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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 2015

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”) 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 2015 amounted to approximately HK\$46.5 million, representing an increase of approximately 27.4% as compared with that of approximately HK\$36.5 million for the year ended 30 June 2014.
- Profit before income tax for the year ended 30 June 2015 amounted to approximately HK\$27.2 million, representing an increase of approximately 107.6% from approximately HK\$13.1 million recorded for the year ended 30 June 2014. Excluding the impact of the non-recurring expenses in relation to the listing of the Company of approximately HK\$0.2 million for the year ended 30 June 2015 (for the year ended 30 June 2014: HK\$12.2 million), profit before income tax for the year ended 30 June 2015 amounted to HK\$27.4 million, representing an increase of approximately 8.3% as compared with approximately HK\$25.3 million for the year ended 30 June 2014.
- Profit attributable to equity holders of the Company for the year ended 30 June 2015 amounted to approximately HK\$22.4 million, representing an increase of approximately 157.5% from approximately HK\$8.7 million recorded for the year ended 30 June 2014.
- The Board does not recommend the payment of a final dividend for the year ended 30 June 2015. The total dividend paid for the year ended 30 June 2015 amounted to HK\$8.0 million.

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 audited consolidated results of the Group for the year ended 30 June 2015 (the “Year”) (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 2015

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue	4	46,496	36,540
Other income and gain	5	2,835	1,863
Employee benefit expenses	7	(11,863)	(7,363)
Operating lease rentals		(1,223)	(720)
Depreciation		(613)	(483)
Other operating expenses	6	(8,175)	(16,363)
Operating profit		27,457	13,474
Finance income	8	21	–
Finance expenses	8	(233)	(372)
Finance costs, net		(212)	(372)
Profit before income tax		27,245	13,102
Income tax expense	9	(4,858)	(4,403)
Profit and total comprehensive income for the year attributable to equity holders of the Company		22,387	8,699
Earnings per ordinary share attributable to the equity holders of the Company			
Basic and diluted	10	HK5.63 cents	HK2.90 cents
Dividend	11	8,000	23,000

CONSOLIDATED BALANCE SHEET

As at 30 June 2015

	Note	2015 HK\$'000	2014 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,616	465
Prepayments and deposits	14	567	–
Deferred income tax assets		–	12
		<u>2,183</u>	<u>477</u>
Current assets			
Inventories	12	139	–
Trade receivables	13	18,854	15,337
Prepayments, deposits and other receivables	14	667	3,967
Amount due from a related company		72	60
Cash and cash equivalents		66,942	19,057
		<u>86,674</u>	<u>38,421</u>
Total assets		<u>88,857</u>	<u>38,898</u>
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		4,000	–
Share premium		39,123	–
Retained earnings		20,718	6,331
		<u>63,841</u>	<u>6,331</u>
Total equity		<u>63,841</u>	<u>6,331</u>
Non-current liabilities			
Deferred income tax liabilities		80	–
		<u>80</u>	<u>–</u>
Current liabilities			
Trade payables	15	12,286	10,571
Accruals and other payables	16	1,895	8,849
Amount due to a related company		–	115
Amounts due to directors		–	160
Tax payable		5,691	4,802
Bank borrowings		5,064	8,070
		<u>24,936</u>	<u>32,567</u>
Total liabilities		<u>25,016</u>	<u>32,567</u>
Total equity and liabilities		<u>88,857</u>	<u>38,898</u>
Net current assets		<u>61,738</u>	<u>5,854</u>
Total assets less current liabilities		<u>63,921</u>	<u>6,331</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	Attributable to the equity holders of the Company			
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 July 2013	–	–	20,632	20,632
Total comprehensive income				
Profit for the year	–	–	8,699	8,699
Transaction with owners:				
Dividend (<i>Note 11</i>)	–	–	(23,000)	(23,000)
At 30 June 2014	<u>–</u>	<u>–</u>	<u>6,331</u>	<u>6,331</u>
At 1 July 2014	–	–	6,331	6,331
Total comprehensive income				
Profit for the year	–	–	22,387	22,387
Transactions with owners:				
Dividend (<i>Note 11</i>)	–	–	(8,000)	(8,000)
Capitalisation issue of shares	3,000	(3,000)	–	–
Issue of shares by placing	1,000	42,123	–	43,123
At 30 June 2015	<u>4,000</u>	<u>39,123</u>	<u>20,718</u>	<u>63,841</u>

NOTES

1 GENERAL INFORMATION

Bamboos Health Care Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 23 November 2012 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is PO Box 309, Ugland House, Grand Cayman, 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 Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 8 July 2014 (the “Listing”).

