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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 2016

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 2016 amounted to approximately HK\$51.0 million, representing an increase of approximately 9.7% as compared with that of approximately HK\$46.5 million recorded for the year ended 30 June 2015.
- Profit before income tax for the year ended 30 June 2016 amounted to approximately HK\$32.5 million, representing an increase of approximately 19.5% from approximately HK\$27.2 million recorded for the year ended 30 June 2015.
- Profit attributable to equity holders of the Company for the year ended 30 June 2016 amounted to approximately HK\$26.8 million, representing an increase of approximately 19.6% from approximately HK\$22.4 million recorded for the year ended 30 June 2015.
- On 4 February 2016, the board of Directors resolved to declare and pay an interim dividend of HK\$10,000,000 (HK2.50 cents per ordinary share) for the six months ended 31 December 2015. Save for such interim dividend, the Board does not recommend the payment of a final dividend for the year ended 30 June 2016.

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 2016 (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 2016

	<i>Note</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Revenue	4	50,966	46,496
Other income and gain	5	3,417	2,835
Employee benefit expenses	7	(12,210)	(11,863)
Operating lease rentals		(1,560)	(1,223)
Depreciation		(526)	(613)
Other operating expenses	6	(7,748)	(8,175)
Operating profit		32,339	27,457
Finance income	8	166	21
Finance expenses	8	(17)	(233)
Finance income/(expenses), net		149	(212)
Profit before income tax		32,488	27,245
Income tax expense	9	(5,646)	(4,858)
Profit and total comprehensive income for the year attributable to equity holders of the Company		26,842	22,387
Earnings per ordinary share attributable to the equity holders of the Company			
Basic and diluted	10	HK6.71 cents	HK5.63 cents

CONSOLIDATED BALANCE SHEET

As at 30 June 2016

	<i>Note</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		1,338	1,616
Prepayments and deposits	<i>14</i>	3	567
		1,341	2,183
Current assets			
Inventories	<i>12</i>	131	139
Trade receivables	<i>13</i>	18,990	18,854
Prepayments, deposits and other receivables	<i>14</i>	1,033	667
Amount due from a related company		72	72
Cash and cash equivalents		80,690	66,942
		100,916	86,674
Total assets		102,257	88,857
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		4,000	4,000
Share premium		39,123	39,123
Reserves		37,560	20,718
Total equity		80,683	63,841
Non-current liabilities			
Deferred income tax liabilities		46	80
Current liabilities			
Trade payables	<i>15</i>	12,838	12,286
Accruals and other payables	<i>16</i>	2,504	1,895
Tax payable		6,186	5,691
Bank borrowings		–	5,064
		21,528	24,936
Total liabilities		21,574	25,016
Total equity and liabilities		102,257	88,857

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

	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 2014	–	–	6,331	6,331
Total comprehensive income				
Profit for the year	–	–	22,387	22,387
Transaction with owners:				
Dividends (<i>Note 11</i>)	–	–	(8,000)	(8,000)
Capitalisation issue of shares	3,000	(3,000)	–	–
Issue of shares by way of 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>
At 1 July 2015	4,000	39,123	20,718	63,841
Total comprehensive income				
Profit for the year	–	–	26,842	26,842
Transaction with owners:				
Dividends (<i>Note 11</i>)	–	–	(10,000)	(10,000)
At 30 June 2016	<u>4,000</u>	<u>39,123</u>	<u>37,560</u>	<u>80,683</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, 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 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 25 August 2016.

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated financial statements have been prepared 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.

