# 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: 2293)**

## (1) ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017; AND (2) CHANGE OF USE OF NET PROCEEDS

**FINANCIAL HIGHLIGHTS**

- Revenue for the year ended 30 June 2017 amounted to approximately HK$62.5 million, representing an increase of approximately 22.5% from approximately HK$51.0 million recorded for the year ended 30 June 2016.
- Profit before income tax for the year ended 30 June 2017 amounted to approximately HK$39.8 million, representing an increase of approximately 22.5% from approximately HK$32.5 million recorded for the year ended 30 June 2016.
- Profit attributable to equity holders of the Company for the year ended 30 June 2017 amounted to approximately HK$32.6 million, representing an increase of approximately 21.6% from approximately HK$26.8 million recorded for the year ended 30 June 2016.
- On 25 August 2017, the board of directors resolved to declare a final dividend of HK5.00 cents per ordinary share for the year ended 30 June 2017, which is payable in cash on or about Friday, 3 November 2017 to the Company's shareholders whose names appear on the register of members of the Company on Tuesday, 24 October 2017.

## 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 results of the Group for the year ended 30 June 2017 (the "Year") (which have been reviewed by the Company's audit committee), together with the comparative figures for the year ended 30 June 2016 as follows:

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
*For the year ended 30 June 2017*

| | Note | 2017<br>HK$'000 | 2016<br>HK$'000 |
|---|---|---|---|
| Revenue | 4 | **62,476** | 50,966 |
| Other income | 5 | **4,251** | 3,417 |
| Employee benefit expenses | 7 | **(14,551)** | (12,210) |
| Operating lease rentals | | **(1,386)** | (1,560) |
| Depreciation | | **(486)** | (526) |
| Other operating expenses | 6 | **(10,782)** | (7,748) |
| **Operating profit** | | **39,522** | 32,339 |
| Finance income | 8 | **264** | 166 |
| Finance expenses | 8 | **–** | (17) |
| Finance income, net | | **264** | 149 |
| **Profit before income tax** | | **39,786** | 32,488 |
| Income tax expense | 9 | **(7,175)** | (5,646) |
| **Profit and total comprehensive income for the year attributable to equity holders of the Company** | | **32,611** | 26,842 |
| **Earnings per share attributable to equity holders of the Company for the year** (expressed in HK cents per share) | | | |
| Basic and diluted | 10 | **HK8.15 cents** | HK6.71 cents |

## CONSOLIDATED BALANCE SHEET

*As at 30 June 2017*

| | Note | **2017** | 2016 |
|---|---|---|---|
| | | ***HK$'000*** | *HK$'000* |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | **1,254** | 1,338 |
| Prepayments and deposits | *14* | **441** | 3 |
| | | **1,695** | 1,341 |
| **Current assets** | | | |
| Inventories | *12* | **142** | 131 |
| Trade receivables | *13* | **22,198** | 18,990 |
| Prepayments, deposits and other receivables | *14* | **1,440** | 1,033 |
| Amount due from a related company | | **–** | 72 |
| Short-term bank deposits | | **36,138** | – |
| Cash and cash equivalents | | **63,118** | 80,690 |
| | | **123,036** | 100,916 |
| **Total assets** | | **124,731** | 102,257 |
| **EQUITY AND LIABILITIES** | | | |
| **Capital and reserves attributable to equity holders of the Company** | | | |
| Share capital | | **4,000** | 4,000 |
| Share premium | | **39,123** | 39,123 |
| Reserves | | **55,171** | 37,560 |
| **Total equity** | | **98,294** | 80,683 |
| **Non-current liabilities** | | | |
| Deferred income tax liabilities | | **150** | 46 |
| **Current liabilities** | | | |
| Trade payables | *15* | **14,412** | 12,838 |
| Accruals and other payables | *16* | **3,863** | 2,504 |
| Tax payable | | **8,012** | 6,186 |
| | | **26,287** | 21,528 |
| **Total liabilities** | | **26,437** | 21,574 |
| **Total equity and liabilities** | | **124,731** | 102,257 |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the year ended 30 June 2017*