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

These financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 15 September 2015.

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 consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

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.

- (a) During the Year, the Group has adopted all amendments to existing accounting standards effective for the first time for the financial year beginning on 1 July 2014, which do not have any significant impact on the Group’s results and financial position.
- (b) The following new standards and amendments to existing standards have been published by the HKICPA but are not yet effective for the financial year beginning on or after 1 July 2014 and have not been early adopted by the Group:
 - Amendments to HKFRS 7 and HKFRS 9 on Disclosures: Mandatory effective date of HKFRS and transactional disclosures ¹;
 - HKFRS 14, “Regulatory deferral accounts” ²;
 - Amendments to HKAS 16 “Property, plant and equipment” and HKAS 38 “Intangible assets”-Clarification of acceptable methods of depreciation and amortisation ²;
 - Amendments to HKAS 16 “Property, plant and equipment” and HKAS 41 “Agriculture”-Agriculture: Bearer plants ²;
 - Amendments to HKFRS 11, “Joint Arrangements”-Accounting for acquisitions of interests in joint operations ²;

- Amendments to HKFRS 10 and HKAS 28 on sale or contribution of assets between an investor and its associate or joint venture²;
- Amendment to HKAS 27 on equity method in separate financial statements²;
- Amendments to HKFRS 10, HKFRS 12 and HKAS 28 on investment entities: applying the consolidation exception²;
- Amendments to HKAS 1 for the disclosure initiative²;
- Annual improvements 2014²;
- HKFRS 15, “Revenue from contracts with customers”³; and
- HKFRS 9, “Financial instruments”⁴.

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

² Effective for annual periods beginning on or after 1 January 2016

³ Effective for annual periods beginning on or after 1 January 2017

⁴ Effective for annual periods beginning on or after 1 January 2018

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

In addition, the disclosure requirements of the new Hong Kong Companies Ordinance (Cap. 622) will become effective for the Company’s financial year ending 30 June 2016. The Group is in the process of making an assessment of expected impact of the changes. So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

3 SEGMENT INFORMATION

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

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

The Group primarily operates in Hong Kong with all of its non-current assets located at and capital expenditure incurred in Hong Kong. During the years ended 30 June 2015 and 2014, all revenue was earned from external customers in Hong Kong.

4 REVENUE

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Turnover		
Revenue from provision of healthcare staffing solution services	46,244	36,540
Revenue from provision of outreach case assessment related services	252	–
	<u>46,496</u>	<u>36,540</u>

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Gross fee	190,576	163,074
Cost attributable to healthcare personnel	(144,332)	(126,534)
	<u>46,244</u>	<u>36,540</u>

Gross fee does not represent the Group's revenue.

5 OTHER INCOME AND GAIN

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Other income		
– Activity income	219	–
– Advertising income	917	1,111
– Sales of goods	678	–
– Others	941	752
	<u>2,755</u>	<u>1,863</u>
Other gain		
– Gain on disposal of a motor vehicle	80	–
	<u>2,835</u>	<u>1,863</u>

6 OTHER OPERATING EXPENSES

Included in other operating expenses are the following:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Auditor's remuneration	1,000	750
Legal and professional fee	1,719	120
Professional service fees in respect of listing preparation	178	12,203
Rates and management fee	127	71
Postage, utilities charges and general office expenses	1,028	802
Travelling and transportation expenses	564	167
Printing costs	904	770
Advertising and promotion expenses	1,178	332
Insurance expenses	355	207
Cost of inventories	133	–
Other expenses	989	941
	<u>8,175</u>	<u>16,363</u>

7 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' REMUNERATIONS)

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Wages, salaries and bonus	11,061	6,611
Pension costs – defined contribution plan	371	260
Other staff welfare	431	492
	<u>11,863</u>	<u>7,363</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, NET

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest income on bank deposits	21	–
Interest expenses arising from bank borrowings	(233)	(372)
	<u>(212)</u>	<u>(372)</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% (2014: 16.5%) on the estimated assessable profits arising in or derived from Hong Kong.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current income tax		
– Hong Kong profits tax	4,727	4,242
– Under provision in previous years	39	228
Deferred income tax	92	(67)
	<u>4,858</u>	<u>4,403</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 years ended 30 June 2014 and 2015 used in the basic earnings per share calculation is determined on the assumption that the 10 ordinary shares issued on 28 March 2014 as part of the reorganisation procedures completed on 28 March 2014 in preparation for listing of the Company's shares and the 299,999,980 ordinary shares issued upon the capitalisation issue had been in issue throughout the years ended 30 June 2014 and 2015.