- (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 2015, 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 2015 and have not been early adopted by the Group:

HKFRSs (amendment)	Annual improvements to HKFRSs 2012–2014 cycle ⁽¹⁾
HKFRS 9	Financial instruments ⁽²⁾
HKFRS 10 and HKAS 28 (amendment)	Sale or contribution of assets between an investor and its associate or joint venture ⁽⁴⁾
HKFRS 10 and HKFRS 12 and HKAS 28 (amendment)	Investment entities: applying the consolidation exception ⁽¹⁾
HKFRS 11 (amendment)	Accounting for acquisitions of interests in joint operations ⁽¹⁾
HKFRS 14	Regulatory deferral accounts ⁽¹⁾
HKFRS 15	Revenue from contracts with customers ⁽²⁾
HKFRS 16	Leases ⁽³⁾
HKAS 1 (amendment)	Disclosure initiative ⁽¹⁾
HKAS 16 and HKAS 38 (amendment)	Clarification of acceptable methods of depreciation and amortisation ⁽¹⁾
HKAS 16 and HKAS 41 (amendment)	Agriculture: bearer plants ⁽¹⁾
HKAS 27 (amendment)	Equity method in separate financial statements ⁽¹⁾

⁽¹⁾ Effective for the Company for annual period beginning on 1 January 2016

⁽²⁾ Effective for the Company for annual period beginning on 1 January 2018

⁽³⁾ Effective for the Company for annual period beginning on 1 January 2019

⁽⁴⁾ Effective date to be determined

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.

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 2016 and 2015, all revenue was earned from external customers in Hong Kong.

4 REVENUE

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Revenue from provision of healthcare staffing solution services	50,231	46,244
Revenue from provision of outreach case assessment related services	735	252
	50,966	46,496

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Gross fee	205,622	190,576
Cost attributable to healthcare personnel	(155,391)	(144,332)
Revenue from provision of healthcare staffing solution services	50,231	46,244

Gross fee does not represent the Group's revenue.

5 OTHER INCOME AND GAIN

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Other income		
— Activities income	313	219
— Advertising income	1,384	917
— Sales of goods	742	678
— Others	978	941
	3,417	2,755
Other gain		
— Gain on disposal of a motor vehicle	—	80
Total	3,417	2,835

6 OTHER OPERATING EXPENSES

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Auditor's remuneration	1,000	1,000
Legal and professional fee	1,670	1,719
Professional service fees in respect of listing preparation	–	178
Rates and management fee	101	127
Postage, utilities charges and general office expenses	1,026	1,028
Travelling and transportation expenses	538	564
Printing costs	1,094	904
Advertising and promotion expenses	964	1,178
Insurance expenses	348	355
Cost of inventories sold	130	133
Other expenses	877	989
	<u>7,748</u>	<u>8,175</u>

7 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' REMUNERATIONS)

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Wages, salaries and bonus	11,384	11,061
Pension costs — defined contribution plan	368	371
Other staff welfare	458	431
	<u>12,210</u>	<u>11,863</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\$1,500, with contributions beyond these amounts being voluntary.

8 FINANCE INCOME/(EXPENSES), NET

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Interest income on bank deposits	166	21
Interest expenses arising from bank borrowings	(17)	(233)
	<u>149</u>	<u>(212)</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% (2015: 16.5%) on the estimated assessable profits arising in or derived from Hong Kong.

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current income tax		
— Hong Kong profits tax	5,700	4,727
— (Over)/under provision in previous years	(20)	39
Deferred income tax (credit)/expense	(34)	92
	<u>5,646</u>	<u>4,858</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 2015 used in the basic earnings per share calculation is determined on the assumption that the 299,999,980 ordinary shares issued upon the capitalisation issue had been in issue throughout the year ended 30 June 2015.

	2016	2015
Profit attributable to equity holders of the Company (HK\$'000)	<u>26,842</u>	<u>22,387</u>
Weighted average number of ordinary shares in issue ('000)	<u>400,000</u>	<u>397,808</u>
Basic earnings per ordinary share (HK cents)	<u>6.71</u>	<u>5.63</u>

Diluted earnings per share for the years ended 30 June 2016 and 2015 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 4 February 2016, the Board resolved to declare and pay interim dividends of HK\$10,000,000 (HK2.50 cents per ordinary share) in the Company's shareholders whose names appear on the register of members of the Company on 26 February 2016.