| | Attributable to equity holders of the Company | | | |
|---|---|---|---|---|
| | **Share capital** *HK$'000* | **Share premium** *HK$'000* | **Retained earnings** *HK$'000* | **Total** *HK$'000* |
| 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 relating to 2016 (Note 11) | – | – | (10,000) | (10,000) |
| At 30 June 2016 | 4,000 | 39,123 | 37,560 | 80,683 |
| At 1 July 2016 | **4,000** | **39,123** | **37,560** | **80,683** |
| Total comprehensive income | | | | |
| Profit for the year | **–** | **–** | **32,611** | **32,611** |
| Transaction with owners | | | | |
| Dividends relating to 2017 (Note 11) | **–** | **–** | **(15,000)** | **(15,000)** |
| At 30 June 2017 | **4,000** | **39,123** | **55,171** | **98,294** |

# NOTES

## 1 GENERAL INFORMATION

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

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

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

These consolidated financial statements are presented in Hong Kong dollars ("HK$"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 25 August 2017.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 2.1 Basis of preparation

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

The preparation of consolidated 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(a) New and amended standards adopted by the Group

The following new standard, amendments and interpretations to standards are mandatory for the accounting period beginning on 1 July 2016 and are adopted by the Group during the year:

| | |
|---|---|
| HKAS 1 (Amendments) | Disclosure initiative |
| HKAS 16 and HKAS 38 (Amendments) | Clarification of acceptable methods of depreciation and amortisation |
| HKAS 16 and HKAS 41 (Amendments) | Agriculture: bearer plants |
| HKAS 27 (Amendments) | Equity method in separate financial statements |
| HKFRS 10, HKFRS 12 and HKAS 28 (Amendments) | Investment entities: applying the consolidation exception |
| HKFRS 11 (Amendments) | Accounting for acquisitions of interests in joint operations |
| HKFRS 14 | Regulatory deferral accounts |
| HKFRSs (Amendments) | Annual improvements to HKFRSs 2012-2014 cycle |

The adoption of the above new standard, amendments and interpretations to standards did not result in a significant impact to the Group's financial position and results.

(b) New standards and amendments to standards not yet adopted

The following new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2017 and have not been applied in preparing these consolidated financial statements:

| | | Effective for annual periods beginning on or after |
|---|---|---|
| HKAS 7 (Amendments) | Statement of cash flows | 1 January 2017 |
| HKAS 12 (Amendments) | Income taxes: recognition of deferred tax assets | 1 January 2017 |
| HKAS 40 (Amendments) | Transfers of investment property | 1 January 2018 |
| HKFRS 2 (Amendments) | Share-based payment | 1 January 2018 |
| HKFRS 4 (Amendments) | Applying HKFRS 9 financial instruments with HKFRS 4 insurance contracts | 1 January 2018 |
| HKFRS 9 | Financial instruments | 1 January 2018 |
| HKFRS 10 and HKAS 28 (Amendments) | Sale or contribution of assets between an investor and its associate or joint venture | To be determined |
| HKFRS 15 | Revenue from contracts with customers | 1 January 2018 |
| HKFRS 15 (Amendments) | Clarifications to HKFRS 15 | 1 January 2018 |
| HKFRS 16 | Leases | 1 January 2019 |
| HK(IFRIC) – Int 22 | Foreign currency transactions and advance consideration | 1 January 2018 |
| HK(IFRIC) – Int 23 | Uncertainty over income tax treatments | 1 January 2019 |

*HKFRS 9, "Financial instruments"*

HKFRS 9, "Financial Instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss.

For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The Group assess that adopting HKFRS 9 will not have a material impact to the Group's results of operations and financial position.

*HKFRS 15, "Revenue from contracts with customers"*

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

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

- revenue from service – the application of HKFRS 15 may result in the identification of separate performance obligations which could affect the timing of the recognition of revenue,

- accounting for certain costs incurred in fulfilling a contract – certain costs which are currently expensed may need to be recognised as an asset under HKFRS 15, and

- rights of return HKFRS 15 requires separate presentation on the balance sheet of the right to recover the goods from the customer and the refund obligation.

At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessments of the impact over the next twelve months.