	2015	2014
Profit attributable to equity holders of the Company (<i>HK\$'000</i>)	<u>22,387</u>	<u>8,699</u>
Weighted average number of ordinary shares in issue (<i>'000</i>)	<u>397,808</u>	<u>300,000</u>
Basic earnings per ordinary share (<i>HK cents</i>)	<u>5.63</u>	<u>2.90</u>

Diluted earnings per share for the years ended 30 June 2015 and 2014 were the same as basic earnings per share as the Group had no potentially dilutive ordinary shares in issue during these years.

11 DIVIDENDS

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

On 21 March 2014, an interim dividend of HK\$23,000,000 was declared by a subsidiary of the Group before the Listing 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 ended 30 June 2015 and 2014.

12 INVENTORIES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trading merchandise	139	–

13 TRADE RECEIVABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade receivables	18,854	15,337

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

As at 30 June 2015, balances due from the top five customers account for 15% (2014: 14%) 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 2015 and 2014, the Group's trade receivables have no credit term and payment is immediately due upon presentation of invoices to customers. As at 30 June 2015 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. The ageing analysis of trade receivables by the date on which the respective sales invoices were issued is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Less than 60 days	17,397	14,573
60 days to 180 days	1,416	764
Over 180 days	41	–
	18,854	15,337

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 2015 and 2014, no collateral has been received from these counterparties.

14 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current		
Prepaid professional service fees in respect of listing preparation	–	3,496
Other prepayments	437	207
Deposits	144	244
Other receivables	86	20
	<u>667</u>	<u>3,967</u>
Non-current		
Prepayments	80	–
Deposits	487	–
	<u>567</u>	<u>–</u>
Total	<u><u>1,234</u></u>	<u><u>3,967</u></u>

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

15 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:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Less than 30 days	<u><u>12,286</u></u>	<u><u>10,571</u></u>

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

16 ACCRUALS AND OTHER PAYABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Accrued professional service fees in respect of listing preparation	–	6,643
Other accrued expenses	1,291	1,925
Deferred income	157	184
Other payables	447	97
	<u><u>1,895</u></u>	<u><u>8,849</u></u>

17 COMMITMENTS

(a) Capital commitments

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

	2015 HK\$'000	2014 <i>HK\$'000</i>
Contracted but not provided for	80	–

(b) Operating lease commitments

The Group leases office and premise under non-cancellable operating lease agreements from a related party and a third party. The lease terms are generally within two years.

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

	2015 HK\$'000	2014 <i>HK\$'000</i>
No later than 1 year	1,560	360
Later than 1 year and no later than 5 years	664	–
	2,224	360

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

We strive for building a healthy and sustainable community and advocating quality of life especially for the caring for the elderly. With the three core values, “Care. Competence. Commitment” in mind, we are dedicated to providing the most valued and customised healthcare staffing solution services to individuals and institutional clients in a timely manner. At the same time, we provide duty opportunities to self-employed healthcare personnel registered with us.

Consistent with the ageing population in Hong Kong, there has been an upward trend in the demand for healthcare and elderly services, as well as personal care, rehabilitation and home care services. Our Group has experienced a steady growth in demand for quality or individualised healthcare services.

The revenue of our Group for the year ended 30 June 2015 was approximately HK\$46.5 million (2014: HK\$36.5 million), representing an increase of approximately 27.4% as compared with that for the year ended 30 June 2014. Profit attributable to equity holders of our Company for the year ended 30 June 2015 was approximately HK\$22.4 million, representing an increase of approximately 157.5% as compared with approximately HK\$8.7 million for the year ended 30 June 2014.

To cope with the increasing demand for high quality services, we have been developing holistic supporting services to our clients of our private nursing staffing solution services. The case assessment related services were introduced in the second half of the Year. It provides nursing and rehabilitation assessment including assessment related services in health condition and nursing need, mobility and self-care ability, psychological, cognitive and behavioral status as well as living environment. We have also engaged ourselves in the future point-to-point pick-up services preparation, for bringing our clients peace of mind, enjoying professional healthcare services without boundary worries.

The number of healthcare personnel registered with us has grown steadily. As at 30 June 2015, there were over 15,000 healthcare personnel registered with us, representing an increase of 11.1% comparing to over 13,500 healthcare personnel registered as at 30 June 2014.