On 5 May 2015, the Board resolved to declare and pay interim dividends 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.

No final dividends were declared by the Company during the years ended 30 June 2016 and 2015.

12 INVENTORIES

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trading merchandise	<u>131</u>	<u>139</u>

Cost of inventories sold recognised as expenses and included in “other operating expenses” amounted to HK\$130,000 (2015: HK\$133,000).

13 TRADE RECEIVABLES

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade receivables	<u>18,990</u>	<u>18,854</u>

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

As at 30 June 2016, balances due from the top five customers account for 18% (2015: 15%) 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 2016 and 2015, the Group’s trade receivables have no credit term and payment is immediately due upon presentation of invoices to customers. As at 30 June 2016 and 2015, 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 follow:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Less than 60 days	17,321	17,397
60 days to 180 days	1,498	1,416
Over 180 days	<u>171</u>	<u>41</u>
	<u>18,990</u>	<u>18,854</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 2016 and 2015, no collateral has been received from these counterparties.

14 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current		
Prepayments	499	437
Deposits	507	144
Other receivables	27	86
	<u>1,033</u>	<u>667</u>
Non-current		
Prepayments	3	80
Deposits	-	487
	<u>3</u>	<u>567</u>
Total	<u>1,036</u>	<u>1,234</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:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Less than 30 days	<u>12,838</u>	<u>12,286</u>

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

16 ACCRUALS AND OTHER PAYABLES

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Accrued expenses	1,359	1,291
Deferred income	515	157
Other payables	630	447
	<u>2,504</u>	<u>1,895</u>

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

17 COMMITMENTS

(a) Capital commitments

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Contracted but not provided for	<u>–</u>	<u>80</u>

(b) Operating lease commitments

The Group leases offices and shops 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:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
No later than 1 year	664	1,560
Later than 1 year and no later than 5 years	<u>–</u>	<u>664</u>
	<u>664</u>	<u>2,224</u>

As at 30 June 2016 and 2015, the Company has no significant commitments.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Our principal business is to provide customised healthcare staffing solution services to individuals and institutional clients in a timely manner. We aspire to build a healthy and sustainable community and we advocate for quality of life and care for the elderly.

Revenue of our Group from the provision of staffing solution services derives from the gross fee received from clients net of the cost to healthcare personnel. During the Year, gross fee received from institutional clients and individual clients increased by approximately 4.8% and 9.8% respectively. It is consistent with the ageing population in Hong Kong, that 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's revenue for the Year was approximately HK\$51.0 million (2015: HK\$46.5 million), representing an increase of approximately 9.7% as compared with that for the year ended 30 June 2015. Profit attributable to equity holders of our Company for the Year was approximately HK\$26.8 million, representing an increase of approximately 19.6% as compared with approximately HK\$22.4 million for the year ended 30 June 2015.

The outreach case assessment related services had further been developed during the Year and had brought approximately HK\$0.7 million revenue to our Group's business. The services provide assessment related services on health, nursing need, mobility and self-care ability, etc. We plan to further expand the services with more manpower to be engaged in the outreach team.

In order to better capture future growth opportunities, we have made effort in maintaining a vast pool of healthcare personnel registered with us. The number of healthcare personnel registered with us steadily increases, there were over 16,400 healthcare personnel registered with us as at 30 June 2016 (over 15,000 as at 30 June 2015), representing an increase of approximately 1,400 healthcare personnel registered with us in the Year.

We believe that maintaining the member service centre and our move to launch the BamBoOs! Life mobile application, which serves both a communications portal with healthcare personnel and a digital version of our Group's magazine, can continue to enhance our Group's brand recognition and attract more potential customers to use our healthcare staffing solution services and more healthcare personnel to register with our Group.

We believe our efforts in improving efficiencies and driving quality growth in our principal business can secure our position as the pioneer healthcare staffing solution services provider in Hong Kong, and in turn can create lasting value for our shareholders and stakeholders.