HKFRS 15 is mandatory for financial years commencing on or after 1st January 2018. At this stage, the Group does not intend to adopt the standard before its effective date.

*HKFRS 16, "Leases"*

The Group is a lessee of office premises which are currently classified as operating leases. The Group's current accounting policy for such leases, is to record the rental expenses in the Group's consolidated statement of comprehensive income for the current year with the related operating lease commitments being separately disclosed in consolidated financial statements. HKFRS 16 provides new provisions for the accounting treatment of leases which no longer allows lessees to recognise leases outside of the consolidated statement of financial position. Instead, all non-current leases must be recognised in the form of assets (for the right of use) and financial liabilities (for the payment obligations) in the Group's consolidated statement of financial position. Short-term leases of less than twelve months and leases of low-value assets are exempt from such reporting obligation. The new standard will therefore result in a recognition of prepaid operating leases, increase in right-of-use assets and increase in lease liabilities in the statement of financial position. In the consolidated statements of comprehensive income, as a result, the annual rental and amortisation expenses of prepaid operating lease under otherwise identical circumstances will decrease, while depreciation of right of use of assets and interest expense arising from the financial liabilities will increase. The new standard is not expected to apply until the financial year beginning on or after 1 January 2019.

## 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 request from these customers, and resources are allocated based on what is the most beneficial to the Group in enhancing the value as a whole, instead of any specific unit.

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

The Group primarily operates in Hong Kong with all of its non-current assets located at and capital expenditure incurred in Hong Kong. During the years ended 30 June 2017 and 2016, all revenue was earned from external customers in Hong Kong.

## 4 REVENUE

| | **2017** | 2016 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Revenue from provision of healthcare staffing solution services | **59,570** | 50,231 |
| Revenue from provision of outreach case assessment related services | **2,906** | 735 |
| | **62,476** | 50,966 |

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

| | 2017<br>*HK$'000* | 2016<br>*HK$'000* |
|---|---|---|
| Gross fee | **236,497** | 205,622 |
| Cost attributable to healthcare personnel | **(176,927)** | (155,391) |
| Revenue from provision of healthcare staffing solution services | **59,570** | 50,231 |

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

## 5 OTHER INCOME

| | 2017<br>*HK$'000* | 2016<br>*HK$'000* |
|---|---|---|
| Other income | | |
| – Activity income | **441** | 313 |
| – Advertising income | **1,590** | 1,384 |
| – Sales of goods | **971** | 742 |
| – Others | **1,249** | 978 |
| Total | **4,251** | 3,417 |

## 6 OTHER OPERATING EXPENSES

| | 2017<br>*HK$'000* | 2016<br>*HK$'000* |
|---|---|---|
| Auditor's remuneration | **1,000** | 1,000 |
| Legal and professional fee | **3,809** | 1,670 |
| Donation | **1,188** | 207 |
| Rates and management fee | **244** | 101 |
| Postage, utilities and general office expenses | **728** | 1,026 |
| Travelling and transportation expenses | **497** | 538 |
| Printing costs | **929** | 1,094 |
| Advertising and promotion expenses | **1,118** | 964 |
| Activity expenses | **242** | 108 |
| Insurance expenses | **352** | 348 |
| Cost of inventories sold | **183** | 130 |
| Bank charges | **204** | 167 |
| Other expenses | **288** | 395 |
| | **10,782** | 7,748 |

## 7 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

| | **2017** | 2016 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Wages, salaries and bonus | **13,350** | 11,384 |
| Pension costs – defined contribution plan | **432** | 368 |
| Other staff welfare | **769** | 458 |
| | **14,551** | 12,210 |

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, NET

| | **2017** | 2016 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Interest income on bank deposits | **264** | 166 |
| Interest expenses arising from bank borrowings | **–** | (17) |
| | **264** | 149 |

## 9 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit for the year arising in or derived from Hong Kong.

| | **2017** | 2016 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Current income tax: | | |
| – Current tax on profits for the year | **7,065** | 5,700 |
| – Under/(over)provision in prior years | **6** | (20) |
| Deferred income tax expense/(credit) | **104** | (34) |
| | **7,175** | 5,646 |

## 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.

| | **2017** | 2016 |
|---|---|---|
| Profit attributable to equity holders of the Company (HK$'000) | **32,611** | 26,842 |
| Weighted average number of ordinary shares in issue (thousands) | **400,000** | 400,000 |
| Basic earnings per share (HK cents) | **8.15** | 6.71 |

Diluted earnings per share for the years ended 30 June 2017 and 2016 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 7 February 2017, the Board resolved to declare and pay interim dividends of HK$15,000,000 (HK3.75 cents per ordinary share) to the Company's shareholders whose names appear on the register of members of the Company on 28 February 2017.