Maintaining a close-knit relationship with healthcare personnel registered with us was one of our priorities. During the year ended 30 June 2015, we set up a member service center for handling registration of healthcare personnel, enhancing the delivery of information of our Group, and retailing a wide variety of beauty, health and personal care products at a special price to our members (including but not limited to our customers and healthcare personnel registered with our Group). We have been developing our first mobile application during the Year, which was launched in July 2015. With the mobile application, not only the clients can get the most updated service information from us, healthcare personnel registered with us can also enter into an online portal to communicate or share information with us in a more efficient manner. We believe these moves can enhance our Group’s brand recognition, attract more potential customers to use our healthcare staffing solution services and more healthcare personnel to register with our Group, and bring our members closer to our Group.

Looking ahead, our management is optimistic towards expanding our healthcare personnel pool, enhancing our healthcare staffing solution services to our clients and maintaining the leading position as a pioneer healthcare staffing solution services provider in Hong Kong.

FINANCIAL REVIEW

Revenue

The revenue of our Group for the year ended 30 June 2015 comprises revenue from the provision of healthcare staffing solution and revenue from outreach case assessment related service, which was a new service developed in the Year. The revenue was approximately HK\$46.5 million, representing an increase of approximately 27.4% as compared with that of approximately HK\$36.5 million for the year ended 30 June 2014. 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 individual clients and social service organisations, slightly offset by the decrease of healthcare staffing service to hospitals.

Revenue from the provision of healthcare staffing solution services for the year ended 30 June 2015 was approximately HK\$46.2 million (2014: HK\$36.5 million). Among those, revenue from our institutional staffing solution services amounted to approximately HK\$18.3 million (2014: HK\$14.9 million), representing an increase of approximately 22.8%; and the revenue from our private nursing staffing service was approximately HK\$27.9 million (2014: HK\$21.6 million) representing an increase of approximately 29.2%. The increase was mainly attributed to the increase in business performance due to advertising effect from the internet as well as public transports. In particular, there was a huge increase (increased over 350%) in revenue from placing workmen, and a notable increase in revenue from placing physiotherapists (increased over 90%).

Our revenue from the provision of healthcare staffing solution services (being gross fee from the provision of healthcare staffing solution services to clients net of cost payable to healthcare personnel placed by us) as a percentage of gross fee is determined with reference to the mark-up ratio between the charge-out rate to our clients and the pay-out rate to different ranks of healthcare personnel placed by us and the number of service hours performed by respective rank of healthcare personnel. Our revenue as a percentage of the gross fee increased from approximately 22.4% for the year ended 30 June 2014 to approximately 24.3% for the year ended 30 June 2015, 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 October 2014 for institutional clients and June 2015 for both individual and institutional clients.

Other income and gain

Other income mainly comprises advertising income, sales of goods, activity income and others. Advertising income mainly represents income from advertisements placed by advertisers in our BamBoOs! Life, a magazine edited and published by our Group for free distribution and income from sales of goods in our member service centre. The increase of other income from approximately HK\$1.9 million for the year ended 30 June 2014 to approximately HK\$2.8 million for the year ended 30 June 2015 was mainly driven by increase in administration fee in relation to registration and application matters received from healthcare personnel and our clients, income generated from healthcare related activities and sales of goods offered at our member service centre.

Other gain comprises gain on disposal of a motor vehicle.

Expenses

Our employee benefit expenses increased from approximately HK\$7.4 million for the year ended 30 June 2014 to approximately HK\$11.9 million for the year ended 30 June 2015, which was mainly attributable to the increase in key management compensation, average number of employees and discretionary bonus paid to our staff.

The operating lease rentals increased from approximately HK\$0.7 million for the year ended 30 June 2014 to approximately HK\$1.2 million for the year ended 30 June 2015. It was mainly resulted from the launch of our new member service centre in Wan Chai.

Depreciation expenses increased from approximately HK\$0.5 million for the year ended 30 June 2014 to approximately HK\$0.6 million for the year ended 30 June 2015. It was mainly arose from the purchase of motor vehicles during the Year.

Other operating expenses decreased from approximately HK\$16.4 million for the year ended 30 June 2014 to approximately HK\$8.2 million for the year ended 30 June 2015, which was mainly resulted from the offsetting effect of: (a) significant decrease in recognition during the Year of non-recurring professional fees for the preparation of the Listing on 8 July 2014 (the “Listing Date”); and (b) recognition of professional service fees and public relation fees incurred after the Listing.

