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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)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 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 three months ended 30 September 2014 amounted to approximately HK\$10.7 million, representing an increase of approximately 24.4% as compared with that of approximately HK\$8.6 million for the three months ended 30 September 2013.
- Profit before income tax for the three months ended 30 September 2014 amounted to approximately HK\$5.5 million, representing an increase of approximately 1.3% from approximately HK\$5.4 million recorded for the three months ended 30 September 2013.
- Profit attributable to equity holders of the Company for both three months ended 30 September 2014 and 2013 amounted to approximately HK\$4.5 million. Profit attributable to equity holders of the Company for three months ended 30 September 2014 was comparable to that of the corresponding period in 2013.
- The Directors do not recommend the payment of an interim dividend for the three months ended 30 September 2014.

FINANCIAL 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 unaudited condensed consolidated financial information of the Group for the three months ended 30 September 2014 (which have been reviewed by the Company’s audit committee), together with the comparative figures for the corresponding period in 2013 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 September 2014

		Three months ended 30 September	
	Note	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Revenue	4	10,694	8,596
Other income	5	557	373
Other gain	5	80	–
Employee benefit expenses		(3,281)	(1,941)
Operating lease rentals		(186)	(180)
Other operating expenses		(2,333)	(1,339)
Operating profit		5,531	5,509
Finance costs	6	(55)	(102)
Profit before income tax		5,476	5,407
Income tax expense	7	(996)	(928)
Profit and total comprehensive income for the period attributable to equity holders of the Company		4,480	4,479
Earnings per ordinary share attributable to equity holders of the Company			
Basic and diluted	8	HK1.14 cents	HK1.49 cents

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 September 2014

	Attributable to equity holders of the Company			
	Share capital	Share premium	Retained earnings	Total equity
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Balance at 1 July 2013 (audited)	–	–	20,632	20,632
Profit and total comprehensive income for the period	–	–	4,479	4,479
Balance at 30 September 2013 (unaudited)	<u>–</u>	<u>–</u>	<u>25,111</u>	<u>25,111</u>
Balance at 1 July 2014 (audited)	–	–	6,331	6,331
Profit and total comprehensive income for the period	–	–	4,480	4,480
Issue of new shares by way of placing (Note 1)	1,000	49,000	–	50,000
Share issuance costs	–	(6,877)	–	(6,877)
Capitalisation issue of shares (Note 1)	3,000	(3,000)	–	–
Balance at 30 September 2014 (unaudited)	<u>4,000</u>	<u>39,123</u>	<u>10,811</u>	<u>53,934</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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, KY1-1104, Cayman Islands and its principal place of business is Unit B-C, 16/F, E-Trade Plaza, 24 Lee Chung Street, Chai Wan, Hong Kong. The Company's shares were listed on the GEM of the Stock Exchange (the "Listing") on 8 July 2014 (the "Listing Date") by way of placing of a total of 100,000,000 new ordinary shares in our Company (the "Placing").

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.

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 at HK\$0.01 each by way of capitalisation of share premium arising from the gross proceeds of HK\$50,000,000 from the issue of 100,000,000 shares to public investors at the offer price of HK\$0.5 per share. Upon the Listing Date, the Company is 67.5% held by Gold Empress Limited (which is wholly owned by Ms. Hai Hiu Chu), 7.5% held by Gold Beyond Limited (which is wholly owned by Mr. Kwan Chi Hong), and 25% held by public investors.

2 BASIS OF PREPARATION

The unaudited condensed consolidated financial information for the three months ended 30 September 2014 comprises the Company and its subsidiaries.

The unaudited condensed consolidated financial information are presented in Hong Kong dollars ("HK\$") which is the same as the functional currency of the Company.

The unaudited condensed consolidated financial information of the Group for the three months ended 30 September 2014 have been prepared in accordance with the disclosure requirements of the GEM Listing Rules and Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants under the historical cost convention.

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 comparative figures in the unaudited condensed consolidated financing information have been prepared on the merger basis as if the Company has been the holding company of these companies comprising the Group at the end of the previous reporting period, or since the dates of their incorporation or establishment.

The basis of preparation and accounting policies adopted in preparing these unaudited condensed consolidated financial information are consistent with those adopted in the preparation of the Group's annual financial statements for the year ended 30 June 2014, except for the adoption of the new and revised HKFRS that have become effective for accounting period beginning on 1 July 2014.

The adoption of the new and revised HKFRS did not have any significant effect on these unaudited condensed consolidated financial information.

The Group has not early adopted the new and revised HKFRS that have been issued but are not yet effective for the current accounting period of the Group.

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

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 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 three months ended 30 September 2014 and 2013, all revenue was earned from external customers in Hong Kong.