FINANCIAL REVIEW

Revenue

The revenue of our Group for the year ended 30 June 2016 comprises revenue from the provision of healthcare staffing solution services and revenue from outreach case assessment related services. The revenue was approximately HK\$51.0 million, representing an increase of approximately 9.7% as compared with that of approximately HK\$46.5 million for the year ended 30 June 2015.

Revenue from the provision of healthcare staffing solution services for the year ended 30 June 2016 was approximately HK\$50.2 million (2015: HK\$46.2 million). Among those, revenue from our institutional staffing solution services amounted to approximately HK\$19.1 million (2015: HK\$18.3 million), representing an increase of approximately 4.4%; and the revenue from our private nursing staffing service was approximately HK\$31.1 million (2015: HK\$27.9 million), representing an increase of approximately 11.5%. The increase was mainly attributable to the combining effect of (i) the increase in demand for healthcare staffing solution services from individual clients and hospitals; (ii) the decrease in healthcare personnel placement to social service organizations mainly due to keener competition in social service healthcare staffing solution services; and (iii) the improvement of differential rate earned.

Our revenue from the provision of healthcare staffing solution services as a percentage of gross fee is determined with reference to the mark-up ratio between the charge-out rate to 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 gross fee remained at approximately 24% in the recent two financial years (2016: 24.4%, 2015: 24.3%).

Other income and gain

Other income and gain mainly comprised advertising income, sales of goods, activities income and others. Other income and gain increased from approximately HK\$2.8 million for the year ended 30 June 2015 to approximately HK\$3.4 million for the year ended 30 June 2016. It was mainly driven by the substantial increase in advertising income and activities income, which had an increase of approximately 50.9% and 42.9% respectively as compared with the year ended 30 June 2015. The growth was mainly due to the marketing effort in promoting the magazine in addition to the launch of the mobile application of a digital version of BamBoOs! Life magazine, which was conducive to increasing advertisement placement and health promotion activities initiatives.

Expenses

Our employee benefit expenses increased from approximately HK\$11.9 million for the year ended 30 June 2015 to approximately HK\$12.2 million for the year ended 30 June 2016, which was mainly attributable to general increment in salary paid to our employees.

The operating lease rentals increased from approximately HK\$1.2 million for the year ended 30 June 2015 to approximately HK\$1.6 million for the year ended 30 June 2016. It was mainly resulted from the launch of our member service centre in Wan Chai in December 2014.

Depreciation expenses slightly decreased from approximately HK\$0.6 million for the year ended 30 June 2015 to approximately HK\$0.5 million for the Year, which was mainly due to full depreciation of certain leasehold improvements.

Other operating expenses decreased from approximately HK\$8.2 million for the year ended 30 June 2015 to approximately HK\$7.7 million for the year ended 30 June 2016, which was mainly resulted from the offsetting effect of: (a) effective measures in controlling operating expenses; (b) the factoring out of the one-off non-recurring expenses incurred for the listing of the Company's shares on GEM (the "Listing") during the year ended 30 June 2015; and (c) increase in printing and publication expenses in relation to business development.

Net finance income

Net finance income represented the interest income on short-term bank deposits offset by interest expenses on bank borrowings. Net finance income was approximately HK\$149,000 for the year ended 30 June 2016, while there were net finance costs of approximately HK\$212,000 for the year ended 30 June 2015. Such change was primarily due to an increase of finance income from bank deposit interests and a decrease in finance expenses due to the full repayment of the bank borrowing in July 2015, amounting to HK\$7 million drawn in July 2014.

Income tax expense

Income tax expense amounted to approximately HK\$5.6 million for the year ended 30 June 2016, representing an increase of approximately 14.3% as compared with that of approximately HK\$4.9 million for the year ended 30 June 2015. The Group's effective tax rate slightly decreased from approximately 17.8% for the year ended 30 June 2015 to approximately 17.4% for the year ended 30 June 2016.