Finance costs

Finance costs represented the interest expenses on bank borrowings offset by interest income on bank deposits. Finance costs were approximately HK\$0.2 million for the year ended 30 June 2015, representing a decrease of approximately HK\$0.2 million from approximately HK\$0.4 million for the year ended 30 June 2014. 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.

Income tax expense

Income tax expense amounted to approximately HK\$4.9 million for the year ended 30 June 2015, representing an increase of approximately 11.4% as compared with that of approximately HK\$4.4 million for the year ended 30 June 2014. The increase is proportionately less than the increase in profit before income tax as a result of the decrease in non-recurring professional service fees incurred for the preparation of the Listing which is non-deductible for Hong Kong tax purposes from approximately HK\$12.2 million for the year ended 30 June 2014 to approximately HK\$0.2 million for the year ended 30 June 2015. Consequently, the Group’s effective tax rate decreased from approximately 33.6% for the year ended 30 June 2014 to approximately 17.8% for the year ended 30 June 2015.

Profit for the Year and net profit margin

Profit for the year ended 30 June 2015 amounted to approximately HK\$22.4 million, increased by approximately HK\$13.7 million, or 157.5%, from approximately HK\$8.7 million for the year ended 30 June 2014, mainly as a result of: (a) the increase in revenue by approximately 27.4% from approximately HK\$36.5 million for the year ended 30 June 2014 to approximately HK\$46.5 million for the year ended 30 June 2015 resulted from operating performance, with upward price adjustment exercises on 1 October 2014 for institutional clients and 1 June 2015 for both individual and institutional clients and for various ranks of healthcare personnel; and (b) the decrease of recognition of professional service fees in preparation for the Listing, of which approximately HK\$0.2 million and approximately HK\$12.2 million was recognised for the year ended 30 June 2015 and 30 June 2014 respectively. This also led to a rise in net profit margin from approximately 23.8% for the year ended 30 June 2014 to approximately 48.1% for the year ended 30 June 2015.

Trade receivables

Trade receivables increased to approximately HK\$18.9 million as at 30 June 2015 from approximately HK\$15.3 million as at 30 June 2014 which was mainly due to the increase in revenue generated from increased assignment of healthcare personnel for the year ended 30 June 2015. We generally do not grant credit terms to our clients and payment is immediately due upon presentation of invoices to customers. At 30 June 2015 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 2015, we did not recognise any provision for trade receivables.

Trade payables

Trade payables increased to approximately HK\$12.3 million as at 30 June 2015 from approximately HK\$10.6 million as at 30 June 2014 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 2015.

LIQUIDITY AND FINANCIAL RESOURCES

Our Group remained in a healthy and sound liquidity position as at 30 June 2015. 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 cash equivalents, trade receivables, prepayments, deposits and other receivables, inventories and amount due from a related company.

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

As at 30 June 2015, our Group maintained cash and cash equivalents amounting to approximately HK\$66.9 million (2014: HK\$19.1 million). Net current assets increased to approximately HK\$61.7 million as at 30 June 2015 from approximately HK\$5.9 million as at 30 June 2014, which was mainly due to the receipt of net placing proceeds after the Listing on 8 July 2014 and net cash generated from operating activities.

As at 30 June 2015, our Group's total bank borrowings, all being denominated in Hong Kong dollars, amounted to approximately HK\$5.1 million (2014: HK\$8.1 million).

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 2015 and 30 June 2014, the Group had a net cash position as its cash and cash equivalents exceeded the total balance of borrowings by approximately HK\$61.9 million and HK\$11.0 million, respectively.

CAPITAL COMMITMENTS

Details of the capital commitments as at 30 June 2015 are set out in Note 17 to the financial results disclosed in this announcement.

PLEDGE OF ASSETS

As at 30 June 2015, there was no significant pledge on our Group's assets (2014: Nil).

CONTINGENT LIABILITIES

As at 30 June 2015, our Group had no significant contingent liabilities (2014: Nil).

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.

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 and up to 30 June 2015.

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 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 annual results announcement of the Group's results for the year ended 30 June 2015 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, 29 October 2015. 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.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 30 June 2015. The total dividend paid for the year ended 30 June 2015 amounted to HK\$8.0 million.

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, 27 October 2015 to Thursday, 29 October 2015, 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 A18th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not later than 4:00 p.m. on Monday, 26 October 2015.

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, 15 September 2015

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 this 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.