4 REVENUE

	Three months ended	
	30 September	
	2014	2013
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Turnover		
Revenue from provision of healthcare staffing solution services	10,694	8,596

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

	Three months ended	
	30 September	
	2014	2013
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Gross fee	44,892	38,766
Cost attributable to healthcare personnel	(34,198)	(30,170)
	10,694	8,596

Gross fee does not represent the Group's revenue.

5 OTHER INCOME AND OTHER GAIN

	Three months ended 30 September	
	2014 HK\$'000 (unaudited)	2013 HK\$'000 (unaudited)
Other income		
– Advertising income	221	257
– Others	336	116
	<u>557</u>	<u>373</u>
Other gain		
– Gain on disposals of motor vehicle	80	–
	<u>80</u>	<u>–</u>
	<u>637</u>	<u>373</u>

6 FINANCE COSTS

	Three months ended 30 September	
	2014 HK\$'000 (unaudited)	2013 HK\$'000 (unaudited)
Finance costs		
– Interest expenses arising from bank borrowings	55	102
	<u>55</u>	<u>102</u>

7 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% on the estimated assessable profits arising in or derived from Hong Kong for the three months ended 30 September 2014 (2013: 16.5%).

	Three months ended 30 September	
	2014 HK\$'000 (unaudited)	2013 HK\$'000 (unaudited)
Current income tax		
– Hong Kong profits tax	852	940
Deferred income tax	144	(12)
	<u>996</u>	<u>928</u>

8 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 three months ended 30 September 2014 and 2013.

The weighted average number of ordinary shares in issue during the three months ended 30 September 2014 and 2013 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 three months ended 30 September 2014 and 2013.

The calculation of the weighted average number of ordinary shares outstanding during the three months ended 30 September 2014 also included the effect of the placing of 100,000,000 new ordinary shares on the Listing Date.

	Three months ended	
	30 September	
	2014	2013
	(unaudited)	(unaudited)
Profit attributable to equity holders of the Company (HK\$'000)	<u>4,480</u>	<u>4,479</u>
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share ('000)	<u>391,304</u>	<u>300,000</u>
Basic and diluted earnings per ordinary share (HK cents)	<u>1.14</u>	<u>1.49</u>

No adjustment has been made to the basic earnings per share amount for the three months ended 30 September 2014 and 2013 as the Group had no potential dilutive ordinary shares in issue during the respective periods.

9 DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the three months ended 30 September 2014 (2013: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

We are a leading provider of healthcare staffing solution services in Hong Kong. Our principal business is to provide customised healthcare staffing solution services on a temporary basis to individuals and institutional clients in a timely manner as well as duty opportunities to self-employed healthcare personnel registered with us. We place healthcare personnel registered with us in the capacity of self-employed persons, in appropriate vacancies and refer them duty assignments which fit their preference including nature of duty assignments, location and working hours.

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 and the rate that we pay to different ranks of healthcare personnel placed by us for their services rendered and the number of service hours performed by these healthcare personnel.

The revenue of our Group for the three months ended 30 September 2014 was approximately HK\$10.7 million, representing an increase of approximately 24.4% as compared with that of the corresponding period in 2013. Profit attributable to equity holders of our Company for the three months ended 30 September 2014 was approximately HK\$4.5 million, which was comparable to that of the corresponding period in 2013.

Our shares were listed on the GEM of the Stock Exchange on the Listing Date (that is, 8 July 2014). The Listing has further strengthened our Group's leading position as a pioneer healthcare staffing solution service provider.

Looking forward to the 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.

FINANCIAL REVIEW

Revenue

The revenue of our Group for the three months ended 30 September 2014 was approximately HK\$10.7 million, representing an increase of approximately 24.4% as compared with that of approximately HK\$8.6 million for the three months ended 30 September 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 and social service organisations, slightly offset by the decrease of nursing staffing service to hospitals.

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\$0.4 million for the three months ended 30 September 2013 to approximately HK\$0.6 million for the three months ended 30 September 2014 was mainly driven by administration fee in relation to registration and application matters received from healthcare personnel and our clients.

Expenses

Our employee benefit expenses increased from approximately HK\$1.9 million for the three months ended 30 September 2013 to approximately HK\$3.3 million for the three months ended 30 September 2014, which was mainly attributable to the increase in average number of employees and discretionary bonus paid to our staff.

Other operating expenses increased from approximately HK\$1.3 million for the three months ended 30 September 2013 to approximately HK\$2.3 million for the three months ended 30 September 2014, which was mainly driven by recognition of professional service fees and public relation fees incurred after the Listing and up to the period under review.