On 25 August 2017, the Board resolved to declare a final dividend of HK$20,000,000 (HK5.00 cents per ordinary share) for the year ended 30 June 2017 (2016: Nil) to the Company's shareholders whose names appear on the register of members of the Company on 24 October 2017. This proposed dividend is not reflected as dividend payable in these consolidated financial statements.

On 4 February 2016, the Board resolved to declare and pay interim dividends of HK$10,000,000 (HK2.50 cents per ordinary share) to the Company's shareholders whose names appear on the register of members of the Company on 26 February 2016.

## 12 INVENTORIES

| | **2017**<br>***HK$'000*** | 2016<br>*HK$'000* |
|---|---|---|
| Trading merchandise | **142** | 131 |

Cost of inventories recognised as expenses and included in "other operating expenses" amounted to HK$183,000 (2016: HK$130,000).

## 13 TRADE RECEIVABLES

| | **2017**<br>***HK$'000*** | 2016<br>*HK$'000* |
|---|---|---|
| Trade receivables | **22,198** | 18,990 |

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

As at 30 June 2017, balances due from the top five customers account for 22% (2016: 18%) of the total balances. There is no concentration of credit risk with respect to trade receivables as there is a dispersed number of independent customers. The directors consider that the credit risk in respect of these customers is currently low after considering past experience with these customers.

During the years ended 30 June 2017 and 2016, the Group's trade receivables have no credit term and payment is immediately due upon presentation of invoices to customers. As at 30 June 2017 and 2016, all trade receivables were past due but not considered to be impaired because these mainly relate to a number of independent 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:

| | **2017** | 2016 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Less than 60 days | **21,313** | 17,321 |
| 60 days to 180 days | **780** | 1,498 |
| Over 180 days | **105** | 171 |
| | **22,198** | 18,990 |

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 2017 and 2016, no collateral has been received from these counterparties.

## 14 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | **2017** | 2016 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Current | | |
| Prepayments | **737** | 499 |
| Deposits | **516** | 507 |
| Other receivables | **187** | 27 |
| | **1,440** | 1,033 |
| Non-current | | |
| Prepayments | **30** | 3 |
| Deposits | **411** | – |
| | **441** | 3 |
| Total | **1,881** | 1,036 |

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:

| | **2017** | 2016 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Less than 30 days | **14,412** | 12,838 |

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

## 16 ACCRUALS AND OTHER PAYABLES

| | 2017 | 2016 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Accrued expenses | **2,739** | 1,359 |
| Deferred income | **512** | 515 |
| Other payables | **612** | 630 |
| | **3,863** | 2,504 |

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

## 17 COMMITMENTS

**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 are as follows:

| | 2017 | 2016 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| No later than 1 year | **1,560** | 664 |
| Later than 1 year and no later than 5 years | **2,340** | – |
| | **3,900** | 664 |

As at 30 June 2017 and 2016, the Company has no significant commitments.

## 18 EVENTS AFTER THE REPORTING PERIOD

On 14 August 2017, Achiever Ventures Limited ("Achiever Ventures"), a direct wholly-owned subsidiary of the Company, has entered into the subscription and shareholders' agreement with Dr. CHAN Hau Ngai and Dr. CHAN Chiu Lung Richie in relation to the formation of a joint venture company, Garden Medical Centre Limited ("JV Company"), which is planned to be engaged in the operation of plastic surgery clinic(s) in Hong Kong.

Achiever Ventures will also provide advance to the JV Company through shareholder's loan amounted to HK$3,000,000, which bears interest rate of 2% per annum.

## MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW AND PROSPECTS

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

During the Year, our Group's revenue was approximately HK$62.5 million (2016: HK$51.0 million), representing an increase of approximately 22.5% from the year ended 30 June 2016. Profit attributable to equity holders of our Company for the Year was approximately HK$32.6 million, representing an increase of approximately 21.6% as compared with approximately HK$26.8 million for the year ended 30 June 2016. The increase in revenue from the provision of healthcare staffing solution services contributed to approximately HK$9.3 million, representing 80.9% of the revenue growth; while there was also a remarkable growth in revenue from our provision of outreach case assessment related services, which contributed a revenue growth of approximately HK$2.2 million, representing approximately 19.1% of the revenue growth.

The growth in the provision of healthcare staffing solution services was mainly attributable to, amongst other factors, (i) the effect of the upward price adjustment in August 2016 for all ranks of healthcare personnel for both institutional and individual clients; and (ii) the increase in demand for services from both institutional and individual clients, amongst all, there was notable service demand increase from hospitals requiring placement service of Registered Nurses and Enrolled Nurses.

The revenue generated from outreach case assessment related services was approximately HK$2.9 million for the Year (2016: HK$0.7 million), representing an increase of approximately 314.3%. We have engaged one medical doctor and one more registered nurse in our outreach team during the Year.

To maintain a vast and diversified pool of registered healthcare personnel to better seize development opportunities, we offered various member benefits to attract and retain healthcare personnel registered with us. There were approximately 17,700 healthcare personnel registered with us as at 30 June 2017 (approximately 16,400 as at 30 June 2016), representing an increase of approximately 7.9% when compared to that of the year ended 30 June 2016.

During the Year, we have relocated our headquarters and the member service centre to a combined principal place of business in Tsim Sha Tsui. The combination of our centres and the new working environment enables our operation to be more dynamic and productive, and facilitates more efficient management. We believe that it also allows us to build closer bonding with our clients and healthcare personnel registered with us.

It is delighting that our Group is going to have several new moves in the year forward. A new subsidiary principally engaged in marketing and consulting business was set up in order to further develop publishing and marketing business, which involves the current business of health and leisure magazine, BamBoOs! Life publishing and other marketing consulting activities such as management services for health promotion initiatives, leveraging our Group's brand and leading position in the healthcare sector. Our Group also puts forward an investment in formation of a joint venture company which intended to be principally engaged in operation of plastic surgery clinic(s) in Hong Kong.

To cope with the ever-increasing aging population, numerous on-going hospital development plans and escalating demand for services in both institutional and private healthcare staffing solutions, together with the healthcare personnel registered with us, we will keep abreast of the times to pursue the highest quality and to achieve collective success.

## FINANCIAL REVIEW

### Revenue

The revenue of our Group for the year ended 30 June 2017 comprised revenue from the provision of healthcare staffing solution services and revenue from outreach case assessment related services. The revenue was approximately HK$62.5 million for the Year, representing an increase of approximately 22.5% from approximately HK$51.0 million for the year ended 30 June 2016.

Revenue from the provision of healthcare staffing solution services for the year ended 30 June 2017 was approximately HK$59.6 million (2016: HK$50.2 million). Among those, revenue from our institutional staffing solution services amounted to approximately HK$22.2 million (2016: HK$19.1 million), representing an increase of approximately 16.2%; and the revenue from our private nursing staffing services was approximately HK$37.4 million (2016: HK$31.1 million), representing an increase of approximately 20.3%. The increase was mainly attributable to the combined effect of (i) the increase in demand for healthcare staffing solution services from institutional and individual clients, amongst all, there was notable service demand increase from hospitals requiring placement service of Registered Nurses and Enrolled Nurses; and (ii) 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 from the provision of healthcare staffing solution services as a percentage of gross fee slightly increased to approximately 25.2% for the Year from approximately 24.4% for the year ended 30 June 2016.

Revenue from the provision of outreach case assessment related services was approximately HK$2.9 million for the Year (2016: HK$0.7 million), representing an increase of approximately 314.3%. The robust growth was mainly due to the increase in demand for medical and health assessment services provided by the newly engaged medical doctor in the outreach service team.