Profit for the Year and net profit margin

Profit for the year ended 30 June 2016 amounted to approximately HK\$26.8 million, increased by approximately HK\$4.4 million, or 19.6%, from approximately HK\$22.4 million for the year ended 30 June 2015, mainly as a result of: (a) the increase in revenue by approximately 9.7% from approximately HK\$46.5 million for the year ended 30 June 2015 to approximately HK\$51.0 million for the year ended 30 June 2016 resulted from operating performance analysed above, with the upward price adjustment coming into force on 1 June 2015 for both individual and institutional clients and for various ranks of healthcare personnel; and (b) the factoring out of the one-off non-recurring professional service fees incurred for the Listing. This also led to a rise in net profit margin from approximately 48.1% for the year ended 30 June 2015 to approximately 52.7% for the year ended 30 June 2016.

Trade receivables

Trade receivables remained at similar level, of which there was approximately HK\$19.0 million as at 30 June 2016 and approximately HK\$18.9 million as at 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 2016 and 2015, 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 2016, we did not recognise any provision for trade receivables.

Trade payables

Trade payables slightly increased to approximately HK\$12.8 million as at 30 June 2016 from approximately HK\$12.3 million as at 30 June 2015 which was mainly because of the increased costs payable to healthcare personnel placed by us during the year ended 30 June 2016.

LIQUIDITY AND FINANCIAL RESOURCES

Our Group remained in a healthy and sound liquidity position as at 30 June 2016. Our working capital needs and other capital requirements have been met through a combination of shareholders' equity and cash generated from operations. Going forward, we intend to finance our future operations and capital expenditures with cash flow from operating activities and the net proceeds from the Listing. 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, accruals and other payables.

As at 30 June 2016, our Group maintained cash and cash equivalents amounting to approximately HK\$80.7 million (2015: HK\$66.9 million). Net current assets increased to approximately HK\$79.4 million as at 30 June 2016 from approximately HK\$61.7 million as at 30 June 2015, which was mainly due to net cash generated from operating activities.

As at 30 June 2016, our Group maintained no bank borrowing (2015: HK\$5.1 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 2016 and 30 June 2015, the Group had a net cash position as its cash and cash equivalents exceeded the total balance of borrowings by approximately HK\$80.7 million and HK\$61.9 million, respectively.

CAPITAL COMMITMENTS

There is no capital commitment as at 30 June 2016 (HK\$80,000 as at 30 June 2015), details are set out in note 17(a) to the financial results disclosed in this announcement.

PLEDGE OF ASSETS

As at 30 June 2016, there was no significant pledge on our Group's assets (2015: Nil).

CONTINGENT LIABILITIES

As at 30 June 2016, our Group had no significant contingent liabilities (2015: 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 during the Year 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 during the Year.

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. During the Year 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. The full terms of reference setting out details of duties of our audit committee are available on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.bamboos.com.hk.

Currently, our audit committee comprises three independent non-executive Directors, namely Mr. Lam Cheung Wai, Dr. Leung Yu Lung 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 risk management, internal controls and other financial reporting matters including but not limited to the consolidated financial statements of the Group for the year ended 30 June 2016.

The figures in respect of the annual results announcement of the Group's results for the year ended 30 June 2016 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, 20 October 2016. 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

On 4 February 2016, the Board resolved to declare and pay an interim dividend of HK\$10,000,000 (HK2.50 cents per ordinary share) for the six months ended 31 December 2015. Save for such interim dividend, the Board does not recommend the payment of a final dividend for the year ended 30 June 2016. The total dividend paid for the year ended 30 June 2016 amounted to HK\$10.0 million.

CLOSURE OF REGISTER OF MEMBERS

In order to determine entitlements to attend and vote at the annual general meeting, the register of members of the Company will be closed from Tuesday, 18 October 2016 to Thursday, 20 October 2016, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to be eligible to attend and vote at the forthcoming annual general meeting of the Company, 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 Suites 3301–04, 33rd Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on Monday, 17 October 2016.

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, 25 August 2016

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, Dr. Leung Yu Lung 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.