Finance costs

Finance costs represented the interest expenses on bank borrowings. Finance costs were approximately HK\$55,000 for the three months ended 30 September 2014, representing a decrease of approximately HK\$47,000 from approximately HK\$0.1 million for the three months ended 30 September 2013. The decrease was primarily due to the repayment of the bank borrowing amounting to HK\$12 million drawn in September 2012 and the subsequent replacement of a new bank borrowing amounting to HK\$7 million drawn in July 2014.

Profit for the period attributable to equity holders of the Company

Profit for the three months ended 30 September 2014 attributable to equity holders of the Company amounted to approximately HK\$4.5 million, which was comparable to that of the corresponding period in 2013.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

Our Group remained in a healthy and sound liquidity position as at 30 September 2014. 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.

CONTINGENT LIABILITIES

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

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

None of the Directors, controlling shareholders of our Company or their respective close associates (as defined under the GEM Listing Rules) had any business or interest in a business which competes or may compete with the business of our Group and any other conflict of interest with our Group throughout the period from the Listing Date to 30 September 2014.

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

As at 30 September 2014, interests and short positions in the shares, underlying shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) held by the Directors and chief executives of our Company which have been notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by our Company pursuant to section 352 of the SFO, or otherwise have been notified to our Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long positions in shares of our Company (the “Shares”)

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

Note:

1. Ms. Hai Hiu Chu is deemed to be interested in the Shares held by Gold Empress Limited (“Gold Empress”) by virtue of the SFO as Gold Empress is wholly owned by Ms. Hai Hiu Chu.
2. Mr. Kwan Chi Hong is deemed to be interested in the Shares held by Gold Beyond Limited (“Gold Beyond”) by virtue of the SFO as Gold Beyond is wholly owned by Mr. Kwan Chi Hong.
3. Ms. Hai Hiu Chu and Mr. Kwan Chi Hong being our executive Directors will be deemed to be parties acting in concert under the Hong Kong Code on Takeovers and Mergers (the “Takeovers Code”). As such, Ms. Hai Hiu Chu, Mr. Kwan Chi Hong, Gold Empress and Gold Beyond are all regarded as parties acting in concert under the Takeovers Code and are therefore deemed to be interested in the Shares held by each other.

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

So far as our Directors are aware, as at 30 September 2014, 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 as recorded in the register required to be kept under section 336 of the SFO:

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

Note:

1. Under the SFO, Ms. Hai Hiu Chu is deemed to be interested in 270,000,000 Shares held by Gold Empress by virtue of Ms. Hai Hiu Chu holding the entire issued share capital of Gold Empress.
2. Under the SFO, Mr. Kwan Chi Hong is deemed to be interested in 30,000,000 Shares held by Gold Beyond by virtue of Mr. Kwan Chi Hong holding the entire issued share capital of Gold Beyond.
3. Ms. Hai Hiu Chu and Mr. Kwan Chi Hong being our executive Directors will be deemed to be parties acting in concert under the Takeovers Code. As such, Ms. Hai Hiu Chu, Mr. Kwan Chi Hong, Gold Empress and Gold Beyond are all regarded as parties acting in concert under the Takeovers Code and are therefore deemed to be interested in the Shares held by each other.

SHARE OPTION SCHEME

Our Company's share option scheme was conditionally approved by a resolution of all shareholders passed on 24 June 2014 and became unconditional upon the Listing of our Company's shares on the GEM of the Stock Exchange.

The share option scheme was 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 three months ended 30 September 2014.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the three months ended 30 September 2014, neither our Company nor any of our subsidiaries had purchased, redeemed or sold any of our Company's listed securities.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by Halcyon Capital Limited ("Halcyon"), compliance adviser of our Company, neither Halcyon nor any of its close associates and none of the directors or employees of Halcyon had any interest in the share capital of our Company or any member of our Group (including options or rights to subscribe for such securities, if any) which is required to be notified to our Company pursuant to Rule 6A.32 of the GEM Listing Rules as at 30 September 2014.

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

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

Our Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by our Company throughout the period from the Listing Date to 30 September 2014.

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 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. Throughout the period from the Listing Date to 30 September 2014, our Company had complied with the applicable code provisions set out in the CG Code.

AUDIT COMMITTEE

Our Board established the audit committee with written terms of reference in compliance with the GEM Listing Rules.

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 our Company the accounting principles and practices adopted by our Group and the unaudited condensed consolidated financial information of our Group for the three months ended 30 September 2014, as well as internal controls and other financial reporting matters.

DIVIDEND

Our Board does not recommend the payment of an interim dividend for the three months ended 30 September 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, 10 November 2014

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

This announcement is prepared in both English and Chinese. In the event of inconsistency, the English text of the announcement shall prevail over the Chinese text.

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 our Company's website at www.bamboos.com.hk.