**Other income**

Other income mainly comprised advertising income, sales of goods, activity income and others. Other income increased from approximately HK$3.4 million for the year ended 30 June 2016 to approximately HK$4.3 million for the year ended 30 June 2017. It was attributable to the increase in revenue from sales of goods in our member service centre for the Year of approximately 30.9% as compared with that for the year ended 30 June 2016 resulted from efforts in point-of-sale marketing. Advertising income and activity income for the Year also had an increase of approximately 14.9% and 40.9%, respectively, as compared with the year ended 30 June 2016, which was mainly due to the marketing effort in magazine advertisement placement and health promotion activities initiatives.

**Expenses**

Our employee benefit expenses increased from approximately HK$12.2 million for the year ended 30 June 2016 to approximately HK$14.6 million for the year ended 30 June 2017, which was mainly attributable to (i) increase in headcounts, (ii) engagement of a medical doctor in the outreach team and (iii) general employee remuneration package enhancement.

The operating lease rentals decreased from approximately HK$1.6 million for the year ended 30 June 2016 to approximately HK$1.4 million for the year ended 30 June 2017. It was mainly attributable to the decrease in lease rental of our member service centre after its relocation to combine with our headquarters during the Year.

Other operating expenses increased from approximately HK$7.7 million for the year ended 30 June 2016 to approximately HK$10.8 million for the year ended 30 June 2017, which was mainly attributable to the one-off professional service fees incurred for the transfer of listing of our shares from the Growth Enterprise Market ("GEM") to the Main Board (the "Transfer of Listing") of The Stock Exchange of Hong Kong (the "Stock Exchange") and charity donation.

**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$264,000 for the year ended 30 June 2017 (2016: HK$149,000), which was primarily due to an increase of finance income from bank deposit interests and there was no finance expenses during the Year (2016: approximately HK$17,000) due to the full repayment of the bank borrowing in July 2015.

**Income tax expense**

Income tax expense amounted to approximately HK$7.2 million for the year ended 30 June 2017, representing an increase of approximately 28.6%, from approximately HK$5.6 million for the year ended 30 June 2016. The Group's effective tax rate slightly increased from approximately 17.4% for the year ended 30 June 2016 to approximately 18.0% for the year ended 30 June 2017.

**Profit for the Year and net profit margin**

Profit for the year ended 30 June 2017 amounted to approximately HK$32.6 million, increased by approximately HK$5.8 million, or 21.6%, from approximately HK$26.8 million for the year ended 30 June 2016, mainly as a result of the increase in revenue by approximately 22.5% from approximately HK$51.0 million for the year ended 30 June 2016 to approximately HK$62.5 million for the year ended 30 June 2017 resulted from operating performance analysed above, and partially offset by the one-off professional service fees incurred for the Transfer of Listing. There was a slight decrease in net profit margin that from approximately 52.7% for the year ended 30 June 2016 to approximately 52.2% for the year ended 30 June 2017.

**Trade receivables**

Trade receivables had a mild increase of approximately HK$3.2 million from approximately HK$19.0 million as at 30 June 2016 to approximately HK$22.2 million as at 30 June 2017. We generally do not grant credit terms to our clients and payment is immediately due upon presentation of invoices to customers. As at 30 June 2017 and 2016, all trade receivables were past due but not considered to be impaired because these mainly relate to a number of independent customers with limited history of default. During the year ended 30 June 2017, we did not recognise any provision for trade receivables.

**Trade payables**

Trade payables slightly increased to approximately HK$14.4 million as at 30 June 2017 from approximately HK$12.8 million as at 30 June 2016 which was mainly because of the increased costs payable to healthcare personnel placed by us during the year ended 30 June 2017.

## LIQUIDITY AND FINANCIAL RESOURCES

Our Group remained in a healthy and sound liquidity position as at 30 June 2017. 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 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, short term bank deposit, trade receivables, prepayments, deposits and other receivables and inventories.

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

As at 30 June 2017, our Group maintained cash and cash equivalents amounting to approximately HK$63.1 million (2016: HK$80.7 million). Net current assets increased to approximately HK$96.7 million as at 30 June 2017 from approximately HK$79.4 million as at 30 June 2016, which was mainly due to net cash generated from operating activities.

