no significant pledge on our Group's assets.

CONTINGENT LIABILITIES

As at 30 June 2014, our Group had no significant contingent liabilities.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither our Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities since the Listing Date and up to the date of this announcement.

CORPORATE GOVERNANCE

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

Our Company's corporate governance practices are based on the principles of the Corporate Governance Code (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules. Our Company has become listed on the GEM since 8 July 2014, that is, after the financial year ended 30 June 2014. Since the Listing Date and up to the date of this announcement, our Company had complied with the applicable code provisions set out in the CG Code.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

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.

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

The audit committee had reviewed and discussed with the management of the Company and the external auditors the accounting principles and practices adopted by our Group, as well as internal controls and other financial reporting matters.

The figures in respect of the preliminary announcement of the Group's results for the year ended 30 June 2014 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

ANNUAL GENERAL MEETING

It is proposed that the forthcoming annual general meeting of the Company (the "AGM") will be held on Thursday, 30 October 2014. A notice convening the AGM will be published and despatched to our shareholders in the manner required by the GEM Listing Rules in due course.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 30 June 2014.

CLOSURE OF REGISTER OF MEMBERS

In order to determine entitlements to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 28 October 2014 to Thursday, 30 October 2014, both days inclusive, during which period no transfer of shares will be effected.

In order to be eligible to attend and vote at the forthcoming AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not later than 4:00 p.m. on Monday, 27 October 2014.

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

Hong Kong, 24 September 2014

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Kwan Chi Hong (Chairman) and Ms. Hai Hiu Chu (Chief Executive Officer); one non-executive Director, namely, Mr. Mok Gar Lon, Francis; and three independent non-executive Directors, namely, Mr. Lam Cheung Wai, Professor Chan Chi Fai, Andrew and Dr. Luk Yim Fai.

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