## 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 2017 and 30 June 2016, our Group had no outstanding bank and other borrowings.

## CAPITAL COMMITMENTS

There was no capital commitment as at 30 June 2017 (nil as at 30 June 2016).

## PLEDGE OF ASSETS

As at 30 June 2017, there was no significant pledge on our Group's assets (2016: Nil).

## CONTINGENT LIABILITIES

As at 30 June 2017, our Group had no significant contingent liabilities (2016: Nil).

## CHANGE OF USE OF NET PROCEEDS

The net proceeds from the placing of a total of 100,000,000 new shares of our Company at the placing price of HK$0.5 each (the "Placing") were approximately HK$39.8 million. As at 30 June 2017, the Company had utilised approximately HK$25.0 million of net proceeds from the Placing. Our Board resolved to change the use of part of the net proceeds from the Placing of approximately HK$10.3 million out of the remaining unutilised net proceeds from the Placing by reallocating the net proceeds originally intended for enhancing business operation efficiency and enhancing healthcare staffing solution services through introducing point-to-point pick-up service to (i) strengthening brand awareness and expanding healthcare personnel pool, and (ii) enhancing healthcare staffing solution services through strengthening our CS Department and other back office support as well as enhancing office facilities, acquire computer equipment, furniture and fixture.

Details of the original allocation of the net proceeds (the "Original Allocation"), the revised allocation of the net proceeds (the "Revised Allocation") and the utilisation of the net proceeds (the "Utilisation") as at 30 June 2017 are set out below:

| | **Original Allocation** *HK$'million* | **Revised Allocation** *HK$'million* | **Utilisation** *HK$'million* |
|---|---|---|---|
| Enhancing business operation efficiency | 3.9 | 1.5 | 1.5 |
| Strengthening brand awareness and expanding healthcare personnel pool | 5.8 | 13.7 | 5.7 |
| Enhancing healthcare staffing solution services | 15.2 | 9.7 | 7.3 |
| Developing outreach services team | 7.9 | 7.9 | 3.5 |
| Repayment of indebtedness | 4.8 | 4.8 | 4.8 |
| General working capital | 2.2 | 2.2 | 2.2 |
| | 39.8 | 39.8 | 25.0 |

**Reasons for the change of use of net proceeds**

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

Our Board considers that it is fair and reasonable and is line with the interests of our Company and its shareholders as a whole.

## 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 Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules") and Model Code as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") for relevant periods. 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 (the "Shareholders").

Our Company's corporate governance practices are based on the principles of the Corporate Governance Code (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules and Appendix 14 to the Listing Rules for relevant periods. 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.

During the Year, our audit committee had approved the nature and scope of the statutory audits, and reviewed the first quarterly, interim and annual financial statements of the Group, and was satisfied that the accounting policies and standards of the Group complied with the applicable accounting standards and requirements and that adequate disclosures have been made. Our audit committee also initiated internal control measures and reviewed the quarterly internal audit reports conducted by our Company's internal audit officer and evaluated the effectiveness of the internal audit system of our Group. During the Year, our audit committee adopted risk management policy and relevant risk management review process of our Group.

The figures in respect of the annual results announcement of the Group's results for the year ended 30 June 2017 have been agreed by the Company's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by PricewaterhouseCoopers in this announcement 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 this announcement.

## ANNUAL GENERAL MEETING

It is proposed that the forthcoming annual general meeting of the Company (the "AGM") will be held on Wednesday, 11 October 2017. A notice convening the AGM will be published and despatched to our shareholders in the manner required by the Listing Rules in due course.

## DIVIDEND

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

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

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 6 October 2017 to Wednesday, 11 October 2017 (both days inclusive) and from Monday, 23 October 2017 to Tuesday, 24 October 2017 (both days inclusive), during which periods no transfer of shares 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, 33/F. Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong (the "Hong Kong Share Registrar ") not later than 4:00 p.m. on Wednesday, 4 October 2017. In order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Hong Kong Share Registrar not later than 4:00 p.m. on Friday, 20 October 2017.

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 2017

*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.*